

State of
New Mexico
City of
Alamogordo

Annual Financial Report
For the Year Ended June 30, 2016



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INTRODUCTORY SECTION

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STATE OF NEW MEXICO

City of Alamogordo

Official Roster

June 30, 2016

<u>Name</u>	<u>City Commission</u>	<u>Title</u>
Richard Boss		Mayor
Alfonso "Al" Hernandez		City Commissioner District 5 / Mayor Pro Tem
Jason Baldwin		City Commissioner District 1
Nadia Sikes		City Commissioner District 2
Susan Payne		City Commissioner District 3
Jenny Turnbull		City Commissioner District 4
Erica Martin		City Commissioner District 6

Administration

Dr. George Straface	Interim City Manager (resigned 5/24/2016)
Margaret Paluch	Assistant City Manager / Acting City Manager (as of 5/24/2016)
LeeAnn Nichols	Finance Director (Retired 6/30/2016)
Renee Cantin	City Clerk (resigned 9/16/15)
Nancy Jacobs	City Clerk (as of 10/26/15) (retired 9/30/2016)
Rachel Hughs	City Clerk (as of 10/1/2016)
Julianne Hall	Accounting Manager / Acting Finance Director (as of 6/30/2016)
Stephen Thies	City Attorney (resigned 7/12/2016)

Housing Authority

Evelyn Huff	Housing Manager
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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Timothy Keller
New Mexico State Auditor
The Office of Management and Budget
To the City Commission
City of Alamogordo
Alamogordo, New Mexico

Report on 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 comparison for the general fund of the City of Alamogordo (the "City"), as of and for the year ended June 30, 2016, 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 funds, the combining financial statements for the internal service funds, and the budgetary comparisons for the major capital project funds, major debt service fund, proprietary funds, and all nonmajor funds presented as supplementary information, as defined by the Governmental Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2016, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 City'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 City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2016, and the respective changes in financial position and where applicable, cash flows thereof and the respective budgetary comparison for the general fund 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 fund and the combining financial statements for the internal service funds of the City as of June 30, 2016, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the major capital project funds, major debt service fund, proprietary funds, and all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that *Management's Discussion and Analysis* on pages 16 through 26 and Schedules I and II and the Notes to the Required Supplementary Information on pages 101 through 107 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

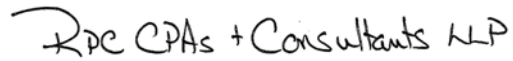
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The introductory section, the Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and Supporting Schedules III through V and VII through VIII required by Section 2.2.2 NMAC are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule VI Financial Data Schedule is presented for purposes of additional analysis as required by the U.S Department of Housing and Urban Development and is not a required part of the financial statements.

The Schedule of Expenditures of Federal Awards and Supporting Schedules III through VII are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and Supporting Schedules III through VII are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory section and Schedule VIII have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2016 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.



RPC CPAs + Consultants, LLP
Albuquerque, New Mexico
December 2, 2016

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STATE OF NEW MEXICO
CITY OF ALAMOGORDO
Management's Discussion and Analysis
For the Year Ended June 30, 2016
Unaudited

As management of the City of Alamogordo, we offer readers of the City of Alamogordo's financial statements this narrative overview and analysis of the financial activities of the City of Alamogordo for the fiscal year ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with the financial statements of the City of Alamogordo and additional information provided.

Financial Highlights

- The assets and deferred outflows of resources of the City of Alamogordo's governmental activities exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$73,773,938 (*net position*). Of this amount, \$(3,772,031) represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- The City of Alamogordo's total net position increased \$5,588,098 due primarily to increases in operating and capital grants and property and other taxes in the governmental funds.
- At the close of the current fiscal year, the City of Alamogordo's governmental funds reported combined fund balances of \$60,529,125, an increase of \$2,810,404 in comparison with the prior year. Approximately 9.61% of the total fund balance, or \$5,815,129, is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unrestricted fund balance (the total of the *committed*, *assigned*, and *unassigned* components of *fund balance*) for the general fund was \$9,221,555, or approximately 88% of total general fund expenditures.
- The City of Alamogordo's total outstanding long-term debt decreased by \$3,344,520 during the current fiscal year because payments were made as scheduled and there were minimal additions to long term debt.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the City of Alamogordo's basic financial statements. The City of Alamogordo's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support 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 financial information on all of the City of Alamogordo's assets, liabilities, and deferred inflows/outflows of resources, with the difference 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 City of Alamogordo'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 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 activities of the City of Alamogordo include an airport, golf course, water and sewer, solid waste collections, Bonito Lake, and a public housing authority, (PHA).

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CITY OF ALAMOGORDO
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The government-wide financial statements include not only the City of Alamogordo itself (known as the *primary government*), but also a legally separate Regional Landfill for which the City of Alamogordo is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself. The Public Housing Authority, (PHA), although also legally separate, functions for all practical purposes as a department of the City of Alamogordo, and therefore has been included under business-type activities.

The government-wide financial statements can be found on pages 28-31 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 fiduciary funds.

Governmental Funds

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

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

The City of Alamogordo maintains a number of individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the debt service fund and the capital projects funds, which are considered to be major funds. Data from the other non-major governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The City of Alamogordo adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 32-41 of this report.

Proprietary Funds

The City of Alamogordo maintains two different 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 enterprises funds to account for its airport, golf course, water and sewer, solid waste collections, Bonito Lake, and public housing authority, (PHA) funds. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of Alamogordo's various functions. The City of Alamogordo uses internal service funds to account for services for personnel/safety, fleet, management information services, facility maintenance, and risk management, including insurance services provided to other departments of the government. Services are provided on a cost reimbursement basis.

STATE OF NEW MEXICO
CITY OF ALAMOGORDO
Management's Discussion and Analysis
For the Year Ended June 30, 2016
Unaudited

Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

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 airport, golf course, water and sewer, solid waste collections, Bonito Lake, and public housing authority, (PHA) funds, all of which are considered to be major funds of the City of Alamogordo. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds are provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The basic proprietary fund financial statements can be found on pages 42-51 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 of Alamogordo'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, and one permanent fund. The *Police Court bond fund* is used to report the collection, holding, and reimbursement of court bonds. The *State Judicial fund* is used to report the State's share of fines for persons convicted of traffic violations.

The fiduciary fund financial statements can be found on page 53 of this report.

Notes to the Financial Statements

The notes provide additional information that is necessary to acquire 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 55-97 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents *required supplemental information* concerning the City of Alamogordo's progress in funding its obligation to provide pension and OPEB benefits to its employees. Required supplementary information can be found on pages 101-107 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information on pensions and OPEB. Combining and individual fund statements and schedules can be found on pages 114-183 of this report.

Government-wide Overall Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the City of Alamogordo, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$155,999,116, at the close of the most recent fiscal year.

STATE OF NEW MEXICO
CITY OF ALAMOGORDO
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City of Alamogordo's Net Position

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 63,830,357	\$ 61,599,143	\$ 19,474,562	\$ 21,118,075	\$ 83,304,919	\$ 82,717,218
Capital assets	62,170,190	61,788,827	93,004,243	83,041,355	155,174,433	144,830,182
Total assets	126,000,547	123,387,970	112,478,805	104,159,430	238,479,352	227,547,400
Deferred outflows of resources	1,708,757	1,871,775	395,598	312,292	2,104,355	2,184,067
Long-term liabilities outstanding	50,495,082	47,114,627	28,937,665	27,876,111	79,432,747	74,990,738
Other liabilities	2,431,856	5,358,227	1,553,125	2,909,298	3,984,981	8,267,525
Total liabilities	52,926,938	52,472,854	30,490,790	30,785,409	83,417,728	83,258,263
Deferred inflows of resources	1,008,428	4,601,051	158,435	767,651	1,166,863	5,368,702
Net investment in capital assets	37,518,235	37,068,956	66,824,255	55,790,456	104,342,490	92,859,412
Restricted	40,027,734	35,527,568	-	-	40,027,734	35,527,568
Unrestricted	(3,772,031)	(4,410,684)	15,400,923	17,128,206	11,628,892	12,717,522
Total net position	\$ 73,773,938	\$ 68,185,840	\$ 82,225,178	\$ 72,918,662	\$ 155,999,116	\$ 141,104,502

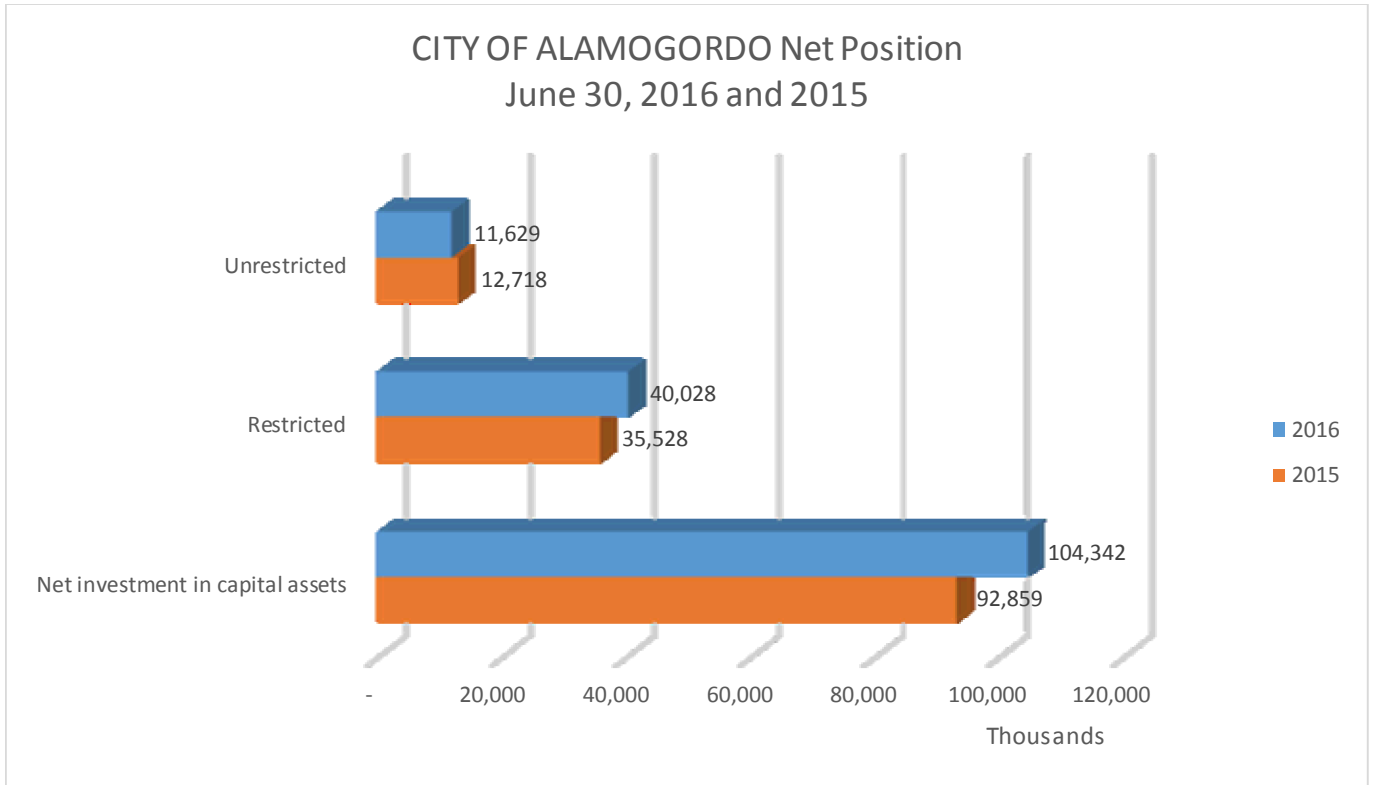
By far, the largest portion of the City of Alamogordo's net position (66.9%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The City of Alamogordo uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City of Alamogordo's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Alamogordo's net position (25.6%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$11,628,892 is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

At the end of the current fiscal year, the City of Alamogordo is able to report positive balances in all reported 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.

The City of Alamogordo's overall net position increased \$14,894,614 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

**STATE OF NEW MEXICO
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Management's Discussion and Analysis
For the Year Ended June 30, 2016
Unaudited



Governmental Activities

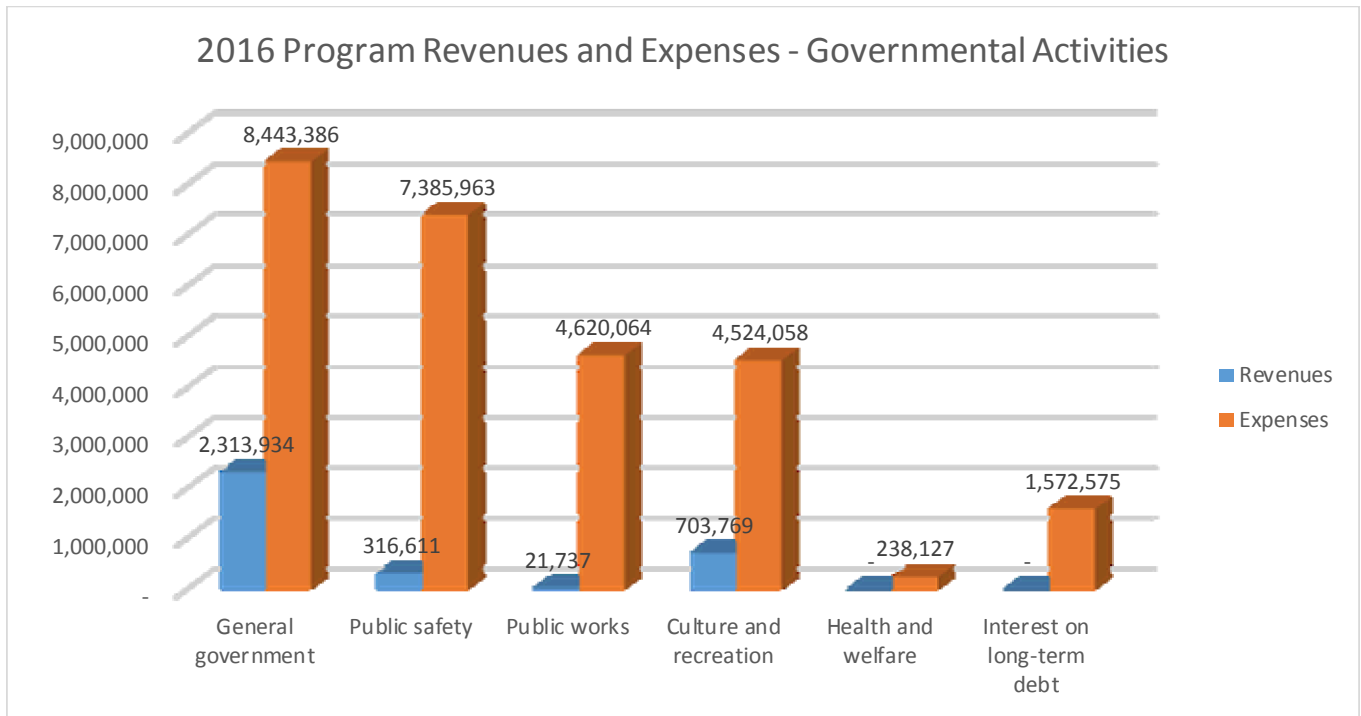
During the current fiscal year, net position for governmental activities increased \$5,588,098 from the prior fiscal year for an ending balance of \$73,773,938. The increase in the overall net position of governmental activities is the result of increases in operating grants, capital grants, property taxes, and other taxes.

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City of Alamogordo's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues						
Charges for services	\$ 3,356,051	\$ 3,609,636	\$ 13,446,558	\$ 13,314,229	\$ 16,802,609	\$ 16,923,865
Operating grants and contributions	2,995,482	2,503,511	716,843	3,704,920	3,712,325	6,208,431
Capital grants and contributions	5,445,247	2,440,854	302,021	-	5,747,268	2,440,854
General revenues:						
Property taxes	4,011,022	3,909,211	-	-	4,011,022	3,909,211
Other taxes	22,489,402	21,320,099	-	-	22,489,402	21,320,099
Investment earnings	862,834	484,891	172,466	159,080	1,035,300	643,971
Other	646,409	799,966	904,015	225,019	1,550,424	1,024,985
Total revenues	39,806,447	35,068,168	15,541,903	17,403,248	55,348,350	52,471,416
Expenses:						
General government	8,443,386	9,138,369	-	-	8,443,386	9,138,369
Public safety	7,385,963	9,167,813	-	-	7,385,963	9,167,813
Public works	4,620,064	1,776,970	-	-	4,620,064	1,776,970
Culture and recreation	4,524,058	5,139,638	-	-	4,524,058	5,139,638
Health and welfare	238,127	209,093	-	-	238,127	209,093
Interest on long-term debt	1,572,575	1,360,867	-	-	1,572,575	1,360,867
Water and sewer	-	-	8,525,149	8,679,641	8,525,149	8,679,641
Solid waste collections	-	-	1,851,720	1,963,907	1,851,720	1,963,907
Bonito Lake	-	-	96,192	9,631	96,192	9,631
Desert Lakes golf course	-	-	1,598,121	1,550,966	1,598,121	1,550,966
White Sands regional airport	-	-	321,614	323,501	321,614	323,501
Public housing - rental program	-	-	1,253,146	1,356,707	1,253,146	1,356,707
Public housing - home ownership	-	-	25,341	160,658	25,341	160,658
Total expenses	26,784,173	26,792,750	13,671,283	14,045,011	40,455,456	40,837,761
Increase (decrease) in net position before transfers	13,022,274	8,275,418	1,870,620	3,358,237	14,892,894	11,633,655
Transfers	(7,434,176)	(3,707,782)	7,435,896	3,709,502	1,720	1,720
Increase (decrease) in net position	5,588,098	4,567,636	9,306,516	7,067,739	14,894,614	11,635,375
Net position - beginning	68,185,840	79,214,345	72,918,662	68,490,828	141,104,502	147,705,173
Restatements	-	(15,596,141)	-	(2,639,905)	-	(18,236,046)
Net position - beginning (restated)	68,185,840	63,618,204	72,918,662	65,850,923	141,104,502	129,469,127
Net position - ending	\$ 73,773,938	\$ 68,185,840	\$ 82,225,178	\$ 72,918,662	\$ 155,999,116	\$ 141,104,502

**STATE OF NEW MEXICO
CITY OF ALAMOGORDO**
Management's Discussion and Analysis
For the Year Ended June 30, 2016
Unaudited



Business-type Activities

For the City of Alamogordo’s business-type activities, the results for the current fiscal year were positive in that overall net position increased by \$9,306,516 to reach an ending balance of \$82,225,178. The total unrestricted net position for the business-type activities decreased \$1,727,283, or a decrease of 10.08% from the prior year.

Financial Analysis of Governmental Funds

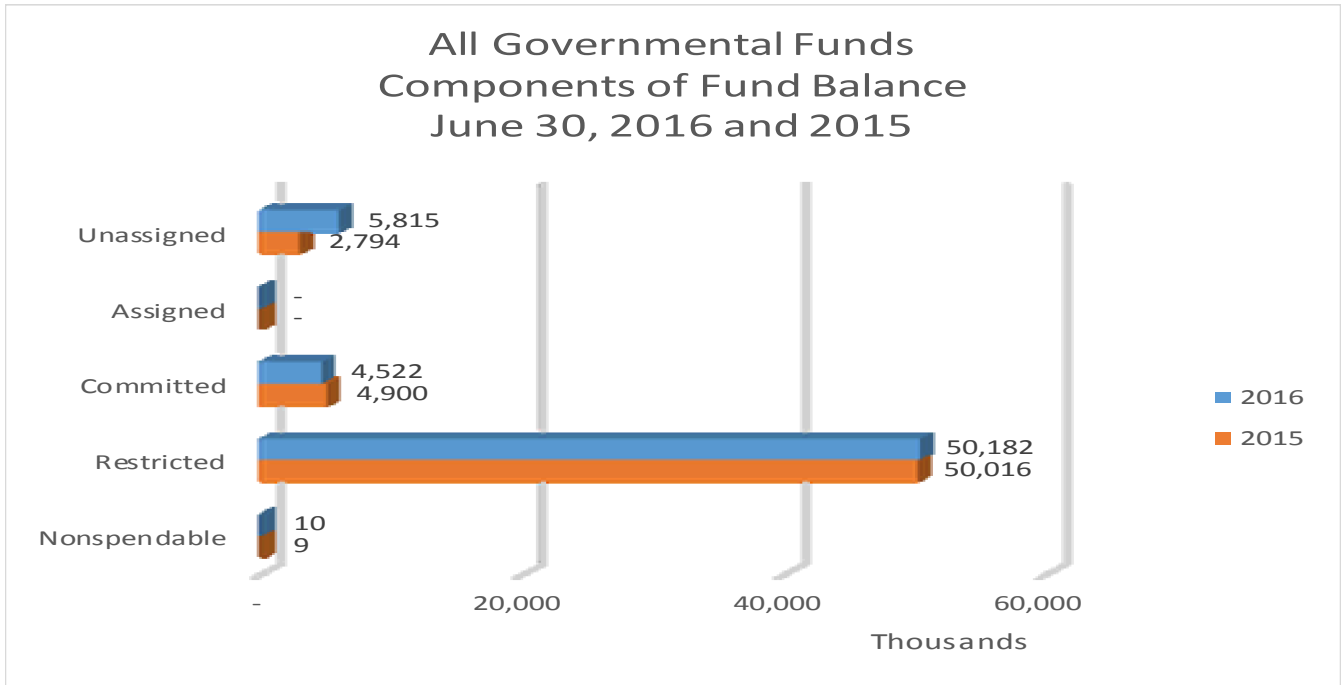
As noted earlier, the City of Alamogordo uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

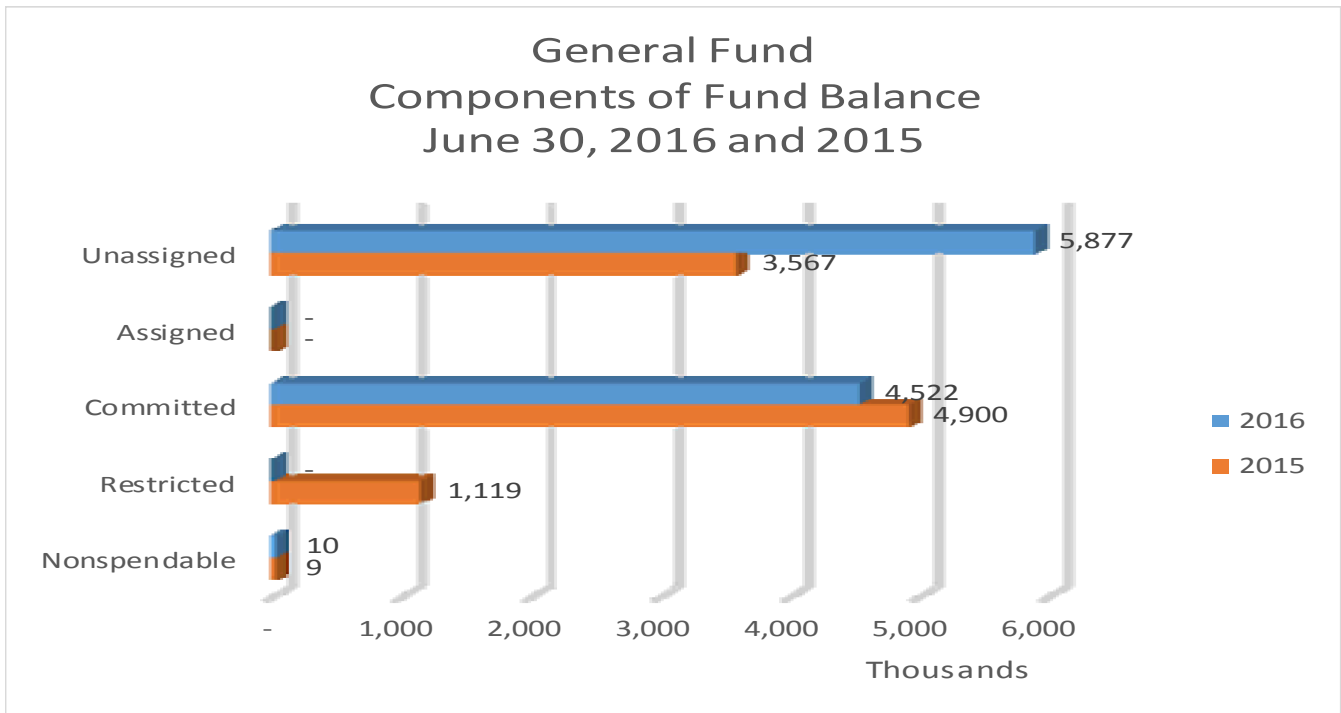
The focus of the City of Alamogordo’s *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Alamogordo’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City of Alamogordo itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City of Alamogordo’s Commission.

At June 30, 2016, the City of Alamogordo’s governmental funds reported combined fund balances of \$60,529,125, an increase of \$2,810,404 in comparison with the prior year. Approximately 9.61% of this amount \$(5,815,129) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is either *nonspendable, restricted, committed, or assigned* to indicate that it is 1) not in spendable form, \$(10,481), 2) restricted for particular purposes \$(50,181,774), 3) committed for particular purposes \$(4,521,741), or 4) assigned for particular purposes \$(0).

STATE OF NEW MEXICO
CITY OF ALAMOGORDO
 Management's Discussion and Analysis
 For the Year Ended June 30, 2016
 Unaudited



The general fund is the chief operating fund of the City of Alamogordo. At the end of the current fiscal year, unassigned fund balance of the general fund was \$5,815,129, while total fund balance increased to \$10,408,914. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 41.07% of total general fund expenditures, while total und balance represents approximately 72.75% of that same amount.



The fund balance of the City of Alamogordo's general fund increased by \$813,802 during the current fiscal year.

STATE OF NEW MEXICO
CITY OF ALAMOGORDO
Management's Discussion and Analysis
For the Year Ended June 30, 2016
Unaudited

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.

Unrestricted net position of the City's proprietary funds at the end of the year was \$11,628,892. The total unrestricted net position for the business-type activities decreased \$1,727,283, or a decrease of 10.08% from the prior year.

General Fund Budgetary Highlights

Original budget compared to final budget

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

Final budget compared to actual results

There were no significant differences between the final amended budget and actual revenues. Actual general fund expenditures were \$3,337,123 less than the final amended budget amount (favorable variance). This was due primarily to a savings of salaries and benefits in the police and fire departments from unfilled positions at the end of the year.

Capital Assets and Debt Administration

Capital assets

The City of Alamogordo's investment in capital assets for its governmental and business-type activities as of June 30, 2016, amounts to \$144,830,182 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery, equipment, vehicles, park facilities, roads, highways, the water and sewer treatment plant, as and other infrastructure. The total increase in capital assets for the current fiscal year was approximately \$5,460,315 or 3.92%.

City of Alamogordo's Capital Assets
(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 9,301,471	\$ 8,843,450	\$ 6,970,263	\$ 6,970,263	\$ 16,271,734	\$ 15,813,713
Buildings	7,729,989	8,119,076	9,157,640	9,272,610	16,887,629	17,391,686
Machinery, equipment and vehicles	3,591,746	2,868,628	3,075,529	2,665,479	6,667,275	5,534,107
Infrastructure	39,066,747	40,766,848	57,615,153	57,046,463	96,681,900	97,813,311
Unscheduled property	830,310	907,883	662,434	950,817	1,492,744	1,858,700
Construction in progress	1,649,927	282,942	15,523,224	6,135,723	17,173,151	6,418,665
Total	\$ 62,170,190	\$ 61,788,827	\$ 93,004,243	\$ 83,041,355	\$ 155,174,433	\$ 144,830,182

Major capital asset events during the current fiscal year included the following:

- Continuing (additions) of \$9,387,501 in business-type construction-in-progress projects.
- Significant infrastructure additions in both governmental and business-type capital assets due to CIP being finished in prior year.

Additional information on the City of Alamogordo's capital assets can be found in Note 7 – Capital Assets on pages 78-80 of this report.

STATE OF NEW MEXICO
CITY OF ALAMOGORDO
Management's Discussion and Analysis
For the Year Ended June 30, 2016
Unaudited

Long-term Debt

At the end of the current fiscal year, the City of Alamogordo had total bonded debt outstanding of \$29,992,898, and loans and notes outstanding of \$32,584,836.

City of Alamogordo's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
General obligation bonds	\$ 11,687,720	\$ 12,054,120	\$ 5,238,480	\$ 5,347,980	\$ 16,926,200	\$ 17,402,100
Revenue bonds / loans	2,175,000	2,495,000	10,891,698	11,602,699	13,066,698	14,097,699
Other loans / notes payable	20,734,782	22,413,811	10,012,435	10,171,025	30,747,217	32,584,836
Compensated absences	684,565	774,545	176,185	191,923	860,750	966,468
Total	\$ 35,282,067	\$ 37,737,476	\$ 26,318,798	\$ 27,313,627	\$ 61,600,865	\$ 65,051,103

The City of Alamogordo's total debt, including compensated absences, decreased by \$3,450,238, or 5.30% during the current fiscal year. The reason for the decrease is scheduled payments and minimal additions to debt.

Additional information on the City of Alamogordo's long-term debt can be found in Note 7 – Long-Term Debt on pages 81-86 of this report.

Economic Factors and Next Year's Budgets and Rates

The City of Alamogordo was founded in 1898 as a terminal for the railroad. It is the county seat, and commercial and governmental center of Otero County, New Mexico. Located in the Tularosa Basin, the City of Alamogordo is surrounded by the Organ, San Andres, and Sacramento mountain ranges, and has a population of approximately 35,000 citizens, many of which are military or retirees. The City of Alamogordo is closely linked to both Holloman Air Force Base and White Sands Missile Range. Tourism and the New Mexico Film Industry also contribute to the local economy with Whites Sands National Monument and the NM Museum of Space History being popular attractions.

The following economic factors currently affect the City of Alamogordo and were considered in developing the 2016-2017 fiscal year budget.

- **Unemployment Rate** - Per the Bureau of Labor Statistics, the unemployment rate for the City of Alamogordo as of April 2016 was 4.1%, which is a decrease from a rate of 5.1% in April 2015. We do not expect any significant changes in the unemployment rate for the City of Alamogordo over the next year.
- **Interest Rates** – Fed officials expect the economy's growth rate for 2017 to be approximately 2%, and interest rates are expected to remain at record low levels throughout FY2017.
- **Gross Receipts Tax** - During FY2016 the City of Alamogordo received approximately 65% of its annual operating budget for the General Fund from Gross Receipts Taxes. The Gross Receipts Tax revenue has been very difficult to predict over the last three years. In FY14 the City experienced a loss of \$797,486 compared to the prior fiscal year. In FY15, the Gross Receipts Tax gained \$688,016. In FY16, the GRT revenue gained over \$1.2 million or 6% over the prior year, which was unexpected considering that FY16 was the first year that NM Taxation and Revenue started their withholding of the Hold Harmless food and medical portion of the GRT distribution at a rate of 6%. Due to the volatility of the GRT revenue over the past three years, the City estimated a conservative 1% growth for FY17. The Hold Harmless deduction for FY17 will be 12%, which is projected to result in a loss of approximately \$345,000 in GRT revenue for the City of Alamogordo.

STATE OF NEW MEXICO
CITY OF ALAMOGORDO
Management's Discussion and Analysis
For the Year Ended June 30, 2016
Unaudited

- Fee Increases - The City Commission approved raising fees at Desert Lakes Golf Course effective July 1, 2016. The increased fees are expected to generate an additional \$23,121 annually. The City Commission also approved raising fees at the Convenience Center effective July 1, 2016. The increased fees are expected to generate an additional \$278,518 annually, which will be used for equipment replacement.
- Workers Compensation - The City's workers compensation modifier has decreased in both of the last two years, and is currently at 1.14 for 2017. Due to completing all of our required safety training hours, the City received a workers compensation credit in the amount of \$110,135 for FY17, this credit is deducted directly from the City's workers compensation payments to the NM Self Insurer's Fund until it is used up in full.
- Salary and Benefits - The City Commission approved a 4% salary increase for all APSOA, AFSCME, and Non-Represented employees, to become effective the first pay period in October 2016.
- Health Insurance Costs – For FY17 the cost of health insurance will increase by 1%, which is lower than the original projection of 4%.
- The Series 2004 GRT Revenue Bonds were refinanced on July 1, 2016, generating \$2.5 million for Flood Control, and \$2.1 million for the Natatorium project.

During the current fiscal year, the unassigned fund balance in the general fund was \$4,405,594. The City of Alamogordo has appropriated \$4,521,741 of general fund balance for spending in the 2016-2017 fiscal year budget.

Requests 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 East Ninth Street, Alamogordo, NM 88310.

**BASIC
FINANCIAL STATEMENTS**

STATE OF NEW MEXICO

City of Alamogordo

Statement of Net Position

June 30, 2016

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
Assets				
Current assets				
Cash and cash equivalents	\$ 6,272,608	\$ 5,275,624	\$ 11,548,232	\$ 45,200
Investments	42,666,458	10,670,783	53,337,241	3,747,764
Receivables:				
Taxes receivables	4,006,735	-	4,006,735	2,108
Due from other governments	358,172	-	358,172	-
Customer receivable, net	-	820,526	820,526	-
Other receivables, net	211,606	43,487	255,093	12,103
Inventory	203,201	336,281	539,482	-
Prepaid expenses	10,481	20,929	31,410	-
<i>Total current assets</i>	<u>53,729,261</u>	<u>17,167,630</u>	<u>70,896,891</u>	<u>3,807,175</u>
Noncurrent assets				
Restricted cash and cash equivalents	12,849	225,248	238,097	-
Restricted investments	10,088,247	1,680,013	11,768,260	755,113
Assets held for sale	-	400,917	400,917	-
Capital assets	243,739,675	142,063,495	385,803,170	6,311,255
Less: accumulated depreciation	<u>(181,569,485)</u>	<u>(49,059,252)</u>	<u>(230,628,737)</u>	<u>(3,230,504)</u>
<i>Total noncurrent assets</i>	<u>72,271,286</u>	<u>95,310,421</u>	<u>167,581,707</u>	<u>3,835,864</u>
<i>Total assets</i>	<u>126,000,547</u>	<u>112,478,051</u>	<u>238,478,598</u>	<u>7,643,039</u>
Deferred outflows of resources				
Employer contributions subsequent to the measurement date	1,207,831	177,495	1,385,326	16,730
Change in assumptions	52,313	8,145	60,458	740
Change in proportion	7,852	1,591	9,443	117
Net difference between projected and actual investment earnings	-	119,023	119,023	129
Difference between expected and actual experience	<u>440,761</u>	<u>89,344</u>	<u>530,105</u>	<u>6,589</u>
<i>Total deferred outflows of resources</i>	<u>1,708,757</u>	<u>395,598</u>	<u>2,104,355</u>	<u>24,305</u>
<i>Total assets and deferred outflows of resources</i>	<u><u>\$ 127,709,304</u></u>	<u><u>\$ 112,873,649</u></u>	<u><u>\$ 240,582,953</u></u>	<u><u>\$ 7,667,344</u></u>

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

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
Liabilities				
Current liabilities				
Accounts payable	\$ 856,590	\$ 378,444	\$ 1,235,034	\$ 40,766
Accrued payroll	601,961	106,146	708,107	9,357
Other accrued expenses	-	2,446	2,446	-
Accrued compensated absences	684,565	176,185	860,750	13,667
Funds held in trust for others	10,180	669,149	679,329	-
Accrued interest	262,307	148,229	410,536	-
Unearned revenue	16,253	52,946	69,199	106
Current portion of long-term debt	2,234,412	1,435,386	3,669,798	-
<i>Total current liabilities</i>	<u>4,666,268</u>	<u>2,968,931</u>	<u>7,635,199</u>	<u>63,896</u>
Noncurrent liabilities				
Home ownership/maintenance escrow	-	18,826	18,826	-
Accrued landfill closure costs	-	-	-	755,113
Bond discounts, net of accumulated amortization of \$15,625 and \$111,982	(157,449)	(79,892)	(237,341)	-
Bond premiums, net of accumulated amortization of \$26,807 and \$103,852	254,172	117,267	371,439	-
Long-term debt	32,363,090	24,707,227	57,070,317	-
Net pension liability	15,800,857	2,757,677	18,558,534	228,434
<i>Total noncurrent liabilities</i>	<u>48,260,670</u>	<u>27,521,105</u>	<u>75,781,775</u>	<u>983,547</u>
<i>Total liabilities</i>	<u>52,926,938</u>	<u>30,490,036</u>	<u>83,416,974</u>	<u>1,047,443</u>
Deferred inflows of resources				
Change in assumptions	218,084	32,795	250,879	3,061
Net difference between projected and actual investment earnings	170,539	-	170,539	-
Change in proportion	440,804	89,355	530,159	6,589
Difference between expected and actual experience	179,001	36,285	215,286	2,676
<i>Total deferred inflows of resources</i>	<u>1,008,428</u>	<u>158,435</u>	<u>1,166,863</u>	<u>12,326</u>
Net position				
Net investment in capital assets	37,518,235	66,824,255	104,342,490	3,080,751
Restricted for:				
Debt service	2,719,967	-	2,719,967	-
Capital projects	34,891,800	-	34,891,800	-
Special revenue	1,629,682	-	1,629,682	-
Permanent fund	786,285	-	786,285	-
Unrestricted	(3,772,031)	15,400,923	11,628,892	3,526,824
<i>Total net position</i>	<u>73,773,938</u>	<u>82,225,178</u>	<u>155,999,116</u>	<u>6,607,575</u>
<i>Total liabilities, deferred inflows of resources, and net position</i>	<u>\$ 127,709,304</u>	<u>\$ 112,873,649</u>	<u>\$ 240,582,953</u>	<u>\$ 7,667,344</u>

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

STATE OF NEW MEXICO
City of Alamogordo
Statement of Activities
For the Year Ended June 30, 2016

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental Activities				
General government	\$ 8,443,386	\$ 2,313,934	\$ 453,139	\$ 1,398,668
Public safety	7,385,963	316,611	737,314	-
Public works	4,620,064	21,737	328,937	123,924
Culture and recreation	4,524,058	703,769	1,220,515	3,922,655
Health and welfare	238,127	-	255,577	-
Interest on long-term debt	1,572,575	-	-	-
<i>Total governmental activities</i>	<u>26,784,173</u>	<u>3,356,051</u>	<u>2,995,482</u>	<u>5,445,247</u>
Business-type Activities:				
Water and sewer	8,525,149	9,621,293	-	-
Solid waste	1,851,720	2,036,014	-	-
Bonito lake	96,192	-	147,160	-
Golf course	1,598,121	1,329,120	-	-
Airport	321,614	151,349	11,945	-
Low rent public housing	1,253,146	308,558	557,738	302,021
Home ownership	25,341	224	-	-
<i>Total business-type activities</i>	<u>13,671,283</u>	<u>13,446,558</u>	<u>716,843</u>	<u>302,021</u>
<i>Total primary government</i>	<u>\$ 40,455,456</u>	<u>\$ 16,802,609</u>	<u>\$ 3,712,325</u>	<u>\$ 5,747,268</u>
Component Unit:				
Otero - Greentree Regional Landfill	<u>\$ 970,823</u>	<u>\$ 1,780,435</u>	<u>\$ -</u>	<u>\$ -</u>

General revenues and transfers:

Taxes

Property taxes

Gross receipts taxes

Gasoline and motor vehicle taxes

Other taxes

Investment income

Miscellaneous revenue

Gain on disposition of assets

Transfers

Total general revenues and transfers

Change in net position

Net position, beginning

Net position, ending

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

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Unit
\$ (4,277,645)	\$ -	\$ (4,277,645)	\$ -
(6,332,038)	-	(6,332,038)	-
(4,145,466)	-	(4,145,466)	-
1,322,881	-	1,322,881	-
17,450	-	17,450	-
(1,572,575)	-	(1,572,575)	-
<u>(14,987,393)</u>	<u>-</u>	<u>(14,987,393)</u>	<u>-</u>
-	1,096,144	1,096,144	-
-	184,294	184,294	-
-	50,968	50,968	-
-	(269,001)	(269,001)	-
-	(158,320)	(158,320)	-
-	(84,829)	(84,829)	-
-	(25,117)	(25,117)	-
<u>-</u>	<u>794,139</u>	<u>794,139</u>	<u>-</u>
(14,987,393)	794,139	(14,193,254)	-
-	-	-	809,612
4,011,022	-	4,011,022	-
21,347,747	-	21,347,747	-
611,542	-	611,542	-
530,113	-	530,113	-
862,834	172,466	1,035,300	55,019
549,273	904,015	1,453,288	69,849
97,136	-	97,136	-
(7,434,176)	7,435,896	1,720	(1,720)
<u>20,575,491</u>	<u>8,512,377</u>	<u>29,087,868</u>	<u>123,148</u>
5,588,098	9,306,516	14,894,614	932,760
<u>68,185,840</u>	<u>72,918,662</u>	<u>141,104,502</u>	<u>5,674,815</u>
<u>\$ 73,773,938</u>	<u>\$ 82,225,178</u>	<u>\$ 155,999,116</u>	<u>\$ 6,607,575</u>

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

STATE OF NEW MEXICO

City of Alamogordo
Balance Sheet
Governmental Funds
June 30, 2016

	<u>General Fund</u>	<u>1986 Gross Receipts Tax Fund Capital Projects Fund</u>	<u>2004 Capital Outlay GRT Fund Capital Projects Fund</u>
Assets			
Cash and cash equivalents	\$ 3,201,164	\$ 594,205	\$ 84,843
Investments	5,662,062	8,773,191	10,408,499
Receivables:			
Taxes receivables	2,108,466	278,115	556,229
Due from other governments	24,909	-	-
Other receivables, net	211,171	-	-
Prepaid expenses	10,481	-	-
<i>Total assets</i>	<u>\$ 11,218,253</u>	<u>\$ 9,645,511</u>	<u>\$ 11,049,571</u>
Liabilities, deferred inflows of resources, and fund balances			
<i>Liabilities</i>			
Accounts payable	\$ 141,926	\$ 4,770	\$ 14,853
Accrued payroll	511,754	-	-
Fund held in trust for others	10,180	-	-
Unearned revenue	16,183	-	-
<i>Total liabilities</i>	<u>680,043</u>	<u>4,770</u>	<u>14,853</u>
<i>Deferred inflows of resources</i>			
Unavailable revenues - property taxes	129,296	-	-
<i>Total deferred inflows of resources</i>	<u>129,296</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>			
Nonspendable			
Prepaid expenses	10,481	-	-
Spendable			
Restricted for:			
Government operations	-	-	-
Public safety	-	-	-
Public works	-	-	-
Culture and recreation	-	-	-
Health and welfare	-	-	-
Capital projects	-	9,640,741	11,034,718
Debt service	-	-	-
Permanent fund	-	-	-
Committed to:			
Subsequent year's expenditures	4,521,741	-	-
Unassigned	5,876,692	-	-
<i>Total fund balances</i>	<u>10,408,914</u>	<u>9,640,741</u>	<u>11,034,718</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 11,218,253</u>	<u>\$ 9,645,511</u>	<u>\$ 11,049,571</u>

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

1989 & 1996 GRT Principal and Interest Debt Service Fund	Other Governmental Funds	Total Governmental Funds
\$ 330	\$ 1,963,324	\$ 5,843,866
7,487	26,692,621	51,543,860
-	1,063,925	4,006,735
-	333,263	358,172
-	408	211,579
-	-	10,481
<u>\$ 7,817</u>	<u>\$ 30,053,541</u>	<u>\$ 61,974,693</u>
\$ -	\$ 522,569	\$ 684,118
-	52,227	563,981
-	-	10,180
-	70	16,253
<u>-</u>	<u>574,866</u>	<u>1,274,532</u>
-	41,740	171,036
<u>-</u>	<u>41,740</u>	<u>171,036</u>
-	-	10,481
-	257,890	257,890
-	462,419	462,419
-	518,243	518,243
-	328,406	328,406
-	22,838	22,838
-	24,189,700	44,865,159
7,817	2,932,717	2,940,534
-	786,285	786,285
-	-	4,521,741
-	(61,563)	5,815,129
<u>7,817</u>	<u>29,436,935</u>	<u>60,529,125</u>
<u>\$ 7,817</u>	<u>\$ 30,053,541</u>	<u>\$ 61,974,693</u>

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

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STATE OF NEW MEXICO

City of Alamogordo

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2016

Exhibit B-1

Page 2 of 2

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund balances - total governmental funds	\$	60,529,125
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		62,170,190
Internal service funds are used by management to charge the costs of activities, such as insurance, to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources are included in governmental activities in the Statement of Net Position		426,012
Delinquent property taxes and grants not collected within sixty days after year end are not considered "available" revenues and are considered to be unavailable revenue in the fund financial statements, but are considered revenue in the Statement of Activities		171,036
Deferred outflows and inflows of resources related to pensions are applicable to future periods and therefore, are not reported in funds		
Deferred outflows of resources related to employer contributions subsequent to the measurement date		1,115,521
Deferred outflows of resources related to changes in assumption		48,297
Deferred outflows of resources related to change in proportion		7,275
Deferred outflows of resources related to net difference between expected and actual experience		408,348
Deferred inflows of resources related to changes in assumption		(201,260)
Deferred inflows of resources related to net difference between projected and actual investment earnings		(147,411)
Deferred inflows of resources related to change in proportion		(408,388)
Deferred inflows of resources related to change in experience		(165,837)
Certain liabilities, including bonds payable, net pension liability, and current and long-term portions of accrued compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds:		
Accrued interest		(262,307)
Current portion of accrued compensated absences		(614,248)
Bond discounts		157,449
Bond premiums		(254,172)
Long-term debt payable		(34,597,502)
Net pension liability		(14,608,190)
		(14,608,190)
<i>Net position of governmental activities</i>	\$	73,773,938

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

STATE OF NEW MEXICO
City of Alamogordo
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2016

	<u>General Fund</u>	<u>1986 Gross Receipts Tax Fund Capital Projects Fund</u>	<u>2004 Capital Outlay GRT Fund Capital Projects Fund</u>
<i>Revenues</i>			
Taxes:			
Property	\$ 3,018,400	\$ -	\$ -
Gross receipts	11,201,478	1,623,403	3,246,806
Gasoline and motor vehicle	-	-	-
Other	-	-	-
Intergovernmental:			
Federal operating grants	84,588	-	-
State operating grants	125,428	-	-
Federal capital grants	-	-	-
State capital grants	8,908	-	-
Charges for services	2,925,227	-	-
Investment income	96,619	143,487	153,049
Miscellaneous	225,264	-	-
<i>Total revenues</i>	<u>17,685,912</u>	<u>1,766,890</u>	<u>3,399,855</u>
<i>Expenditures</i>			
Current:			
General government	3,745,201	1,029	-
Public safety	7,399,193	-	-
Public works	-	96,548	21,910
Culture and recreation	2,164,490	-	-
Health and welfare	-	-	-
Capital outlay	997,316	-	955,246
Debt service:			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>14,306,200</u>	<u>97,577</u>	<u>977,156</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>3,379,712</u>	<u>1,669,313</u>	<u>2,422,699</u>
<i>Other financing sources (uses)</i>			
Proceeds from sale of assets	154,043	-	-
Transfers in	390,590	241,859	197,473
Transfers (out)	(3,110,543)	(939,901)	(1,118,717)
<i>Total other financing sources (uses)</i>	<u>(2,565,910)</u>	<u>(698,042)</u>	<u>(921,244)</u>
<i>Net change in fund balances</i>	813,802	971,271	1,501,455
<i>Fund balances - beginning of year</i>	<u>9,595,112</u>	<u>8,669,470</u>	<u>9,533,263</u>
<i>Fund balances - end of year</i>	<u>\$ 10,408,914</u>	<u>\$ 9,640,741</u>	<u>\$ 11,034,718</u>

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

1989 & 1996 GRT Principal and Interest Debt Service Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 1,022,194	\$ 4,040,594
-	5,276,060	21,347,747
-	611,542	611,542
-	530,113	530,113
-	486,854	571,442
-	2,298,612	2,424,040
-	3,886,770	3,886,770
-	1,549,569	1,558,477
-	430,824	3,356,051
116	452,013	845,284
-	184,136	409,400
116	16,728,687	39,581,460
-	871,516	4,617,746
-	540,458	7,939,651
-	1,535,174	1,653,632
-	1,706,663	3,871,153
-	241,451	241,451
-	2,531,626	4,484,188
1,889,465	475,964	2,365,429
899,015	723,678	1,622,693
2,788,480	8,626,530	26,795,943
(2,788,364)	8,102,157	12,785,517
-	19,788	173,831
2,788,473	4,524,020	8,142,415
-	(13,122,198)	(18,291,359)
2,788,473	(8,578,390)	(9,975,113)
109	(476,233)	2,810,404
7,708	29,913,168	57,718,721
\$ 7,817	\$ 29,436,935	\$ 60,529,125

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

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STATE OF NEW MEXICO

City of Alamogordo

Governmental Funds

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, 2016

Exhibit B-2

Page 2 of 2

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - total governmental funds	\$	2,810,404
Internal service funds to charge the cost of certain activities, such as insurance, to the individual funds. The net expense of the internal service funds are reported within the governmental activities expenses		(2,969,426)
Funds transferred in, investment income and miscellaneous income of the internal service funds are consolidated within the general revenues of the governmental activities		2,872,191
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:		
Capital expenditures		5,063,075
Loss on disposition of capital assets		(76,695)
Depreciation expense		(4,605,017)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds:		
Change in unavailable revenue related to property taxes receivable		(29,572)
Governmental funds report City pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense:		
City pension contributions		1,115,521
Pension expense		(1,074,018)
The issuance of long-term debt (e.g. bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities:		
Decrease in accrued interest		44,718
Decrease in accrued compensated absences		66,088
Principal payments on debt payable		2,365,429
Amortization expense for debt discount		(8,652)
Amortization expense for debt premium		14,052
		14,052
<i>Change in net position of governmental activities</i>	\$	5,588,098

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

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STATE OF NEW MEXICO

Exhibit C-1

City of Alamogordo

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ 2,723,687	\$ 2,723,687	\$ 2,904,466	\$ 180,779
Gross receipts	10,757,091	10,507,974	11,201,478	693,504
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	3,535	87,628	84,588	(3,040)
State operating grants	37,584	153,338	293,018	139,680
Federal capital grants	-	-	-	-
State capital grants	-	468,698	8,908	(459,790)
Charges for services	3,064,897	3,063,951	2,958,036	(105,915)
Investment income	72,776	72,776	96,619	23,843
Miscellaneous	6,601	184,658	214,517	29,859
<i>Total revenues</i>	<u>16,666,171</u>	<u>17,262,710</u>	<u>17,761,630</u>	<u>498,920</u>
<i>Expenditures</i>				
Current:				
General government	4,078,032	4,242,165	3,702,177	539,988
Public safety	8,554,212	8,753,219	7,399,193	1,354,026
Public works	-	-	-	-
Culture and recreation	2,311,373	2,393,623	2,164,490	229,133
Health and welfare	-	-	-	-
Capital outlay	592,984	2,070,656	856,680	1,213,976
<i>Total expenditures</i>	<u>15,536,601</u>	<u>17,459,663</u>	<u>14,122,540</u>	<u>3,337,123</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>1,129,570</u>	<u>(196,953)</u>	<u>3,639,090</u>	<u>3,836,043</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	881,366	2,921,223	-	(2,921,223)
Proceeds from sale of assets	13,386	13,386	19,864	6,478
Transfers in	911,738	1,047,826	353,614	(694,212)
Transfers (out)	(2,936,060)	(3,785,482)	(3,108,566)	676,916
<i>Total other financing sources (uses)</i>	<u>(1,129,570)</u>	<u>196,953</u>	<u>(2,735,088)</u>	<u>(2,932,041)</u>
<i>Net change in fund balances</i>	-	-	904,002	904,002
<i>Fund balances - beginning of year</i>	-	-	7,949,044	7,949,044
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,853,046</u>	<u>\$ 8,853,046</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 904,002
Adjustments to revenues for taxes, grant revenues and charges for services				95,437
Adjustments to expenditures for salaries and other expenses.				(185,637)
<i>Net change in fund balance (GAAP)</i>				<u>\$ 813,802</u>

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

STATE OF NEW MEXICO

City of Alamogordo
Statement of Net Position
Proprietary Funds
June 30, 2016

Business-Type Activities - Enterprise Funds

	Water & Sewer Fund	Solid Waste Fund	Bonito Lake Fund	Golf Course Fund
<i>Assets</i>				
Current assets				
Cash and cash equivalents	\$ 230,110	\$ 159,569	\$ 3,283,020	\$ 115,033
Investments	10,129,486	231,972	299	-
Receivables				
Customer receivable, net	678,947	111,988	1	-
Other receivable	43,314	34	-	-
Inventory	327,091	-	-	-
Prepaid expenses	-	-	-	-
Due from other funds	-	-	-	-
<i>Total current assets</i>	<u>11,408,948</u>	<u>503,563</u>	<u>3,283,320</u>	<u>115,033</u>
Noncurrent assets				
Restricted cash and cash equivalents	77,523	-	74,551	-
Restricted investment	1,680,013	-	-	-
Assets held for sale	-	-	-	-
Capital assets	104,990,988	925,770	2,559,969	6,826,263
Less: accumulated depreciation	(31,958,275)	(751,893)	(235,158)	(2,110,296)
<i>Total noncurrent assets</i>	<u>74,790,249</u>	<u>173,877</u>	<u>2,399,362</u>	<u>4,715,967</u>
<i>Total assets</i>	<u>86,199,197</u>	<u>677,440</u>	<u>5,682,682</u>	<u>4,831,000</u>
<i>Deferred outflows of resources</i>				
Employer contributions subsequent to the measurement date	140,024	7,597	-	14,509
Change in assumptions	6,198	339	-	650
Change in proportion	995	57	-	112
Net difference between projected and actual results on pension investments	5,477	1,324	-	3,638
Difference between expected and actual experience	55,870	3,201	-	6,297
<i>Total deferred outflows of resources</i>	<u>208,564</u>	<u>12,518</u>	<u>-</u>	<u>25,206</u>
<i>Total assets and deferred outflows of resources</i>	<u>\$ 86,407,761</u>	<u>\$ 689,958</u>	<u>\$ 5,682,682</u>	<u>\$ 4,856,206</u>

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

Business-Type Activities - Enterprise Funds				Governmental Activities
Airport Fund	Public Housing Authority		Total	Total Internal Service Funds
	Low Rent Public Housing Fund	Home Ownership Fund		
\$ 90,111	\$ 848,148	\$ 549,633	\$ 5,275,624	\$ 441,591
101,576	96,450	111,000	10,670,783	1,210,845
23,654	4,748	1,188	820,526	-
-	-	139	43,487	27
-	9,190	-	336,281	203,201
-	20,929	-	20,929	-
-	-	595	595	-
<u>215,341</u>	<u>979,465</u>	<u>662,555</u>	<u>17,168,225</u>	<u>1,855,664</u>
10,297	43,751	19,126	225,248	-
-	-	-	1,680,013	-
-	-	400,917	400,917	-
12,359,935	14,396,835	3,735	142,063,495	-
(3,657,129)	(10,342,766)	(3,735)	(49,059,252)	-
<u>8,713,103</u>	<u>4,097,820</u>	<u>420,043</u>	<u>95,310,421</u>	<u>-</u>
<u>8,928,444</u>	<u>5,077,285</u>	<u>1,082,598</u>	<u>112,478,646</u>	<u>1,855,664</u>
5,864	9,240	261	177,495	92,310
261	677	20	8,145	4,016
43	371	13	1,591	577
659	104,198	3,727	119,023	-
<u>2,410</u>	<u>20,848</u>	<u>718</u>	<u>89,344</u>	<u>32,413</u>
<u>9,237</u>	<u>135,334</u>	<u>4,739</u>	<u>395,598</u>	<u>129,316</u>
<u>\$ 8,937,681</u>	<u>\$ 5,212,619</u>	<u>\$ 1,087,337</u>	<u>\$ 112,874,244</u>	<u>\$ 1,984,980</u>

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

STATE OF NEW MEXICO

City of Alamogordo
Statement of Net Position
Proprietary Funds
June 30, 2016

Business-Type Activities - Enterprise Funds

	<u>Water & Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Bonito Lake Fund</u>	<u>Golf Course Fund</u>
<i>Liabilities</i>				
Current liabilities				
Accounts payable	\$ 224,532	\$ 138,630	\$ -	\$ 6,204
Accrued payroll	73,540	4,343	-	9,667
Other accrued expenses	-	-	-	-
Accrued compensated absences	126,784	7,055	-	16,629
Funds held in trust for others	614,801	-	-	-
Accrued interest	148,229	-	-	-
Unearned revenue	45,781	-	-	-
Due to other funds	-	-	-	-
Current portion of long-term debt	1,435,386	-	-	-
<i>Total current liabilities</i>	<u>2,669,053</u>	<u>150,028</u>	<u>-</u>	<u>32,500</u>
Noncurrent liabilities				
Home ownership/maintenance escrow	-	-	-	-
Bond discounts, net of accumulated amortization of \$100,954	(79,892)	-	-	-
Bond premiums, net of accumulated amortization of \$91,924	117,267	-	-	-
Long-term debt	24,707,227	-	-	-
Net pension liability	1,924,348	107,311	-	208,126
<i>Total noncurrent liabilities</i>	<u>26,668,950</u>	<u>107,311</u>	<u>-</u>	<u>208,126</u>
<i>Total liabilities</i>	<u>29,338,003</u>	<u>257,339</u>	<u>-</u>	<u>240,626</u>
<i>Deferred inflows of resources</i>				
Change in assumptions	25,631	1,394	-	2,664
Net difference between projected and actual results on pension investments	-	-	-	-
Change in proportion	55,876	3,201	-	6,298
Difference between expected and actual experience	22,690	1,300	-	2,557
<i>Total deferred inflows of resources</i>	<u>104,197</u>	<u>5,895</u>	<u>-</u>	<u>11,519</u>
<i>Net Position</i>				
Net investment in capital assets	46,852,725	173,877	2,324,811	4,715,967
Unrestricted	10,112,836	252,847	3,357,871	(111,906)
<i>Total net position</i>	<u>56,965,561</u>	<u>426,724</u>	<u>5,682,682</u>	<u>4,604,061</u>
<i>Total liabilities, deferred inflows of resources, and net position</i>	<u>\$ 86,407,761</u>	<u>\$ 689,958</u>	<u>\$ 5,682,682</u>	<u>\$ 4,856,206</u>

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

Business-Type Activities - Enterprise Funds				Governmental Activities
Airport Fund	Public Housing Authority		Total	Total Internal Service Funds
	Low Rent Public Housing Fund	Home Ownership Fund		
\$ 6,189	\$ 2,828	\$ 61	\$ 378,444	\$ 172,472
2,673	15,337	586	106,146	37,980
-	2,160	286	2,446	-
2,581	23,136	-	176,185	70,317
10,297	43,751	300	669,149	-
-	-	-	148,229	-
-	5,302	1,863	52,946	-
-	595	-	595	-
-	-	-	1,435,386	-
<u>21,740</u>	<u>93,109</u>	<u>3,096</u>	<u>2,969,526</u>	<u>280,769</u>
-	-	18,826	18,826	-
-	-	-	(79,892)	-
-	-	-	117,267	-
-	-	-	24,707,227	-
81,797	421,949	14,146	2,757,677	1,192,667
<u>81,797</u>	<u>421,949</u>	<u>32,972</u>	<u>27,521,105</u>	<u>1,192,667</u>
<u>103,537</u>	<u>515,058</u>	<u>36,068</u>	<u>30,490,631</u>	<u>1,473,436</u>
1,074	1,974	58	32,795	16,824
-	-	-	-	23,128
2,411	20,850	719	89,355	32,416
979	8,467	292	36,285	13,164
<u>4,464</u>	<u>31,291</u>	<u>1,069</u>	<u>158,435</u>	<u>85,532</u>
8,702,806	4,054,069	-	66,824,255	-
126,874	612,201	1,050,200	15,400,923	426,012
<u>8,829,680</u>	<u>4,666,270</u>	<u>1,050,200</u>	<u>82,225,178</u>	<u>426,012</u>
<u>\$ 8,937,681</u>	<u>\$ 5,212,619</u>	<u>\$ 1,087,337</u>	<u>\$ 112,874,244</u>	<u>\$ 1,984,980</u>

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

STATE OF NEW MEXICO
City of Alamogordo
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2016

	Business-Type Activities - Enterprise Funds			
	Water & Sewer Fund	Solid Waste Fund	Bonito Lake Fund	Golf Course Fund
<i>Operating revenues</i>				
Charges for service	\$ 9,621,293	\$ 2,036,014	\$ -	\$ 1,329,120
Operating subsidy	-	-	147,160	-
<i>Total operating revenues</i>	<u>9,621,293</u>	<u>2,036,014</u>	<u>147,160</u>	<u>1,329,120</u>
<i>Operating expenses</i>				
Personnel expenses	2,313,458	140,849	-	302,099
Contractual services	90,203	1,579,826	-	-
Supplies expense	1,473,553	86,131	14,699	1,050,269
Repairs and maintenance	339,467	8,157	-	42,238
Utilities	734,914	7,249	2,481	41,205
Equipment	90,771	-	73,747	-
Depreciation expense	2,812,167	29,508	5,265	162,310
Miscellaneous expense	15,324	-	-	-
<i>Total operating expenses</i>	<u>7,869,857</u>	<u>1,851,720</u>	<u>96,192</u>	<u>1,598,121</u>
<i>Operating income (loss)</i>	<u>1,751,436</u>	<u>184,294</u>	<u>50,968</u>	<u>(269,001)</u>
<i>Non-operating revenues (expenses)</i>				
Interest expense	(642,482)	-	-	-
Investment income	164,787	3,097	312	376
Miscellaneous income	304,160	1,035	75	6,795
Gain (loss) on disposition of asset	(12,810)	-	-	-
<i>Total non-operating revenues (expenses)</i>	<u>(186,345)</u>	<u>4,132</u>	<u>387</u>	<u>7,171</u>
<i>Income (loss) before contributions and transfers</i>	<u>1,565,091</u>	<u>188,426</u>	<u>51,355</u>	<u>(261,830)</u>
Capital grants	-	-	-	-
Transfers in	6,368,543	-	163,283	143,834
Transfers (out)	(2,598,846)	(125,408)	-	(51,911)
<i>Change in net position</i>	5,334,788	63,018	214,638	(169,907)
<i>Net position - beginning</i>	<u>51,630,773</u>	<u>363,706</u>	<u>5,468,044</u>	<u>4,773,968</u>
<i>Net position - end of year</i>	<u>\$ 56,965,561</u>	<u>\$ 426,724</u>	<u>\$ 5,682,682</u>	<u>\$ 4,604,061</u>

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

Business-Type Activities - Enterprise Funds				Governmental Activities
Airport Fund	Public Housing Authority		Total	Total Internal Service Funds
	Low Rent Public Housing Fund	Home Ownership Fund		
\$ 151,349	\$ 308,558	\$ 224	\$ 13,446,558	\$ 232,912
11,945	557,738	-	716,843	-
<u>163,294</u>	<u>866,296</u>	<u>224</u>	<u>14,163,401</u>	<u>232,912</u>
90,024	412,214	13,812	3,272,456	1,279,047
-	201,102	6,437	1,877,568	176,260
47,379	106,986	167	2,779,184	806,581
14,908	7,801	1,720	414,291	136,781
31,092	125,526	2,706	945,173	31,459
-	16,167	-	180,685	578,887
138,211	374,064	-	3,521,525	-
-	9,286	499	25,109	193,323
<u>321,614</u>	<u>1,253,146</u>	<u>25,341</u>	<u>13,015,991</u>	<u>3,202,338</u>
<u>(158,320)</u>	<u>(386,850)</u>	<u>(25,117)</u>	<u>1,147,410</u>	<u>(2,969,426)</u>
-	-	-	(642,482)	-
1,836	1,251	807	172,466	17,550
587,722	2,964	1,264	904,015	139,873
-	-	-	(12,810)	-
<u>589,558</u>	<u>4,215</u>	<u>2,071</u>	<u>421,189</u>	<u>157,423</u>
<u>431,238</u>	<u>(382,635)</u>	<u>(23,046)</u>	<u>1,568,599</u>	<u>(2,812,003)</u>
-	302,021	-	302,021	-
3,564,676	-	-	10,240,336	2,714,768
<u>(28,275)</u>	<u>-</u>	<u>-</u>	<u>(2,804,440)</u>	<u>-</u>
3,967,639	(80,614)	(23,046)	9,306,516	(97,235)
<u>4,862,041</u>	<u>4,746,884</u>	<u>1,073,246</u>	<u>72,918,662</u>	<u>523,247</u>
<u>\$ 8,829,680</u>	<u>\$ 4,666,270</u>	<u>\$ 1,050,200</u>	<u>\$ 82,225,178</u>	<u>\$ 426,012</u>

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

STATE OF NEW MEXICO
City of Alamogordo
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2016

	Business-Type Activities - Enterprise Funds			
	Water & Sewer Fund	Solid Waste Fund	Bonito Lake Fund	Golf Course Fund
<i>Cash flows from operating activities</i>				
Cash received from user charges	\$ 9,680,861	\$ 2,053,044	\$ -	\$ 1,329,120
Cash received from subsidy grants	-	-	150,313	-
Cash payments to employees for services	(2,316,051)	(143,731)	-	(299,129)
Cash payments to suppliers for goods and services	(2,807,092)	(1,679,722)	(91,132)	(1,132,041)
<i>Net cash provided (used) by operating activities</i>	<u>4,557,718</u>	<u>229,591</u>	<u>59,181</u>	<u>(102,050)</u>
<i>Cash flows from noncapital financing activities</i>				
Gross receipts taxes	-	48	-	-
Miscellaneous income	289,280	1,035	75	6,795
Transfers	3,769,697	(125,408)	-	91,923
<i>Net cash provided (used) by noncapital financing activities</i>	<u>4,058,977</u>	<u>(124,325)</u>	<u>75</u>	<u>98,718</u>
<i>Cash flows from investing activities</i>				
Sale (Purchase) of investments	(268,712)	(27,665)	(299)	35,316
Interest on investments	164,787	3,097	312	376
<i>Net cash provided (used) by investing activities</i>	<u>(103,925)</u>	<u>(24,568)</u>	<u>13</u>	<u>35,692</u>
<i>Cash flows from capital and related financing activities</i>				
Acquisition of capital assets	(8,416,761)	-	(497,722)	(54,353)
Capital grants	-	-	-	-
Interest paid	(653,871)	-	-	-
Proceeds from issuance of long-term debt	372,102	-	-	-
Principal payments on bonds and loans payable	(1,351,193)	-	-	-
<i>Net cash provided (used) by capital and related financing activities</i>	<u>(10,049,723)</u>	<u>-</u>	<u>(497,722)</u>	<u>(54,353)</u>
<i>Net (decrease) increase in cash and cash equivalents</i>	(1,536,953)	80,698	(438,453)	(21,993)
<i>Cash and cash equivalents - beginning of year</i>	<u>1,844,586</u>	<u>78,871</u>	<u>3,796,024</u>	<u>137,026</u>
<i>Cash and cash equivalents - end of year</i>	<u>\$ 307,633</u>	<u>\$ 159,569</u>	<u>\$ 3,357,571</u>	<u>\$ 115,033</u>

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

Business-Type Activities - Enterprise Funds				Governmental
Public Housing Authority				Activities
Airport Fund	Low Rent Public Housing Fund	Home Ownership Fund	Total	Total Internal Service Funds
\$ 153,235	\$ 308,858	\$ 4,172	\$ 13,529,290	\$ 233,658
11,945	557,738	-	719,996	
(88,577)	(415,050)	(14,098)	(3,276,636)	(1,301,963)
(89,640)	(498,037)	(11,580)	(6,309,244)	(1,771,222)
(13,037)	(46,491)	(21,506)	4,663,406	(2,839,527)
-	5,333	688	6,069	-
587,722	2,964	1,264	889,135	139,873
3,536,401	4	(4)	7,272,613	2,714,768
4,124,123	8,301	1,948	8,167,817	2,854,641
43,223	1	-	(218,136)	357,414
1,836	1,251	807	172,466	17,550
45,059	1,252	807	(45,670)	374,964
(4,148,947)	(367,529)	-	(13,485,312)	-
-	302,021	-	302,021	-
-	-	-	(653,871)	-
-	-	-	372,102	-
-	-	-	(1,351,193)	-
(4,148,947)	(65,508)	-	(14,816,253)	-
7,198	(102,446)	(18,751)	(2,030,700)	390,078
93,210	994,345	587,510	7,531,572	51,513
<u>\$ 100,408</u>	<u>\$ 891,899</u>	<u>\$ 568,759</u>	<u>\$ 5,500,872</u>	<u>\$ 441,591</u>

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

STATE OF NEW MEXICO
City of Alamogordo
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2016

	Business-Type Activities - Enterprise Funds			
	Water & Sewer Fund	Solid Waste Fund	Bonito Lake Fund	Golf Course Fund
<i>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</i>				
Operating income (loss)	\$ 1,751,436	\$ 184,294	\$ 50,968	\$ (269,001)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	2,812,167	29,508	5,265	162,310
Net pension expense	(3,874)	(222)	-	(435)
Changes in assets and liabilities:				
Receivables	(26,761)	17,030	3,153	-
Inventory	(6,341)	-	-	-
Prepaid expenses	-	-	-	-
Accounts payable	(56,519)	1,641	(205)	1,671
Accrued payroll expenses	14,511	246	-	1,732
Other accrued expenses	-	-	-	-
Accrued compensated absences	(13,230)	(2,906)	-	1,673
Unearned revenue	45,781	-	-	-
Home ownership escrow	-	-	-	-
Meter deposits	40,548	-	-	-
	\$ 4,557,718	\$ 229,591	\$ 59,181	\$ (102,050)
<i>Net cash provided (used) by operating activities</i>	\$ 4,557,718	\$ 229,591	\$ 59,181	\$ (102,050)

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

Business-Type Activities - Enterprise Funds				Governmental Activities
Airport Fund	Public Housing Authority		Total	Total Internal Service Funds
	Low Rent Public Housing Fund	Home Ownership Fund		
\$ (158,320)	\$ (386,850)	\$ (25,117)	\$ 1,147,410	\$ (2,969,426)
138,211	374,064	-	3,521,525	-
(168)	(1,445)	(48)	(6,192)	(2,247)
1,596	2,562	(1,005)	(3,425)	746
-	3,269	-	(3,072)	17,710
-	(2,517)	-	(2,517)	-
3,739	(8,103)	(133)	(57,909)	134,359
475	441	345	17,750	3,223
-	(23,818)	82	(23,736)	-
1,140	(1,832)	(583)	(15,738)	(23,892)
-	(1,265)	1,654	46,170	-
-	-	3,299	3,299	-
290	(997)	-	39,841	-
<u>\$ (13,037)</u>	<u>\$ (46,491)</u>	<u>\$ (21,506)</u>	<u>\$ 4,663,406</u>	<u>\$ (2,839,527)</u>

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

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STATE OF NEW MEXICO
City of Alamogordo
Statement of Fiduciary Assets and Liabilities - Agency Funds
June 30, 2016

Exhibit E-1

<i>Assets</i>	
Cash	<u>\$ 9,591</u>
Total assets	<u><u>\$ 9,591</u></u>
<i>Liabilities</i>	
Due to others	<u>\$ 9,591</u>
Total liabilities	<u><u>\$ 9,591</u></u>

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

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STATE OF NEW MEXICO
City of Alamogordo
Notes to the Financial Statements
June 30, 2016

NOTE 1. Summary of Significant Accounting Policies

The City of Alamogordo (City) was incorporated in 1912. The City operates under a Commission-Manager form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, public utilities (water, wastewater, and solid waste), health and social services, culture-recreation, education, public improvements, planning and zoning, and general administrative services.

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

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

This summary of significant accounting policies of the City is presented to assist in the understanding of City's financial statements. The financial statements and notes are the representation of City's management who is responsible for their integrity and objectivity. The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units.

During the year ended June 30, 2016, the City adopted GASB Statements No. 72, *Fair Value Measurement and Application*, a portion of No 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, a portion of No. 79, *Certain External Investment Pools and Pool Participants* and No. 82 *Pension Issues-an amendment of GASB Statement No. 67, No. 68, and No.73*. These five Statements are required to be implemented as of June 30, 2016, if applicable.

GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The requirements of this Statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. This Statement also will enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position.

GASB Statement No. 73 establishes accounting and financial reporting standards for defined benefit pensions and defined contribution pensions that are not provided to employees of state and local government employers and are not within the scope of Statement 68. A portion of this pronouncement is effective for June 30, 2016 year end and a portion is effective for June 30, 2017 year end. Effective for June 30, 2016 are the amendments for Statement No.s 67 and 68 and assets accumulated for pensions not administered as trusts. The amendments of this pronouncement clarifies application of certain provisions of GASB 67 and 68 with regards to the following issues: (1) Information that is required to be presented as notes to the 10-year schedules of RSI about investment-related factors that significantly affect trends in reported amounts; (2)

STATE OF NEW MEXICO
City of Alamogordo
Notes to the Financial Statements
June 30, 2016

NOTE 1. Summary of Significant Accounting Policies (continued)

Accounting and financial reporting for separately financed specific liabilities of individual employers and nonemployer contributing entities for defined benefit pensions; and (3) Timing of employer recognition of revenue for the support of nonemployer contributing entities not in a special funding situation.

In addition, effective for June 30, 2016 year ends, the requirements of this Statement extend the approach to accounting and financial reporting established in Statement 68 to all pensions, with modifications as necessary to reflect that, for accounting and financial reporting purposes, any assets accumulated for pensions that are provided through pension plans that are not administered through trusts that meet the criteria specified in Statement 68 should not be considered pension plan assets. It also requires that information similar to that required by Statement 68 be included in notes to financial statements and required supplementary information by all similarly situated employers and nonemployer contributing entities.

The objective of GASB Statement No. 76 is to identify-in the context of the current governmental financial reporting environment-the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The requirements in this Statement improve financial reporting by (1) raising the category of GASB Implementation Guides in the GAAP hierarchy, thus providing the opportunity for broader public input on implementation guidance; (2) emphasizing the importance of analogies to authoritative literature when the accounting treatment for an event is not specified in authoritative GAAP; and (3) requiring the consideration of consistency with the GASB Concepts Statements when evaluating accounting treatments specified in nonauthoritative literature. As a result, governments will apply financial reporting guidance with less variation, which will improve the usefulness of financial statement information for making decisions and assessing accountability and enhance the comparability of financial statement information among governments.

GASB Statement No. 79 addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. A portion of this pronouncement is effective for June 30, 2016 year end and a portion is effective for June 30, 2017 year end. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. The specific criteria address (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification, and liquidity; and (3) calculation and requirements of a shadow price. Significant noncompliance prevents the external investment pool for measuring all of its investments at amortized cost for financial reporting purposes. Professional judgement is required to determine if instances of noncompliance with the criteria established by this Statement during the reporting period, individually or in the aggregate, were significant. This Statement will enhance comparability of financial statements among governments by establishing specific criteria used to determine whether a qualifying external investment pool may elect to use an amortized cost exception to fair value measurement. Those criteria will provide for qualifying external investment pools and participants in those pools with consistent application of an amortized cost-based measurement for financial reporting purposes. That measurement approximates fair value and mirrors the operations of external investment pools that transact with participants at a stable net asset value per share.

The objective of GASB Statement No. 82 is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information; (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and; (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

STATE OF NEW MEXICO
City of Alamogordo
Notes to the Financial Statements
June 30, 2016

NOTE 1. Summary of Significant Accounting Policies (continued)

A. Financial Reporting Entity

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

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

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

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

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity. Based upon the application of these criteria, the City has one component unit required to be reported under GASB Statements No. 14, No. 39 and No. 61 as a discretely presented component unit. The discretely presented component unit does not have separately issued financial statements.

The Otero-Greentree Regional Landfill has been determined to be a component unit as a result of a joint powers agreement entered into during the fiscal year 1994, which should be presented as a discretely presented component unit. The purpose of the joint venture was to establish, finance and operate the landfill. The governmental entities involved in the JPA are City of Alamogordo, Otero County, Village of Cloudcroft, Village of Tularosa, Village of Corona, Lincoln County, Town of Carrizozo, Village of Capitan, Village of Ruidoso and Village of Ruidoso Downs. Each of the governmental entity signers has pledged their respective environmental services gross receipts tax revenues as financial support for the purpose of funding the acquisition of capital assets necessary for the operation of the landfill. The Otero and Lincoln County authorities have also agreed to a 50-50 joint ownership and operation of this enterprise.

It was mutually agreed and covenanted between the entities that:

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

STATE OF NEW MEXICO
City of Alamogordo
Notes to the Financial Statements
June 30, 2016

NOTE 1. Summary of Significant Accounting Policies (continued)

A. Financial Reporting Entity (continued)

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 agreement was originally signed on September 30, 1993, was amended on June 2, 1995.

B. Government-wide and fund financial statements

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

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

In the government-wide Statement of Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position.

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

STATE OF NEW MEXICO
City of Alamogordo
Notes to the Financial Statements
June 30, 2016

NOTE 1. Summary of Significant Accounting Policies (continued)

B. Government-wide and fund financial statements (continued)

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

C. Measurement focus, basis of accounting, and financial statement presentation

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

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

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

Program revenues included in the Statement of Activities are derived directly from the program itself or from parties outside the City's taxpayer or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the City's general revenues. Program revenues are categorized as (a) charges for services, which include revenues collected for fees and use of City facilities, etc., (b) program-specific operating grants, which includes revenues received from state and federal sources such as small cities assistance to be used as specified within each program grant agreement, and (c) program-specific capital grants and contributions, which include revenues from state sources to be used for capital projects. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

The City reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. The City does not currently employ indirect cost allocation systems. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

STATE OF NEW MEXICO
City of Alamogordo
Notes to the Financial Statements
June 30, 2016

NOTE 1. Summary of Significant Accounting Policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenue of the City's enterprise fund is charges for services for the City's utilities. Operating expenses for enterprise funds include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Under the requirements of GASB Statement No. 34, the City is required to present certain of its governmental funds as major based upon certain criteria. The major funds presented in the fund financial statements include the following:

The City reports the following major governmental funds:

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

The *1986 Gross Receipts Tax Fund Capital Projects Fund* is a capital projects fund used 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. This fund was authorized by the City Commission.

The *2004 Capital Outlay GRT Fund Capital Projects Fund Street Projects Improvement Loan Fund* is a capital project fund that is used to account for 1/4 of 1% gross receipts tax dedication adopted in 2004 to be used for construction, reconstruction or improvement of municipal streets, alleys, roads or bridges, including acquisition of rights of way. This fund was authorized by the City Commission.

The *1994 & 1996 GRT Principal and Interest Debt Service Fund* is a debt service fund that is used to provide funds for the servicing of principal and interest payments for any debt pledged with Gross Receipts Tax revenues. This fund was authorized by the City Commission.

The City reports the following proprietary funds as major funds:

The *Water & Sewer Fund* is to provide funds for the operations and maintenance of water and sewer services. This fund is authorized by the City Commission.

The *Solid Wasted Fund* is to provide funds for the solid waste services provided to the residents of the City, and related costs. This fund is authorized by the City Commission.

The *Bonito Lake Fund* is to provide funds for the management and daily operations of the Bonito Lake watershed, recreation area, and part of the Bonito pipeline. This fund is authorized by the City Commission.

STATE OF NEW MEXICO
City of Alamogordo
Notes to the Financial Statements
June 30, 2016

NOTE 1. Summary of Significant Accounting Policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

The *Golf Course Fund* is to provide funds for the maintenance and daily operations of the Municipal golf course. This fund is authorized by the City Commission.

The *Airport Fund* is to provide funds for the maintenance and daily operations of the Municipal Airport. This fund is authorized by the City Commission.

The *Low Rent Public Housing Fund* is to provide funds to assist income eligible families with housing needs within the guidelines set forth by Housing and Urban Development (HUD). This fund is authorized by the City Commission.

The *Home Ownership Fund* is to provide funds to assist income eligible families with housing needs within the guidelines set forth by Housing and Urban Development (HUD). This fund is authorized by the City Commission.

Additionally, the government reports the following agency fund:

Fiduciary funds are purely custodial (assets equal liabilities) and do not involve measurement of results of operations. The City's fiduciary funds are used to account for the collection, holding, and reimbursement of jail bonds and judicial revenues and expenditures.

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

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity

Deposits and Investments: The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the City to invest in Certificates of Deposit, obligations of the U.S. Government, and the State Treasurer's Investment Pool.

Investments for the City are reported at fair value. The State Treasurer's Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares. The composition of investments and fair values are presented in Notes 3 and 4.

All cash and investments of the proprietary fund types are pooled with the City's pooled cash and investments.

Receivables and Payables: Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or between proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

STATE OF NEW MEXICO
City of Alamogordo
Notes to the Financial Statements
June 30, 2016

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (continued)

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources in the event they are not received within 60 days of year end.

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. In the government-wide and governmental fund financial statements, delinquent property taxes are recorded when levied. Property taxes are considered to be 100% collectible.

Property taxes are levied on November 1 based on the assessed value of property as listed on the previous January 1 and are due in two payments by November 10th and April 10th. Property taxes uncollected after November 10th and April 10th are considered delinquent and the City may assess penalties and interest. The taxes attach as an enforceable lien on property thirty (30) days thereafter, at which time they become delinquent. Property taxes are collected by Otero County and remitted monthly to the City.

Inventory: The City's method of accounting for inventory is the consumption method. Under the consumption approach, governments report inventories they purchase as an asset and defer recognition of the expenditures until the period in which the inventories actually are consumed. Inventory is valued at cost and consists of supplies and materials. The cost of purchased supplies and materials is recorded as expenditures at the time individual inventory items are consumed.

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

Restricted Assets: Restricted assets consist of those funds expendable for operating purposes but restricted by donors or other outside agencies as to the specific purpose for which they may be used and restricted for future debt service payments, capital projects, customer deposits and the City's landfill liability.

Capital Assets: Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Pursuant to the implementation of GASB Statement No. 34, as a Phase 2 government, the historical cost of infrastructure assets, (retroactive to June 30, 1980) are included as part of the governmental capital assets reported in the government wide statements. Information Technology Equipment including software is being capitalized and included in furniture, fixtures and equipment in accordance with NMAC 2.20.1.9 C (5). Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. There was no interest expense capitalized by the City during the current fiscal year. No interest was included as part of the cost of capital assets under construction.

STATE OF NEW MEXICO
City of Alamogordo
Notes to the Financial Statements
June 30, 2016

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (continued)

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

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

Accrued Expenses: Accrued expenses are comprised of the payroll expenditures based on amounts earned by the employees through June 30, 2016, along with applicable FICA and Medicare liabilities.

Deferred Outflows of Resources: In addition to assets, the balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a use of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until that time. The City has five types of items that qualify for reporting in this category in the governmental activities, the business type activities, as well as for the discretely presented component unit. The City’s Employer contributions subsequent to the measurement date, have been reported as a deferred outflow of resources in the amounts of \$1,207,831, \$177,495, and \$16,730, respectively. This item will directly reduce the net pension liability in the next fiscal year. The City’s Change in assumptions, have been reported as a deferred outflow of resources in the amounts of \$52,313, \$8,145, and \$740, respectively. The City’s Change in proportion, has been reported as a deferred outflow of resources in the amounts of \$7,852, \$1,591, and \$117, respectively. The City’s Net difference between projected and actual investment earnings, have been reported as a deferred outflow of resources in the amounts of \$0, \$119,023, and \$129, respectively. The City’s Difference between expected and actual experience, has been reported as a deferred outflow of resources in the amounts of \$440,761, \$89,344, and 6,589, respectively. These amount will reduce the net pension liability in future periods.

Deferred Inflow of Resources: In addition to liabilities, the balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Revenue must be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period) to be recognized. If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding liability for deferred inflows of resources. The City has one item, which arises under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue - property taxes is reported only in the governmental funds balance sheet. The City has recorded \$171,036 related to property taxes considered “unavailable”. For the business-type activities and the component unit, unavailable revenues are reported on the full accrual basis of accounting. These amounts, for both governmental and proprietary funds, as well as the component unit, are deferred and recognized as inflows of resources in the period that the amounts become available. In addition, the City has four types of items present on the Statement of Net Position for the governmental activities, business-type activities, and the component unit, which arise due to the net pension liability. Accordingly, the items, Change in assumptions of \$218,084, \$32,795, and \$3,061, respectively; Net difference between projected and actual investment earnings of \$170,539, \$0, and \$0, respectively; Changes in proportion of \$440,804, \$89,355, and \$6,589, respectively; and Changes in experience of \$179,001, \$36,285, and \$2,676 are reported on the Statement of Net Position. These amounts are reported as a deferred inflow and amortized into pension expense over the average remaining service life of employees.

STATE OF NEW MEXICO
City of Alamogordo
Notes to the Financial Statements
June 30, 2016

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (continued)

Unearned Revenues: Unearned revenues are comprised of payments made in advance by customers for various services (i.e. prepaid rent, golf pro shop gift cards, etc.) provided by the city as of June 30, 2016.

Compensated Absences: City employees are entitled to certain compensated absences based on their employment classification and length of employment.

Vacation Pay – Each employee of the City may accumulate a total of thirteen to twenty-six days of vacation per year. Employees may accumulate up to 240 hours of vacation and carry leave forward from calendar year to calendar year. Upon termination, employees will be paid up to 240 hours of accrued vacation pay leave. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability is reported in the governmental funds only if they have matured.

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental or proprietary fund that will pay it. In prior years, substantially all of the related expenditures have been liquidated by the general fund. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the government-wide statement of net position.

Sick Leave – Each employee of the City may accumulate a total of thirteen days of sick leave per year. Sick leave can be carried forward from calendar year to calendar year. Upon separation of employment, an employee with five or more continuous years of service will be compensated for one third of the first 480 accrued sick leave hours for a total of 160 hours. Employees with less than five years of continuous service forfeit all accrued sick leave at separation of employment. Employees cannot donate sick leave at time of separation.

Long-term Obligations: In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. For bonds issued after the City implemented GASB Statement No. 34, bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. For fund financial reporting, bond premiums and discounts, as well as issuance costs are recognized in the period the bonds are issued. Bond proceeds are reported as other financing sources net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

Fund Balance Classification Policies and Procedures: For committed fund balance, the City's highest level of decision-making authority is the City Commission. The formal action that is required to be taken to establish a fund balance commitment is the City Commission.

For assigned fund balance, the City Commission or an official or body to which the City Commission delegates the authority is authorized to assign amounts to a specific purpose. The authorization policy is in governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

STATE OF NEW MEXICO
City of Alamogordo
Notes to the Financial Statements
June 30, 2016

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (continued)

For the classification of fund balances, the City considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available. Also for the classification of fund balances, the City considers committed, assigned, or unassigned amounts to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Nonspendable Fund Balance: At June 30, 2016, the nonspendable fund balance of the City is comprised of prepaid expenses in the general fund in the amount of \$10,481 which is not in spendable form.

Restricted and Committed Fund Balance: At June 30, 2016, the restricted fund balance on the governmental funds balance sheet is made up of \$50,181,774. The City also has \$4,521,741 of committed funds on the governmental funds balances sheet at June 30, 2016. The details of these fund balance items are located on the governmental funds balance sheet as detailed on pages 32-33.

Minimum Fund Balance Policy: The City's policy for maintaining a minimum amount of fund balance for operations is to minimize any sudden and unplanned discontinuity to programs and operations and for unforeseen contingencies. At a minimum, the budget shall ensure that the City holds cash reserves (as approved in the subsequent year's preliminary budget) of 1/12th of the General Fund budgetary basis expenditures of \$1,176,878 and the City's self-imposed reserve of \$294,220 for the year ended June 30, 2016. As these amounts are an accumulation of resources and not a true restriction or commitment of expenditures, they are reflected within the unassigned fund balance of the general fund.

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

- a. Net investment in capital assets: Consists of capital assets, net of net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The City includes unspent debt proceeds in the amounts of \$10,042,270 in the calculation of net investment in capital assets in the governmental activities
- b. Restricted net position: Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. Descriptions for the related restrictions for net position restricted for "special revenue, debt service, and capital projects" are described on pages 60-61 and 111-113.
- c. Unrestricted Net Position: All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

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

STATE OF NEW MEXICO
City of Alamogordo
Notes to the Financial Statements
June 30, 2016

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (continued)

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA, on the economic resources measurement focus and accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Interfund Transactions: Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund from expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. The General Fund, Airport and Joint Utility fund have been combined with funds that have identical activities for financial statement reporting.

All other interfund transactions, except quasi-external transactions and reimbursements are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

NOTE 2. Stewardship, Compliance and Accountability

Budgetary Information

The City uses the following procedures in establishing the budgetary data reflected in the accompanying financial statements:

1. Prior to June 1, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Prior to July 20, the budget is legally enacted through passage of a resolution
3. The State of New Mexico Department of Finance and Administration must approve the budget and any revision to the budget.
4. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, the City Commission and the Department of Finance and Administration must approve any revisions that alter the total expenditures of any fund.

Formal budgetary integration is employed as a management control device during the year for all funds. A separate budget is prepared, and adopted by the City Commission, for each fund. Line items within each budget may be over-expended; however, it is not legally permissible to over-expend any budget in total by fund.

The budgets for all funds are prepared on the Non-GAAP cash basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year.

STATE OF NEW MEXICO
City of Alamogordo
Notes to the Financial Statements
June 30, 2016

NOTE 2. Stewardship, Compliance and Accountability (continued)

Budgetary Information (continued)

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

	Excess (deficiency) of revenues over expenditures	
	Original Budget	Final Budget
Budgeted Funds:		
General Fund	\$ 1,129,570	\$ (196,953)
1986 Gross Receipts Tax Fund Capital Projects Fund	\$ 1,248,084	\$ 259,961
2004 Capital Outlay GRT Fund Capital Projects Fund	\$ 38,756	\$ (6,395,153)
1994 & 1996 GRT Principal and Interest Debt Service Fund	\$ (2,791,664)	\$ (2,791,664)
Other Governmental Funds	\$ (14,240,965)	\$ (24,940,621)
	Change in net position	
Budgeted Funds:		
Water & Sewer Fund	\$ (589,793)	\$ (7,040,161)
Solid Waste Fund	\$ 28,745	\$ 32,218
Bonito Lake Fund	\$ (1,618)	\$ (3,418,555)
Golf Course Fund	\$ (47,917)	\$ (23,408)
Airport Fund	\$ (86,575)	\$ (155,984)
Low Rent Public Housing Program	\$ (349,775)	\$ (369,918)
Home Ownership Program	\$ (27,103)	\$ 18,328
Internal Service Fund	\$ (383,072)	\$ (766,500)
Component Unit:		
Otero - Greentree Regional Landfill	\$ (1,052,274)	\$ (1,296,350)

The accompanying Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual and Statements of Revenues, Expenses and Changes in Net Position – Budget (Non-GAAP Budgetary Basis) and Actual presents comparisons of the legally adopted budget with actual data on a budgetary basis.

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP), a reconciliation of resultant basis, perspective, equity and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2016 is presented. Reconciliations between the Non-GAAP budgetary basis amounts and the financial statements on the GAAP basis by fund can be found on each individual budgetary statement.

NOTE 3. Deposits and Investments

State statutes authorize the investment of City funds in a wide variety of instruments including certificates of deposit and other similar obligations, the state investment pool, money market accounts, and United States Government obligations. All invested funds of the City properly followed State investment requirements as of June 30, 2016.

STATE OF NEW MEXICO
City of Alamogordo
Notes to the Financial Statements
June 30, 2016

NOTE 3. Deposits and Investments (continued)

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

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

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

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

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2016, \$17,182,790 of the City's bank balance of \$38,419,687 was subject to custodial credit risk. \$13,831,686 was uninsured and collateralized by collateral held by the pledging bank's trust department, not in the City's name and \$3,351,104 of the City's deposits was uninsured and uncollateralized at June 30, 2016.

STATE OF NEW MEXICO
City of Alamogordo
Notes to the Financial Statements
June 30, 2016

NOTE 3. Deposits and Investments (continued)

	<u>Bank '34</u>	<u>Bank of the West</u>	<u>First American Bank</u>	<u>First National Bank</u>	<u>First Savings Bank</u>	<u>Moreton Capital Markets*</u>
Amount of deposits	\$ 250,000	\$ 257,958	\$ 1,290,578	\$ 4,869,735	\$ 1,293,295	\$ 18,986,897
FDIC coverage	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)	(18,986,897)
Total uninsured public funds	<u>-</u>	<u>7,958</u>	<u>1,040,578</u>	<u>4,619,735</u>	<u>1,043,295</u>	<u>-</u>
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the City's name	-	7,958	854,964	4,619,735	636,924	-
Uninsured and uncollateralized	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 185,614</u>	<u>\$ -</u>	<u>\$ 406,371</u>	<u>\$ -</u>
Collateral requirement (50%)	\$ -	\$ 3,979	\$ 520,289	\$ 2,309,868	\$ 521,648	\$ -
Pledged securities	-	32,957	854,964	5,206,807	636,925	-
Over (under) collateralized	<u>\$ -</u>	<u>\$ 28,978</u>	<u>\$ 334,675</u>	<u>\$ 2,896,939</u>	<u>\$ 115,277</u>	<u>\$ -</u>

	<u>Pioneer Bank</u>	<u>Washington Federal Bank</u>	<u>Wells Fargo Bank</u>	<u>Western Bank</u>	<u>First National Bank Housing Authority</u>	<u>Total</u>
Amount of deposits	\$ 258,724	\$ 1,303,831	\$ 6,627,374	\$ 1,819,756	\$ 1,461,539	\$ 38,419,687
FDIC coverage	(250,000)	(250,000)	(250,000)	(250,000)	-	(21,236,897)
Total uninsured public funds	<u>8,724</u>	<u>1,053,831</u>	<u>6,377,374</u>	<u>1,569,756</u>	<u>1,461,539</u>	<u>17,182,790</u>
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the City's name	8,724	1,053,831	3,618,255	1,569,756	1,461,539	13,831,686
Uninsured and uncollateralized	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,759,119</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,351,104</u>
Collateral requirement (50%)	\$ 4,362	\$ 526,916	\$ 3,188,687	\$ 784,878	\$ 1,461,539	\$ 9,322,166
Pledged securities	51,949	1,090,351	3,618,255	1,888,173	1,475,609	14,855,990
Over (under) collateralized	<u>\$ 47,587</u>	<u>\$ 563,435</u>	<u>\$ 429,568</u>	<u>\$ 1,103,295</u>	<u>\$ 14,070</u>	<u>\$ 5,533,824</u>

*In addition to the regular FDIC coverage of \$250,000 per bank, the deposits at Moreton Capital Markets also include CDs (and related FDIC Insurance) of \$250,000 spread across seventy-seven (77) separate financial institutions, all invested as part of the Moreton Capital Markets account, in order to not exceed FDIC insurance coverage per institution.

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

STATE OF NEW MEXICO
City of Alamogordo
Notes to the Financial Statements
June 30, 2016

NOTE 3. Deposits and Investments (continued)

Investments

The City's investments at June 30, 2016, include the following:

<u>Investment Type</u>	<u>Weighted Average Maturities</u>	<u>Fair Value</u>	<u>Rating****</u>
New MexiGROW LGIP	77 days	\$ 7,582,942	AAAm
Federal Home Loan Bank Bond	1 to 10 years	29,984,396	A-1+
State of NM Bonds	1 to 10 years	1,032,401	AAAm
Wells Fargo Money Market Mutual Fund*	<1 year	1,627,374	AA+
Moreton Capital Money Market Mutual Fund**	<1 year	2,767,954	AA+
U.S. Treasury Money Market Mutual Fund***	<1 year	1,191,382	AA+
		<u>\$ 44,186,449</u>	

- * Wells Fargo Money Market Mutual Fund Account is guaranteed by US Government Securities
- ** Moreton Capital Money Market Mutual Fund Account is composed of US Government Securities
- *** Restricted Cash in the amount of \$39,110 per Exhibit A-1
- **** Based off Standard & Poor's rating

In addition to the investments noted above, there are \$25,461,040 of certificates of deposits that are greater than 90 days and therefore are considered investments in the Statement of Net Position.

Interest Rate Risk – Investments. The City has multiple investments in which the maturity date is greater than one year. The fair value of the securities exposed to interest rate risk is \$45,466,876. These securities do not have call options. The City's policy related to interest rate risk with investments is to comply with the statute as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978).

Maturity rates consist of the following as of June 30, 2016:

<u>Investment Type</u>	<u>Investment Maturities</u>				
	<u>Fair Value</u>	<u>Not subject to</u>			
		<u>Interest Rate Risk</u>	<u>Less than 1 Year</u>	<u>1-5 Years</u>	<u>5+ Years</u>
New MexiGROW LGIP	\$ 7,582,942	\$ -	\$ 7,582,942	\$ -	\$ -
Federal Home Loan Bank Bond	29,984,396	-	11,197,308	18,787,088	-
State of NM Bonds	1,032,401	-	360,836	448,819	222,746
Wells Fargo Money Market Mutual Fund	1,627,374	1,627,374	-	-	-
Moreton Capital Money Market Mutual Fund	2,767,954	2,767,954	-	-	-
U.S. Treasury Money Market Mutual Fund	1,191,382	1,191,382	-	-	-
Certificates of Deposit	25,461,039	-	10,386,925	15,074,114	-
Total Investments	<u>\$ 69,647,488</u>	<u>\$ 5,586,710</u>	<u>\$ 29,528,011</u>	<u>\$ 34,310,021</u>	<u>\$ 222,746</u>

Concentration of Credit Risk – Investments. For an investment, concentration of credit risk is when any one issuer is 5% or more of the investment portfolio of the City. The investments the federal home loan bank bonds represent 67.86%, of the investment portfolio and the investment in New MexiGROW LGIP represents 17.16%. The City's policy related to concentration credit risk is to comply with the state statute as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978).

STATE OF NEW MEXICO
City of Alamogordo
Notes to the Financial Statements
June 30, 2016

NOTE 3. Deposits and Investments (continued)

Custodial Credit Risk – Investments. For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City’s policy related to investments is to comply with the state statute as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). The securities are not subject to custodial credit risk as they are registered and held in the name of the City of Alamogordo. The fair value of the City’s Federal Home Loan Bank Bonds listed above is \$29,984,396 at June 30, 2016. New Mexico State Statutes require collateral pledged to be delivered for securities underlying an overnight repurchase agreement, or a joint safekeeping receipt be issued to the City for at least one hundred two percent of the fair value of the securities underlying overnight repurchase accounts invested with the institution. At June 30, 2016, the City’s investment balances were exposed to custodial credit risk as follows:

Overnight Repurchase Agreements

	Wells Fargo Bank
Amount of deposits	\$ 515,983
FDIC coverage	-
Total uninsured public funds	515,983
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the City's name	515,983
Uninsured and uncollateralized	\$ -
Collateral requirement (102%)	\$ 526,303
Pledged securities	526,303
Over (under) collateralized	\$ -

The City utilizes pooled accounts for their funds. Cash and investments of the General, Special Revenue, Capital Projects, Proprietary Funds, and Agency funds are pooled and held in multiple accounts.

STATE OF NEW MEXICO
City of Alamogordo
Notes to the Financial Statements
June 30, 2016

NOTE 3. Deposits and Investments (continued)

Reconciliation to the Statement of Net Position

Cash and cash equivalents per Exhibit A-1	\$ 11,548,232
Investments per Exhibit A-1	53,337,241
Restricted cash and cash equivalents per Exhibit A-1	238,097
Restricted investments per Exhibit A-1	11,768,260
Component unit cash and cash equivalents per Exhibit A-1	45,200
Component unit investments per Exhibit A-1	3,747,764
Component unit restricted investments per Exhibit A-1	755,113
Agency funds cash and cash equivalents per Exhibit E-1	<u>9,591</u>
 Total cash, cash equivalents and investments	 81,449,498
 Plus: outstanding checks	 75,169
Less outstanding deposits	(23,117)
Less: investments at Moreton Capital Markets	(33,784,751)
Less: investments in Local Government Investment Pool	(7,582,942)
Less: investments in U.S. Treasury money market mutual funds	(1,191,382)
Less: petty cash	<u>(6,805)</u>
 Bank balance of deposits	 <u><u>\$38,935,670</u></u>

NOTE 4. Fair Value Measurements

The fair value framework uses a hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability,
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. See above for discussion of valuation methodologies used to measure fair value of investments.

STATE OF NEW MEXICO
City of Alamogordo
Notes to the Financial Statements
June 30, 2016

NOTE 4. Fair Value Measurements

New MexiGROW LGIP, State of NM Bonds, Wells Fargo Money Market Mutual Funds, Moreton Capital Money Market Mutual Funds, and U.S. Treasury Money Market Mutual Funds, and Certificates of Deposit are valued at the daily closing price as reported by the fund. These investments held by the City are open-end funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the City are deemed to be actively traded.

Federal Home Loan Bank Bonds are valued at the daily closing price as reported by the fund. These investments held by the City are open-end funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The Federal Home Loan Bank Bonds held by the City are deemed to not be actively traded.

The valuation methodologies described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the City believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The City maintained a balance of \$69,647,488 in investments at June 30, 2016 which required fair value disclosure. The following table sets forth by level within the fair value hierarchy of the City's assets at fair value as of June 30, 2016:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
New MexiGROW LGIP	\$ 7,582,942	\$ -	\$ -	\$ 7,582,942
Federal Home Loan Bank Bond	-	29,984,396	-	29,984,396
State of NM Bonds	1,032,401	-	-	1,032,401
Wells Fargo Money Market Mutual Fund	1,627,374	-	-	1,627,374
Moreton Capital Money Market Mutual Fund	2,767,954	-	-	2,767,954
U.S. Treasury Money Market Mutual Fund	1,191,382	-	-	1,191,382
Certificates of Deposit	25,461,039	-	-	25,461,039
Total Investments	<u>\$ 39,663,092</u>	<u>\$ 29,984,396</u>	<u>\$ -</u>	<u>\$ 69,647,488</u>

STATE OF NEW MEXICO
City of Alamogordo
Notes to the Financial Statements
June 30, 2016

NOTE 5. Receivables

Receivables as of June 30, 2016, are as follows for the governmental activities:

	<u>General Fund</u>	<u>1986 Gross Receipts Tax Fund Capital Projects Fund</u>	<u>2004 Capital Outlay GRT Fund Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Taxes:					
Property	\$ 187,645	\$ -	\$ -	\$ 60,507	\$ 248,152
Gross receipts taxes	1,918,991	278,115	556,229	1,000,117	3,753,452
Other	1,830	-	-	8,168	9,998
Due from other governments:					
Federal	-	-	-	193,994	193,994
State	24,909	-	-	139,269	164,178
Other:					
Charges for services	992,483	-	-	408	992,891
Miscellaneous	171,606	-	-	-	171,606
Allowance - uncollectable taxes	-	-	-	(4,867)	(4,867)
Allowance - uncollectable other receivables	(952,918)	-	-	-	(952,918)
Totals	<u>\$ 2,344,546</u>	<u>\$ 278,115</u>	<u>\$ 556,229</u>	<u>\$ 1,397,596</u>	<u>\$ 4,576,486</u>

In accordance with GASB Statement No. 33, property tax revenues in the amount of \$171,036 that were not collected within the period of availability have been reclassified as deferred inflows of resources in the governmental fund financial statements.

STATE OF NEW MEXICO
City of Alamogordo
Notes to the Financial Statements
June 30, 2016

NOTE 5. Receivables (continued)

Receivables as of June 30, 2016, are as follows for the business-type activities:

	<u>Water & Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Bonito Lake Fund</u>	<u>Airport Fund</u>
Customer receivables				
Charges for services	\$ 860,887	\$ 132,229	\$ 1	\$ 23,745
Other:				
Miscellaneous	43,314	34	-	-
Allowance - uncollectable charges for services	<u>(181,940)</u>	<u>(20,241)</u>	<u>-</u>	<u>(91)</u>
Totals	<u>\$ 722,261</u>	<u>\$ 112,022</u>	<u>\$ 1</u>	<u>\$ 23,654</u>

	<u>Low Rent Public Housing Fund</u>	<u>Home Ownership</u>	<u>Total</u>	<u>Internal Service Fund</u>
Customer receivables				
Charges for services	\$ 11,576	\$ 1,697	\$ 1,030,135	\$ -
Other:				
Miscellaneous	-	139	43,487	27
Allowance - uncollectable charges for services	<u>(6,828)</u>	<u>(509)</u>	<u>(209,609)</u>	<u>-</u>
Totals	<u>\$ 4,748</u>	<u>\$ 1,327</u>	<u>\$ 864,013</u>	<u>\$ 27</u>

Receivables as of June 30, 2016, are as follows for the component unit:

	<u>Component Unit</u>
Taxes:	
Gross receipts taxes	\$ 2,108
Other:	
Charges for services	34,831
Allowance - uncollectable charges for services	<u>(22,728)</u>
Totals	<u>\$ 14,211</u>

STATE OF NEW MEXICO
City of Alamogordo
Notes to the Financial Statements
June 30, 2016

NOTE 6. Transfers and Interfund Receivables

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

<u>Transfers Out</u>	<u>Transfers In</u>	<u>Amount</u>
General Fund	Internal Service Fund	\$ 1,569,565
General Fund	Grant Capital Improvement	6,400
General Fund	Municipal Court	370,217
General Fund	Senior Center	312,785
General Fund	Retired & Senior Volunteer	46,089
General Fund	Golf Course	143,834
General Fund	Bonito Lake	163,283
General Fund	Self Insurance Fund	33,000
Corrections Fund	Internal Service Fund	1,479
Tourism and Promotions	Internal Service Fund	2,743
Court Automation	Internal Service Fund	20,126
Lodger's Tax-City	Internal Service Fund	32,125
Lodger's Tax-City	Self Insurance Fund	1,720
Grant Capital Improvement	Internal Service Fund	29,524
Grant Capital Improvement	1984 Gross Receipts Tax	23,356
Municipal Court	Internal Service Fund	5,709
General Fund	Internal Service Fund	404,045
General Fund	Self Insurance Fund	15,480
State Highway Cleanup	Internal Service Fund	1,006
Airport Improvements	Airport Fund	3,564,676
1984 Gross Receipts Tax	Transportation	6,300
1984 Gross Receipts Tax	Property Acquisition	41,168
1984 Gross Receipts Tax	1989 & 1996 GRT Principal and Interest	534,342
Transportation	Internal Service Fund	125,258
Transportation	Engineering	10,625
Transportation	Self Insurance Fund	17,200
1986 Gross Receipts Tax Fund	Property Acquisition	124,572
1986 Gross Receipts Tax Fund	Water & Sewer	174,090
1986 Gross Receipts Tax Fund	Sewer Plant	423,927
1986 Gross Receipts Tax Fund	Reg Water Supply Trans LN	217,312
Property Acquisition	Water & Sewer	33,171
General Obligation	Water & Sewer	109,500
Reverse Osmosis Project Reserve	Water & Sewer	646,431
Almogordo Flood Control	Property Acquisition	74,258
Municipal Infrastructure	Airport Improvements	202,517
Municipal Infrastructure	Transportation	27,083
Municipal Infrastructure	Community Development	83,344
Community Development	Internal Service Fund	43,699
Community Development	Building Codes	1,977
Building Codes	Community Development	169
1984 Gross Receipts Tax	General Fund	128,881
1984 Gross Receipts Tax	Transportation	91,520
1984 Gross Receipts Tax	Debt Service	1,135,414
	Subtotal	\$ 10,999,920

(continued next page)

STATE OF NEW MEXICO
City of Alamogordo
Notes to the Financial Statements
June 30, 2016

NOTE 6. Transfers and Interfund Receivables (continued)

<u>Transfers Out</u>	<u>Transfers In</u>	<u>Amount</u>
Senior Center Gift	Internal Service Fund	\$ 79
Retired and Senior Volunteer Program	Internal Service Fund	12,999
Water & Sewer	General Fund	34,999
Water & Sewer	Internal Service Fund	250,834
Water & Sewer	Reverse Osmosis Project Reserve	372,102
Water & Sewer	Community Development	101,071
Water & Sewer	Internal Service Fund	68,800
Water & Sewer	2009 General Obligation Bond Acquisition	1,771,040
Bonito Lake	Internal Service Fund	25,995
Bonito Lake	Water & Sewer	98,413
Bonito Lake	Self Insurance Fund	1,000
ESGRT .0625%	Grant Capital Improvement	37,301
ESGRT .0625%	Water & Sewer	313,363
ESGRT .0625%	2009 General Obligation Bond Acquisition	800,000
Golf Course	Internal Service Fund	50,191
Golf Course	Internal Service Fund	1,720
Airport Fund	Internal Service Fund	28,275
Otero Greentree Regional Landfill (Component Unit)	Internal Service Fund	1,720
2004 Capital Outlay GRT Fund	Debt Service	1,118,717
2009 General Obligation Bond Acquisition	Water & Sewer	2,953,103
Reg Water Supply Trans LN	1986 Gross Receipts Tax	241,859
Reg Water Supply Trans LN	Water & Sewer	1,226,924
2011 Water Refunding	Water & Sewer	389,621
Streets Projects	2004 GRT Capital Outlay	197,473
	Subtotal	<u>10,097,599</u>
	Prior Page Subtotal	<u>10,999,920</u>
	Total Transfers	<u><u>\$ 21,097,519</u></u>

The City records temporary interfund receivables and payables to enable the funds to operate until monies are received. The composition of interfund balances during the year ended June 30, 2016 is as follows:

	<u>Due from other funds</u>	<u>Due to other funds</u>
Home Ownership Fund	\$ 595	\$ -
Low Rent Public Housing Fund	-	595
	<u><u>\$ 595</u></u>	<u><u>\$ 595</u></u>

STATE OF NEW MEXICO
City of Alamogordo
Notes to the Financial Statements
June 30, 2016

NOTE 7. Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2016 follows. Land and construction in progress are not subject to depreciation.

	<u>Balance June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2016</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 8,843,450	\$ 496,682	\$ 38,661	\$ 9,301,471
Construction in progress	282,942	3,554,261	2,187,276	1,649,927
	<u>9,126,392</u>	<u>4,050,943</u>	<u>2,225,937</u>	<u>10,951,398</u>
Capital assets being depreciated:				
Buildings and improvements	23,303,807	301,113	113,500	23,491,420
Mechanized equipment	10,346,012	1,311,719	502,940	11,154,791
Unscheduled property	4,547,268	134,405	69,737	4,611,936
Infrastructure	192,077,959	1,452,171	-	193,530,130
	<u>230,275,046</u>	<u>3,199,408</u>	<u>686,177</u>	<u>232,788,277</u>
Total capital assets	<u>239,401,438</u>	<u>7,250,351</u>	<u>2,912,114</u>	<u>243,739,675</u>
Less accumulated depreciation:				
Buildings and improvements	15,184,731	690,200	113,500	15,761,431
Mechanized equipment	7,477,384	550,567	464,906	7,563,045
Unscheduled property	3,639,385	211,978	69,737	3,781,626
Infrastructure	151,311,111	3,152,272	-	154,463,383
	<u>177,612,611</u>	<u>4,605,017</u>	<u>648,143</u>	<u>181,569,485</u>
Net capital assets	<u>\$ 61,788,827</u>	<u>\$ 2,645,334</u>	<u>\$ 2,263,971</u>	<u>\$ 62,170,190</u>

Depreciation expense for the year ended June 30, 2016 was charged to governmental activities as follows:

Governmental activities:	
General government	\$ 809,349
Public safety	7,715
Public works	3,003,195
Culture and recreation	784,758
Total	<u>\$ 4,605,017</u>

STATE OF NEW MEXICO
City of Alamogordo
Notes to the Financial Statements
June 30, 2016

NOTE 7. Capital Assets (continued)

	<u>Balance June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2016</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 6,970,263	\$ -	\$ -	\$ 6,970,263
Construction in progress	6,135,723	12,613,796	3,226,295	15,523,224
	<u>13,105,986</u>	<u>12,613,796</u>	<u>3,226,295</u>	<u>22,493,487</u>
Capital assets being depreciated:				
Buildings and improvements	25,838,720	595,750	18,300	26,416,170
Mechanized equipment	7,230,081	901,843	28,234	8,103,690
Unscheduled property	1,958,822	4,307	4,802	1,958,327
Infrastructure	80,481,467	2,610,354	-	83,091,821
	<u>115,509,090</u>	<u>4,112,254</u>	<u>51,336</u>	<u>119,570,008</u>
Total capital assets	<u>128,615,076</u>	<u>16,726,050</u>	<u>3,277,631</u>	<u>142,063,495</u>
Accumulated depreciation:				
Buildings and improvements	16,566,110	697,910	5,490	17,258,530
Mechanized equipment	4,564,602	489,261	25,702	5,028,161
Unscheduled property	1,008,005	292,689	4,801	1,295,893
Infrastructure	23,435,003	2,041,665	-	25,476,668
	<u>45,573,720</u>	<u>3,521,525</u>	<u>35,993</u>	<u>49,059,252</u>
Net capital assets	<u>\$ 83,041,356</u>	<u>\$ 13,204,525</u>	<u>\$ 3,241,638</u>	<u>\$ 93,004,243</u>

Depreciation expense for the year ended June 30, 2016 was charged to business-type activities as follows:

Business-type activities	
Water & Sewer Fund	\$ 2,812,167
Solid Waste Fund	29,508
Bonito Lake Fund	5,265
Golf Course Fund	162,310
Airport Fund	138,211
Low Rent Public Housing Fund	374,064
Total	<u>\$ 3,521,525</u>

STATE OF NEW MEXICO
City of Alamogordo
Notes to the Financial Statements
June 30, 2016

NOTE 7. Capital Assets (continued)

	<u>Balance June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2016</u>
Component unit:				
Capital assets not being depreciated:				
Land	\$ 1,526,005	\$ -	\$ -	\$ 1,526,005
	<u>1,526,005</u>	<u>-</u>	<u>-</u>	<u>1,526,005</u>
Capital assets being depreciated:				
Buildings and improvements	158,737	-	-	158,737
Mechanized equipment	3,065,384	295,277	141,414	3,219,247
Unscheduled property	136,602	-	-	136,602
Infrastructure	1,270,664	-	-	1,270,664
	<u>4,631,387</u>	<u>295,277</u>	<u>141,414</u>	<u>4,785,250</u>
Total capital assets	<u>6,157,392</u>	<u>295,277</u>	<u>141,414</u>	<u>6,311,255</u>
Accumulated depreciation:				
Buildings and improvements	158,737	-	-	158,737
Mechanized equipment	2,264,716	161,896	141,414	2,285,198
Unscheduled property	96,441	3,017	-	99,458
Infrastructure	647,379	39,732	-	687,111
	<u>3,167,273</u>	<u>204,645</u>	<u>141,414</u>	<u>3,230,504</u>
Net capital assets	<u>\$ 2,990,119</u>	<u>\$ 90,632</u>	<u>\$ -</u>	<u>\$ 3,080,751</u>

Depreciation expense for the year ended June 30, 2016 was charged to the component unit as follows:

Component unit:	
Otero - Greentree Regional Landfill	<u>\$ 204,645</u>
Total	<u>\$ 204,645</u>

STATE OF NEW MEXICO
City of Alamogordo
Notes to the Financial Statements
June 30, 2016

NOTE 8. Long-term Debt

Governmental Activities:

During the year ended June 30, 2016, the following changes occurred in the liabilities reported in the government-wide statement of net position:

	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016	Due Within One Year
General obligation bonds	\$ 12,054,120	\$ -	\$ 366,400	\$ 11,687,720	\$ 223,880
Revenue bonds	2,495,000	-	320,000	2,175,000	340,000
NMFA loans	22,413,811	-	1,679,029	20,734,782	1,670,532
Compensated absences	774,545	888,635	978,615	684,565	684,565
Total Long-term debt	\$ 37,737,476	\$ 888,635	\$3,344,044	\$ 35,282,067	\$ 2,918,977

General Obligation Bonds

At June 30, 2016, the City had four general revenue bond outstanding which have been approved by the voters and issued for various municipal improvements. These bonds are liquidated by property tax revenues and paid out of the debt service fund. The general obligation bonds are as follows:

Description	Date of Issue	Due Date	Interest Rate	Original Amount of Issue	Outstanding June 30, 2016
Series 2009 GO Bond	8/19/2009	8/1/2029	3.75-4.35%	\$ 7,420,000	\$ 741,520
Series 2011 GO Bond	8/1/2011	8/1/2020	0.50-3.35%	1,350,000	671,200
Series 2014A GO Bond	12/24/2014	8/1/2034	4.00-4.50%	6,000,000	5,850,000
Series 2014B GO Bond	12/24/2014	8/1/2034	2.00-4.00%	4,500,000	4,425,000

The annual requirements to amortize the general obligation bonds as of June 30, 2016, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2017	\$ 223,880	\$ 441,903	\$ 665,783
2018	251,740	435,386	687,126
2019	274,120	427,538	701,658
2020	302,600	418,494	721,094
2021	336,080	408,302	744,382
2022-2026	1,379,460	1,910,383	3,289,843
2027-2031	2,974,840	1,572,042	4,546,882
2032-2035	5,945,000	524,455	6,469,455
	\$ 11,687,720	\$ 6,138,503	\$ 17,826,223

STATE OF NEW MEXICO
City of Alamogordo
Notes to the Financial Statements
June 30, 2016

NOTE 8. Long-term Debt (continued)

Governmental Activities (continued)

Revenue Bonds

At June 30, 2016, the City had one revenue bond outstanding. For the Series 2004 revenue bond, the City pledged revenue from gross receipts tax revenues in order to service the debt. The revenue bonds are as follows:

<u>Description</u>	<u>Date of Issue</u>	<u>Due Date</u>	<u>Interest Rate</u>	<u>Original Amount of Issue</u>	<u>Outstanding June 30, 2016</u>
Series 2004 Revenue Bond	8/18/2004	6/1/2019	4.00%	\$ 5,405,000	\$ 2,175,000

The annual requirements to amortize the revenue bond as of June 30, 2016, including interest payments are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2017	\$ 340,000	\$ 91,945	\$ 431,945
2018	900,000	78,005	978,005
2019	935,000	40,205	975,205
	<u>\$ 2,175,000</u>	<u>\$ 210,155</u>	<u>\$ 2,385,155</u>

NMFA Loans

The City entered into seven loan agreements with the New Mexico Finance Authority, wherein the City pledged revenue derived from State-Shared Gross Receipts Tax to cover debt service, with the exception of the two loans for fire trucks/pumpers, which are paid out of the state fire allocation. This revenue is not subject to intercept agreements. The NMFA loans are as follows:

<u>Description</u>	<u>Date of Issue</u>	<u>Due Date</u>	<u>Interest Rate</u>	<u>Original Amount of Issue</u>	<u>Outstanding June 30, 2016</u>
NMFA Fire Station	11/1/2000	5/1/2020	0.00%	\$ 572,223	\$ 169,651
NMFA Fire Pumper	5/1/2010	5/1/2017	2.63-4.05%	196,910	27,727
NMFA Flood Control	6/1/2009	6/1/2028	2.18-5.30%	3,620,000	2,705,000
NMFA Street Projects	6/1/2009	6/1/2028	2.18-5.30%	7,350,000	5,205,000
NMFA Flood Control 53	6/1/2011	6/1/2021	0.50-3.64%	2,735,456	1,187,404
NMFA Various Street Projects	6/1/2012	6/1/2031	0.27-3.96%	7,640,000	6,165,000
NMFA GRT	6/1/2012	6/1/2027	0.20-3.52%	8,130,000	5,275,000

STATE OF NEW MEXICO
City of Alamogordo
Notes to the Financial Statements
June 30, 2016

NOTE 8. Long-term Debt (continued)

Governmental Activities (continued)

The annual requirements to amortize the NMFA loan as of June 30, 2016, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2017	\$ 1,670,532	\$ 769,350	\$ 2,439,882
2018	1,124,008	723,534	1,847,542
2019	1,156,703	668,050	1,824,753
2020	1,760,877	646,328	2,407,205
2021	1,767,662	589,754	2,357,416
2022-2026	8,940,000	1,967,698	10,907,698
2027-2031	4,315,000	415,610	4,730,610
	<u>\$ 20,734,782</u>	<u>\$ 5,780,324</u>	<u>\$ 26,515,106</u>

Compensated Absences – Employees of the City are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2016, compensated absences decreased \$89,980 from the prior year accrual. Compensated absences are liquidated by the respective funds in which they are accrued.

Business-Type Activities:

The proprietary funds have incurred various forms of debt which were used for the purposes of constructing, expanding, repairing and making improvements to its property, plant and equipment. The following schedule shows the changes to its various forms of debt during the fiscal year ended June 30, 2016:

	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016	Due Within One Year
General obligation bonds	\$ 5,347,980	\$ -	\$ 109,500	\$ 5,238,480	\$ 127,020
Revenue bonds	11,602,699	-	711,001	10,891,698	725,884
NMFA loans	10,171,025	372,102	530,692	10,012,435	582,482
Compensated absences	191,923	187,335	203,073	176,185	176,185
Total Long-term debt	<u>\$ 27,313,627</u>	<u>\$ 559,437</u>	<u>\$1,554,266</u>	<u>\$ 26,318,798</u>	<u>\$ 1,611,571</u>

General Obligation Bonds

At June 30, 2016, the City had one general revenue bond outstanding which have been approved by the voters and issued for various municipal improvements. This bond is liquidated by property tax revenues and paid out of the debt service fund. The general obligation bond is as follows:

Description	Date of Issue	Due Date	Interest Rate	Amount of Issue	Outstanding June 30, 2016
Series 2009 GO Bond	8/19/2009	8/1/2029	3.75-4.35%	\$ 7,420,000	\$ 5,238,480

STATE OF NEW MEXICO
City of Alamogordo
Notes to the Financial Statements
June 30, 2016

NOTE 8. Long-term Debt (continued)

Business-Type Activities (continued)

The annual requirements to amortize the general obligation bond as of June 30, 2016, including interest payments, is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2017	\$ 127,020	\$ 212,163	\$ 339,183
2018	140,160	206,819	346,979
2019	157,680	200,862	358,542
2020	175,200	194,205	369,405
2021	192,720	186,846	379,566
2022-2026	2,115,540	723,152	2,838,692
2027-2030	2,330,160	210,679	2,540,839
	<u>\$ 5,238,480</u>	<u>\$ 1,934,726</u>	<u>\$ 7,173,206</u>

Revenue Bonds

At June 30, 2016, the City had two revenue bond outstanding. For the Series 2005 Joint Water & Sewer Loan and the NMFA Refund Bond 1998 Bond, the City pledged gross receipt tax revenues in order to service the bonds. The revenue bonds are as follows:

Description	Date of Issue	Due Date	Interest Rate	Original Amount of Issue	Outstanding June 30, 2016
Series 2005 Joint Water & Sewer	1/11/2005	6/1/2025	2.60-4.35%	\$ 5,530,000	\$ 3,020,000
NMFA Refund Bond 1998	6/1/2012	6/1/2031	0.26-3.80%	9,812,674	7,871,698

The annual requirements to amortize the revenue bonds as of June 30, 2016, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2017	\$ 725,884	\$ 357,846	\$ 1,083,730
2018	742,145	340,186	1,082,331
2019	764,702	320,829	1,085,531
2020	783,568	299,562	1,083,130
2021	808,767	276,564	1,085,331
2022-2026	4,044,892	958,725	5,003,617
2027-2031	3,021,740	343,948	3,365,688
	<u>\$ 10,891,698</u>	<u>\$ 2,897,660</u>	<u>\$ 13,789,358</u>

STATE OF NEW MEXICO
City of Alamogordo
Notes to the Financial Statements
June 30, 2016

NOTE 8. Long-term Debt (continued)

Business-Type Activities (continued)

NMFA Loans

The City entered into loan agreements with the New Mexico Finance Authority, wherein the City pledged revenue derived from State-Shared Gross Receipts Tax to cover debt service. This revenue is not subject to intercept agreements. The NMFA loans are as follows:

<u>Description</u>	<u>Date of Issue</u>	<u>Due Date</u>	<u>Interest Rate</u>	<u>Original Amount of Issue</u>	<u>Outstanding June 30, 2016</u>
NMFA Drinking Water	5/1/2013	5/1/2032	1.75%	\$ 4,805,293	\$ 4,087,484
NMFA Westside	11/1/2006	5/1/2026	3.28-4.18%	730,453	442,852
NMFA Water-Wastewater	6/18/2009	6/1/2029	2.00-5.00%	5,340,000	3,955,000
NMFA WTB	6/1/2011	6/1/2030	0.00%	1,127,000	794,789
NMFA 2013 Drinking Water 2881	5/1/2014	5/1/2025	2.00%	855,320	732,310

The annual requirements to amortize the loan payable as of June 30, 2016, including interest payments, are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2017	\$ 582,482	\$ 274,249	\$ 856,731
2018	599,249	257,615	856,864
2019	616,197	240,820	857,017
2020	633,328	221,748	855,076
2021	655,650	204,656	860,306
2022-2026	3,560,185	742,787	4,302,972
2027-2031	2,958,836	233,027	3,191,863
2032-2033	406,508	14,197	420,705
	<u>\$ 10,012,435</u>	<u>\$ 2,189,099</u>	<u>\$ 12,201,534</u>

Compensated Absences – Employees of the City are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2016, compensated absences decreased \$15,738 in business-type funds from the prior year. Compensated absences are liquidated by the respective funds in which they are accrued.

STATE OF NEW MEXICO
City of Alamogordo
Notes to the Financial Statements
June 30, 2016

NOTE 8. Long-term Debt (continued)

Component Unit Activities:

During the year ended June 30, 2016, the following changes occurred in the liabilities reported in the government-wide statement of net position:

	<u>Balance</u> <u>June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>	<u>Due Within</u> <u>One Year</u>
Compensated absences	\$ 20,638	\$ 9,997	\$ 16,968	\$ 13,667	\$ 13,667
Total Long-term debt	<u>\$ 20,638</u>	<u>\$ 9,997</u>	<u>\$ 16,968</u>	<u>\$ 13,667</u>	<u>\$ 13,667</u>

Compensated Absences – Employees of the City are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2016, compensated absences decreased \$6,971 in the component unit from the prior year. Compensated absences are liquidated by the respective fund in which they are accrued.

NOTE 9. Risk Management

The City’s risk management activities are recorded in the Fleet Collision Self-Insurance Fund. The purpose of this fund is to administer general liability, auto liability, workers’ compensation, civil rights (errors and omissions/personal injury), emergency medical liability, law enforcement liability, foreign jurisdiction, underground storage tanks, and volunteers. The City covers its insurance needs through the New Mexico Self Insurers’ Fund. The risk of loss transfers to the Self Insurer’s Fund under this plan.

The City began providing self-insurance for the City-owned vehicles for property damage during the fiscal year ended June 30, 1996. The City accounts for this plan through its Fleet Collision Self-Insurance Fund.

All other insurance is provided by commercial insurance carriers in which the risk of loss is transferred to the Insurance Company.

The City has not filed any claims for which the settlement amount exceeded the insurance coverage during the past three years. However, should a claim be filed against the City which exceeds the insurance coverage, the City would be responsible for a loss in excess of the coverage amounts. As claims are filed, the New Mexico Self-Insurers’ Fund assesses and estimates the potential for loss and handles all aspects of the claim. Insurance coverage’s have not changed significantly from prior years and coverage’s are expected to be continued.

At June 30, 2016, no unpaid claims have been filed which exceed the policy limits and to the best of management’s knowledge and belief all known and unknown claims will be covered by insurance. No major lawsuits have been filed against the City of Alamogordo.

New Mexico Self-Insurers’ Fund has not provided information on an entity by entity basis that would allow for a reconciliation of changes in the aggregate liabilities for claims for the current fiscal year and the prior fiscal year.

STATE OF NEW MEXICO
City of Alamogordo
Notes to the Financial Statements
June 30, 2016

NOTE 10. Other Required Individual Fund Disclosures

Generally accepted accounting principles require disclosures of certain information concerning individual funds including:

A. Deficit fund balance of individual funds.

Governmental Funds

Nonmajor Funds

Court Administration Special Revenue Fund	\$ (13,988)
Police Contingency Special Revenue Fund	(38,794)
Law Enforcement Special Revenue Fund	(997)
Airport Improvement Projects Capital Projects Fund	<u>(7,784)</u>

Total Governmental Funds	<u><u>\$ (61,563)</u></u>
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There were no business type funds with a deficit fund balance as of June 30, 2016.

- B.** Actual expenditures in excess of amount budgeted at the budgetary authority level. Budgetary legal level of control is at the fund level. There were no funds that exceeded approved budgetary authority for the year ended June 30, 2016.
- C.** Designated cash appropriations in excess of available balances. There were no funds that had designated cash appropriations in excess of available balances for the year ended June 30, 2016.

NOTE 11. Pension Plan- Public Employees Retirement Association

General Information about the Pension Plan

Plan description. The Public Employees Retirement Fund (PERA Fund) is a **cost-sharing, multiple employer defined benefit pension plan**. This fund has six divisions of members, including State General, State Police/Adult Correction Officer, Municipal General, Municipal Police/Detention Officers, Municipal fire, and State Legislative Divisions, and offers 24 different types of coverage within the PERA plan. All assets accumulated may be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined by the terms of this plan. Certain coverage plans are only applicable to a specific division. Eligibility for membership in the PERA Fund is set forth in the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). Except as provided for in the Volunteer Firefighters Retirement Act (10-11A-1 to 10-11A-7, NMSA 1978), the Judicial Retirement Act (10-12B-1 to 10-12B-19, NMSA 1978), the Magistrate Retirement Act (10-12C-1 to 10-12C-18, NMSA 1978), and the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978), and the provisions of Sections 29-4-1 through 29-4-11, NMSA 1978 governing the State Police Pension Fund, each employee and elected official of every affiliated public employer is required to be a member in the PERA Fund.

PERA issues a publicly available financial report and a comprehensive annual financial report that can be obtained at <http://saonm.org> using the Audit Report Search function for agency 366.

STATE OF NEW MEXICO
City of Alamogordo
Notes to the Financial Statements
June 30, 2016

NOTE 11. Pension Plan - Public Employees Retirement Association (continued)

Benefits provided. For a description of the benefits provided and recent changes to the benefits see Note 1 in the PERA audited financial statements for the fiscal year ended June 30, 2015 available at http://osanm.org/media/audits/366_Public_Employees_Retirement_Association_FY2015.pdf

Contributions. The contribution requirements of defined benefit plan members and the Agency are established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature. For the employer and employee contribution rates in effect for FY15 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures on pages 29 through 32 of the PERA FY15 annual audit report at http://osanm.org/media/audits/366_Public_Employees_Retirement_Association_FY2015.pdf

The PERA coverage options that apply to City of Alamogordo are: Municipal General Division, Municipal Police Division and Municipal Fire Division. Statutorily required contributions to the pension plan from City of Alamogordo were 3,093,121 for the year ended June 30, 2016.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: The PERA pension liability amounts, net pension liability amounts, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2014. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2015, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2015.

The assets of the PERA fund are held in one trust, but there are six distinct membership groups (municipal general members, municipal police members, municipal fire members, state general members, state police members and legislative members) for whom separate contribution rates are determined each year pursuant to chapter 10, Article 11 NMSA 1978. Therefore, the calculations of the net pension liability, pension expense and deferred inflows and outflows were performed separately for each of the membership groups: municipal general members; municipal police members; municipal fire members; state general members; state police members and legislative members. City of Alamogordo's proportion of the net pension liability for each membership group that the employer participates in is based on the employer contributing entity's percentage of that membership group's total employer contributions for the fiscal year ended June 30, 2015. Only employer contributions for the pay period end dates that fell within the period of July 1, 2014 to June 30, 2015 were included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to FY 2015 are included in the total contribution amounts. In the event that an employer is behind in reporting to PERA its required contributions, an estimate (receivable) was used to project the unremitted employer contributions. This allowed for fair and consistent measurement of the contributions with the total population. This methodology was used to maintain consistent measurement each year in determining the percentages to be allocated among all the participating employers.

Employer Pickup

During March 2016, Governmental Accounting Standards Board (GASB) issued Statement No. 82, Pension Issues, which clarifies that payments made by an employer to satisfy member contribution requirements should be classified as member contributions for purposes of GASB Statement No. 67. For purposes of applying GASBS68 for fiscal year ending June 30, 2016 amounts paid by the City to satisfy member contributions requirements in the previous year totaling \$778,196 have been reclassified as pension expense for fiscal year ending June 30, 2016. The amount had been previously classified as a deferred outflow. This amount is not included in pension expense in PERA's Schedule of Employer Pension Amounts for the year ended June 30, 2015.

STATE OF NEW MEXICO
City of Alamogordo
Notes to the Financial Statements
June 30, 2016

NOTE 11. Pension Plan - Public Employees Retirement Association (continued)

General Information about the Pension Plan (continued)

Reallocation of Deferred Amounts

Due to Changes in proportion in fiscal year 2015 the beginning deferred inflows and outflows were reclassified due to the employer's change in proportion for fiscal year 2015. The total reallocation of deferred inflows and outflows increased pension expense by \$690,400 for fiscal year ending June 30, 2016. This amount is not included in pension expense in PERA's Schedule of Employer Pension Amounts for the year ended June 30, 2015.

For PERA Fund Municipal General Division, at June 30, 2016, City of Alamogordo reported a liability of \$9,840,031 for its proportionate share of the net pension liability. At June 30, 2015, Alamogordo's proportion was 0.9651 percent, which was decreased from its proportion measured as of June 30, 2014, by 0.0306 percent.

For the year ended June 30, 2016, City of Alamogordo recognized PERA Fund Municipal General Division pension expense of \$320,123. At June 30, 2016, City of Alamogordo reported PERA Fund Municipal General Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 217,962
Changes in proportion and differences between the City's contributions and proportionate share of contributions	-	182,281
Net difference between projected and actual earnings on pension plan investments	-	31,128
Changes of assumption	-	3,833
The City's contributions subsequent to the measurement date	<u>813,658</u>	<u>-</u>
Total	<u>\$ 813,658</u>	<u>\$ 435,204</u>

\$813,658 reported as deferred outflows of resources related to pensions resulting from City of Alamogordo's contributions subsequent to the measurement date June 30, 2015 will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$ (317,056)
2017	(317,056)
2018	(317,056)
2019	515,964
2020	-
Thereafter	-

STATE OF NEW MEXICO
City of Alamogordo
Notes to the Financial Statements
June 30, 2016

NOTE 11. Pension Plan - Public Employees Retirement Association (continued)

General Information about the Pension Plan (continued)

For PERA Fund Municipal Police Division, at June 30, 2016, City of Alamogordo reported a liability of \$6,045,322 for its proportionate share of the net pension liability. At June 30, 2015, City of Alamogordo's proportion was 1.2572 percent, which was decreased from its proportion measured as of June 30, 2014, by 0.1424 percent.

For the year ended June 30, 2016, City of Alamogordo recognized PERA Fund Municipal Police Division pension expense of \$290,587. At June 30, 2016, City of Alamogordo reported PERA Fund Municipal Police Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 422,422	\$ -
Net difference between projected and actual earnings on pension plan investments	-	16,769
Changes of assumption	-	250,107
Changes in proportion and differences between the City's contributions and proportionate share of contributions	-	354,468
The City's contributions subsequent to the measurement date	<u>444,287</u>	<u>-</u>
Total	<u>\$ 866,709</u>	<u>\$ 621,344</u>

\$444,287 reported as deferred outflows of resources related to pensions resulting from City of Alamogordo's contributions subsequent to the measurement date June 30, 2015 will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$ (161,217)
2017	(161,217)
2018	(161,217)
2019	284,729
2020	-
Thereafter	-

STATE OF NEW MEXICO
City of Alamogordo
Notes to the Financial Statements
June 30, 2016

NOTE 11. Pension Plan - Public Employees Retirement Association (continued)

General Information about the Pension Plan (continued)

For PERA Fund Municipal Fire Division, at June 30, 2016, City of Alamogordo reported a liability of \$2,901,616 for its proportionate share of the net pension liability. At June 30, 2015, City of Alamogordo's proportion was 0.5592 percent, which increased from its proportion measured as of June 30, 2014, by 0.0030 percent.

For the year ended June 30, 2016, City of Alamogordo recognized PERA Fund Municipal Fire Division pension expense of \$281,068. At June 30, 2016, City of Alamogordo reported PERA Fund Municipal Fire Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 61,198	\$ -
Differences between expected and actual experience	114,272	-
Net difference between projected and actual earnings on pension plan investments	-	3,490
Changes in proportion and differences between the City's contributions and proportionate share of contributions	9,561	-
The City's contributions subsequent to the measurement date	<u>144,111</u>	<u>-</u>
Total	<u>\$ 329,142</u>	<u>\$ 3,490</u>

\$144,111 reported as deferred outflows of resources related to pensions resulting from City of Alamogordo's contributions subsequent to the measurement date June 30, 2015 will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$ 37,416
2017	37,416
2018	37,416
2019	69,293
2020	-
Thereafter	-

Actuarial assumptions. As described above, the PERA Fund member group pension liabilities and net pension liabilities are based on actuarial valuations performed as of June 30, 2014 for each of the membership groups. Then each PERA Fund member group pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2015 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2015. These actuarial methods and assumptions were adopted by the Board for use in the June 30, 2015 actuarial valuation.

STATE OF NEW MEXICO
City of Alamogordo
Notes to the Financial Statements
June 30, 2016

NOTE 11. Pension Plan - Public Employees Retirement Association (continued)

General Information about the Pension Plan (continued)

Actuarial valuation date	June 30, 2014
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay
Amortization period	Solved for based on statutory rates
Asset valuation method	Fair value
Actuarial assumptions:	
Investment rate of return	7.75% annual rate, net of investment expense
Projected benefit payment	100 years
Payroll growth	3.50% annual rate
Projected salary increases	3.50 to 14.25% annual rate
Includes inflation at	3.00% annual rate
Mortality assumptions	RP-200 mortality tables (combined table for healthy post-retirements, Employee table for active members, and disabled table for disabled retirees before retirement age) with projections to 2018 using scale AA.
Experience study date	July 1, 2008 to June 30, 2013

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

ALL FUNDS - Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	21.10%	5.00%
International Equity	24.80	5.20
Private Equity	7.00	8.20
Core and Global Fixed Income	26.10	1.85
Fixed Income Plus Sectors	5.00	4.80
Real Estate	5.00	5.30
Real Assets	7.00	5.70
Absolute Return	4.00	4.15
Total	100.00%	

Discount rate: The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that future contributions will be made in accordance with statutory rates. On this basis, the pension plan's fiduciary net position together with the expected future contributions are sufficient to provide all projected future benefit payments of current plan members as determined in accordance with GASBS 67. Therefore, the 7.75% assumed long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

STATE OF NEW MEXICO
City of Alamogordo
Notes to the Financial Statements
June 30, 2016

NOTE 11. Pension Plan - Public Employees Retirement Association (continued)

General Information about the Pension Plan (continued)

Sensitivity of the Employer's proportionate share of the net pension liability to changes in the discount rate.
The following tables show the sensitivity of the net pension liability to changes in the discount rate. In particular, the tables present City of Alamogordo's net pension liability in each PERA Fund Division that City of Alamogordo participates in, under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.75%) or one percentage point higher (8.75%) than the single discount rate.

PERA Fund Municipal General Division	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
City of Alamogordo's proportionate share of the net pension liability	\$ 16,753,668	\$ 9,840,030	\$ 4,091,811

PERA Fund Municipal Police Division	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
City of Alamogordo's proportionate share of the net pension liability	\$ 9,983,485	\$ 6,045,322	\$ 2,814,695

PERA Fund Municipal Fire Division	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
City of Alamogordo's proportionate share of the net pension liability	\$ 3,935,311	\$ 2,901,616	\$ 2,049,712

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued FY14 Restated PERA financial report. The report is available at [http://osanm.org/media/audit/366 Public Employees Retirement Association FY 2015.pdf](http://osanm.org/media/audit/366%20Public%20Employees%20Retirement%20Association%20FY%202015.pdf)

Payables to the pension plan. There were no amounts owed to PERA at June 30, 2016. Contractually required contributions are remitted to PERA monthly for the previous month's withholdings. Accrued payroll includes the employer's portion of retirement contributions related to employee services rendered as of June 30, 2016 but paid in July 2016.

STATE OF NEW MEXICO
City of Alamogordo
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June 30, 2016

NOTE 12. Post-Employment Benefits – State Retiree Health Care Plan

Plan Description. 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 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.

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, 2015, 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, 2016, 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.

City of Alamogordo's contributions to the RHCA for the years ended June 30, 2016, 2015, and 2014 were \$234,526, \$232,365, and \$244,563, respectively, which equal the required contributions for each year.

STATE OF NEW MEXICO
City of Alamogordo
Notes to the Financial Statements
June 30, 2016

NOTE 13. Contingent Liabilities

The City is party to various claims and lawsuits arising in the normal course of business. The City is insured through the New Mexico Self Insurers Fund. The maximum exposure of the City is not estimable as of June 30, 2016 in the remaining cases.

NOTE 14. Federal and State Grants

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

NOTE 15. Otero – Greentree Regional Landfill

State and Federal laws and regulations require the Regional Landfill to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the landfill site for a minimum of thirty years after closure. Although closure and post closure care costs will be paid only near or after the date the landfill stops accepting waste, the Regional Landfill is required to report a portion of these closure and post closure costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

The accrued landfill closure and post closure costs, as of June 30, 2016 are \$755,113 and the estimated total current cost of closure and post closure remaining to be recognized is \$383,978 (for a total of \$1,139,091).

The landfill current holds a 95-acre permit. The permit is defined as land that may be disturbed. To date 46% 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 31.8 more years of life before re-permitting is requested.

The landfill is required to set aside a predetermined amount of funds to cover any closure and post closure care. The City sets aside approximately \$20,000 to \$40,000 annually in investment. To date, the City has restricted \$755,113 in investments for this purpose.

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

The Environmental Protection Agency (EPA) required the landfill to obtain a permit under 20 NMAC 2.70 Title V. This permit requires the landfill to monitor and report emission and particulates that are disbursed into the atmosphere. As the landfill continues to grow and monitoring requirements change, additional costs for closure and post closure care costs will need to be estimated in order for the City to accumulate the proper reserves and restrict sufficient funds to pay for the costs. As specified by 20.9.10.9 B NMAC, the owner of each solid waste facility shall establish a financial assurance mechanism for closure of the facility in compliance with 20.9.10.13 – 20.9.10.23 NMAC. The owner shall provide continues 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
Notes to the Financial Statements
June 30, 2016

NOTE 16. Concentrations

The City depends on financial resources flowing from, or associated with, both the Federal Government and the State of New Mexico. Because of this dependency, the City is subject to changes in the specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal and State appropriations.

NOTE 17. Commitments

The City's commitments as of June 30, 2016 are as follows:

<u>Contract</u>	<u>Project</u>	<u>Year Ending</u>	<u>Amount</u>
Airport Runway Extension	AP1502	2017	\$ 595,587
1st / Florida Realignment	EN1405	2017	11,632
Desalination Plant	PW1401	2018	232,822
Bonito Lake Restoration	PW1501	2018	763,303
Family Fun Center	PW1513	2018	360,424
CRFP - NEPA Planning Grant	GC1501	2017	170,414
Public Safety Answering Point	PSAP	2017	424,439
New WWTP Construction	PW0809	2017	118,205
Radio Frequency Voting System	PW1511	2017	145,986
Scenic Drive Extension	PW1606	2017	109,950
Radio Read Program	UB2006	2017	268,269
Total commitments			<u><u>\$ 3,201,031</u></u>

NOTE 18. Subsequent Events

On May 24, 2016, the City Council approved an ordinance to enter into a loan agreement in the amount of \$6,870,000 with the New Mexico Finance Authority (NMFA) to be used for capital projects. The Loan Agreement was executed between the City and the NMFA on July 1, 2016.

On, May 10, 2016 the City Council approved an ordinance to enter into a loan agreement in the amount of \$5,150,000 with the New Mexico Finance Authority (NMFA) to be used for the refunding of previous City debt. The Loan Agreement was executed between the City and the NMFA on August 19, 2016.

On, May 10, 2016 the City Council approved an ordinance to enter into a loan agreement in the amount of \$2,770,000 with the New Mexico Finance Authority (NMFA) to be used for the refunding of previous City debt. The Loan Agreement was executed between the City and the NMFA on August 19, 2016.

On, May 10, 2016 the City Council approved an ordinance to enter into a loan agreement in the amount of \$2,715,000 with the New Mexico Finance Authority (NMFA) to be used for capital projects. The Loan Agreement was executed between the City and the NMFA on August 19, 2016.

The date to which events occurring after June 30, 2016, the date of the most recent statement of net position, have been evaluated for possible adjustment to the financial statements or disclosure is December 2, 2016, which is the date on which the financial statements were issued.

STATE OF NEW MEXICO
City of Alamogordo
Notes to the Financial Statements
June 30, 2016

NOTE 19. Restricted Net Position

The government-wide statement of net position reports \$40,027,734 of restricted net position for governmental activities, all of which is restricted by enabling legislation. For descriptions of the related enabling legislation for special revenue, capital projects, and debt service funds, see pages 60-61 and 111-113.

NOTE 20. Subsequent Pronouncements

In June 2015, GASB Statement No. 73 *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, was issued. Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2016. Earlier application is encouraged. The City is still evaluating how this pronouncement will affect the financial statements.

In June 2015, GASB Statement No. 74 *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, was issued. Effective Date: The provisions of this Statement are effective for fiscal years beginning after June 15, 2016. This pronouncement will not affect the City's financial statements.

In June 2015, GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, was issued. Effective Date: The provisions of this Statement are effective for fiscal years beginning after June 15, 2017. The standard will be implemented during the fiscal year ended June 30, 2018. The City expects this pronouncement to have a material effect on the financial statements.

In August 2015, GASB Statement No. 77 *Tax Abatement Disclosures*, was issued. Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2015. Earlier application is encouraged. The City will implement this standard during the fiscal year ended June 30, 2017. The City is still evaluating how this pronouncement will affect the financial statements.

In December 2015, GASB Statement No. 78 *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plan* was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. Earlier application is encouraged. The City is still evaluating how this pronouncement will affect the financial statements.

In January 2016, GASB Statement No. 80 *Blending Requirements for Certain Component Units-an amendment of GASB Statement No. 14* was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. Earlier application is encouraged. The City is still evaluating how this pronouncement will affect the financial statements.

In March 2016, GASB Statement No. 81 *Irrevocable Split-Interest Agreements* was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2016. Earlier application is encouraged. The City is still evaluating how this pronouncement will affect the financial statements.

In November 2016, GASB Statement No. 83 *Certain Asset Retirement Obligations* was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged. The City is still evaluating how this pronouncement will affect the financial statements.

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REQUIRED SUPPLEMENTARY INFORMATION

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STATE OF NEW MEXICO
City of Alamogordo
Schedule of the City's Proportionate Share of the Net Pension Liability
of PERA Fund Municipal General Division
Public Employees Retirement Association (PERA) Plan
Last 10 Fiscal Years*

	2016	2015
	Measurement Date	Measurement Date
	As of and for the	As of and for the
	Year Ended	Year Ended
	June 30, 2015	June 30, 2014
City of Alamogordo's proportion of the net pension liability	0.9651%	0.9957%
City of Alamogordo's proportionate share of the net pension liability	\$ 9,840,030	\$ 7,767,529
City of Alamogordo's covered-employee payroll	\$ 8,002,462	\$ 8,370,704
City of Alamogordo's proportionate share of the net pension liability as a percentage of its covered-employee payroll	122.96%	92.79%
Plan fiduciary net position as a percentage of the total pension liability	76.99%	81.29%

* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, City of Alamogordo will present information for those years for which information is available.

See independent auditors' report.
See notes to required supplementary information.

STATE OF NEW MEXICO

City of Alamogordo

Schedule of the City's Proportionate Share of the Net Pension Liability
of PERA Fund Municipal Police Division
Public Employees Retirement Association (PERA) Plan
Last 10 Fiscal Years*

Schedule I

Page 2 of 3

	2016	2015
	Measurement Date	Measurement Date
	As of and for the	As of and for the
	Year Ended	Year Ended
	June 30, 2015	June 30, 2014
City of Alamogordo's proportion of the net pension liability	1.2572%	1.3996%
City of Alamogordo's proportionate share of the net pension liability	\$ 6,045,322	\$ 4,562,544
City of Alamogordo's covered-employee payroll	\$ 2,460,929	\$ 2,789,369
City of Alamogordo's proportionate share of the net pension liability as a percentage of its covered-employee payroll	245.65%	163.57%
Plan fiduciary net position as a percentage of the total pension liability	76.99%	81.29%

* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, City of Alamogordo will present information for those years for which information is available.

See independent auditors' report.
See notes to required supplementary information.

STATE OF NEW MEXICO
City of Alamogordo
Schedule of the City's Proportionate Share of the Net Pension Liability
of PERA Fund Municipal Fire Division
Public Employees Retirement Association (PERA) Plan
Last 10 Fiscal Years*

	2016	2015
	Measurement Date	Measurement Date
	As of and for the	As of and for the
	Year Ended	Year Ended
	June 30, 2015	June 30, 2014
City of Alamogordo's proportion of the net pension liability	0.5622%	0.5592%
City of Alamogordo's proportionate share of the net pension liability	\$ 2,901,616	\$ 2,334,097
City of Alamogordo's covered-employee payroll	\$ 637,580	\$ 646,276
City of Alamogordo's proportionate share of the net pension liability as a percentage of its covered-employee payroll	455.10%	361.16%
Plan fiduciary net position as a percentage of the total pension liability	76.99%	81.29%

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See independent auditors' report.
See notes to required supplementary information.

STATE OF NEW MEXICO
City of Alamogordo
Schedule of Employer Contributions
Public Employees Retirement Association (PERA) Plan
PERA Municipal General Division
Last 10 Fiscal Years*

	As of and for the Year Ended June 30, 2016	As of and for the Year Ended June 30, 2015
Contractually required contributions	\$ 813,658	\$ 1,156,468
Contributions in relation to the contractually required contribution	(813,658)	(1,156,468)
Contribution deficiency (excess)	\$ -	\$ -
City of Alamogordo's covered-employee payroll	\$ 7,902,928	\$ 8,002,462
Contributions as a percentage of covered-employee payroll	10.30%	14.5%

* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, City of Alamogordo will present information for those years for which information is available.

See independent auditors' report.
See notes to required supplementary information.

STATE OF NEW MEXICO
City of Alamogordo
Schedule of Employer Contributions
Public Employees Retirement Association (PERA) Plan
PERA Municipal Police Division
Last 10 Fiscal Years*

	As of and for the Year Ended June 30, 2016	As of and for the Year Ended June 30, 2015
Contractually required contributions	\$ 444,287	\$ 758,605
Contributions in relation to the contractually required contribution	(444,287)	(758,605)
Contribution deficiency (excess)	\$ -	\$ -
City of Alamogordo's covered-employee payroll	\$ 2,350,723	\$ 2,460,929
Contributions as a percentage of covered-employee payroll	18.9%	30.8%

* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, City of Alamogordo will present information for those years for which information is available.

See independent auditors' report.
See notes to required supplementary information.

STATE OF NEW MEXICO
City of Alamogordo
Schedule of Employer Contributions
Public Employees Retirement Association (PERA) Plan
PERA Municipal Fire Division
Last 10 Fiscal Years*

	As of and for the Year Ended June 30, 2016	As of and for the Year Ended June 30, 2015
Contractually required contributions	\$ 144,111	\$ 214,775
Contributions in relation to the contractually required contribution	(144,111)	(214,775)
Contribution deficiency (excess)	\$ -	\$ -
City of Alamogordo's covered-employee payroll	\$ 665,639	\$ 637,580
Contributions as a percentage of covered-employee payroll	21.65%	33.7%

* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, City of Alamogordo will present information for those years for which information is available.

See independent auditors' report.
See notes to required supplementary information.

STATE OF NEW MEXICO
City of Alamogordo
Notes to Required Supplementary Information
June 30, 2016

Changes of benefit terms. The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 on pages 40-42 of the PERA FY15 audit available at http://osanm.org/media/audits/366_Public_Employees_Retirement_Association_FY2015.pdf.

Changes of assumptions. The Public Employees Retirement Association (PERA) of the NEW Mexico Annual Actuarial Valuation as of June 30, 2015 is available at <http://www.nmpera.org/assets/uploads/downloads/retirement-fund-valuation-reports/6-30-2015-PERA-Valuation-Report-FINAL.pdf>. See Appendix B on pages 53-61 of the report which summarizes actuarial assumptions and methods effective with the June 30, 2014 valuation.

Changes in assumptions resulted in a decrease of \$91.8 million to the total pension liability for the PERA Fund and an increase of 0.42% to the funded ratio for the year ended June 30, 2015. See more details of actuarial methods and assumptions on Note 2 on page 34 of PERA's Schedule of Employer Allocations and Pension amounts at http://osanm.org/media/audits/366-B_PERA_Schedule_of_Employer_Allocations_FY2015.pdf

See independent auditors' report.

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SUPPLEMENTARY INFORMATION

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STATE OF NEW MEXICO
City of Alamogordo
Nonmajor Governmental and Proprietary Fund Descriptions
June 30, 2016

Special Revenue Funds

Corrections – This fund accounts for fees imposed on individuals convicted of any offense relating to the operation of a motor vehicle. Funds must be used as specified by State law. This is also the fund where the City pays the County for prisoners at the Detention Center. NMSA 33-3-25

Lodger's Tax Promotional – To accounts for various promotional and tourism attraction programs. NMSA 3-38-15.

Court Automation – This fund is to account for the collections and disbursement of penalty assessments to develop a statewide computer system for all Municipal Courts. This fund was authorized by the City Commission and 35-14-11 NMSA

Lodgers Tax – City – To account for revenues generated through the use of the Civic Center. NMSA 3-38-25.

D.A.R.E. Donations – To account for revenues and expenditures designated for the educational programs provided by D.A.R.E. officers. This fund was authorized by the City Commission.

Designated Gifts – To account for receipts and disbursements of funds donated for designated purposes. This fund was authorized by the City Commission.

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

Court Administration – To account for collections and disbursements associated with traffic violations. NMSA 33-3-25.

Police Contingency – To account for revenues and costs associated with confiscated items and investigation programs. NMSA 7-12-15.

Fire Protection – 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 – To account for revenues received fro 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 – 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 – This fund is created to account for fees attached to each penalty assessment and traffic convictions under the State Motor Vehicle Code. The monies are used for public outreach programs, educational activities and programs to promote traffic safety in the entities area. This fund was authorized by the City Commission.

1984 Gross Receipts Tax – 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 – To account for the one-cent gasoline tax revenues used for local street and bridges capital items. NMSA 7-1-6-9.

1994 Gross Receipts Tax – This fund serves as an income fund for ¼ of 1% Gross Receipts Tax Revenues which is pledged for repayment of the 1996 and 2002 Gross Receipts Tax Revenue Bonds. This fund was authorized by the City Commission.

Alamo Senior Center – To account for grants and user fees to provide services for person 60 and over. (State Grant and City Ordinance)

Alamo Senior Center Gift – This fund is created to account for donations and proceeds from fundraising events. Expenditures are restricted to building improvements or special events. This fund was authorized by the City Commission.

STATE OF NEW MEXICO
City of Alamogordo
Nonmajor Governmental and Proprietary Fund Descriptions
June 30, 2016

Special Revenue Funds (continued)

Retired and Senior Volunteer Program – To account for grants used to recruit, train and place senior volunteers throughout Otero County. Domestic Volunteer Service Act of 1973; PL 93-113.

ESGRT 0.625% – To account for the Environmental Gross Receipts Tax that is used for the activities for the Convenience Center. NMSA 7019D-10.

Capital Projects Funds

Airport Improvement Projects – To account for the state and federal funding for the Airport Pavement Rehabilitation. This fund was authorized by the City Commission.

New Mexico CDBG – To account for funds used for community housing rehabilitation and infrastructure projects for low to moderate-income families. This fund was authorized by the City Commission.

Property Acquisition – To account for funds used to acquire needed right-of-way and easements, as well as provide for expenditures involved in the disposition of City property and maintenance of City rental property. This fund was authorized by the City Commission.

Reverse Osmosis Project Reserve – This fund is established to receive the monies that are being paid back to the GO Bond Fund which were borrowed to fund the covers and linings on the reservoirs at La Luz. This fund was authorized by the City Commission.

99 Gross Receipts Tax Flood Control – To account for bond proceeds for the purpose of paying for flood control. This fund was authorized by the City Commission.

Municipal Infrastructure .0625% – To account for one-sixteenth of one-percent gross receipts tax dedicated for the payment of special obligation bonds used for repairs, maintenance and acquisition of infrastructure improvements. This fund was authorized by the City Commission.

Economic Development – To account for projects that are not funded from specific revenue dedications. This fund was authorized by the City Commission.

Sewer Plant – The 2009 Sewer Improvement Bond Acquisition was issued to provide funds for the purpose of financing the construction and improvement of a Sewer Plant. This fund was authorized by the City Commission.

Sidewalk Revolving Loan – 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.

Reg Water Supply Trans LN – This fund accounts for the Water Trust Board Grant, and related NMFA loan, which finance the cost of approximately 15 miles of pipeline. This fund was authorized by the City Commission.

2011 JT W/S Refunding & Improvement Bond – 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. This fund was authorized by the City Commission.

11 NMFA St GRT Street – The purpose of this fund is to provide funds for the acquisition, construction, installation, and improvement for various street projects. This fund is authorized by Ord. 1410 dated 11/15/2011.

STATE OF NEW MEXICO
City of Alamogordo
Nonmajor Governmental and Proprietary Fund Descriptions
June 30, 2016

Capital Projects Funds (continued)

2012 GRT Refunding and Improvement Revenue Bond – The fund is for the improvement of the revenue loan, “Quality for Life” and GRT bond refunding. This fund was authorized by the City Commission.

2014A GO Bond- Fun Center – The purpose of this fund is to provide funds for the purpose of beautifying, improving, acquiring, constructing, equipping, and improving land and buildings for public parks and related recreational facilities. This fund was authorized by Ord. 1476 dated 11/18/2014.

2014B GO Bond – Streets – The purpose of this fund is to provide funds for constructing, repair, and otherwise improving streets and bridges. This fund was authorized by Ord. 1477 dated 11/18/2014.

Debt Service Funds

General Obligation – The purpose of this fund is to account for servicing of principal and interest requirements on the 1990 General Obligation Sanitary Sewer Bonds and the 1996 General Obligation Sanitary Sewer Refunding Water Improvement Bonds. Property tax revenues secure these bonds. This fund was authorized by the City Commission.

Permanent Funds

Perpetual Care/Cemetery – This fund is established to account for the accumulation of funds for the future maintenance of the cemetery. This fund was authorized by the City Commission.

Internal Service Funds

Internal Service Fund – This fund was established to provide financing for activities of services provided in-house by the using department. The City currently provides central services for human resources, purchasing, fleet maintenance, management information systems, and facilities maintenance. This fund was authorized by the City Commission

Self-Insured Fund – This fund was established to provide the primary insurance for liability and auto and other insurance protection provided for all functions is recorded within the internal service funds. This fund was authorized by the City Commission

Liability/Deductibles Fund – This fund was established to provide for the liabilities and deductibles related to the insurance expenses of the City. This fund was authorized by the City Commission

STATE OF NEW MEXICO
City of Alamogordo
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2016

	Special Revenue			
	Corrections	Lodger's Tax- Promotional	Court Automation	Lodger's Tax - City
<i>Assets</i>				
Cash and cash equivalents	\$ 12,557	\$ 46,310	\$ -	\$ 58,598
Investments	-	87,532	30,746	159,726
Receivables:				
Taxes receivables	-	2,819	-	478
Due from other governments	-	-	5,732	-
Other receivables, net	-	-	-	-
<i>Total assets</i>	<u>\$ 12,557</u>	<u>\$ 136,661</u>	<u>\$ 36,478</u>	<u>\$ 218,802</u>
<i>Liabilities, deferred inflows of resources, and fund balances</i>				
<i>Liabilities</i>				
Accounts payable	\$ 10,153	\$ 12,689	\$ 48	\$ 19,695
Accrued payroll	-	480	255	4,272
Unearned revenue	-	-	-	-
<i>Total liabilities</i>	<u>10,153</u>	<u>13,169</u>	<u>303</u>	<u>23,967</u>
<i>Deferred inflows of resources</i>				
Unavailable revenues - property taxes	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>				
<i>Spendable</i>				
<i>Restricted for:</i>				
Government operations	-	-	36,175	194,835
Public safety	2,404	-	-	-
Public works	-	-	-	-
Culture and recreation	-	123,492	-	-
Health and welfare	-	-	-	-
Capital projects	-	-	-	-
Debt service	-	-	-	-
Permanent fund	-	-	-	-
Unassigned	-	-	-	-
<i>Total fund balances</i>	<u>2,404</u>	<u>123,492</u>	<u>36,175</u>	<u>194,835</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 12,557</u>	<u>\$ 136,661</u>	<u>\$ 36,478</u>	<u>\$ 218,802</u>

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

Special Revenue

D.A.R.E. Donations	Designated Gifts	Grant Capital Improvement	Court Administration	Police Contingency	Fire Protection
\$ 6,601	\$ -	\$ -	\$ -	\$ 22,580	\$ 63,883
9,267	26,880	-	-	27,713	333,516
-	-	-	-	-	-
-	-	27,266	-	-	-
-	-	-	-	-	-
\$ 15,868	\$ 26,880	\$ 27,266	\$ -	\$ 50,293	\$ 397,399
\$ -	\$ -	\$ 26,943	\$ 4,588	\$ 89,087	\$ 6,243
-	-	-	9,330	-	-
-	-	-	70	-	-
-	-	26,943	13,988	89,087	6,243
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	26,880	-	-	-	-
15,868	-	-	-	-	391,156
-	-	-	-	-	-
-	-	-	-	-	-
-	-	323	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	(13,988)	(38,794)	-
15,868	26,880	323	(13,988)	(38,794)	391,156
\$ 15,868	\$ 26,880	\$ 27,266	\$ -	\$ 50,293	\$ 397,399

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

STATE OF NEW MEXICO
City of Alamogordo
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2016

	Special Revenue			
	Law Enforcement	State Highway	Traffic Safety	1984 Gross Receipts Tax
<i>Assets</i>				
Cash and cash equivalents	\$ 6,743	\$ 26,184	\$ 14,745	\$ 69,202
Investments	-	83,456	38,246	3,405,999
Receivables:				
Taxes receivables	-	-	-	278,115
Due from other governments	2,377	202	-	-
Other receivables, net	-	-	-	-
<i>Total assets</i>	<u>\$ 9,120</u>	<u>\$ 109,842</u>	<u>\$ 52,991</u>	<u>\$ 3,753,316</u>
<i>Liabilities, deferred inflows of resources, and fund balances</i>				
<i>Liabilities</i>				
Accounts payable	\$ 9,706	\$ -	\$ -	\$ -
Accrued payroll	411	-	-	-
Unearned revenue	-	-	-	-
<i>Total liabilities</i>	<u>10,117</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Deferred inflows of resources</i>				
Unavailable revenues - property taxes	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>				
<i>Spendable</i>				
<i>Restricted for:</i>				
Government operations	-	-	-	-
Public safety	-	-	52,991	-
Public works	-	109,842	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital projects	-	-	-	3,753,316
Debt service	-	-	-	-
Permanent fund	-	-	-	-
Unassigned	(997)	-	-	-
<i>Total fund balances</i>	<u>(997)</u>	<u>109,842</u>	<u>52,991</u>	<u>3,753,316</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 9,120</u>	<u>\$ 109,842</u>	<u>\$ 52,991</u>	<u>\$ 3,753,316</u>

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

Special Revenue

<u>Transportation</u>	<u>1994 Gross Receipts Tax</u>	<u>Alamo Senior Center</u>	<u>Alamo Senior Center Gift</u>	<u>Retired and Senior Volunteer Program</u>	<u>ESGRT .0625%</u>
\$ 94,274	\$ 1,914	\$ 19,479	\$ 263	\$ 6,104	\$ 447,015
207,020	1,870,321	-	98,244	-	1,245,787
165,772	278,115	4	-	-	69,529
-	-	125,396	-	18,831	-
-	-	82	-	-	-
<u>\$ 467,066</u>	<u>\$ 2,150,350</u>	<u>\$ 144,961</u>	<u>\$ 98,507</u>	<u>\$ 24,935</u>	<u>\$ 1,762,331</u>
\$ 40,213	\$ -	\$ 19,474	\$ 1,866	\$ 284	\$ -
18,452	-	17,214	-	1,813	-
-	-	-	-	-	-
<u>58,665</u>	<u>-</u>	<u>36,688</u>	<u>1,866</u>	<u>2,097</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
408,401	-	-	-	-	-
-	-	108,273	96,641	-	-
-	-	-	-	22,838	-
-	-	-	-	-	1,762,331
-	2,150,350	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>408,401</u>	<u>2,150,350</u>	<u>108,273</u>	<u>96,641</u>	<u>22,838</u>	<u>1,762,331</u>
<u>\$ 467,066</u>	<u>\$ 2,150,350</u>	<u>\$ 144,961</u>	<u>\$ 98,507</u>	<u>\$ 24,935</u>	<u>\$ 1,762,331</u>

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

STATE OF NEW MEXICO
City of Alamogordo
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2016

	Capital Projects			
	Airport Improvement Projects	New Mexico CDBG	Property Acquisition	Reverse Osmosis Project Reserve
<i>Assets</i>				
Cash and cash equivalents	\$ -	\$ 90,276	\$ 4,449	\$ 16,538
Investments	-	-	51,526	-
Receivables:				
Taxes receivables	-	-	-	-
Due from other governments	147,897	-	-	5,562
Other receivables, net	-	-	326	-
<i>Total assets</i>	<u>\$ 147,897</u>	<u>\$ 90,276</u>	<u>\$ 56,301</u>	<u>\$ 22,100</u>
<i>Liabilities, deferred inflows of resources, and fund balances</i>				
<i>Liabilities</i>				
Accounts payable	\$ 155,681	\$ -	\$ 2,033	\$ 4,176
Accrued payroll	-	-	-	-
Unearned revenue	-	-	-	-
<i>Total liabilities</i>	<u>155,681</u>	<u>-</u>	<u>2,033</u>	<u>4,176</u>
<i>Deferred inflows of resources</i>				
Unavailable revenues - property taxes	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>				
<i>Spendable</i>				
<i>Restricted for:</i>				
Government operations	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital projects	-	90,276	54,268	17,924
Debt service	-	-	-	-
Permanent fund	-	-	-	-
Unassigned	(7,784)	-	-	-
<i>Total fund balances</i>	<u>(7,784)</u>	<u>90,276</u>	<u>54,268</u>	<u>17,924</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 147,897</u>	<u>\$ 90,276</u>	<u>\$ 56,301</u>	<u>\$ 22,100</u>

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

Capital Projects

99 GRT Flood Control	Municipal Infrastructure .0625%	Economic Development	Sewer Plant	Sidewalk Revolving Loans	Reg Water Supply Trans LN
\$ 9,204	\$ 122,388	\$ 43,434	\$ 105,113	\$ -	\$ 2,885
401,953	531,600	6,192,089	-	133,232	-
-	69,529	139,057	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 411,157</u>	<u>\$ 723,517</u>	<u>\$ 6,374,580</u>	<u>\$ 105,113</u>	<u>\$ 133,232</u>	<u>\$ 2,885</u>
\$ 40,507	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
<u>40,507</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
370,650	723,517	6,374,580	105,113	133,232	2,885
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>370,650</u>	<u>723,517</u>	<u>6,374,580</u>	<u>105,113</u>	<u>133,232</u>	<u>2,885</u>
<u>\$ 411,157</u>	<u>\$ 723,517</u>	<u>\$ 6,374,580</u>	<u>\$ 105,113</u>	<u>\$ 133,232</u>	<u>\$ 2,885</u>

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

STATE OF NEW MEXICO
City of Alamogordo
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2016

	Capital Projects			
	2011 JT W/S Refunding & Improvement Revenue Bond	11 NMFA St GRT Street	2012 GRT Refunding & Improvement Revenue Bond	2014A GO Bond- Fun Center
<i>Assets</i>				
Cash and cash equivalents	\$ 17,053	\$ -	\$ 373,044	\$ 35
Investments	-	-	1,079,233	6,002,392
Receivables:				
Taxes receivables	-	-	-	-
Due from other governments	-	-	-	-
Other receivables, net	-	-	-	-
<i>Total assets</i>	<u>\$ 17,053</u>	<u>\$ -</u>	<u>\$ 1,452,277</u>	<u>\$ 6,002,427</u>
<i>Liabilities, deferred inflows of resources, and fund balances</i>				
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ 4,937	\$ 50,869
Accrued payroll	-	-	-	-
Unearned revenue	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>4,937</u>	<u>50,869</u>
<i>Deferred inflows of resources</i>				
Unavailable revenues - property taxes	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>				
<i>Spendable</i>				
<i>Restricted for:</i>				
Government operations	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital projects	17,053	-	1,447,340	5,951,558
Debt service	-	-	-	-
Permanent fund	-	-	-	-
Unassigned	-	-	-	-
<i>Total fund balances</i>	<u>17,053</u>	<u>-</u>	<u>1,447,340</u>	<u>5,951,558</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 17,053</u>	<u>\$ -</u>	<u>\$ 1,452,277</u>	<u>\$ 6,002,427</u>

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

<u>Capital Projects</u>	<u>Debt Service</u>	<u>Permanent</u>	
<u>2014B GO Bond- Streets</u>	<u>General Obligation</u>	<u>Cemetery Perpetual Care</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 15,182	\$ 267,271	\$ -	\$ 1,963,324
3,393,529	496,329	786,285	26,692,621
-	60,507	-	1,063,925
-	-	-	333,263
-	-	-	408
<u>\$ 3,408,711</u>	<u>\$ 824,107</u>	<u>\$ 786,285</u>	<u>\$ 30,053,541</u>
\$ 23,377	\$ -	\$ -	\$ 522,569
-	-	-	52,227
-	-	-	70
<u>23,377</u>	<u>-</u>	<u>-</u>	<u>574,866</u>
-	41,740	-	41,740
<u>-</u>	<u>41,740</u>	<u>-</u>	<u>41,740</u>
-	-	-	257,890
-	-	-	462,419
-	-	-	518,243
-	-	-	328,406
-	-	-	22,838
3,385,334	-	-	24,189,700
-	782,367	-	2,932,717
-	-	786,285	786,285
-	-	-	(61,563)
<u>3,385,334</u>	<u>782,367</u>	<u>786,285</u>	<u>29,436,935</u>
<u>\$ 3,408,711</u>	<u>\$ 824,107</u>	<u>\$ 786,285</u>	<u>\$ 30,053,541</u>

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

STATE OF NEW MEXICO
City of Alamogordo
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2016

	Special Revenue			
	Corrections	Lodger's Tax- Promotional	Court Automation	Lodger's Tax - City
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	212,029	-	318,084
Intergovernmental:				
Federal operating grants	-	-	-	45,726
State operating grants	-	20,000	23,103	-
Federal capital grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	72,316	-	25,757	59,215
Investment income	-	1,174	500	2,142
Miscellaneous	-	3,140	-	1
<i>Total revenues</i>	<u>72,316</u>	<u>236,343</u>	<u>49,360</u>	<u>425,168</u>
<i>Expenditures</i>				
Current:				
General government	-	247,756	38,830	-
Public safety	82,872	-	13,870	-
Public works	-	-	-	-
Culture and recreation	-	-	-	316,337
Health and welfare	-	-	-	-
Capital outlay	-	-	-	51,465
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>82,872</u>	<u>247,756</u>	<u>52,700</u>	<u>367,802</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(10,556)</u>	<u>(11,413)</u>	<u>(3,340)</u>	<u>57,366</u>
<i>Other financing sources (uses)</i>				
Proceeds from sale of assets	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	(1,479)	(2,743)	(20,126)	(33,845)
<i>Total other financing sources (uses)</i>	<u>(1,479)</u>	<u>(2,743)</u>	<u>(20,126)</u>	<u>(33,845)</u>
<i>Net change in fund balances</i>	(12,035)	(14,156)	(23,466)	23,521
<i>Fund balances - beginning of year</i>	<u>14,439</u>	<u>137,648</u>	<u>59,641</u>	<u>171,314</u>
<i>Fund balances - end of year</i>	<u>\$ 2,404</u>	<u>\$ 123,492</u>	<u>\$ 36,175</u>	<u>\$ 194,835</u>

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

Special Revenue

<u>D.A.R.E. Donations</u>	<u>Designated Gifts</u>	<u>Grant Capital Improvement</u>	<u>Court Administration</u>	<u>Police Contingency</u>	<u>Fire Protection</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	621,617
-	-	162,321	-	-	-
-	2,776	-	11,937	2,940	-
124	401	-	-	372	8,657
10,991	-	-	-	295	-
<u>11,115</u>	<u>3,177</u>	<u>162,321</u>	<u>11,937</u>	<u>3,607</u>	<u>630,274</u>
-	4,251	200,149	332,217	-	-
8,891	-	-	54,258	8,229	264,960
-	-	-	-	-	-
-	8,234	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	417,931
-	-	-	-	-	109,564
-	-	-	-	-	15,319
<u>8,891</u>	<u>12,485</u>	<u>200,149</u>	<u>386,475</u>	<u>8,229</u>	<u>807,774</u>
<u>2,224</u>	<u>(9,308)</u>	<u>(37,828)</u>	<u>(374,538)</u>	<u>(4,622)</u>	<u>(177,500)</u>
-	-	-	-	-	-
-	-	43,701	370,217	-	-
-	-	(52,880)	(5,709)	-	-
-	-	(9,179)	364,508	-	-
2,224	(9,308)	(47,007)	(10,030)	(4,622)	(177,500)
13,644	36,188	47,330	(3,958)	(34,172)	568,656
<u>\$ 15,868</u>	<u>\$ 26,880</u>	<u>\$ 323</u>	<u>\$ (13,988)</u>	<u>\$ (38,794)</u>	<u>\$ 391,156</u>

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

STATE OF NEW MEXICO
City of Alamogordo
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2016

	Special Revenue			
	Law Enforcement	State Highway	Traffic Safety	1984 Gross Receipts Tax
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	1,623,403
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	81,966	25,365	-	-
Federal capital grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	21,737	15,786	-
Investment income	-	1,119	513	52,442
Miscellaneous	-	-	-	-
<i>Total revenues</i>	81,966	48,221	16,299	1,675,845
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	89,672	-	17,706	-
Public works	-	32,736	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	89,672	32,736	17,706	-
<i>Excess (deficiency) of revenues over expenditures</i>	(7,706)	15,485	(1,407)	1,675,845
<i>Other financing sources (uses)</i>				
Proceeds from sale of assets	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	(1,006)	-	(581,810)
<i>Total other financing sources (uses)</i>	-	(1,006)	-	(581,810)
<i>Net change in fund balances</i>	(7,706)	14,479	(1,407)	1,094,035
<i>Fund balances - beginning of year</i>	6,709	95,363	54,398	2,659,281
<i>Fund balances - end of year</i>	\$ (997)	\$ 109,842	\$ 52,991	\$ 3,753,316

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

Special Revenue

Transportation	1989 Gross Receipts Tax	Alamo Senior Center	Alamo Senior Center Gift	Retired and Senior Volunteer Program	ESGRT .0625%
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
405,851	1,623,403	-	-	-	405,851
611,542	-	-	-	-	-
-	-	-	-	-	-
267,785	-	127,429	-	45,914	-
91,394	-	797,932	-	209,663	303,572
-	-	-	-	-	-
-	-	-	-	-	-
6,983	-	149,744	24,347	-	-
4,684	29,071	-	1,318	-	23,196
36,922	-	15,879	-	6,000	-
<u>1,425,161</u>	<u>1,652,474</u>	<u>1,090,984</u>	<u>25,665</u>	<u>261,577</u>	<u>732,619</u>
341	-	-	-	-	-
-	-	-	-	-	-
1,437,405	-	-	-	-	61,784
-	-	1,059,064	41,259	-	-
-	-	-	-	241,451	-
236,368	-	103,600	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,674,114</u>	<u>-</u>	<u>1,162,664</u>	<u>41,259</u>	<u>241,451</u>	<u>61,784</u>
<u>(248,953)</u>	<u>1,652,474</u>	<u>(71,680)</u>	<u>(15,594)</u>	<u>20,126</u>	<u>670,835</u>
-	-	-	-	-	-
124,903	23,356	312,785	-	46,089	-
<u>(153,083)</u>	<u>(1,355,815)</u>	<u>-</u>	<u>(79)</u>	<u>(12,999)</u>	<u>(1,150,664)</u>
<u>(28,180)</u>	<u>(1,332,459)</u>	<u>312,785</u>	<u>(79)</u>	<u>33,090</u>	<u>(1,150,664)</u>
(277,133)	320,015	241,105	(15,673)	53,216	(479,829)
685,534	1,830,335	(132,832)	112,314	(30,378)	2,242,160
<u>\$ 408,401</u>	<u>\$ 2,150,350</u>	<u>\$ 108,273</u>	<u>\$ 96,641</u>	<u>\$ 22,838</u>	<u>\$ 1,762,331</u>

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

STATE OF NEW MEXICO
City of Alamogordo
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2016

	Capital Projects			
	Airport Improvement Projects	New Mexico CDBG	Property Acquisition	Reverse Osmosis Project Reserve
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
Federal capital grants	3,724,449	-	-	-
State capital grants	198,206	-	-	123,924
Charges for services	-	-	37,286	-
Investment income	-	-	1,362	833
Miscellaneous	-	110,907	1	-
<i>Total revenues</i>	<u>3,922,655</u>	<u>110,907</u>	<u>38,649</u>	<u>124,757</u>
<i>Expenditures</i>				
Current:				
General government	-	-	3,094	-
Public safety	-	-	-	-
Public works	-	-	-	3,249
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	17,349	363,368	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>17,349</u>	<u>366,462</u>	<u>3,249</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>3,922,655</u>	<u>93,558</u>	<u>(327,813)</u>	<u>121,508</u>
<i>Other financing sources (uses)</i>				
Proceeds from sale of assets	-	-	-	-
Transfers in	202,517	-	239,998	372,102
Transfers (out)	(3,564,676)	-	(33,171)	(646,431)
<i>Total other financing sources (uses)</i>	<u>(3,362,159)</u>	<u>-</u>	<u>206,827</u>	<u>(274,329)</u>
<i>Net change in fund balances</i>	560,496	93,558	(120,986)	(152,821)
<i>Fund balances - beginning of year</i>	<u>(568,280)</u>	<u>(3,282)</u>	<u>175,254</u>	<u>170,745</u>
<i>Fund balances - end of year</i>	<u>\$ (7,784)</u>	<u>\$ 90,276</u>	<u>\$ 54,268</u>	<u>\$ 17,924</u>

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

Capital Projects

GRT Flood Control	Municipal Infrastructure .01225%	Economic Development	Sewer Plant	Sidewalk Revolving Loans	Reg Water Supply Trans LN
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	405,851	811,701	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	124,000	-	-	-
-	-	-	-	-	-
-	-	-	-	-	1,227,439
-	-	-	-	-	-
7,507	7,185	97,132	990	1,786	-
-	-	-	-	-	-
<u>7,507</u>	<u>413,036</u>	<u>1,032,833</u>	<u>990</u>	<u>1,786</u>	<u>1,227,439</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	271,774	-	-	-
-	-	-	-	-	-
144,020	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>144,020</u>	<u>-</u>	<u>271,774</u>	<u>-</u>	<u>-</u>	<u>-</u>
(136,513)	413,036	761,059	990	1,786	1,227,439
-	-	-	-	-	-
-	-	-	2,571,040	-	217,312
<u>(74,258)</u>	<u>(312,944)</u>	<u>-</u>	<u>(2,953,103)</u>	<u>-</u>	<u>(1,468,783)</u>
<u>(74,258)</u>	<u>(312,944)</u>	<u>-</u>	<u>(382,063)</u>	<u>-</u>	<u>(1,251,471)</u>
(210,771)	100,092	761,059	(381,073)	1,786	(24,032)
581,421	623,425	5,613,521	486,186	131,446	26,917
<u>\$ 370,650</u>	<u>\$ 723,517</u>	<u>\$ 6,374,580</u>	<u>\$ 105,113</u>	<u>\$ 133,232</u>	<u>\$ 2,885</u>

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

STATE OF NEW MEXICO
City of Alamogordo
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2016

	Capital Projects			
	2011 JT W/S Refunding & Improvement Revenue Bond	11 NMFA St GRT Street	2012 GRT Refunding & Improvement Revenue Bond	2014A GO Bond- Fun Center
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	3,899	-	18,619	100,547
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>3,899</u>	<u>-</u>	<u>18,619</u>	<u>100,547</u>
<i>Expenditures</i>				
Current:				
General government	-	-	44,878	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	9,995
Health and welfare	-	-	-	-
Capital outlay	-	-	49,196	99,213
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>94,074</u>	<u>109,208</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>3,899</u>	<u>-</u>	<u>(75,455)</u>	<u>(8,661)</u>
<i>Other financing sources (uses)</i>				
Proceeds from sale of assets	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	(389,621)	(197,473)	-	-
<i>Total other financing sources (uses)</i>	<u>(389,621)</u>	<u>(197,473)</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	(385,722)	(197,473)	(75,455)	(8,661)
<i>Fund balances - beginning of year</i>	<u>402,775</u>	<u>197,473</u>	<u>1,522,795</u>	<u>5,960,219</u>
<i>Fund balances - end of year</i>	<u>\$ 17,053</u>	<u>\$ -</u>	<u>\$ 1,447,340</u>	<u>\$ 5,951,558</u>

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

<u>Capital Projects</u>	<u>Debt Service</u>	<u>Permanent</u>	
<u>2014B GO Bond- Streets</u>	<u>General Obligation</u>	<u>Cemetery Perpetual Care</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ 1,022,194	\$ -	\$ 1,022,194
-	-	-	5,276,060
-	-	-	611,542
-	-	-	530,113
-	-	-	486,854
-	-	-	2,298,612
-	-	-	3,886,770
-	-	-	1,549,569
-	-	-	430,824
73,565	2,457	10,418	452,013
-	-	-	184,136
<u>73,565</u>	<u>1,024,651</u>	<u>10,418</u>	<u>16,728,687</u>
-	-	-	871,516
-	-	-	540,458
-	-	-	1,535,174
-	-	-	1,706,663
-	-	-	241,451
1,049,116	-	-	2,531,626
-	366,400	-	475,964
-	708,359	-	723,678
<u>1,049,116</u>	<u>1,074,759</u>	<u>-</u>	<u>8,626,530</u>
<u>(975,551)</u>	<u>(50,108)</u>	<u>10,418</u>	<u>8,102,157</u>
-	-	19,788	19,788
-	-	-	4,524,020
-	(109,500)	-	(13,122,198)
-	(109,500)	19,788	(8,578,390)
(975,551)	(159,608)	30,206	(476,233)
<u>4,360,885</u>	<u>941,975</u>	<u>756,079</u>	<u>29,913,168</u>
<u>\$ 3,385,334</u>	<u>\$ 782,367</u>	<u>\$ 786,285</u>	<u>\$ 29,436,935</u>

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

STATE OF NEW MEXICO

Statement B-1

City of Alamogordo

Corrections Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	108,642	108,642	72,316	(36,326)
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>108,642</u>	<u>108,642</u>	<u>72,316</u>	<u>(36,326)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	175,070	175,070	79,943	95,127
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Issuance cost	-	-	-	-
<i>Total expenditures</i>	<u>175,070</u>	<u>175,070</u>	<u>79,943</u>	<u>95,127</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(66,428)</u>	<u>(66,428)</u>	<u>(7,627)</u>	<u>58,801</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	-	16,663	-	(16,663)
Transfers in	68,323	51,488	-	(51,488)
Transfers (out)	(1,895)	(1,723)	(1,479)	244
<i>Total other financing sources (uses)</i>	<u>66,428</u>	<u>66,428</u>	<u>(1,479)</u>	<u>(67,907)</u>
<i>Net change in fund balances</i>	-	-	(9,106)	(9,106)
<i>Fund balances - beginning of year</i>	-	-	21,663	21,663
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,557</u>	<u>\$ 12,557</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (9,106)
No adjustments to revenues				-
Adjustments to expenditures for public safety expenditures				(2,929)
<i>Net change in fund balance (GAAP)</i>				<u>\$ (12,035)</u>

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

STATE OF NEW MEXICO

Statement B-2

City of Alamogordo

Lodger's Tax- Promotional Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	199,115	199,115	209,122	10,007
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	33,333	20,000	20,000	-
Federal capital grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	1,112	1,112	1,174	62
Miscellaneous	23	23	3,140	3,117
<i>Total revenues</i>	<u>233,583</u>	<u>220,250</u>	<u>233,436</u>	<u>13,186</u>
<i>Expenditures</i>				
Current:				
General government	235,690	344,103	240,697	103,406
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Issuance cost	-	-	-	-
<i>Total expenditures</i>	<u>235,690</u>	<u>344,103</u>	<u>240,697</u>	<u>103,406</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(2,107)</u>	<u>(123,853)</u>	<u>(7,261)</u>	<u>116,592</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	5,255	127,036	-	(127,036)
Transfers in	-	-	-	-
Transfers (out)	(3,148)	(3,183)	(2,743)	440
<i>Total other financing sources (uses)</i>	<u>(3,148)</u>	<u>(3,183)</u>	<u>(2,743)</u>	<u>(126,596)</u>
<i>Net change in fund balances</i>	<u>(5,255)</u>	<u>(127,036)</u>	<u>(10,004)</u>	<u>(10,004)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>143,846</u>	<u>143,846</u>
<i>Fund balances - end of year</i>	<u>\$ (5,255)</u>	<u>\$ (127,036)</u>	<u>\$ 133,842</u>	<u>\$ 133,842</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (10,004)
Adjustments to revenues for taxes and grant revenues				2,907
Adjustments to expenditures for general government expenses				(7,059)
<i>Net change in fund balance (GAAP)</i>				<u>\$ (14,156)</u>

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

STATE OF NEW MEXICO

Statement B-3

City of Alamogordo

Court Automation Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	28,000	28,000	21,862	(6,138)
Federal capital grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	50,000	50,000	25,757	(24,243)
Investment income	593	593	500	(93)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>78,593</u>	<u>78,593</u>	<u>48,119</u>	<u>(30,474)</u>
<i>Expenditures</i>				
Current:				
General government	45,962	45,847	38,584	7,263
Public safety	14,750	14,750	13,870	880
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Issuance cost	-	-	-	-
<i>Total expenditures</i>	<u>60,712</u>	<u>60,597</u>	<u>52,454</u>	<u>8,143</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>17,881</u>	<u>17,996</u>	<u>(4,335)</u>	<u>(22,331)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	4,282	2,643	-	(2,643)
Transfers in	-	-	-	-
Transfers (out)	(22,163)	(20,639)	(20,126)	513
<i>Total other financing sources (uses)</i>	<u>(17,881)</u>	<u>(17,996)</u>	<u>(20,126)</u>	<u>(2,130)</u>
<i>Net change in fund balances</i>	-	-	(24,461)	(24,461)
<i>Fund balances - beginning of year</i>	-	-	55,207	55,207
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,746</u>	<u>\$ 30,746</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (24,461)
Adjustments to revenues for grant revenues				1,241
Adjustments to expenditures for salaries and other expenses.				(246)
<i>Net change in fund balance (GAAP)</i>				<u>\$ (23,466)</u>

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

STATE OF NEW MEXICO

Statement B-4

City of Alamogordo

Lodger's Tax - City Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	298,677	298,677	317,474	18,797
Intergovernmental:				
Federal operating grants	17,862	57,618	45,726	(11,892)
State operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	60,745	60,745	59,215	(1,530)
Investment income	1,955	1,955	2,142	187
Miscellaneous	15,500	15,500	133	(15,367)
<i>Total revenues</i>	<u>394,739</u>	<u>434,495</u>	<u>424,690</u>	<u>(9,805)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	360,931	377,990	300,010	77,980
Health and welfare	-	-	-	-
Capital outlay	21,190	72,023	51,465	20,558
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Issuance cost	-	-	-	-
<i>Total expenditures</i>	<u>382,121</u>	<u>450,013</u>	<u>351,475</u>	<u>98,538</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>12,618</u>	<u>(15,518)</u>	<u>73,215</u>	<u>88,733</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	23,606	51,488	-	(51,488)
Transfers in	-	-	-	-
Transfers (out)	(36,224)	(35,970)	(33,845)	2,125
<i>Total other financing sources (uses)</i>	<u>(12,618)</u>	<u>15,518</u>	<u>(33,845)</u>	<u>(49,363)</u>
<i>Net change in fund balances</i>	-	-	39,370	39,370
<i>Fund balances - beginning of year</i>	-	-	178,954	178,954
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 218,324</u>	<u>\$ 218,324</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 39,370
Adjustments to revenues for taxes				478
Adjustments to expenditures for salaries and other expenses				(16,327)
<i>Net change in fund balance (GAAP)</i>				<u>\$ 23,521</u>

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

STATE OF NEW MEXICO

Statement B-5

City of Alamogordo

D.A.R.E Donations Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	120	120	124	4
Miscellaneous	3,500	7,564	10,991	3,427
<i>Total revenues</i>	<u>3,620</u>	<u>7,684</u>	<u>11,115</u>	<u>3,431</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	8,281	13,845	8,891	4,954
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Issuance cost	-	-	-	-
<i>Total expenditures</i>	<u>8,281</u>	<u>13,845</u>	<u>8,891</u>	<u>4,954</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(4,661)</u>	<u>(6,161)</u>	<u>2,224</u>	<u>8,385</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	4,661	6,161	-	(6,161)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>4,661</u>	<u>6,161</u>	<u>-</u>	<u>(6,161)</u>
<i>Net change in fund balances</i>	-	-	2,224	2,224
<i>Fund balances - beginning of year</i>	-	-	13,644	13,644
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,868</u>	<u>\$ 15,868</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 2,224
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ 2,224</u>

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

STATE OF NEW MEXICO

Statement B-6

City of Alamogordo

Designated Gifts Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	800	1,150	2,776	1,626
Investment income	282	282	401	119
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,082</u>	<u>1,432</u>	<u>3,177</u>	<u>1,745</u>
<i>Expenditures</i>				
Current:				
General government	2,000	8,597	4,251	4,346
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	10,354	8,234	2,120
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Issuance cost	-	-	-	-
<i>Total expenditures</i>	<u>2,000</u>	<u>18,951</u>	<u>12,485</u>	<u>6,466</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(918)</u>	<u>(17,519)</u>	<u>(9,308)</u>	<u>8,211</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	918	17,519	-	(17,519)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>918</u>	<u>17,519</u>	<u>-</u>	<u>(17,519)</u>
<i>Net change in fund balances</i>	-	-	(9,308)	(9,308)
<i>Fund balances - beginning of year</i>	-	-	36,188	36,188
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,880</u>	<u>\$ 26,880</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (9,308)
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ (9,308)</u>

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

STATE OF NEW MEXICO

Statement B-7

City of Alamogordo

Grant Capital Improvement Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable</u> <u>(Unfavorable)</u> <u>Final to Actual</u>
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
Federal capital grants	-	356,504	159,834	(196,670)
State capital grants	-	74,789	-	(74,789)
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>431,293</u>	<u>159,834</u>	<u>(271,459)</u>
<i>Expenditures</i>				
Current:				
General government	-	438,265	173,206	265,059
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Issuance cost	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>438,265</u>	<u>173,206</u>	<u>265,059</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(6,972)</u>	<u>(13,372)</u>	<u>(6,400)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	-	12,551	-	(12,551)
Transfers in	-	47,301	43,701	(3,600)
Transfers (out)	-	(52,880)	(52,880)	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>6,972</u>	<u>(9,179)</u>	<u>(16,151)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(22,551)</u>	<u>(22,551)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>22,551</u>	<u>22,551</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (22,551)
Adjustments to revenues for grants revenues				2,487
Adjustments to expenditures for accounts payable accrual				(26,943)
<i>Net change in fund balance (GAAP)</i>				<u>\$ (47,007)</u>

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

STATE OF NEW MEXICO

Statement B-8

City of Alamogordo

Court Administration Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	8,000	8,000	12,007	4,007
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>8,000</u>	<u>8,000</u>	<u>12,007</u>	<u>4,007</u>
<i>Expenditures</i>				
Current:				
General government	351,283	349,835	327,257	22,578
Public safety	58,077	58,015	54,258	3,757
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	5,000	-	5,000
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Issuance cost	-	-	-	-
<i>Total expenditures</i>	<u>409,360</u>	<u>412,850</u>	<u>381,515</u>	<u>31,335</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(401,360)</u>	<u>(404,850)</u>	<u>(369,508)</u>	<u>35,342</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	69,147	-	-	-
Transfers in	338,459	411,173	370,217	(40,956)
Transfers (out)	(6,246)	(6,323)	(5,709)	614
<i>Total other financing sources (uses)</i>	<u>401,360</u>	<u>404,850</u>	<u>364,508</u>	<u>(40,342)</u>
<i>Net change in fund balances</i>	-	-	(5,000)	(5,000)
<i>Fund balances - beginning of year</i>	-	-	5,000	5,000
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (5,000)
Adjustments to revenues for charges for services				(70)
Adjustments to expenditures for salaries and other expenses				(4,960)
<i>Net change in fund balance (GAAP)</i>				<u>\$ (10,030)</u>

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

STATE OF NEW MEXICO

Statement B-9

City of Alamogordo

Police Contingency Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	3,000	3,000	2,940	(60)
Investment income	473	473	372	(101)
Miscellaneous	5,000	5,000	295	(4,705)
<i>Total revenues</i>	<u>8,473</u>	<u>8,473</u>	<u>3,607</u>	<u>(4,866)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	14,684	14,684	1,373	13,311
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Issuance cost	-	-	-	-
<i>Total expenditures</i>	<u>14,684</u>	<u>14,684</u>	<u>1,373</u>	<u>13,311</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(6,211)</u>	<u>(6,211)</u>	<u>2,234</u>	<u>8,445</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	6,211	6,211	-	(6,211)
Proceeds from sale of assets	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>6,211</u>	<u>6,211</u>	<u>-</u>	<u>(6,211)</u>
<i>Net change in fund balances</i>	-	-	2,234	2,234
<i>Fund balances - beginning of year</i>	-	-	48,059	48,059
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,293</u>	<u>\$ 50,293</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 2,234
No adjustments to revenues.				-
Adjustments to expenditures for salaries and other expenses.				(6,856)
<i>Net change in fund balance (GAAP)</i>				<u>\$ (4,622)</u>

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

STATE OF NEW MEXICO

Statement B-10

City of Alamogordo

Fire Protection Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	599,437	621,617	621,617	-
Federal capital grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	3,486	3,486	8,657	5,171
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>602,923</u>	<u>625,103</u>	<u>630,274</u>	<u>5,171</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	351,928	416,060	264,692	151,368
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	61,236	612,265	416,463	195,802
Debt service:				
Principal	109,564	109,564	109,564	-
Interest	15,320	15,320	15,319	1
Issuance cost	-	-	-	-
<i>Total expenditures</i>	<u>538,048</u>	<u>1,153,209</u>	<u>806,038</u>	<u>347,171</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>64,875</u>	<u>(528,106)</u>	<u>(175,764)</u>	<u>352,342</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	(64,875)	528,106	-	(528,106)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(64,875)</u>	<u>528,106</u>	<u>-</u>	<u>(528,106)</u>
<i>Net change in fund balances</i>	-	-	(175,764)	(175,764)
<i>Fund balances - beginning of year</i>	-	-	573,163	573,163
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 397,399</u>	<u>\$ 397,399</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (175,764)
No adjustments to revenues				-
Adjustments to expenditures for salaries and supply expenses.				(1,736)
<i>Net change in fund balance (GAAP)</i>				<u>\$ (177,500)</u>

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

STATE OF NEW MEXICO

Statement B-11

City of Alamogordo

Law Enforcement Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	129,763	113,800	83,753	(30,047)
Federal capital grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>129,763</u>	<u>113,800</u>	<u>83,753</u>	<u>(30,047)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	115,697	112,983	79,796	33,187
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Issuance cost	-	-	-	-
<i>Total expenditures</i>	<u>115,697</u>	<u>112,983</u>	<u>79,796</u>	<u>33,187</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>14,066</u>	<u>817</u>	<u>3,957</u>	<u>3,140</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	(14,066)	(10,817)	-	10,817
Transfers in	-	10,000	-	(10,000)
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(14,066)</u>	<u>(817)</u>	<u>-</u>	<u>817</u>
<i>Net change in fund balances</i>	-	-	3,957	3,957
<i>Fund balances - beginning of year</i>	-	-	2,786	2,786
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,743</u>	<u>\$ 6,743</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 3,957
Adjustments to revenues for grant revenues				(1,787)
Adjustments to expenditures for salaries and other expenses.				(9,876)
<i>Net change in fund balance (GAAP)</i>				<u>\$ (7,706)</u>

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

STATE OF NEW MEXICO

Statement B-12

City of Alamogordo

State Highway Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	12,000	25,358	25,163	(195)
Federal capital grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	21,500	21,500	21,737	237
Investment income	489	489	1,119	630
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>33,989</u>	<u>47,347</u>	<u>48,019</u>	<u>672</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	42,929	37,095	32,739	4,356
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Issuance cost	-	-	-	-
<i>Total expenditures</i>	<u>42,929</u>	<u>37,095</u>	<u>32,739</u>	<u>4,356</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(8,940)</u>	<u>10,252</u>	<u>15,280</u>	<u>5,028</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	10,051	(9,128)	-	9,128
Transfers in	-	-	-	-
Transfers (out)	(1,111)	(1,124)	(1,006)	118
<i>Total other financing sources (uses)</i>	<u>8,940</u>	<u>(10,252)</u>	<u>(1,006)</u>	<u>9,246</u>
<i>Net change in fund balances</i>	-	-	14,274	14,274
<i>Fund balances - beginning of year</i>	-	-	95,366	95,366
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 109,640</u>	<u>\$ 109,640</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 14,274
Adjustments to revenues for grants and other charges				202
Adjustments to expenditures for salaries and other expenses.				3
<i>Net change in fund balance (GAAP)</i>				<u>\$ 14,479</u>

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

STATE OF NEW MEXICO

Statement B-13

City of Alamogordo

Traffic Safety Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	30,000	30,000	15,786	(14,214)
Investment income	496	496	513	17
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>30,496</u>	<u>30,496</u>	<u>16,299</u>	<u>(14,197)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	26,500	26,500	17,706	8,794
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	11,500	11,500	-	11,500
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Issuance cost	-	-	-	-
<i>Total expenditures</i>	<u>38,000</u>	<u>38,000</u>	<u>17,706</u>	<u>20,294</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(7,504)</u>	<u>(7,504)</u>	<u>(1,407)</u>	<u>6,097</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	7,504	7,504	-	(7,504)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>7,504</u>	<u>7,504</u>	<u>-</u>	<u>(7,504)</u>
<i>Net change in fund balances</i>	-	-	(1,407)	(1,407)
<i>Fund balances - beginning of year</i>	-	-	54,398	54,398
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,991</u>	<u>\$ 52,991</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (1,407)
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ (1,407)</u>

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

STATE OF NEW MEXICO

Statement B-14

City of Alamogordo

1984 Gross Receipts Tax Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	1,522,894	1,522,894	1,606,476	83,582
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	30,518	30,518	52,442	21,924
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,553,412</u>	<u>1,553,412</u>	<u>1,658,918</u>	<u>105,506</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Issuance cost	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>1,553,412</u>	<u>1,553,412</u>	<u>1,658,918</u>	<u>105,506</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	1,895,262	2,072,480	-	(2,072,480)
Transfers in	-	-	-	-
Transfers (out)	(3,448,674)	(3,625,892)	(581,810)	3,044,082
<i>Total other financing sources (uses)</i>	<u>(1,553,412)</u>	<u>(1,553,412)</u>	<u>(581,810)</u>	<u>971,602</u>
<i>Net change in fund balances</i>	-	-	1,077,108	1,077,108
<i>Fund balances - beginning of year</i>	-	-	2,398,093	2,398,093
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,475,201</u>	<u>\$ 3,475,201</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 1,077,108
Adjustments to revenues for taxes				16,927
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ 1,094,035</u>

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

STATE OF NEW MEXICO

Statement B-15

City of Alamogordo

Transportation Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	380,722	380,722	405,851	25,129
Gasoline and motor vehicle	635,085	635,085	602,607	(32,478)
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	437,128	267,785	(169,343)
State operating grants	-	130,967	91,394	(39,573)
Federal capital grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	2,000	2,000	6,983	4,983
Investment income	10,992	10,992	4,684	(6,308)
Miscellaneous	-	-	37,471	37,471
<i>Total revenues</i>	<u>1,028,799</u>	<u>1,596,894</u>	<u>1,416,775</u>	<u>(180,119)</u>
<i>Expenditures</i>				
Current:				
General government	671	671	2,008	(1,337)
Public safety	-	-	-	-
Public works	1,599,108	2,872,572	1,341,296	1,531,276
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	1,175,000	1,356,765	332,477	1,024,288
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Issuance cost	-	-	-	-
<i>Total expenditures</i>	<u>2,774,779</u>	<u>4,230,008</u>	<u>1,675,781</u>	<u>2,554,227</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,745,980)</u>	<u>(2,633,114)</u>	<u>(259,006)</u>	<u>2,374,108</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	146,567	516,752	-	(516,752)
Proceeds from sale of assets	-	-	-	-
Transfers in	1,761,426	2,283,678	124,903	(2,158,775)
Transfers (out)	(162,013)	(167,316)	(153,083)	14,233
<i>Total other financing sources (uses)</i>	<u>1,745,980</u>	<u>2,633,114</u>	<u>(28,180)</u>	<u>(2,661,294)</u>
<i>Net change in fund balances</i>	-	-	(287,186)	(287,186)
<i>Fund balances - beginning of year</i>	-	-	588,480	588,480
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 301,294</u>	<u>\$ 301,294</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (287,186)
Adjustments to revenues for taxes and grant revenues				8,386
Adjustments to expenditures for salaries and other expenses.				1,667
<i>Net change in fund balance (GAAP)</i>				<u>\$ (277,133)</u>

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

STATE OF NEW MEXICO

Statement B-16

City of Alamogordo

1994 Gross Receipts Tax Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	1,522,894	1,522,894	1,606,476	83,582
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	19,536	19,536	29,071	9,535
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,542,430</u>	<u>1,542,430</u>	<u>1,635,547</u>	<u>93,117</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Issuance cost	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>1,542,430</u>	<u>1,542,430</u>	<u>1,635,547</u>	<u>93,117</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	746,169	894,333	-	(894,333)
Transfers in	-	23,356	23,356	-
Transfers (out)	(2,288,599)	(2,460,119)	(1,355,815)	1,104,304
<i>Total other financing sources (uses)</i>	<u>(1,542,430)</u>	<u>(1,542,430)</u>	<u>(1,332,459)</u>	<u>209,971</u>
<i>Net change in fund balances</i>	-	-	303,088	303,088
<i>Fund balances - beginning of year</i>	-	-	1,569,147	1,569,147
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,872,235</u>	<u>\$ 1,872,235</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 303,088
Adjustments to revenues for taxes				16,927
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ 320,015</u>

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

STATE OF NEW MEXICO

Statement B-17

City of Alamogordo

Alamo Senior Center Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	117,725	117,725	127,429	9,704
State operating grants	434,043	858,272	672,536	(185,736)
Federal capital grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	151,357	151,357	149,845	(1,512)
Investment income	-	-	-	-
Miscellaneous	6,000	26,480	15,879	(10,601)
<i>Total revenues</i>	<u>709,125</u>	<u>1,153,834</u>	<u>965,689</u>	<u>(188,145)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	1,117,883	1,152,259	1,007,711	144,548
Health and welfare	-	-	-	-
Capital outlay	128,600	245,129	157,326	87,803
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Issuance cost	-	-	-	-
<i>Total expenditures</i>	<u>1,246,483</u>	<u>1,397,388</u>	<u>1,165,037</u>	<u>232,351</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(537,358)</u>	<u>(243,554)</u>	<u>(199,348)</u>	<u>44,206</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	123,816	(201,796)	-	201,796
Proceeds from sale of assets	-	-	-	-
Transfers in	413,542	445,350	312,785	(132,565)
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>537,358</u>	<u>243,554</u>	<u>312,785</u>	<u>69,231</u>
<i>Net change in fund balances</i>	-	-	113,437	113,437
<i>Fund balances - beginning of year</i>	-	-	(93,958)	(93,958)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,479</u>	<u>\$ 19,479</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 113,437
Adjustments to revenues for grant revenues				125,295
Adjustments to expenditures for salaries and other expenses.				2,373
<i>Net change in fund balance (GAAP)</i>				<u>\$ 241,105</u>

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

STATE OF NEW MEXICO

Statement B-18

City of Alamogordo

Alamo Senior Center Gift Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	20,000	20,000	24,347	4,347
Investment income	747	747	1,318	571
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>20,747</u>	<u>20,747</u>	<u>25,665</u>	<u>4,918</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	20,000	132,969	39,393	93,576
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Issuance cost	-	-	-	-
<i>Total expenditures</i>	<u>20,000</u>	<u>132,969</u>	<u>39,393</u>	<u>93,576</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>747</u>	<u>(112,222)</u>	<u>(13,728)</u>	<u>98,494</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	(657)	112,314	-	(112,314)
Transfers in	-	-	-	-
Transfers (out)	(90)	(92)	(79)	13
<i>Total other financing sources (uses)</i>	<u>(747)</u>	<u>112,222</u>	<u>(79)</u>	<u>(112,301)</u>
<i>Net change in fund balances</i>	-	-	(13,807)	(13,807)
<i>Fund balances - beginning of year</i>	-	-	112,314	112,314
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 98,507</u>	<u>\$ 98,507</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (13,807)
No adjustments to revenues				-
Adjustments to expenditures for accounts payable				(1,866)
<i>Net change in fund balance (GAAP)</i>				<u>\$ (15,673)</u>

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

STATE OF NEW MEXICO

Statement B-19

City of Alamogordo

Retired and Senior Volunteer Program Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	42,914	45,914	27,083	(18,831)
State operating grants	151,730	209,663	209,663	-
Federal capital grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	7,250	6,000	6,000	-
<i>Total revenues</i>	<u>201,894</u>	<u>261,577</u>	<u>242,746</u>	<u>(18,831)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	237,013	274,063	241,899	32,164
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Issuance cost	-	-	-	-
<i>Total expenditures</i>	<u>237,013</u>	<u>274,063</u>	<u>241,899</u>	<u>32,164</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(35,119)</u>	<u>(12,486)</u>	<u>847</u>	<u>13,333</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	7,607	(62,833)	-	62,833
Transfers in	41,963	89,281	46,089	(43,192)
Transfers (out)	(14,451)	(13,962)	(12,999)	963
<i>Total other financing sources (uses)</i>	<u>35,119</u>	<u>12,486</u>	<u>33,090</u>	<u>20,604</u>
<i>Net change in fund balances</i>	-	-	33,937	33,937
<i>Fund balances - beginning of year</i>	-	-	(27,833)	(27,833)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,104</u>	<u>\$ 6,104</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 33,937
Adjustments to revenues for grant revenues				18,831
Adjustments to expenditures for salaries and other expenses.				448
<i>Net change in fund balance (GAAP)</i>				<u>\$ 53,216</u>

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

STATE OF NEW MEXICO

Statement B-20

City of Alamogordo

ESGRT .0625% Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	380,722	380,722	401,619	20,897
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	643,750	306,461	(337,289)
Federal capital grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	24,669	24,669	23,196	(1,473)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>405,391</u>	<u>1,049,141</u>	<u>731,276</u>	<u>(317,865)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	295,180	61,784	233,396
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	52,000	607,628	-	607,628
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Issuance cost	-	-	-	-
<i>Total expenditures</i>	<u>52,000</u>	<u>902,808</u>	<u>61,784</u>	<u>841,024</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>353,391</u>	<u>146,333</u>	<u>669,492</u>	<u>523,159</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	(353,391)	705,968	-	(705,968)
Transfers in	-	-	-	-
Transfers (out)	-	(852,301)	(1,150,664)	(298,363)
<i>Total other financing sources (uses)</i>	<u>(353,391)</u>	<u>(146,333)</u>	<u>(1,150,664)</u>	<u>(1,004,331)</u>
<i>Net change in fund balances</i>	-	-	(481,172)	(481,172)
<i>Fund balances - beginning of year</i>	-	-	2,173,974	2,173,974
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,692,802</u>	<u>\$ 1,692,802</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (481,172)
Adjustments to revenues for taxes				1,343
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ (479,829)</u>

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

STATE OF NEW MEXICO

Statement B-21

City of Alamogordo

1986 Gross Receipts Tax Fund Capital Projects Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	1,522,894	1,522,894	1,606,476	83,582
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	70,000	70,000	143,487	73,487
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,592,894</u>	<u>1,592,894</u>	<u>1,749,963</u>	<u>157,069</u>
<i>Expenditures</i>				
Current:				
General government	25,000	25,000	1,029	23,971
Public safety	-	-	-	-
Public works	75,000	104,944	52,747	52,197
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	244,810	1,202,989	39,438	1,163,551
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Issuance cost	-	-	-	-
<i>Total expenditures</i>	<u>344,810</u>	<u>1,332,933</u>	<u>93,214</u>	<u>1,239,719</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>1,248,084</u>	<u>259,961</u>	<u>1,656,749</u>	<u>1,396,788</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	(711,858)	1,493,058	-	(1,493,058)
Transfers in	-	241,859	241,859	-
Transfers (out)	(536,226)	(1,994,878)	(939,901)	1,054,977
<i>Total other financing sources (uses)</i>	<u>(1,248,084)</u>	<u>(259,961)</u>	<u>(698,042)</u>	<u>(438,081)</u>
<i>Net change in fund balances</i>	-	-	958,707	958,707
<i>Fund balances - beginning of year</i>	-	-	8,408,689	8,408,689
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,367,396</u>	<u>\$ 9,367,396</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 958,707
Adjustments to revenues for taxes				16,927
Adjustments to expenditures for salaries and other expenses.				(4,363)
<i>Net change in fund balance (GAAP)</i>				<u>\$ 971,271</u>

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

STATE OF NEW MEXICO

Statement B-22

City of Alamogordo

2004 Capital Outlay GRT Fund Capital Projects Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	3,045,788	3,045,788	3,212,953	167,165
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	84,946	84,946	153,049	68,103
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>3,130,734</u>	<u>3,130,734</u>	<u>3,366,002</u>	<u>235,268</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	1,029,454	1,207,472	32,041	1,175,431
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	2,062,524	8,318,415	932,037	7,386,378
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Issuance cost	-	-	-	-
<i>Total expenditures</i>	<u>3,091,978</u>	<u>9,525,887</u>	<u>964,078</u>	<u>8,561,809</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>38,756</u>	<u>(6,395,153)</u>	<u>2,401,924</u>	<u>8,797,077</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	1,079,965	7,316,401	-	(7,316,401)
Transfers in	-	197,473	197,473	-
Transfers (out)	(1,118,721)	(1,118,721)	(1,118,717)	4
<i>Total other financing sources (uses)</i>	<u>(38,756)</u>	<u>6,395,153</u>	<u>(921,244)</u>	<u>(7,316,397)</u>
<i>Net change in fund balances</i>	-	-	1,480,680	1,480,680
<i>Fund balances - beginning of year</i>	-	-	9,012,662	9,012,662
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,493,342</u>	<u>\$ 10,493,342</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 1,480,680
Adjustments to revenues for taxes				33,853
Adjustments to expenditures for capital outlay expenses				(13,078)
<i>Net change in fund balance (GAAP)</i>				<u>\$ 1,501,455</u>

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

STATE OF NEW MEXICO

Statement B-23

City of Alamogordo

Airport Improvement Projects Capital Projects Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
Federal capital grants	3,361,182	4,194,202	3,724,449	(469,753)
State capital grants	186,733	243,894	198,206	(45,688)
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>3,547,915</u>	<u>4,438,096</u>	<u>3,922,655</u>	<u>(515,441)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	3,641,672	4,871,579	-	4,871,579
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Issuance cost	-	-	-	-
<i>Total expenditures</i>	<u>3,641,672</u>	<u>4,871,579</u>	<u>-</u>	<u>4,871,579</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(93,757)</u>	<u>(433,483)</u>	<u>3,922,655</u>	<u>4,356,138</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	93,757	(85,193)	-	85,193
Transfers in	-	518,676	202,517	(316,159)
Transfers (out)	-	-	(4,140,603)	(4,140,603)
<i>Total other financing sources (uses)</i>	<u>93,757</u>	<u>433,483</u>	<u>(3,938,086)</u>	<u>(4,371,569)</u>
<i>Net change in fund balances</i>	-	-	(15,431)	(15,431)
<i>Fund balances - beginning of year</i>	-	-	15,431	15,431
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (15,431)
No adjustments to revenues				-
Adjustments to expenditures for capital outlay expenses				575,927
<i>Net change in fund balance (GAAP)</i>				<u>\$ 560,496</u>

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

STATE OF NEW MEXICO

Statement B-24

City of Alamogordo

New Mexico CDBG Capital Projects Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
Federal capital grants	500,000	500,000	-	(500,000)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	107,625	107,625	-
<i>Total revenues</i>	<u>500,000</u>	<u>607,625</u>	<u>107,625</u>	<u>(500,000)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	25,696	30,593	14,009	16,584
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	581,929	773,750	58	773,692
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Issuance cost	-	-	-	-
<i>Total expenditures</i>	<u>607,625</u>	<u>804,343</u>	<u>14,067</u>	<u>790,276</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(107,625)</u>	<u>(196,718)</u>	<u>93,558</u>	<u>290,276</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	107,625	(3,282)	-	3,282
Transfers in	-	200,000	-	(200,000)
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>107,625</u>	<u>196,718</u>	<u>-</u>	<u>(196,718)</u>
<i>Net change in fund balances</i>	-	-	93,558	93,558
<i>Fund balances - beginning of year</i>	-	-	(3,282)	(3,282)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 90,276</u>	<u>\$ 90,276</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 93,558
Adjustments to revenues for accounts receivable				3,282
Adjustments to expenditures for accounts payable				(3,282)
<i>Net change in fund balance (GAAP)</i>				<u>\$ 93,558</u>

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

STATE OF NEW MEXICO

Statement B-25

City of Alamogordo

Property Acquisition Capital Projects Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	37,286	37,286
Investment income	1,956	1,956	1,362	(594)
Miscellaneous	-	-	1	1
<i>Total revenues</i>	<u>1,956</u>	<u>1,956</u>	<u>38,649</u>	<u>36,693</u>
<i>Expenditures</i>				
Current:				
General government	12,200	30,132	-	30,132
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	25,000	427,168	367,004	60,164
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Issuance cost	-	-	-	-
<i>Total expenditures</i>	<u>37,200</u>	<u>457,300</u>	<u>367,004</u>	<u>90,296</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(35,244)</u>	<u>(455,344)</u>	<u>(328,355)</u>	<u>126,989</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	35,244	100,346	-	(100,346)
Transfers in	-	354,998	239,998	(115,000)
Transfers (out)	-	-	(33,171)	(33,171)
<i>Total other financing sources (uses)</i>	<u>35,244</u>	<u>455,344</u>	<u>206,827</u>	<u>(248,517)</u>
<i>Net change in fund balances</i>	-	-	(121,528)	(121,528)
<i>Fund balances - beginning of year</i>	-	-	177,503	177,503
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,975</u>	<u>\$ 55,975</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (121,528)
No adjustments to revenue				-
Adjustments to expenditures for supply				542
<i>Net change in fund balance (GAAP)</i>				<u>\$ (120,986)</u>

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

STATE OF NEW MEXICO

Statement B-26

City of Alamogordo

Reverse Osmosis Project Reserve Capital Projects Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original</u>	<u>Final</u>		<u>(Unfavorable)</u>
				<u>Final to Actual</u>
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State capital grants	-	4,180,893	124,033	(4,056,860)
Charges for services	-	-	-	-
Investment income	1,231	1,231	833	(398)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,231</u>	<u>4,182,124</u>	<u>124,866</u>	<u>(4,057,258)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	812,988	-	812,988
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	5,125,000	5,125,000	-	5,125,000
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Issuance cost	-	-	-	-
<i>Total expenditures</i>	<u>5,125,000</u>	<u>5,937,988</u>	<u>-</u>	<u>5,937,988</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(5,123,769)</u>	<u>(1,755,864)</u>	<u>124,866</u>	<u>1,880,730</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	5,123,769	146,855	-	(146,855)
Proceeds from long term debt	-	1,609,009	-	(1,609,009)
Transfers in	-	-	372,102	372,102
Transfers (out)	-	-	(646,431)	(646,431)
<i>Total other financing sources (uses)</i>	<u>5,123,769</u>	<u>1,755,864</u>	<u>(274,329)</u>	<u>(2,030,193)</u>
<i>Net change in fund balances</i>	-	-	(149,463)	(149,463)
<i>Fund balances - beginning of year</i>	-	-	166,001	166,001
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,538</u>	<u>\$ 16,538</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (149,463)
Adjustments to revenues for grant revenues				(109)
Adjustments to expenses for contract services				(3,249)
<i>Net change in fund balance (GAAP)</i>				<u>\$ (152,821)</u>

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

STATE OF NEW MEXICO

Statement B-27

City of Alamogordo

99 GRT Flood Control Capital Projects Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	3,804	3,804	7,507	3,703
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>3,804</u>	<u>3,804</u>	<u>7,507</u>	<u>3,703</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	2,820,000	3,268,971	103,513	3,165,458
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Issuance cost	-	-	-	-
<i>Total expenditures</i>	<u>2,820,000</u>	<u>3,268,971</u>	<u>103,513</u>	<u>3,165,458</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(2,816,196)</u>	<u>(3,265,167)</u>	<u>(96,006)</u>	<u>3,169,161</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	(2,486,707)	(1,163,478)	-	1,163,478
Transfers in	2,302,903	2,002,903	-	(2,002,903)
Transfers (out)	-	(74,258)	(74,258)	-
<i>Total other financing sources (uses)</i>	<u>2,816,196</u>	<u>3,265,167</u>	<u>(74,258)</u>	<u>(3,339,425)</u>
<i>Net change in fund balances</i>	-	-	(170,264)	(170,264)
<i>Fund balances - beginning of year</i>	-	-	581,421	581,421
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 411,157</u>	<u>\$ 411,157</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (170,264)
No adjustments to revenues				-
Adjustments to expenditures for accounts payable for capital outlay				(40,507)
<i>Net change in fund balance (GAAP)</i>				<u>\$ (210,771)</u>

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

STATE OF NEW MEXICO

Statement B-28

City of Alamogordo

Municipal Infrastructure .0625% Capital Projects Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	380,722	380,722	401,619	20,897
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	5,663	5,663	7,185	1,522
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>386,385</u>	<u>386,385</u>	<u>408,804</u>	<u>22,419</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Issuance cost	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>386,385</u>	<u>386,385</u>	<u>408,804</u>	<u>22,419</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	69,484	525,415	-	(525,415)
Transfers in	-	-	-	-
Transfers (out)	(455,869)	(911,800)	(312,944)	598,856
<i>Total other financing sources (uses)</i>	<u>(386,385)</u>	<u>(386,385)</u>	<u>(312,944)</u>	<u>73,441</u>
<i>Net change in fund balances</i>	-	-	95,860	95,860
<i>Fund balances - beginning of year</i>	-	-	558,128	558,128
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 653,988</u>	<u>\$ 653,988</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 95,860
Adjustments to revenues for taxes				4,232
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ 100,092</u>

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

STATE OF NEW MEXICO

Statement B-29

City of Alamogordo

Economic Development Capital Projects Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	761,447	761,447	803,238	41,791
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	124,000	124,000	-
Federal capital grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	75,000	75,000
Investment income	68,323	68,323	97,132	28,809
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>829,770</u>	<u>953,770</u>	<u>1,099,370</u>	<u>145,600</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	612,953	1,539,606	271,774	1,267,832
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Issuance cost	-	-	-	-
<i>Total expenditures</i>	<u>612,953</u>	<u>1,539,606</u>	<u>271,774</u>	<u>1,267,832</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>216,817</u>	<u>(585,836)</u>	<u>827,596</u>	<u>1,413,432</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	(216,817)	585,836	-	(585,836)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(216,817)</u>	<u>585,836</u>	<u>-</u>	<u>(585,836)</u>
<i>Net change in fund balances</i>	-	-	827,596	827,596
<i>Fund balances - beginning of year</i>	-	-	5,407,927	5,407,927
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,235,523</u>	<u>\$ 6,235,523</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 827,596
Adjustments to revenues for taxes and grant revenues				(66,537)
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ 761,059</u>

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

STATE OF NEW MEXICO

Statement B-30

City of Alamogordo

Sewer Plant Capital Projects Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	990	990
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>990</u>	<u>990</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	2,708,290	3,050,463	-	3,050,463
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Issuance cost	-	-	-	-
<i>Total expenditures</i>	<u>2,708,290</u>	<u>3,050,463</u>	<u>-</u>	<u>3,050,463</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(2,708,290)</u>	<u>(3,050,463)</u>	<u>990</u>	<u>3,051,453</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	2,708,290	479,423	-	(479,423)
Transfers in	-	2,571,040	2,571,040	-
Transfers (out)	-	-	(2,953,103)	(2,953,103)
<i>Total other financing sources (uses)</i>	<u>2,708,290</u>	<u>3,050,463</u>	<u>(382,063)</u>	<u>(3,432,526)</u>
<i>Net change in fund balances</i>	-	-	(381,073)	(381,073)
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>486,186</u>	<u>486,186</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 105,113</u>	<u>\$ 105,113</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (381,073)
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ (381,073)</u>

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

STATE OF NEW MEXICO

Statement B-31

City of Alamogordo

Sidewalk Revolving Loans Capital Projects Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	1,728	1,728	1,786	58
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,728</u>	<u>1,728</u>	<u>1,786</u>	<u>58</u>
<i>Expenditures</i>				
Current:				
General government	360	360	-	360
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	100,000	100,000	-	100,000
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Issuance cost	-	-	-	-
<i>Total expenditures</i>	<u>100,360</u>	<u>100,360</u>	<u>-</u>	<u>100,360</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(98,632)</u>	<u>(98,632)</u>	<u>1,786</u>	<u>100,418</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	98,632	98,632	-	(98,632)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>98,632</u>	<u>98,632</u>	<u>-</u>	<u>(98,632)</u>
<i>Net change in fund balances</i>	-	-	1,786	1,786
<i>Fund balances - beginning of year</i>	-	-	131,446	131,446
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 133,232</u>	<u>\$ 133,232</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 1,786
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ 1,786</u>

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

STATE OF NEW MEXICO

Statement B-32

City of Alamogordo

Reg Water Supply Trans LN Capital Projects Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State capital grants	-	1,227,439	1,227,439	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	1,227,439	1,227,439	-
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	1,226,924	-	1,226,924
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Issuance cost	-	-	-	-
<i>Total expenditures</i>	-	1,226,924	-	1,226,924
<i>Excess (deficiency) of revenues over expenditures</i>	-	515	1,227,439	1,226,924
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	-	24,032	-	(24,032)
Transfers in	-	217,312	217,312	-
Transfers (out)	-	(241,859)	(1,468,783)	(1,226,924)
<i>Total other financing sources (uses)</i>	-	(515)	(1,251,471)	(1,250,956)
<i>Net change in fund balances</i>	-	-	(24,032)	(24,032)
<i>Fund balances - beginning of year</i>	-	-	26,917	26,917
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 2,885	\$ 2,885
Net change in fund balance (non-GAAP budgetary basis)				\$ (24,032)
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				\$ (24,032)

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

STATE OF NEW MEXICO

Statement B-33

City of Alamogordo

2011 JT W/S Refunding & Improvement Revenue Bond Capital Projects Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	3,899	3,899
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>3,899</u>	<u>3,899</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	704,530	635,228	-	635,228
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Issuance cost	-	-	-	-
<i>Total expenditures</i>	<u>704,530</u>	<u>635,228</u>	<u>-</u>	<u>635,228</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(704,530)</u>	<u>(635,228)</u>	<u>3,899</u>	<u>639,127</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	704,530	635,228	-	(635,228)
Transfers in	-	-	-	-
Transfers (out)	-	-	(625,227)	(625,227)
<i>Total other financing sources (uses)</i>	<u>704,530</u>	<u>635,228</u>	<u>(625,227)</u>	<u>(1,260,455)</u>
<i>Net change in fund balances</i>	-	-	(621,328)	(621,328)
<i>Fund balances - beginning of year</i>	-	-	638,381	638,381
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,053</u>	<u>\$ 17,053</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (621,328)
No adjustments to revenues				-
Adjustments to expenditures for capital outlay expenses				235,606
<i>Net change in fund balance (GAAP)</i>				<u>\$ (385,722)</u>

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

STATE OF NEW MEXICO

Statement B-34

City of Alamogordo

11 NMFA St GRT Street Capital Projects Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Issuance cost	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	-	197,473	-	(197,473)
Transfers in	-	-	-	-
Transfers (out)	-	(197,473)	(197,473)	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(197,473)</u>	<u>(197,473)</u>
<i>Net change in fund balances</i>	-	-	(197,473)	(197,473)
<i>Fund balances - beginning of year</i>	-	-	197,473	197,473
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (197,473)
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ (197,473)</u>

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

STATE OF NEW MEXICO

Statement B-35

City of Alamogordo

2012 GRT Refunding & Improvement Revenue Bond Capital Projects Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	18,619	18,619
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>18,619</u>	<u>18,619</u>
<i>Expenditures</i>				
Current:				
General government	-	11,481	-	11,481
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	722,811	3,515,073	89,137	3,425,936
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Issuance cost	-	-	-	-
<i>Total expenditures</i>	<u>722,811</u>	<u>3,526,554</u>	<u>89,137</u>	<u>3,437,417</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(722,811)</u>	<u>(3,526,554)</u>	<u>(70,518)</u>	<u>3,456,036</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	722,811	1,476,554	-	(1,476,554)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>722,811</u>	<u>3,526,554</u>	<u>-</u>	<u>(3,526,554)</u>
<i>Net change in fund balances</i>	-	-	(70,518)	(70,518)
<i>Fund balances - beginning of year</i>	-	-	1,522,795	1,522,795
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,452,277</u>	<u>\$ 1,452,277</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (70,518)
No adjustments to revenues				-
Adjustments to expenditures for capital outlay expenses				(4,937)
<i>Net change in fund balance (GAAP)</i>				<u>\$ (75,455)</u>

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

STATE OF NEW MEXICO

Statement B-36

City of Alamogordo

2014A GO Bond-Fun Center Capital Projects Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	10,000	10,000	100,547	90,547
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>10,000</u>	<u>10,000</u>	<u>100,547</u>	<u>90,547</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	5,929,500	58,339	5,871,161
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Issuance cost	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>5,929,500</u>	<u>58,339</u>	<u>5,871,161</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>10,000</u>	<u>(5,919,500)</u>	<u>42,208</u>	<u>5,961,708</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	(10,000)	5,919,500	-	(5,919,500)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(10,000)</u>	<u>5,919,500</u>	<u>-</u>	<u>(5,919,500)</u>
<i>Net change in fund balances</i>	-	-	42,208	42,208
<i>Fund balances - beginning of year</i>	-	-	5,960,219	5,960,219
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,002,427</u>	<u>\$ 6,002,427</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 42,208
No adjustments to revenues				-
Adjustments to expenditures for accounts payable for capital outlay				(50,869)
<i>Net change in fund balance (GAAP)</i>				<u>\$ (8,661)</u>

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

STATE OF NEW MEXICO

Statement B-37

City of Alamogordo

2014B GO Bond- Streets Capital Projects Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	10,000	10,000	60,099	50,099
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>10,000</u>	<u>10,000</u>	<u>60,099</u>	<u>50,099</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	13,000	78,751	21,166	57,585
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	3,022,500	4,262,076	1,020,111	3,241,965
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Issuance cost	-	-	-	-
<i>Total expenditures</i>	<u>3,035,500</u>	<u>4,340,827</u>	<u>1,041,277</u>	<u>3,299,550</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(3,025,500)</u>	<u>(4,330,827)</u>	<u>(981,178)</u>	<u>3,349,649</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	3,025,500	4,330,827	-	(4,330,827)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>3,025,500</u>	<u>4,330,827</u>	<u>-</u>	<u>(4,330,827)</u>
<i>Net change in fund balances</i>	-	-	(981,178)	(981,178)
<i>Fund balances - beginning of year</i>	-	-	4,389,889	4,389,889
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,408,711</u>	<u>\$ 3,408,711</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (981,178)
No adjustments to revenues				13,466
Adjustments to expenditures for engineering fees				(7,839)
<i>Net change in fund balance (GAAP)</i>				<u>\$ (975,551)</u>

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

STATE OF NEW MEXICO

Statement B-38

City of Alamogordo

1994 & 1996 GRT Principal and Interest Debt Service Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	1	1	116	115
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1</u>	<u>1</u>	<u>116</u>	<u>115</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	1,889,465	1,889,465	1,889,465	-
Interest	902,200	902,200	899,015	3,185
Issuance cost	-	-	-	-
<i>Total expenditures</i>	<u>2,791,665</u>	<u>2,791,665</u>	<u>2,788,480</u>	<u>3,185</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(2,791,664)</u>	<u>(2,791,664)</u>	<u>(2,788,364)</u>	<u>3,300</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	(1)	(1)	-	1
Transfers in	2,791,665	2,791,665	2,788,473	(3,192)
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>2,791,664</u>	<u>2,791,664</u>	<u>2,788,473</u>	<u>(3,191)</u>
<i>Net change in fund balances</i>	-	-	109	109
<i>Fund balances - beginning of year</i>	-	-	7,708	7,708
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,817</u>	<u>\$ 7,817</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 109
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ 109</u>

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

STATE OF NEW MEXICO

Statement B-39

City of Alamogordo

General Obligation Debt Service Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ 1,011,850	\$ 1,011,850	\$ 1,022,683	\$ 10,833
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	1,941	1,941	2,457	516
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,013,791</u>	<u>1,013,791</u>	<u>1,025,140</u>	<u>11,349</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	475,900	475,900	366,400	109,500
Interest	708,359	708,359	708,359	-
Issuance cost	-	-	-	-
<i>Total expenditures</i>	<u>1,184,259</u>	<u>1,184,259</u>	<u>1,074,759</u>	<u>109,500</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(170,468)</u>	<u>(170,468)</u>	<u>(49,619)</u>	<u>120,849</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	170,468	170,468	-	(170,468)
Transfers in	-	-	-	-
Transfers (out)	-	-	(109,500)	(109,500)
<i>Total other financing sources (uses)</i>	<u>170,468</u>	<u>170,468</u>	<u>(109,500)</u>	<u>(279,968)</u>
<i>Net change in fund balances</i>	-	-	(159,119)	(159,119)
<i>Fund balances - beginning of year</i>	-	-	922,719	922,719
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 763,600</u>	<u>\$ 763,600</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (159,119)
Adjustments to revenues for taxes				(489)
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ (159,608)</u>

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

STATE OF NEW MEXICO

Statement B-40

City of Alamogordo

Cemetery Perpetual Care Permanent Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	9,821	9,821	10,418	597
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>9,821</u>	<u>9,821</u>	<u>10,418</u>	<u>597</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Issuance cost	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>9,821</u>	<u>9,821</u>	<u>10,418</u>	<u>597</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	(19,809)	(19,809)	-	19,809
Proceeds from sale of assets	9,988	9,988	19,788	9,800
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(9,821)</u>	<u>(9,821)</u>	<u>19,788</u>	<u>29,609</u>
<i>Net change in fund balances</i>	-	-	30,206	30,206
<i>Fund balances - beginning of year</i>	-	-	756,079	756,079
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 786,285</u>	<u>\$ 786,285</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 30,206
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ 30,206</u>

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

STATE OF NEW MEXICO

Statement C-1

City of Alamogordo

Statement of Revenues, Expenses, and Changes in Net Position

Budget (Non-GAAP Budgetary Basis) and Actual

Water & Sewer Fund

For the Year Ended June 30, 2016

	Budget Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Operating revenues</i>				
Charges for services	\$ 9,798,889	\$ 9,798,889	\$ 9,653,867	\$ (145,022)
<i>Total operating revenues</i>	<u>9,798,889</u>	<u>9,798,889</u>	<u>9,653,867</u>	<u>(145,022)</u>
<i>Operating expenses</i>				
Personnel expenses	2,480,783	2,483,390	2,331,675	151,715
Contractual services	31,467	161,781	90,203	71,578
Supplies expense	1,627,127	1,689,987	1,536,413	153,574
Repairs and maintenance	292,011	380,028	339,467	40,561
Utilities	929,171	929,921	734,914	195,007
Equipment	3,308,400	7,926,728	8,541,631	(614,903)
Miscellaneous expense	19,057	19,057	15,324	3,733
<i>Total operating expenses</i>	<u>8,688,016</u>	<u>13,590,892</u>	<u>13,589,627</u>	<u>1,265</u>
<i>Operating income (loss)</i>	<u>1,110,873</u>	<u>(3,792,003)</u>	<u>(3,935,760)</u>	<u>(143,757)</u>
<i>Non-operating revenues (expenses)</i>				
Interest expense	(680,897)	(680,897)	(653,871)	27,026
Principal payments	(1,293,660)	(1,293,660)	(979,991)	313,669
Investment income	171,871	171,871	164,787	(7,084)
Miscellaneous income	4,264	4,264	68,554	64,290
<i>Total non-operating revenues (expenses)</i>	<u>(1,798,422)</u>	<u>(1,795,888)</u>	<u>(1,413,331)</u>	<u>382,557</u>
<i>Income (loss) before contributions and transfers</i>	<u>(687,549)</u>	<u>(5,587,891)</u>	<u>(5,349,091)</u>	<u>238,800</u>
Government contributions	-	600,000	-	(600,000)
Transfers in	634,639	634,639	6,604,149	5,969,510
Transfers (out)	(536,883)	(2,686,909)	(2,563,847)	123,062
<i>Change in net position</i>	<u>(589,793)</u>	<u>(7,040,161)</u>	<u>(1,308,789)</u>	<u>5,731,372</u>
Designated cash (budgeted increase in cash)	589,793	7,040,161	-	7,040,161
<i>Net position - beginning</i>	<u>-</u>	<u>-</u>	<u>12,811,120</u>	<u>12,811,120</u>
<i>Net position - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,502,331</u>	<u>\$ 11,502,331</u>
Change in net position (non-GAAP budgetary basis)				\$ (1,308,789)
Adjustments to revenues for charges for service				(32,574)
Adjustments to expenses for salaries, payables, and depreciation expense				6,676,151
<i>Change in net position (GAAP)</i>				<u>\$ 5,334,788</u>

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

STATE OF NEW MEXICO

Statement C-2

City of Alamogordo

Statement of Revenues, Expenses, and Changes in Net Position

Budget (Non-GAAP Budgetary Basis) and Actual

Solid Waste Fund

For the Year Ended June 30, 2016

	Budget Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Operating revenues</i>				
Charges for services	\$ 2,014,917	\$ 2,014,917	\$ 2,053,044	\$ 38,127
<i>Total operating revenues</i>	<u>2,014,917</u>	<u>2,014,917</u>	<u>2,053,044</u>	<u>38,127</u>
<i>Operating expenses</i>				
Personnel expenses	155,649	151,265	143,731	7,534
Contractual services	1,599,291	1,599,291	1,579,826	19,465
Supplies expense	80,104	88,184	84,490	3,694
Repairs and maintenance	12,896	8,362	8,157	205
Utilities	8,185	8,185	7,249	936
Equipment	-	-	-	-
Miscellaneous expense	-	-	-	-
<i>Total operating expenses</i>	<u>1,856,125</u>	<u>1,855,287</u>	<u>1,823,453</u>	<u>31,834</u>
<i>Operating income (loss)</i>	<u>158,792</u>	<u>159,630</u>	<u>229,591</u>	<u>69,961</u>
<i>Non-operating revenues (expenses)</i>				
Investment income	747	747	3,097	2,350
Miscellaneous income	1,010	1,010	1,083	73
Gain (loss) on disposition of asset	-	-	-	-
<i>Total non-operating revenues (expenses)</i>	<u>1,757</u>	<u>1,757</u>	<u>4,180</u>	<u>2,423</u>
<i>Income (loss) before contributions and transfers</i>	<u>160,549</u>	<u>161,387</u>	<u>233,771</u>	<u>72,384</u>
Government contributions	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	<u>(131,804)</u>	<u>(129,169)</u>	<u>(125,408)</u>	<u>3,761</u>
<i>Change in net position</i>	<u>28,745</u>	<u>32,218</u>	<u>108,363</u>	<u>76,145</u>
Designated cash (budgeted increase in cash)	<u>(28,745)</u>	<u>(32,218)</u>	<u>-</u>	<u>(32,218)</u>
<i>Net position - beginning</i>	<u>-</u>	<u>-</u>	<u>283,178</u>	<u>283,178</u>
<i>Net position - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 391,541</u>	<u>\$ 391,541</u>
Change in net position (non-GAAP budgetary basis)				\$ 108,363
Adjustments to revenues for charges for service				(17,078)
Adjustments to expenses for salaries and general operating expenses				(28,267)
<i>Change in net position (GAAP)</i>				<u>\$ 63,018</u>

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

STATE OF NEW MEXICO

Statement C-3

City of Alamogordo

Statement of Revenues, Expenses, and Changes in Net Position

Budget (Non-GAAP Budgetary Basis) and Actual

Bonito Lake Fund

For the Year Ended June 30, 2016

	Budget Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Operating revenues</i>				
Charges for services	\$ -	\$ -	\$ -	\$ -
Operating subsidy	-	4,188,266	150,312	(4,037,954)
<i>Total operating revenues</i>	-	4,188,266	150,312	(4,037,954)
<i>Operating expenses</i>				
Personnel expenses	-	-	-	-
Contractual services	-	74,000	-	74,000
Supplies expense	15	51,645	14,905	36,740
Repairs and maintenance	150	150	-	150
Utilities	2,616	2,616	2,481	135
Equipment	-	8,896,341	571,469	8,324,872
Miscellaneous expense	-	-	-	-
<i>Total operating expenses</i>	2,781	9,024,752	588,855	8,435,897
<i>Operating income (loss)</i>	(2,781)	(4,836,486)	(438,543)	4,397,943
<i>Non-operating revenues (expenses)</i>				
Investment income	1,163	1,163	314	(849)
Miscellaneous income	-	-	75	75
Gain (loss) on disposition of asset	-	-	-	-
<i>Total non-operating revenues (expenses)</i>	1,163	1,163	389	(774)
<i>Income (loss) before contributions and transfers</i>	(1,618)	(4,835,323)	(438,154)	4,397,169
Transfers in	-	1,416,768	163,283	(1,253,485)
Transfers (out)	-	-	-	-
<i>Change in net position</i>	(1,618)	(3,418,555)	(274,871)	3,143,684
Designated cash (budgeted increase in cash)	1,618	3,418,555	-	(3,418,555)
<i>Net position - beginning</i>	-	-	3,632,741	3,632,741
<i>Net position - end of year</i>	\$ -	\$ -	\$ 3,357,870	\$ 3,357,870
Change in net position (non-GAAP budgetary basis)				\$ (274,871)
Adjustments to revenues for charges for service				(3,154)
Adjustments to expenses for salaries and general operating expenses				492,663
<i>Change in net position (GAAP)</i>				\$ 214,638

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

STATE OF NEW MEXICO

Statement C-4

City of Alamogordo

Statement of Revenues, Expenses, and Changes in Net Position

Budget (Non-GAAP Budgetary Basis) and Actual

Golf Course Fund

For the Year Ended June 30, 2016

	Budget Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Operating revenues</i>				
Charges for services	\$ 1,296,525	\$ 1,411,525	\$ 1,329,120	\$ (82,405)
<i>Total operating revenues</i>	<u>1,296,525</u>	<u>1,411,525</u>	<u>1,329,120</u>	<u>(82,405)</u>
<i>Operating expenses</i>				
Personnel expenses	303,112	301,867	301,235	632
Contractual services	-	-	-	-
Supplies expense	1,000,476	1,069,222	1,046,492	22,730
Repairs and maintenance	44,328	47,902	42,238	5,664
Utilities	59,918	56,374	41,205	15,169
Equipment	25,000	55,599	54,353	1,246
Miscellaneous expense	-	-	-	-
<i>Total operating expenses</i>	<u>1,432,834</u>	<u>1,530,964</u>	<u>1,485,523</u>	<u>45,441</u>
<i>Operating income (loss)</i>	<u>(136,309)</u>	<u>(119,439)</u>	<u>(156,403)</u>	<u>(36,964)</u>
<i>Non-operating revenues (expenses)</i>				
Investment income	1,093	1,093	376	(717)
Miscellaneous income	1,400	6,170	6,795	625
Gain (loss) on disposition of asset	-	-	-	-
<i>Total non-operating revenues (expenses)</i>	<u>2,493</u>	<u>7,263</u>	<u>7,171</u>	<u>(92)</u>
<i>Income (loss) before contributions and transfers</i>	<u>(133,816)</u>	<u>(112,176)</u>	<u>(149,232)</u>	<u>(37,056)</u>
Government contributions	-	-	-	-
Transfers in	143,834	143,834	143,834	-
Transfers (out)	<u>(57,935)</u>	<u>(55,066)</u>	<u>(51,911)</u>	<u>3,155</u>
<i>Change in net position</i>	<u>(47,917)</u>	<u>(23,408)</u>	<u>(57,309)</u>	<u>(33,901)</u>
Designated cash (budgeted increase in cash)	<u>47,917</u>	<u>23,408</u>	<u>-</u>	<u>23,408</u>
<i>Net position - beginning</i>	<u>-</u>	<u>-</u>	<u>172,342</u>	<u>172,342</u>
<i>Net position - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 115,033</u>	<u>\$ 115,033</u>
Change in net position (non-GAAP budgetary basis)				\$ (57,309)
No adjustments to revenues				-
Adjustments to expenses for salaries and general operating expenses				<u>(112,598)</u>
<i>Change in net position (GAAP)</i>				<u>\$ (169,907)</u>

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

STATE OF NEW MEXICO

Statement C-5

City of Alamogordo

Statement of Revenues, Expenses, and Changes in Net Position

Budget (Non-GAAP Budgetary Basis) and Actual

Airport Fund

For the Year Ended June 30, 2016

	Budget Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Operating revenues</i>				
Charges for services	\$ 147,154	\$ 148,229	\$ 152,945	\$ 4,716
Operating subsidy	54,818	101,603	11,945	(89,658)
<i>Total operating revenues</i>	<u>201,972</u>	<u>249,832</u>	<u>164,890</u>	<u>(84,942)</u>
<i>Operating expenses</i>				
Personnel expenses	91,709	90,919	88,577	2,342
Contractual services	-	-	-	-
Supplies expense	98,535	198,592	43,640	154,952
Repairs and maintenance	31,282	84,240	14,908	69,332
Utilities	35,155	35,155	31,092	4,063
Equipment	-	8,725	155,681	(146,956)
Miscellaneous expense	-	-	-	-
<i>Total operating expenses</i>	<u>256,681</u>	<u>417,631</u>	<u>333,898</u>	<u>83,733</u>
<i>Operating income (loss)</i>	<u>(54,709)</u>	<u>(167,799)</u>	<u>(169,008)</u>	<u>(1,209)</u>
<i>Non-operating revenues (expenses)</i>				
Investment income	1,303	1,303	1,836	533
Miscellaneous income	-	1,983	3,452	1,469
Gain (loss) on disposition of asset	-	-	-	-
<i>Total non-operating revenues (expenses)</i>	<u>1,303</u>	<u>3,286</u>	<u>5,288</u>	<u>2,002</u>
<i>Income (loss) before contributions and transfers</i>	<u>(53,406)</u>	<u>(164,513)</u>	<u>(163,720)</u>	<u>793</u>
Transfers in	-	40,000	155,680	115,680
Transfers (out)	<u>(33,169)</u>	<u>(31,471)</u>	<u>(28,275)</u>	<u>3,196</u>
<i>Change in net position</i>	<u>(86,575)</u>	<u>(155,984)</u>	<u>(36,315)</u>	<u>119,669</u>
Designated cash (budgeted increase in cash)	<u>86,575</u>	<u>155,984</u>	<u>-</u>	<u>155,984</u>
<i>Net position - beginning</i>	<u>-</u>	<u>-</u>	<u>228,002</u>	<u>228,002</u>
<i>Net position - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 191,687</u>	<u>\$ 191,687</u>
Change in net position (non-GAAP budgetary basis)				\$ (36,315)
Adjustments to revenues for charges for service				3,991,670
Adjustments to expenses for salaries and general operating expenses				12,284
<i>Change in net position (GAAP)</i>				<u>\$ 3,967,639</u>

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

STATE OF NEW MEXICO

Statement C-6

City of Alamogordo

Statement of Revenues, Expenses, and Changes in Net Position

Budget (Non-GAAP Budgetary Basis) and Actual

Low Rent Public Housing Program

For the Year Ended June 30, 2016

	Budget Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Operating revenues</i>				
Charges for services	\$ 343,536	\$ 343,536	\$ 271,035	\$ (72,501)
Operating subsidy	523,340	523,340	557,738	34,398
<i>Total operating revenues</i>	<u>866,876</u>	<u>866,876</u>	<u>828,773</u>	<u>(38,103)</u>
<i>Operating expenses</i>				
Personnel expenses	495,644	475,805	413,142	62,663
Contractual services	202,912	226,439	201,102	25,337
Supplies expense	102,230	107,670	117,833	(10,163)
Repairs and maintenance	555,643	1,283,836	7,801	1,276,035
Utilities	171,325	171,509	151,504	20,005
Equipment	224,000	231,500	383,696	(152,196)
Miscellaneous expense	14,013	17,344	9,286	8,058
<i>Total operating expenses</i>	<u>1,765,767</u>	<u>2,514,103</u>	<u>1,284,364</u>	<u>1,229,739</u>
<i>Operating income (loss)</i>	<u>(898,891)</u>	<u>(1,647,227)</u>	<u>(455,591)</u>	<u>1,191,636</u>
<i>Non-operating revenues (expenses)</i>				
Investment income	1,905	1,905	1,251	(654)
Miscellaneous income	2,500	2,500	5,526	3,026
Gain (loss) on disposition of asset	-	-	-	-
<i>Total non-operating revenues (expenses)</i>	<u>4,405</u>	<u>4,405</u>	<u>6,777</u>	<u>2,372</u>
<i>Income (loss) before contributions and transfers</i>	<u>(894,486)</u>	<u>(1,642,822)</u>	<u>(448,814)</u>	<u>1,194,008</u>
Capital Grants	544,711	1,272,904	302,021	(970,883)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Change in net position</i>	<u>(349,775)</u>	<u>(369,918)</u>	<u>(146,793)</u>	<u>223,125</u>
Designated cash (budgeted increase in cash)	<u>349,775</u>	<u>369,918</u>	<u>-</u>	<u>369,918</u>
<i>Net position - beginning</i>	<u>-</u>	<u>-</u>	<u>1,090,796</u>	<u>1,090,796</u>
<i>Net position - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 944,003</u>	<u>\$ 944,003</u>
Change in net position (non-GAAP budgetary basis)				\$ (146,793)
Adjustments to revenues for charges for service				34,961
Adjustments to expenses for salaries and general operating expenses				31,218
<i>Change in net position (GAAP)</i>				<u>\$ (80,614)</u>

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

STATE OF NEW MEXICO

Statement C-7

City of Alamogordo

Statement of Revenues, Expenses, and Changes in Net Position

Budget (Non-GAAP Budgetary Basis) and Actual

Home Ownership Program

For the Year Ended June 30, 2016

	Budget Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Operating revenues</i>				
Charges for services	\$ 150	\$ 150	\$ 573	\$ 423
<i>Total operating revenues</i>	<u>150</u>	<u>150</u>	<u>573</u>	<u>423</u>
<i>Operating expenses</i>				
Personnel expenses	18,981	17,384	11,282	6,102
Contractual services	6,011	7,057	6,437	620
Supplies expense	260	260	-	260
Repairs and maintenance	2,076	2,076	1,720	356
Utilities	2,895	3,015	2,624	391
Equipment	-	-	-	-
Miscellaneous expense	-	-	499	(499)
<i>Total operating expenses</i>	<u>30,223</u>	<u>29,792</u>	<u>22,562</u>	<u>7,230</u>
<i>Operating income (loss)</i>	<u>(30,073)</u>	<u>(29,642)</u>	<u>(21,989)</u>	<u>7,653</u>
<i>Non-operating revenues (expenses)</i>				
Investment income	1,105	1,105	807	(298)
Miscellaneous income	1,865	46,865	2,726	(44,139)
<i>Total non-operating revenues (expenses)</i>	<u>2,970</u>	<u>47,970</u>	<u>3,533</u>	<u>(44,437)</u>
<i>Income (loss) before contributions and transfers</i>	<u>(27,103)</u>	<u>18,328</u>	<u>(18,456)</u>	<u>(36,784)</u>
Government contributions	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Change in net position</i>	<u>(27,103)</u>	<u>18,328</u>	<u>(18,456)</u>	<u>(36,784)</u>
Designated cash (budgeted increase in cash)	<u>27,103</u>	<u>(18,328)</u>	<u>-</u>	<u>(18,328)</u>
<i>Net position - beginning</i>	<u>-</u>	<u>-</u>	<u>698,510</u>	<u>698,510</u>
<i>Net position - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 680,054</u>	<u>\$ 680,054</u>
Change in net position (non-GAAP budgetary basis)				\$ (18,456)
Adjustments to revenues for charges for service				(1,811)
Adjustments to expenses for salaries and general operating expenses				(2,779)
<i>Change in net position (GAAP)</i>				<u>\$ (23,046)</u>

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

INTERNAL SERVICE FUNDS

STATE OF NEW MEXICO
City of Alamogordo
Combining Statement of Net Position
Internal Service Funds
June 30, 2016

Statement D-1

	<u>Internal Service Fund</u>	<u>Self-Insured Fund</u>	<u>Liability/ Deductibles Fund</u>	<u>Total Internal Service Funds</u>
<i>Assets</i>				
<i>Current assets</i>				
Cash and cash equivalents	\$ 325,236	\$ 41,323	\$ 75,032	\$ 441,591
Investments	40,695	727,569	442,581	1,210,845
Receivables				
Other receivable, net	27	-	-	27
Inventory	203,201	-	-	203,201
<i>Total current assets</i>	<u>569,159</u>	<u>768,892</u>	<u>517,613</u>	<u>1,855,664</u>
<i>Deferred outflows of resources</i>				
Employer contributions subsequent to the measurement date	92,310	-	-	92,310
Change in assumptions	4,016	-	-	4,016
Changes in proportion	577	-	-	577
Difference between expected and actual experience	32,413	-	-	32,413
<i>Total deferred outflows of resources</i>	<u>129,316</u>	<u>-</u>	<u>-</u>	<u>129,316</u>
<i>Total assets and deferred outflows of resources</i>	<u>\$ 698,475</u>	<u>\$ 768,892</u>	<u>\$ 517,613</u>	<u>\$ 1,984,980</u>
<i>Liabilities</i>				
<i>Current liabilities</i>				
Accounts payable	\$ 155,651	\$ 320	\$ 16,501	\$ 172,472
Accrued payroll	37,980	-	-	37,980
Accrued compensated absences	70,317	-	-	70,317
<i>Total current liabilities</i>	<u>263,948</u>	<u>320</u>	<u>16,501</u>	<u>280,769</u>
<i>Noncurrent liabilities</i>				
Net pension liability	1,192,667	-	-	1,192,667
<i>Total noncurrent liabilities</i>	<u>1,192,667</u>	<u>-</u>	<u>-</u>	<u>1,192,667</u>
<i>Total liabilities</i>	<u>1,456,615</u>	<u>320</u>	<u>16,501</u>	<u>1,473,436</u>
<i>Deferred inflows of resources</i>				
Change in assumptions	16,824	-	-	16,824
Net difference between projected and actual results on pension investments	23,128	-	-	23,128
Changes in proportion	32,416	-	-	32,416
Changes in experience	13,164	-	-	13,164
<i>Total deferred inflows of resources</i>	<u>85,532</u>	<u>-</u>	<u>-</u>	<u>85,532</u>
<i>Net position</i>				
Unrestricted	(843,672)	768,572	501,112	426,012
<i>Total net position</i>	<u>(843,672)</u>	<u>768,572</u>	<u>501,112</u>	<u>426,012</u>
<i>Total liabilities, deferred inflows of resources, and net position</i>	<u>\$ 698,475</u>	<u>\$ 768,892</u>	<u>\$ 517,613</u>	<u>\$ 1,984,980</u>

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

STATE OF NEW MEXICO

Statement D-2

City of Alamogordo

Combining Statement of Revenues, Expenses, and Changes in Net Position

Internal Service Funds

For the Year Ended June 30, 2016

	<u>Internal Service Fund</u>	<u>Self-Insured Fund</u>	<u>Liability/ Deductibles Fund</u>	<u>Total Internal Service Funds</u>
<i>Operating revenues</i>				
Charges for service	\$ 182,912	\$ 50,000	\$ -	\$ 232,912
<i>Total operating revenues</i>	<u>182,912</u>	<u>50,000</u>	<u>-</u>	<u>232,912</u>
<i>Operating expenses</i>				
Personnel expenses	1,279,047	-	-	1,279,047
Contractual services	85,068	-	91,192	176,260
Supplies expense	774,684	31,897	-	806,581
Repairs and maintenance	136,781	-	-	136,781
Utilities	31,459	-	-	31,459
Equipment	578,887	-	-	578,887
Miscellaneous expense	193,323	-	-	193,323
<i>Total operating expenses</i>	<u>3,079,249</u>	<u>31,897</u>	<u>91,192</u>	<u>3,202,338</u>
<i>Operating income (loss)</i>	<u>(2,896,337)</u>	<u>18,103</u>	<u>(91,192)</u>	<u>(2,969,426)</u>
<i>Non-operating revenues (expenses)</i>				
Investment income	1,827	9,757	5,966	17,550
Miscellaneous income	138,794	1,079	-	139,873
<i>Total non-operating revenues (expenses)</i>	<u>140,621</u>	<u>10,836</u>	<u>5,966</u>	<u>157,423</u>
<i>Income (loss) before contributions and transfers</i>	<u>(2,755,716)</u>	<u>28,939</u>	<u>(85,226)</u>	<u>(2,812,003)</u>
Transfers in	2,574,128	-	140,640	2,714,768
<i>Change in net position</i>	(181,588)	28,939	55,414	(97,235)
<i>Net position - beginning</i>	<u>(662,084)</u>	<u>739,633</u>	<u>445,698</u>	<u>523,247</u>
<i>Net position - end of year</i>	<u>\$ (843,672)</u>	<u>\$ 768,572</u>	<u>\$ 501,112</u>	<u>\$ 426,012</u>

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

STATE OF NEW MEXICO
City of Alamogordo
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2016

Statement D-3

	Internal Service Fund	Self-Insured Fund	Liability/ Deductibles Fund	Total
<i>Cash flows from operating activities</i>				
Cash received from user charges	\$ 183,658	\$ 50,000	\$ -	\$ 233,658
Cash payments to employees for services	(1,301,963)	-	-	(1,301,963)
Cash payments to suppliers for goods and services	(1,640,254)	(33,553)	(97,415)	(1,771,222)
<i>Net cash provided (used) by operating activities</i>	<u>(2,758,559)</u>	<u>16,447</u>	<u>(97,415)</u>	<u>(2,839,527)</u>
<i>Cash flows from noncapital financing activities</i>				
Miscellaneous income	138,794	1,079	-	139,873
Transfers	2,574,128	-	140,640	2,714,768
<i>Net cash provided (used) by noncapital financing activities</i>	<u>2,712,922</u>	<u>1,079</u>	<u>140,640</u>	<u>2,854,641</u>
<i>Cash flows from investing activities</i>				
Sale (Purchase) of investements	349,046	(9,438)	17,806	357,414
Interest on investments	1,827	9,757	5,966	17,550
<i>Net cash provided (used) by investing activities</i>	<u>350,873</u>	<u>319</u>	<u>23,772</u>	<u>374,964</u>
<i>Net (decrease) increase in cash and cash equivalents</i>	305,236	17,845	66,997	390,078
<i>Cash and cash equivalents - beginning of year</i>	<u>20,000</u>	<u>23,478</u>	<u>8,035</u>	<u>51,513</u>
<i>Cash and cash equivalents - end of year</i>	<u>\$ 325,236</u>	<u>\$ 41,323</u>	<u>\$ 75,032</u>	<u>\$ 441,591</u>
<i>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</i>				
Operating income (loss)	\$ (2,896,337)	\$ 18,103	\$ (91,192)	\$ (2,969,426)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Net pension expense	(2,247)	-	-	(2,247)
Changes in assets and liabilities:				
Receivables	746	-	-	746
Inventory	17,710	-	-	17,710
Accounts payable	142,238	(1,656)	(6,223)	134,359
Accrued payroll expenses	3,223	-	-	3,223
Accrued compensated absences	(23,892)	-	-	(23,892)
<i>Net cash provided (used) by operating activities</i>	<u>\$ (2,758,559)</u>	<u>\$ 16,447</u>	<u>\$ (97,415)</u>	<u>\$ (2,839,527)</u>

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

STATE OF NEW MEXICO

Statement D-4

City of Alamogordo

Statement of Revenues, Expenses, and Changes in Net Position

Budget (Non-GAAP Budgetary Basis) and Actual

Internal Service Fund

For the Year Ended June 30, 2016

	Budget Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Operating revenues</i>				
Charges for services	\$ 283,600	\$ 280,166	\$ 182,912	\$ (97,254)
<i>Total operating revenues</i>	<u>283,600</u>	<u>280,166</u>	<u>182,912</u>	<u>(97,254)</u>
<i>Operating expenses</i>				
Personnel expenses	1,380,062	1,371,055	1,301,963	69,092
Contractual services	120,118	120,053	85,068	34,985
Supplies expense	1,105,173	1,164,219	589,953	574,266
Repairs and maintenance	154,698	165,002	136,781	28,221
Utilities	35,199	38,627	31,459	7,168
Equipment	56,000	607,495	603,670	3,825
Miscellaneous expense	194,786	210,236	193,323	16,913
<i>Total operating expenses</i>	<u>3,046,036</u>	<u>3,676,687</u>	<u>2,942,217</u>	<u>734,470</u>
<i>Operating income (loss)</i>	<u>(2,762,436)</u>	<u>(3,396,521)</u>	<u>(2,759,305)</u>	<u>637,216</u>
<i>Non-operating revenues (expenses)</i>				
Investment income	2,870	2,870	1,827	(1,043)
Miscellaneous income	134,908	134,908	139,540	4,632
Gain (loss) on disposition of asset	-	-	-	-
<i>Total non-operating revenues (expenses)</i>	<u>137,778</u>	<u>137,778</u>	<u>141,367</u>	<u>3,589</u>
<i>Income (loss) before contributions and transfers</i>	<u>(2,624,658)</u>	<u>(3,258,743)</u>	<u>(2,617,938)</u>	<u>640,805</u>
Government contributions	-	-	-	-
Transfers in	2,543,869	2,889,070	2,574,128	(314,942)
Transfers (out)	-	-	-	-
<i>Change in net position</i>	<u>(80,789)</u>	<u>(369,673)</u>	<u>(43,810)</u>	<u>325,863</u>
Designated cash (budgeted increase in cash)	<u>80,789</u>	<u>369,673</u>	<u>-</u>	<u>(369,673)</u>
<i>Net position - beginning</i>	<u>-</u>	<u>-</u>	<u>409,741</u>	<u>409,741</u>
<i>Net position - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 365,931</u>	<u>\$ 365,931</u>
Change in net position (non-GAAP budgetary basis)				\$ (43,810)
Adjustments to revenues for charges for service				(746)
Adjustments to expenses for salaries and general operating expenses				(137,032)
<i>Change in net position (GAAP)</i>				<u>\$ (181,588)</u>

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

STATE OF NEW MEXICO

Statement D-5

City of Alamogordo

Statement of Revenues, Expenses, and Changes in Net Position

Budget (Non-GAAP Budgetary Basis) and Actual

Self-Insured Fund

For the Year Ended June 30, 2016

	Budget Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Operating revenues</i>				
Charges for services	\$ 50,000	\$ 50,000	\$ 50,000	\$ -
<i>Total operating revenues</i>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
<i>Operating expenses</i>				
Personnel expenses	-	-	-	-
Contractual services	-	-	-	-
Supplies expense	25,000	57,544	33,553	23,991
Repairs and maintenance	-	-	-	-
Utilities	-	-	-	-
Equipment	-	-	-	-
Miscellaneous expense	-	-	-	-
<i>Total operating expenses</i>	<u>25,000</u>	<u>57,544</u>	<u>33,553</u>	<u>23,991</u>
<i>Operating income (loss)</i>	<u>25,000</u>	<u>(7,544)</u>	<u>16,447</u>	<u>23,991</u>
<i>Non-operating revenues (expenses)</i>				
Investment income	7,426	7,426	9,757	2,331
Miscellaneous income	10,000	10,000	1,079	(8,921)
Gain (loss) on disposition of asset	-	-	-	-
<i>Total non-operating revenues (expenses)</i>	<u>17,426</u>	<u>17,426</u>	<u>10,836</u>	<u>(6,590)</u>
<i>Income (loss) before contributions and transfers</i>	<u>42,426</u>	<u>9,882</u>	<u>27,283</u>	<u>17,401</u>
Government contributions	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	<u>(300,000)</u>	<u>(300,000)</u>	<u>-</u>	<u>300,000</u>
<i>Change in net position</i>	<u>(257,574)</u>	<u>(290,118)</u>	<u>27,283</u>	<u>317,401</u>
Designated cash (budgeted increase in cash)	<u>257,574</u>	<u>290,118</u>	<u>-</u>	<u>(290,118)</u>
<i>Net position - beginning</i>	<u>-</u>	<u>-</u>	<u>741,609</u>	<u>741,609</u>
<i>Net position - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 768,892</u>	<u>\$ 768,892</u>
Change in net position (non-GAAP budgetary basis)				\$ 27,283
No adjustments to revenues				-
Adjustments to expenses for salaries and general operating expenses				<u>1,656</u>
<i>Change in net position (GAAP)</i>				<u>\$ 28,939</u>

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

STATE OF NEW MEXICO

Statement D-6

City of Alamogordo

Statement of Revenues, Expenses, and Changes in Net Position

Budget (Non-GAAP Budgetary Basis) and Actual

Liability/Deductibles Fund

For the Year Ended June 30, 2016

	Budget Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Operating revenues</i>				
Charges for services	\$ -	\$ -	\$ -	\$ -
<i>Total operating revenues</i>	-	-	-	-
<i>Operating expenses</i>				
Personnel expenses	-	-	-	-
Contractual services	190,000	252,000	97,415	154,585
Supplies expense	-	-	-	-
Repairs and maintenance	-	-	-	-
Utilities	-	-	-	-
Equipment	-	-	-	-
Miscellaneous expense	-	-	-	-
<i>Total operating expenses</i>	190,000	252,000	97,415	154,585
<i>Operating income (loss)</i>	(190,000)	(252,000)	(97,415)	154,585
<i>Non-operating revenues (expenses)</i>				
Investment income	4,651	4,651	5,966	1,315
Miscellaneous income	-	-	-	-
Gain (loss) on disposition of asset	-	-	-	-
<i>Total non-operating revenues (expenses)</i>	4,651	4,651	5,966	1,315
<i>Income (loss) before contributions and transfers</i>	(185,349)	(247,349)	(91,449)	155,900
Government contributions	-	-	-	-
Transfers in	140,640	140,640	140,640	-
Transfers (out)	-	-	-	-
<i>Change in net position</i>	(44,709)	(106,709)	49,191	155,900
Designated cash (budgeted increase in cash)	44,709	106,709	-	(106,709)
<i>Net position - beginning</i>	-	-	468,422	468,422
<i>Net position - end of year</i>	\$ -	\$ -	\$ 517,613	\$ 517,613
Change in net position (non-GAAP budgetary basis)				\$ 49,191
No adjustments to revenues				-
Adjustments to expenses for salaries and general operating expenses				6,223
<i>Change in net position (GAAP)</i>				\$ 55,414

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

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COMPONENT UNIT
OTERO - GREENTREE REGIONAL LANDFILL

STATE OF NEW MEXICO
City of Alamogordo
Statement of Net Position
Otero - Greentree Regional Landfill
June 30, 2016

Assets

Current assets	
Cash and cash equivalents	\$ 45,200
Investments	3,747,764
Receivables	
Taxes receivables	2,108
Other receivable, net	12,103
<i>Total current assets</i>	<u>3,807,175</u>
Noncurrent assets	
Restricted investment	755,113
Capital assets	6,311,255
Less: accumulated depreciation	<u>(3,230,504)</u>
<i>Total noncurrent assets</i>	<u>3,835,864</u>
<i>Total assets</i>	<u>7,643,039</u>
Deferred outflows of resources	
Employer contributions subsequent to the measurement date	16,730
Change in assumptions	740
Change in proportion	117
Net difference between projected and actual investment earnings	129
Difference between expected and actual experience	<u>6,589</u>
<i>Total deferred outflows of resources</i>	<u>24,305</u>
<i>Total assets and deferred outflows of resources</i>	<u><u>\$ 7,667,344</u></u>

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

Liabilities

Current liabilities	
Accounts payable	\$ 40,766
Accrued payroll	9,357
Accrued compensated absences	13,667
Unearned revenue	106
	<hr/>
<i>Total current liabilities</i>	63,896
	<hr/>
Noncurrent liabilities	
Accrued landfill closure costs	755,113
Net pension liability	228,434
	<hr/>
<i>Total noncurrent liabilities</i>	983,547
	<hr/>
<i>Total liabilities</i>	1,047,443
	<hr/>
Deferred inflows of resources	
Change in assumptions	3,061
Change in proportion	6,589
Difference between expected and actual experience	2,676
	<hr/>
<i>Total deferred inflows of resources</i>	12,326
	<hr/>
Net Position	
Net investment in capital assets	3,080,751
Unrestricted	3,526,824
	<hr/>
<i>Total net position</i>	6,607,575
	<hr/>
<i>Total liabilities, deferred inflows of resources, and net position</i>	\$ 7,667,344
	<hr/> <hr/>

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

STATE OF NEW MEXICO
City of Alamogordo
Statement of Revenues, Expenses, and Changes in Net Position
Otero - Greentree Regional Landfill
For the Year Ended June 30, 2016

Statement E-2

<i>Operating revenues</i>	
Charges for service	\$ 1,780,435
<i>Total operating revenues</i>	<u>1,780,435</u>
 <i>Operating expenses</i>	
Personnel expenses	304,710
Contractual services	173,213
Supplies expense	171,633
Repairs and maintenance	71,394
Utilities	11,685
Equipment	27,135
Depreciation expense	204,645
Miscellaneous expense	6,408
<i>Total operating expenses</i>	<u>970,823</u>
 <i>Operating income (loss)</i>	 <u>809,612</u>
 <i>Non-operating revenues (expenses)</i>	
Investment income	55,019
Miscellaneous income	69,849
<i>Total non-operating revenues (expenses)</i>	<u>124,868</u>
 <i>Income (loss) before contributions and transfers</i>	 <u>934,480</u>
Transfers (out)	<u>(1,720)</u>
 <i>Change in net position</i>	 932,760
 <i>Net position - beginning</i>	 <u>5,674,815</u>
 <i>Net position - end of year</i>	 <u><u>\$ 6,607,575</u></u>

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

STATE OF NEW MEXICO
City of Alamogordo
Statement of Cash Flows
Otero - Greentree Regional Landfill
For the Year Ended June 30, 2016

Statement E-3

<i>Cash flows from operating activities</i>	
Cash received from user charges	\$ 1,775,010
Cash payments to employees for services	(303,792)
Cash payments to suppliers for goods and services	(409,308)
<i>Net cash provided (used) by operating activities</i>	1,061,910
 <i>Cash flows from noncapital financing activities</i>	
Gross receipts taxes	(673)
Miscellaneous income	69,849
Transfers	(1,720)
<i>Net cash provided (used) by noncapital financing activities</i>	67,562
 <i>Cash flows from investing activities</i>	
Sale (Purchase) of investements	(939,257)
Interest on investments	55,019
<i>Net cash provided (used) by investing activities</i>	(884,238)
 <i>Net (decrease) increase in cash and cash equivalents</i>	(50,043)
 <i>Cash and cash equivalents - beginning of year</i>	95,243
 <i>Cash and cash equivalents - end of year</i>	\$ 45,200
 <i>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</i>	
Operating income (loss)	\$ 809,612
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	204,645
Net pension expense	(457)
Changes in assets and liabilities	
Receivables	(5,425)
Accounts payable	18,637
Accrued payroll expenses	1,294
Accrued compensated absences	81
Unearned revenue	-
Landfill liability	33,523
 <i>Net cash provided (used) by operating activities</i>	\$ 1,061,910

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

STATE OF NEW MEXICO

Statement E-4

City of Alamogordo

Statement of Revenues, Expenses, and Changes in Net Position

Budget (Non-GAAP Budgetary Basis) and Actual

Otero - Greentree Regional Landfill

For the Year Ended June 30, 2016

	Budget Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Operating revenues</i>				
Charges for services	\$ 954,720	\$ 954,720	\$ 1,774,337	\$ 819,617
<i>Total operating revenues</i>	<u>954,720</u>	<u>954,720</u>	<u>1,774,337</u>	<u>819,617</u>
<i>Operating expenses</i>				
Personnel expenses	310,884	309,058	297,145	11,913
Contractual services	136,515	217,137	139,690	77,447
Supplies expense	276,101	253,608	159,537	94,071
Repairs and maintenance	105,947	107,447	71,394	36,053
Utilities	14,104	14,104	11,685	2,419
Equipment	1,204,594	1,447,587	322,412	1,125,175
Miscellaneous expense	6,500	6,500	6,408	92
<i>Total operating expenses</i>	<u>2,054,645</u>	<u>2,355,441</u>	<u>1,008,271</u>	<u>1,347,170</u>
<i>Operating income (loss)</i>	<u>(1,099,925)</u>	<u>(1,400,721)</u>	<u>766,066</u>	<u>2,166,787</u>
<i>Non-operating revenues (expenses)</i>				
Investment income	43,871	43,871	55,019	11,148
Miscellaneous income	5,500	60,500	69,849	9,349
<i>Total non-operating revenues (expenses)</i>	<u>49,371</u>	<u>104,371</u>	<u>124,868</u>	<u>20,497</u>
<i>Income (loss) before contributions and transfers</i>	<u>(1,050,554)</u>	<u>(1,296,350)</u>	<u>890,934</u>	<u>2,187,284</u>
Transfers (out)	(1,720)	(1,720)	(1,720)	-
<i>Change in net position</i>	<u>(1,052,274)</u>	<u>(1,298,070)</u>	<u>889,214</u>	<u>2,187,284</u>
Designated cash	1,052,274	1,298,070	-	1,298,070
<i>Net position - beginning</i>	<u>-</u>	<u>-</u>	<u>3,658,863</u>	<u>3,658,863</u>
<i>Net position - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,548,077</u>	<u>\$ 4,548,077</u>
Change in net position (non-GAAP budgetary basis)				\$ 889,214
Adjustments to revenues for charges for services				6,098
Adjustments to expenses for salaries and general operating expenses				37,448
<i>Change in net position (GAAP)</i>				<u>\$ 932,760</u>

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

SUPPORTING SCHEDULES

STATE OF NEW MEXICO
City of Alamogordo
Schedule of Deposit and Investment Accounts
June 30, 2016

Bank Account Type/Name	Bank '34	Bank of the West	First American Bank	First National Bank	First Savings Bank
General Operating Account - Checking	\$ -	\$ -	\$ -	\$ 4,869,735	\$ -
Home Ownership Operating - Interest Bearing	-	-	-	548,955	-
Home Ownership Reserve - Interest Bearing	-	-	-	19,907	-
Low Rent Operating - Interest Bearing	-	-	-	846,685	-
Security Deposit - Interest Bearing	-	-	-	45,992	-
Money Market Investment - Interest Bearing - HA	-	-	-	-	-
General Operating Account - Interest Bearing	-	-	-	-	-
Sweep Account - Interest Bearing	-	-	-	-	-
Certificates of Deposit - Interest Bearing**	-	-	-	-	-
Certificates of Deposit - Interest Bearing	250,000	257,958	1,290,578	-	1,293,295
Money Market Investment - Interest Bearing	-	-	-	-	-
State of NM Bonds - Interest Bearing	-	-	-	-	-
Federal Home Loan Bank Bonds - Interest Bearing	-	-	-	-	-
State Investment Council	-	-	-	-	-
NMFA Reserve Account***	-	-	-	-	-
<i>Total</i>	<u>250,000</u>	<u>257,958</u>	<u>1,290,578</u>	<u>6,331,274</u>	<u>1,293,295</u>
Reconciling items	-	-	-	(52,052)	-
<i>Reconciled balance</i>	<u>\$ 250,000</u>	<u>\$ 257,958</u>	<u>\$ 1,290,578</u>	<u>\$ 6,279,222</u>	<u>\$ 1,293,295</u>

** Each account is a Certificate of Deposit from a separate institution and under \$250,000 and invested with Moreton Capital

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

See independent auditors' report.

Moreton Capital Markets	Pioneer Bank	Washington Federal Bank	Wells Fargo Bank	Western Bank	State Treasurer LGIP	Bank of NY Mellon	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,869,735
-	-	-	-	-	-	-	548,955
-	-	-	-	-	-	-	19,907
-	-	-	-	-	-	-	846,685
-	-	-	-	-	-	-	45,992
-	-	-	207,450	-	-	-	207,450
-	-	-	5,000,000	-	-	-	5,000,000
-	-	-	515,983	-	-	-	515,983
18,986,897	-	-	-	-	-	-	18,986,897
-	258,724	1,303,831	-	1,819,756	-	-	6,474,142
2,767,954	-	-	1,419,924	-	-	-	4,187,878
1,032,401	-	-	-	-	-	-	1,032,401
29,984,396	-	-	-	-	-	-	29,984,396
-	-	-	-	-	7,582,942	-	7,582,942
-	-	-	-	-	-	1,191,382	1,191,382
52,771,648	258,724	1,303,831	7,143,357	1,819,756	7,582,942	1,191,382	81,494,745
-	-	-	-	-	-	-	(52,052)
<u>\$ 52,771,648</u>	<u>\$ 258,724</u>	<u>\$ 1,303,831</u>	<u>\$ 7,143,357</u>	<u>\$ 1,819,756</u>	<u>\$ 7,582,942</u>	<u>\$ 1,191,382</u>	81,442,693

Plus: petty cash	6,805
Less: restricted cash and cash equivalents per Exhibit A-1	(238,097)
Less: agency funds cash and cash equivalents per Exhibit E-1	(9,591)
Less: investments per Exhibit A-1	(63,379,511)
Less: restricted investments per Exhibit A-1	(1,725,990)
Less: component unit cash and cash equivalents per Exhibit A-1	(45,200)
Less: component unit investments per Exhibit A-1	(3,747,764)
Less: component unit restricted investments per Exhibit A-1	(755,113)
<i>Cash and cash equivalents per Exhibit A-1</i>	<u>\$ 11,548,232</u>

See independent auditors' report.

STATE OF NEW MEXICO
City of Alamogordo
Schedule of Collateral Pledged by Depository For Public Funds
June 30, 2016

<u>Name of Depository</u>	<u>Description of Pledged Collateral</u>	<u>Maturity</u>	<u>CUSIP Number</u>	<u>Fair Market Value June 30, 2016</u>
Bank of the West	GNMA2 ARM Multiple 2.500%	1/20/2043	36179MYH7	\$ 32,957
Total Bank of the West				<u>32,957</u>

Name and location of safekeeper for above pledged collateral:
Wells Fargo Bank, Minneapolis, MN

First American Bank	FNMA 10YR 4.00%	10/1/2020	31417YS24	243,238
	TULAROSA SD 4 NM 22 3.250%	10/15/2022	899172JS0	86,117
	GNMA II 5x1 3.000%	1/20/2042	36225FLB3	<u>525,609</u>
Total First American Bank				<u>854,964</u>

Name and location of safekeeper for above pledged collateral:
Federal Home Loan Bank, 8500 Freeport Parkway South, Irving, TX 75063

First National Bank (City Accounts)	FNMA Pool #MA0979, 3.00%	2/1/2022	31418ACR7	327,217
	FNMA Pool #890306, 4.00%	4/1/2026	31410LDK5	483,549
	FNMA Pool # MA1059, 3.50%	5/1/2032	31418AE95	1,185,897
	FNMA Pool #MA2643, 3.00%	5/1/2036	31418B5D4	1,561,091
	FNMA Pool #256724, 5.00%	5/1/2037	31371ND51	172,158
	FNMA Pool #888737, 5.50%	10/1/2037	31410GLS0	108,352
	FNMA Pool #981747, 5.104%	8/1/2038	31415BEU9	263,451
	FNMA Pool #AL0128, 3.534%	4/1/2041	3138EGEA8	<u>1,105,092</u>
Total First National Bank				<u>5,206,807</u>

Name and location of safekeeper for above pledged collateral:
Federal Home Loan Bank, 8500 Freeport Parkway South, Irving, TX 75063

First National Bank (Housing Authority Accounts)	FHLMC Pool #G18459, 2.50%	3/1/2028	3128MMQM8	1,028,409
	FHLMC Pool #C91247, 5.00%	4/1/2029	3128P7L43	231,558
	FNMA Pool #MA0711, 3.50%	4/1/2031	31417YYHA	<u>215,642</u>
Total First National Bank				<u>1,475,609</u>

Name and location of safekeeper for above pledged collateral:
Federal Home Loan Bank, 8500 Freeport Parkway South, Irving, TX 75063

See independent auditors' report.

<u>Name of Depository</u>	<u>Description of Pledged Collateral</u>	<u>Maturity</u>	<u>CUSIP Number</u>	<u>Fair Market Value June 30, 2016</u>
First Savings Bank				
	FHLMC 10YR, 2.50%	3/1/2023	31307BJW1	\$ 382,290
	GNMA 15YR, 3.00%	3/15/2027	36176XE21	23,691
	FNR 2012-145 DC, 1.50%	1/25/2028	3136AA2L8	56,583
	FHLMC 15Y, 2.50%	6/1/2028	31307DB62	174,361
	Total First Savings Bank			<u>636,925</u>
	Name and location of safekeeper for above pledged collateral: Federal Reserve Bank, Pierre, SD			
Pioneer Bank				
	FNMA AJ1622, 3.000%	10/1/2026	313BASYU0	51,949
	Total Pioneer Bank			<u>51,949</u>
	Name and location of safekeeper for above pledged collateral: Federal Home Loan Bank, Dallas, Texas			
Washington Federal Bank				
	GNMA2 G2895800, 2.12%	8/20/2061	3620E0NW2	1,090,351
	Total Washington Federal Bank			<u>1,090,351</u>
	Name and location of safekeeper for above pledged collateral: Washington Federal Bank, Seattle, WA			
Wells Fargo Bank (Checking Account Collateral)				
	FNMA FNMS 3.00%	11/1/2026	3138AYXB0	3,618,255
	Total Wells Fargo Bank (Checking Account Collateral)			<u>3,618,255</u>
	Name and location of safekeeper for above pledged collateral: Bank of New York Mellon, NY			
Wells Fargo Bank (Sweep Account Collateral)				
	FNMA FNMS 3.00%	11/1/2026	3138AYXB0	526,303
	Total Wells Fargo Bank (Sweep Account Collateral)			<u>526,303</u>
	Name and location of safekeeper for above pledged collateral: Bank of New York Mellon, NY			

See independent auditors' report.

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STATE OF NEW MEXICO
City of Alamogordo
Schedule of Collateral Pledged by Depository For Public Funds
June 30, 2016

<u>Name of Depository</u>	<u>Description of Pledged Collateral</u>	<u>Maturity</u>	<u>CUSIP Number</u>	<u>Fair Market Value June 30, 2016</u>
Western Bank	GNMA	5/20/2039	36202E5E5	\$ 588,240
	SBAP	2/1/2032	83162CUP6	354,622
	FHLMC	1/1/2029	3128MD5C3	420,513
	SBAP	3/1/2034	83162CWD1	<u>524,798</u>
	Total Western Bank			<u>1,888,173</u>
Name and location of safekeeper for above pledged collateral: Federal Home Loan Bank, 8500 Freeport Parkway South, Irving, TX 75063				
	Total Pledged Collateral			<u><u>\$ 15,382,293</u></u>

See independent auditors' report.

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STATE OF NEW MEXICO
 City of Alamogordo
 Schedule of Changes in Fiduciary Assets and Liabilities - Agency Funds
 For the Year Ended June 30, 2016

Schedule V

	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016
<i>Assets</i>				
Cash	\$ 11,822	\$ 41,672	\$ 43,903	\$ 9,591
Total assets	<u>\$ 11,822</u>	<u>\$ 41,672</u>	<u>\$ 43,903</u>	<u>\$ 9,591</u>
<i>Liabilities</i>				
Due to others	\$ 11,822	\$ 41,672	\$ 43,903	\$ 9,591
Total liabilities	<u>\$ 11,822</u>	<u>\$ 41,672</u>	<u>\$ 43,903</u>	<u>\$ 9,591</u>

See independent auditors' report.

STATE OF NEW MEXICO
Housing Authority of the City of Alamogordo
Financial Data Schedule
June 30, 2016

Schedule VI
Page 1 of 5

Line Item Number	Description	Low Rent Public Housing Program NM004000001 14.850	2. State/Local	Total
111	Cash - Unrestricted	\$ 944,598	\$ 660,633	\$ 1,605,231
113	Cash - Other Restricted	-	19,126	19,126
114	Cash - Tenant Security Deposits	43,751	-	43,751
100	Total Cash	<u>988,349</u>	<u>679,759</u>	<u>1,668,108</u>
125	Accounts Receivable - Miscellaneous	-	139	139
	Accounts Receivable - Tenants - Dwelling			
126	Rents	11,576	1,697	13,273
	Allowance for Doubtful Accounts -			
126.1	Dwelling Rents	(6,828)	(509)	(7,337)
	Total Receivables, Net of Allowance for			
120	Doubtful Accounts	<u>4,748</u>	<u>1,327</u>	<u>6,075</u>
131	Investments - Unrestricted	-	-	-
130	Total Investments	-	-	-
142	Prepaid Expenses and Other Assets	20,929	-	20,929
143	Inventories	10,211	-	10,211
143.1	Allowance for Obsolete Inventories	(1,021)	-	(1,021)
144	Inter Program Due From	-	595	595
145	Assets Held for Sale	-	400,917	400,917
150	Total Current Assets	<u>1,023,216</u>	<u>1,082,598</u>	<u>2,105,814</u>
161	Land	1,324,708	-	1,324,708
162	Buildings	12,783,327	-	12,783,327
	Furniture, Equipment & Machinery -			
163	Dwellings	-	-	-
	Furniture, Equipment & Machinery -			
164	Administration	288,800	3,735	292,535
165	Leasehold Improvements	-	-	-
166	Accumulated Depreciation	(10,342,766)	(3,735)	(10,346,501)
167	Construction in progress	-	-	-
168	Infrastructure	-	-	-
	Total Capital Assets, Net of Accumulated			
160	Depreciation	<u>4,054,069</u>	<u>-</u>	<u>4,054,069</u>
180	Total Non-Current Assets	<u>4,054,069</u>	<u>-</u>	<u>4,054,069</u>
190	Total Assets	<u>5,077,285</u>	<u>1,082,598</u>	<u>6,159,883</u>
200	Deferred Outflows of Resources	<u>135,334</u>	<u>4,739</u>	<u>140,073</u>
	Total Assets and Deferred Outflows of			
290	Resources	<u>\$ 5,212,619</u>	<u>\$ 1,087,337</u>	<u>\$ 6,299,956</u>

See independent auditors' report.

STATE OF NEW MEXICO
Housing Authority of the City of Alamogordo
Financial Data Schedule
June 30, 2016

Schedule VI
Page 2 of 5

Line Item Number	Description	Low Rent Public Housing Program NM004000001 14.850	2. State/Local	Total
312	Accounts Payable <= 90 Days	\$ 4,741	\$ 347	\$ 5,088
321	Accrued Wage/Payroll Taxes Payable	15,337	586	15,923
	Accrued Compensated Absences - Current			
322	Portion	23,136	-	23,136
341	Tenant Security Deposits	43,751	300	44,051
342	Deferred Revenues	5,302	1,863	7,165
346	Accrued Liabilities - Other	-	-	-
347	Inter Program Due To	595	-	595
		<hr/>	<hr/>	<hr/>
310	Total Current Liabilities	93,109	3,096	96,205
		<hr/>	<hr/>	<hr/>
353	Non-current Liabilities - Other	-	18,826	18,826
	Accrued Compensated Absences - Non-			
354	Current	-	-	-
357	Accrued Pension and OPEB Liabilities	421,949	14,146	436,095
		<hr/>	<hr/>	<hr/>
350	Total Non-Current Liabilities	421,949	32,972	454,921
		<hr/>	<hr/>	<hr/>
300	Total Liabilities	515,058	36,068	551,126
		<hr/>	<hr/>	<hr/>
400	Deferred Inflows of Resources	31,291	1,069	32,360
		<hr/>	<hr/>	<hr/>
508.1	Net investment in capital assets	4,054,069	-	4,054,069
511	Restricted Net Position	-	-	-
512.1	Unrestricted Net Position	612,201	1,050,200	1,662,401
		<hr/>	<hr/>	<hr/>
513	Total Equity/Net Position	4,666,270	1,050,200	5,716,470
		<hr/>	<hr/>	<hr/>
600	Total Liabilities, Deferred Inflows of Resources, and Equity/Net Position	\$ 5,212,619	\$ 1,087,337	\$ 6,299,956
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

See independent auditors' report.

STATE OF NEW MEXICO
Housing Authority of the City of Alamogordo
Financial Data Schedule
June 30, 2016

Schedule VI
Pages 3 of 5

Line Item Number	Description	Low Rent Public Housing Program NM004000001		Capital Fund Program	Total
		14.850	2. State/Local	14.872	
70300	Net Tenant Rental Revenue	\$ 296,057	\$ -	\$ -	\$ 296,057
70400	Tenant Revenue - Other	8,655	224	-	8,879
70500	Total Tenant Revenue	304,712	224	-	304,936
70600	HUD PHA Operating Grants	557,738	-	-	557,738
70610	Capital Grants	-	-	302,021	302,021
70800	Other Governmental Grants	-	-	-	-
71100	Investment Income - Unrestricted Proceeds from Disposition of Assets	1,251	807	-	2,058
71300	Held for Sale	-	-	-	-
71310	Cost of Sale of Assets	-	-	-	-
71400	Fraud Recovery	-	-	-	-
71500	Other Revenue	6,810	1,264	-	8,074
70000	Total Revenue	870,511	2,295	302,021	1,174,827
91100	Administrative Salaries	186,831	10,468	-	197,299
91200	Auditing Fees	12,049	805	-	12,854
91310	Book-keeping Fee	-	-	-	-
91400	Advertising and Marketing	699	-	-	699
	Employee Benefit Contributions -				
91500	Administrative	25,856	924	-	26,780
91600	Office Expenses	14,675	557	-	15,232
91700	Legal Expense	-	-	-	-
91800	Travel	1,557	-	-	1,557
91900	Other Operating - Administrative	79,209	3,585	-	82,794
91000	Total Operating - Administrative	320,876	16,339	-	337,215
92100	Tenant Services - Salaries	-	-	-	-
	Employee Benefit Contributions -				
92300	Tenant Services	-	-	-	-
92500	Total Tenant Services	-	-	-	-
93100	Water	1,711	889	-	2,600
93200	Electricity	72,094	89	-	72,183
93300	Gas	2,131	154	-	2,285
93400	Fuel	290	-	-	290
93600	Sewer	790	1,002	-	1,792
93800	Other Utilities Expense	44,771	570	-	45,341
93000	Total Utilities	121,787	2,704	-	124,491

See independent auditors' report.

STATE OF NEW MEXICO
Housing Authority of the City of Alamogordo
Financial Data Schedule
June 30, 2016

Schedule VI
Pages 4 of 5

Line Item Number	Description	Low Rent Public Housing Program NM004000001		Capital Fund Program	Total
		14.850	2. State/Local	14.872	
94100	Ordinary Maintenance & Operation -	\$ 113,293	\$ -	\$ -	\$ 113,293
94200	Ordinary Maintenance & Operation - Materials & Other	30,228	-	-	30,228
94300	Ordinary Maintenance & Operation	107,068	1,604	-	108,672
94500	Employee Benefit Contributions - Ordinary Maintenance	38,958	-	-	38,958
94000	Total Maintenance	<u>289,547</u>	<u>1,604</u>	<u>-</u>	<u>291,151</u>
96110	Property Insurance	32,947	1,730	-	34,677
96120	Liability Insurance	11,072	-	-	11,072
96130	Workmen's Compensation	13,683	472	-	14,155
96140	All Other Insurance	49,793	45	-	49,838
96100	Total Insurance Premiums	<u>107,495</u>	<u>2,247</u>	<u>-</u>	<u>109,742</u>
96210	Compensated Absences	33,593	1,948	-	35,541
96400	Bad Debt - Tenant Rents	5,784	499	-	6,283
96000	Total Other General	<u>39,377</u>	<u>2,447</u>	<u>-</u>	<u>41,824</u>
96900	Total Operating Expenses	<u>879,082</u>	<u>25,341</u>	<u>-</u>	<u>904,423</u>
97000	Excess Operating Revenue Over Operating Expenses	<u>(8,571)</u>	<u>(23,046)</u>	<u>302,021</u>	<u>270,404</u>
97400	Depreciation Expense	<u>344,904</u>	<u>-</u>	<u>29,160</u>	<u>374,064</u>
90000	Total Expenses	<u>\$ 1,223,986</u>	<u>\$ 25,341</u>	<u>\$ 29,160</u>	<u>\$ 1,278,487</u>
10010	Operating Transfers In	\$ -	\$ -	\$ -	\$ -
10020	Operating Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
10100	Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
10000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	<u>(353,475)</u>	<u>(23,046)</u>	<u>272,861</u>	<u>(103,660)</u>

See independent auditors' report.

STATE OF NEW MEXICO
Housing Authority of the City of Alamogordo
Financial Data Schedule
June 30, 2016

Schedule VI
Pages 5 of 5

Line Item Number	Description	Low Rent Public Housing Program NM004000001 14.850	2. State/Local	Capital Fund Program 14.872	Total
11030	Beginning Equity	\$ 4,746,884	\$ 1,073,246	\$ -	\$ 5,820,130
11040-20	Equity Transfers	272,861	-	(272,861)	-
	Ending Equity (deficit)	<u>\$ 4,666,270</u>	<u>\$ 1,050,200</u>	<u>\$ -</u>	<u>\$ 5,716,470</u>
11190	Unit Months Available	<u>\$ 2,616</u>	<u>\$ 12</u>	<u>\$ -</u>	<u>\$ 2,628</u>
11210	Number of Unit Months Leased	<u>\$ 2,484</u>	<u>\$ 12</u>	<u>\$ -</u>	<u>\$ 2,496</u>
11270	Excess Cash	<u>\$ 833,577</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 833,577</u>
11620	Building Purchases	<u>\$ 65,816</u>	<u>\$ -</u>	<u>\$ 367,530</u>	<u>\$ 433,346</u>

See independent auditors' report.

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STATE OF NEW MEXICO
City of Alamogordo
Schedule of Joint Powers Agreements and Memorandums of Understanding
For the Year Ended June 30, 2016

Joint Power Agreement	Participants	Responsible Party	Description
1 Dispatch Services (C-1)	City of Alamogordo Otero County Village of Tularosa	Otero County City of Alamogordo	Utilization of ambulance services as required with dispatch services.
2 Regarding Retired Senior Volunteer Services (C-1)	City of Alamogordo Otero County	City of Alamogordo	Transportation services case management & nutrition for retired senior residents.
3 Mutual aid contract for fire protection and rescue services (E-4)	Otero County Volunteer Fire Department City of Alamogordo	DPS (Dept. of Public Safety) Otero County Volunteer Fire Department	Mutual aid for both Volunteer fire departments in Otero County & City of Alamogordo.
4 Voting Machines (C-1)	Otero County City of Alamogordo	Otero County City of Alamogordo	Agreement with Otero County & City of Alamogordo to have sufficient voting machines as needed for elections.
5 Wildfire Suppression (C-1)	State of NM Forestry Division City of Alamogordo	State of NM Forestry Division City of Alamogordo	Support wildland fire suppression and services outside the city boundaries, as needed.
6 Development of Scenic Drive for use of NMSU (D-1 projects)	City of Alamogordo Otero County NM State University	City of Alamogordo	Agreement for the use of approx. 23 acres for development equipment, maintenance & facilities.
7 Issue business licenses through the City of Alamogordo (C-1)	City of Alamogordo NM Taxation & Revenue	City of Alamogordo	The city issues business licenses to businesses operating within the City limits and NM Tax & Rev enables the City to register & assign taxpayer ID numbers.
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.
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.

See independent auditors' report.

Beginning and Ending Dates	Total Estimated Project Amount and Amount Applicable to Party	Amount contributed By City During Current Fiscal Year	Audit Responsibility	Fiscal Agent and Responsible Reporting Entity
7/1/2004-6/30/2016 Indefinite	\$ 185,237.90	\$118,644.87 or 64.05%	Otero County	Otero County
7/1/2004-6/30/2016 Indefinite	\$ 609,198.00	\$ 181,252.00	City of Alamogordo	City of Alamogordo
7/1/2004-6/30/2016 Indefinite	As budgeted per each department	As budgeted per each department	City of Alamogordo Otero County	City of Alamogordo Otero County
7/1/2004-6/30/2016 Indefinite	\$25 plus hourly rate as deemed necessary for technicians	\$ 419.60	City of Alamogordo Otero County	City of Alamogordo Otero County
7/1/2004-6/30/2016 Indefinite	As budgeted per each department	As budgeted per each department	State of NM Forestry Division City of Alamogordo	State of NM Forestry Division City of Alamogordo
12/17/1985-12/17/2035	N/A	N/A	City of Alamogordo	City of Alamogordo
8/9/1996-1/10/2017 Indefinite	As budgeted per each department	As budgeted per each department	City of Alamogordo	City of Alamogordo
7/1/2009-6/30/2017	\$ 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
6/19/1987-6/19/2027	As budgeted per each department	As budgeted per each department	City of Alamogordo Village of Tularosa Otero County Lincoln County	City of Alamogordo Village of Tularosa Otero County Lincoln County

See independent auditors' report.

STATE OF NEW MEXICO
City of Alamogordo
Schedule of Joint Powers Agreements and Memorandums of Understanding
For the Year Ended June 30, 2016

Joint Power Agreement	Participants	Responsible Party	Description
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.
11 Solid Waste (C-1)	City of Alamogordo Otero County Village of Tularosa Village of Cloudcroft	City of Alamogordo Otero County Village of Tularosa Village of Cloudcroft	Disposal and maintenance of solid waste as required.
12 Regional Landfill "Otero County Solid Waste Authority" & "Lincoln County Solid Waste Authority" (C-1)	City of Alamogordo Otero County Village of Tularosa Village of Cloudcroft Lincoln County Village of Ruidoso Village of Ruidoso Downs Town of Carrizozo Village of Capitan Village of Corona	City of Alamogordo Otero County Village of Tularosa Village of Cloudcroft Lincoln County Village of Ruidoso Village of Ruidoso Downs Town of Carrizozo Village of Capitan Village of Corona	Operation of the landfill as is required for the purpose of the environmental services and solid waste disposal.
13 Collective Bargaining Agreement (MOU)	City of Alamogordo and American Federation of State, County, and Municipal, Employees, Local 3818	City of Alamogordo	Wages and Recreational Facilities Benefits.
14 Black and Gold Initiative (MOU)	City of Alamogordo and Alamogordo Public Schools	Alamogordo Public Schools	Black and Gold decorative street painting around the High School
15 Black and Gold Initiative (MOU)	City of Alamogordo and Alamogordo Public Schools	Alamogordo Public Schools	Black and Gold fire hydrant painting around the High School

See independent auditors' report.

Beginning and Ending Dates	Total Estimated Project Amount and Amount Applicable to Party	Amount contributed By City During Current Fiscal Year	Audit Responsibility	Fiscal Agent and Responsible Reporting Entity
5/8/1995-6/30/2016 Indefinite	As budgeted per each department	As budgeted per each department	City of Alamogordo	City of Alamogordo
6/2/2012-6/30/2019 Indefinite	As budgeted per each department	As budgeted per each department	City of Alamogordo Otero County Village of Tularosa Village of Cloudcroft	City of Alamogordo Otero County Village of Tularosa Village of Cloudcroft
9/30/1993-6/30/2016 Indefinite	As budgeted per each department	As budgeted per each department	City of Alamogordo Otero County Village of Tularosa Village of Cloudcroft Lincoln County Village of Ruidoso Village of Ruidoso Downs Town of Carrizozo Village of Capitan Village of Corona	City of Alamogordo Otero County Village of Tularosa Village of Cloudcroft Lincoln County Village of Ruidoso Village of Ruidoso Downs Town of Carrizozo Village of Capitan Village of Corona
10/14/2015-6/30/2016	As budgeted for the department.	As budgeted for the department.	City of Alamogordo	City of Alamogordo
7/29/2015	N/A	N/A	Alamogordo Public Schools	Alamogordo Public Schools
7/24/2015	N/A	N/A	Alamogordo Public Schools	Alamogordo Public Schools

See independent auditors' report.

STATE OF NEW MEXICO
City of Alamogordo
Schedule of Joint Powers Agreements and Memorandums of Understanding
For the Year Ended June 30, 2016

Joint Power Agreement	Participants	Responsible Party	Description
16 Operation of the Otero/Greentree Landfill	City of Alamogordo and Otero/Lincoln County Regional Landfill (now known as the Otero/Greentree Landfill)	City of Alamogordo	Operation of the Otero/Greentree Landfill
17 Operation of the Otero/Greentree Landfill and Greenhouse Gas Reporting Service	City of Alamogordo and Otero/Lincoln County Regional Landfill (now known as the Otero/Greentree Landfill)	City of Alamogordo and Otero/Lincoln County Regional Landfill (now known as the Otero/Greentree	City of Alamogordo and Otero/Lincoln County Regional Landfill (now known as the Otero/Greentree Landfill)
18 Operation of the Otero/Greentree Landfill	City of Alamogordo and Otero/Lincoln County Regional Landfill (now known as the Otero/Greentree Landfill)	City of Alamogordo and Otero/Lincoln County Regional Landfill (now known as the Otero/Greentree	Operation of the Otero/Greentree Landfill
19 CAPPED (MOU)	City of Alamogordo and CAPPED	CAPPED	CAPPED will construct a community Labyrinth at Washington Park
20 CAPPED (MOU)	City of Alamogordo and CAPPED	CAPPED	CAPPED will construct a community Labyrinth at Washington Park
21 New Mexico Energy, Minerals and Natural Resources Department (MOA)	City of Alamogordo and New Mexico Energy, Minerals and Resources Department	City of Alamogordo and New Mexico Energy, Minerals and Resources Department	Mitigate the threat of wildland fire and improve forest and watershed health. This MOA supersedes and terminates SHARE JPA 000...12277 (EMNRD No. 11-521-2301-0054)
22 Bonito Lake Watershed restoration (MOU)	City of Alamogordo and Lincoln County	City of Alamogordo	Clarify and resolve ambiguity in relation to Severance Tax Bond Project series No. STB13A for Bonito Lake watershed restoration project

See independent auditors' report.

Beginning and Ending Dates	Total Estimated Project Amount and Amount Applicable to Party	Amount contributed By City During Current Fiscal Year	Audit Responsibility	Fiscal Agent and Responsible Reporting Entity
3/1/2016-3/31/2016	\$ 4,500.00	N/A	City of Alamogordo	City of Alamogordo
5/26/2016-6/26/2016	Lump sum of \$8,000 for Landfill and lump sum of \$4,500 for the Greenhouse Gas Service.		City of Alamogordo	City of Alamogordo
1/15/2016 - 3/31/2016	\$ 38,676.52		City of Alamogordo	City of Alamogordo
6/13/2016-no end date stated	N/A	N/A	City of Alamogordo and CAPPED	City of Alamogordo and CAPPED
2/16/2016-no end date stated	N/A	N/A	City of Alamogordo and CAPPED	City of Alamogordo and CAPPED
10/1/2015 - Indefinite			City of Alamogordo and New Mexico Energy, Minerals and Natural Resources Department	New Mexico Energy, Minerals and Natural Resources Department
4/12/2016 - 6/30/2017	\$ 74,000.00		City of Alamogordo	City of Alamogordo

See independent auditors' report.

STATE OF NEW MEXICO

City of Alamogordo

Schedule of Vendor Information for Purchases Exceeding \$60,000 (excluding GRT)

For the Year Ended June 30, 2016

Agency Number	Agency Name	Agency Type	RFB#/RFP# (If applicable)	Type of Procurement	Vendor Name	Did Vendor Win Contract ?
6002	City of Alamogordo	Municipalities	RFP 2013-002	Competitive (RFP or RFB)	Aqua Enviromental Testing Lab	Winner
6002	City of Alamogordo	Municipalities	RFP 2013-002	Competitive (RFP or RFB)	Alamo Analytical Laboratories	Loser
6002	City of Alamogordo	Municipalities	IFB 2013-08	Competitive (RFP or RFB)	DPC Industries	Winner
6002	City of Alamogordo	Municipalities	IFB 2012-09	Competitive (RFP or RFB)	Aggregate Technologies	Winner
6002	City of Alamogordo	Municipalities	IFB 2012-09	Competitive (RFP or RFB)	Cemex	Loser
6002	City of Alamogordo	Municipalities	PW Bid 2015-013	Competitive (RFP or RFB)	Mevacon	Winner
6002	City of Alamogordo	Municipalities	PW Bid 2015-013	Competitive (RFP or RFB)	J. Carrizal General	Loser
6002	City of Alamogordo	Municipalities	PW Bid 2015-013	Competitive (RFP or RFB)	C & E Industrial	Loser
6002	City of Alamogordo	Municipalities	PW Bid 2015-013	Competitive (RFP or RFB)	CDR Construction	Loser
6002	City of Alamogordo	Municipalities	PW Bid 2015-013	Competitive (RFP or RFB)	Southwest Construction & Landscaping	Loser
6002	City of Alamogordo	Municipalities	PW Bid 2015-017	Competitive (RFP or RFB)	Southwest Flooring & Carpet	Winner
6002	City of Alamogordo	Municipalities	PW Bid 2015-017	Competitive (RFP or RFB)	Mevacon	Loser
6002	City of Alamogordo	Municipalities	PW Bid 2015-017	Competitive (RFP or RFB)	Peak Contracting	Loser
6002	City of Alamogordo	Municipalities	PW Bid 2015-018	Competitive (RFP or RFB)	C.D. General Contractor	Winner
6002	City of Alamogordo	Municipalities	PW Bid 2015-018	Competitive (RFP or RFB)	Smith Roofing	Loser
6002	City of Alamogordo	Municipalities	PW Bid 2015-018	Competitive (RFP or RFB)	The Roof& Metal Co	Loser
6002	City of Alamogordo	Municipalities	PW Bid 2015-015	Competitive (RFP or RFB)	File Construction	Winner
6002	City of Alamogordo	Municipalities	PW Bid 2015-018	Competitive (RFP or RFB)	Smith Roofing	Loser

See independent auditors' report.

\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Physical address of vendor (City, State)	Did the Vendor provide documentation of eligibility for in-state preference?	Did the Vendor provide documentation of eligibility for veterans' preference?	Brief Description of the Scope of Work	If the procurement is attributable to a Component Unit, Name of Component Unit
\$44,330.00	\$66,876.48	La Luz, New Mexico	No	No	Testing Services for Waste Water Treatment Plant	
N/A	N/A	San Antonio, Texas	No	No	Testing Services for Waste Water Treatment Plant	
\$123,000.00	\$76,522.24	Albuquerque, New Mexico	N/A	N/A	Purchase of Sodium Hypochlorite	
\$162,936.00	\$72,510.00	Alamogordo, New Mexico	Yes	No	Hot Mix Product	
N/A	N/A	La Luz, New Mexico	Yes	No	Hot Mix Product	
\$76,311.51	\$76,354.14	Las Cruces, New Mexico	No	No	Rec Center Restroom Remodel	
N/A	N/A	El Paso, Texas	No	No	Rec Center Restroom Remodel	
N/A	N/A	Sunland Park, New Mexico	No	No	Rec Center Restroom Remodel	
N/A	N/A	Alamogordo, New Mexico	No	No	Rec Center Restroom Remodel	
N/A	N/A	Albuquerque, New Mexico	No	No	Rec Center Restroom Remodel	
\$75,168.00	\$75,168.00	Alamogordo, New Mexico	No	No	Senior Center Re-Flooring	
N/A	N/A	Las Cruces, New Mexico	No	No	Senior Center Re-Flooring	
N/A	N/A	Mesilla Park, New Mexico	No	No	Senior Center Re-Flooring	
\$116,640.00	\$117,138.13	Las Cruces, New Mexico	No	No	Re-Roof Police Dept	
N/A	N/A	Mesilla Park, New Mexico	No	No	Re-Roof Police Dept	
N/A	N/A	El Paso, Texas	No	No	Re-Roof Police Dept	
\$243,802.44	\$215,875.49	Albuquerque, New Mexico	No	No	Reclaim Water Line Looping	
N/A	N/A	Mesilla Park, New Mexico	No	No	Re-Roof Police Dept	

See independent auditors' report.

STATE OF NEW MEXICO

City of Alamogordo

Schedule of Vendor Information for Purchases Exceeding \$60,000 (excluding GRT)

For the Year Ended June 30, 2016

Agency Number	Agency Name	Agency Type	RFB#/RFP# (If applicable)	Type of Procurement	Vendor Name	Did Vendor Win Contract ?
6002	City of Alamogordo	Municipalities	PW Bid 2015-018	Competitive (RFP or RFB)	The Roof& Metal Co	Loser
6002	City of Alamogordo	Municipalities	PW Bid 2015-015	Competitive (RFP or RFB)	File Construction	Winner
6002	City of Alamogordo	Municipalities	PW Bid 2015-015	Competitive (RFP or RFB)	AAC Construction	Loser
6002	City of Alamogordo	Municipalities	PW Bid 2015-015	Competitive (RFP or RFB)	Adame Construction	Loser
6002	City of Alamogordo	Municipalities	PW Bid 2015-015	Competitive (RFP or RFB)	Burn Construction	Loser
6002	City of Alamogordo	Municipalities	PW Bid 2015-015	Competitive (RFP or RFB)	Cherokee Enterprises	Loser
6002	City of Alamogordo	Municipalities	PW Bid 2015-015	Competitive (RFP or RFB)	General Hydronics	Loser
6002	City of Alamogordo	Municipalities	PW Bid 2015-015	Competitive (RFP or RFB)	J & H Services	Loser
6002	City of Alamogordo	Municipalities	PW Bid 2015-015	Competitive (RFP or RFB)	Morrow Enterprises	Loser
6002	City of Alamogordo	Municipalities	PW Bid 2015-015	Competitive (RFP or RFB)	Smith Co. Construction	Loser
6002	City of Alamogordo	Municipalities	PW Bid 2016-003	Competitive (RFP or RFB)	General Hydronics	Winner
6002	City of Alamogordo	Municipalities	PW Bid 2016-003	Competitive (RFP or RFB)	File Construction	Loser
6002	City of Alamogordo	Municipalities	PW Bid 2016-003	Competitive (RFP or RFB)	Adame Construction	Loser
6002	City of Alamogordo	Municipalities	PW Bid 2016-003	Competitive (RFP or RFB)	Burn Construction	Loser
6002	City of Alamogordo	Municipalities	PW Bid 2016-003	Competitive (RFP or RFB)	Cherokee Enterprises	Loser
6002	City of Alamogordo	Municipalities	PW Bid 2016-003	Competitive (RFP or RFB)	DuCross Construction	Loser
6002	City of Alamogordo	Municipalities	PW Bid 2016-006	Competitive (RFP or RFB)	Smith Roofing	Winner
6002	City of Alamogordo	Municipalities	PW Bid 2016-008	Competitive (RFP or RFB)	San Bar Construction	Winner
6002	City of Alamogordo	Municipalities	RFQ 2016-02	Competitive (RFP or RFB)	Smith Engineering	Winner
6002	City of Alamogordo	Municipalities	RFQ 2016-02	Competitive (RFP or RFB)	Souder Miller & Associates	Loser
6002	City of Alamogordo	Municipalities	RFQ 2016-02	Competitive (RFP or RFB)	OCCAM	Loser

See independent auditors' report.

<i>\$ Amount of Awarded Contract</i>	<i>\$ Amount of Amended Contract</i>	<i>Physical address of vendor (City, State)</i>	<i>Did the Vendor provide documentation of eligibility for in-state preference?</i>	<i>Did the Vendor provide documentation of eligibility for veterans' preference?</i>	<i>Brief Description of the Scope of Work</i>	<i>If the procurement is attributable to a Component Unit, Name of Component Unit</i>
N/A	N/A	El Paso, Texas	No	No	Re-Roof Police Dept	
\$243,802.44	\$215,875.49	Albuquerque, New Mexico	No	No	Reclaim Water Line Looping	
N/A	N/A	Santa Fe, New Mexico	No	No	Reclaim Water Line Looping	
N/A	N/A	Los Lunas, New Mexico	No	No	Reclaim Water Line Looping	
N/A	N/A	Las Cruces, New Mexico	No	No	Reclaim Water Line Looping	
N/A	N/A	Alamogordo, New Mexico	No	No	Reclaim Water Line Looping	
N/A	N/A	Alamogordo, New Mexico	No	No	Reclaim Water Line Looping	
N/A	N/A	Albuquerque, New Mexico	No	No	Reclaim Water Line Looping	
N/A	N/A	Las Cruces, New Mexico	No	No	Reclaim Water Line Looping	
N/A	N/A	Caballo, New Mexico	No	No	Reclaim Water Line Looping	
\$70,454.88	\$71,183.88	Alamogordo, New Mexico	No	No	Buena Vista Corte Sewer Line	
N/A	N/A	Albuquerque, New Mexico	No	No	Buena Vista Corte Sewer Line	
N/A	N/A	Los Lunas, New Mexico	No	No	Buena Vista Corte Sewer Line	
N/A	N/A	Las Cruces, New Mexico	No	No	Buena Vista Corte Sewer Line	
N/A	N/A	Alamogordo, New Mexico	No	No	Buena Vista Corte Sewer Line	
N/A	N/A	Las Cruces, New Mexico	No	No	Buena Vista Corte Sewer Line	
\$746,680.68	\$746,680.68	Mesilla Park, New Mexico	No	No	Re-Roofing Housing Authority Office and Complex	
\$160,059.67	\$160,059.67	Albuquerque, New Mexico	No	No	Reflectorized Pavement Markings	
\$126,276.13	\$126,276.13	Roswell, New Mexico	No	No	Engineering Services N Scenic Dr Extension	
N/A	N/A	Albuquerque, New Mexico	No	No	Engineering Services N Scenic Dr Extension	
N/A	N/A	Roswell, New Mexico	No	No	Engineering Services N Scenic Dr Extension	

See independent auditors' report.

STATE OF NEW MEXICO

City of Alamogordo

Schedule of Vendor Information for Purchases Exceeding \$60,000 (excluding GRT)

For the Year Ended June 30, 2016

<i>Agency Number</i>	<i>Agency Name</i>	<i>Agency Type</i>	<i>RFB#/RFP# (If applicable)</i>	<i>Type of Procurement</i>	<i>Vendor Name</i>	<i>Did Vendor Win Contract ?</i>
6002	City of Alamogordo	Municipalities	RFQ 2016-02	Competitive (RFP or RFB)	Ideals	Loser
6002	City of Alamogordo	Municipalities	RFQ 2016-03	Competitive (RFP or RFB)	Smith Engineering	Winner
6002	City of Alamogordo	Municipalities	RFQ 2016-03	Competitive (RFP or RFB)	Ideals	Loser
6002	City of Alamogordo	Municipalities	PW Bid 2016-009	Competitive (RFP or RFB)	Exerplay	Winner
6002	City of Alamogordo	Municipalities	PW Bid 2016-009	Competitive (RFP or RFB)	Mevacon	Loser
6002	City of Alamogordo	Municipalities	PW Bid 2016-009	Competitive (RFP or RFB)	Cherokee Enterprises	Loser
6002	City of Alamogordo	Municipalities	RFQ 2015-03	Competitive (RFP or RFB)	Larkin Group	Winner
6002	City of Alamogordo	Municipalities	RFQ 2015-03	Competitive (RFP or RFB)	Ideals	Loser
6002	City of Alamogordo	Municipalities	RFQ 2015-03	Competitive (RFP or RFB)	Bohannan Huston	Loser
6002	City of Alamogordo	Municipalities	PW Bid 2016-008	Competitive (RFP or RFB)	San Bar Construction	Winner
6002	City of Alamogordo	Municipalities	PW Bid 2015-001	Competitive (RFP or RFB)	Burn Construction	Winner
6002	City of Alamogordo	Municipalities	PW Bid 2015-001	Competitive (RFP or RFB)	Mesa Verde Enterprise	Loser
6002	City of Alamogordo	Municipalities	PW Bid 2015-001	Competitive (RFP or RFB)	Smith & Aguirre Construction	Loser

See independent auditors' report.

<i>\$ Amount of Awarded Contract</i>	<i>\$ Amount of Amended Contract</i>	<i>Physical address of vendor (City, State)</i>	<i>Did the Vendor provide documentation of eligibility for in-state preference?</i>	<i>Did the Vendor provide documentation of eligibility for veterans' preference?</i>	<i>Brief Description of the Scope of Work</i>	<i>If the procurement is attributable to a Component Unit, Name of Component Unit</i>
N/A	N/A	Las Cruces, New Mexico	No	No	Engineering Services N Scenic Dr Extension	
\$218,280.00	\$236,425.00	Roswell, New Mexico	No	No	Engineering Services Utility Relocation - McKinley Channel	
N/A	N/A	Las Cruces, New Mexico	No	No	Engineering Services Utility Relocation - McKinley Channel	
\$135,566.93	\$135,566.93	Cedar Crest, New Mexico	No	No	Playground Shade Structures	
N/A	N/A	Las Cruces, New Mexico	No	No		
N/A	N/A	Alamogordo, New Mexico	No	No		
\$77,911.78	\$77,911.78	Albuquerque, New Mexico	No	No	Engineering Services Abbott Ditch Improvements	
N/A	N/A	Las Cruces, New Mexico	No	No	Engineering Services Abbott Ditch Improvements	
N/A	N/A	Albuquerque, New Mexico	No	No	Engineering Services Abbott Ditch Improvements	
\$160,059.67	\$160,059.67	Albuquerque, New Mexico	No	No	Reflectorized Pavement Markings	
\$177,284.42	\$99,577.42	Las Cruces, New Mexico	No	No	27th Street Arroyo Crossing	
N/A	N/A	Alamogordo, New Mexico	No	No	27th Street Arroyo Crossing	
N/A	N/A	Las Cruces, New Mexico	No	No	27th Street Arroyo Crossing	

See independent auditors' report.

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COMPLIANCE SECTION

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

INDEPENDENT AUDITORS' REPORT

Timothy Keller
New Mexico State Auditor
The Office of Management and Budget
To the City Commission
City of Alamogordo
Alamogordo, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, the aggregate remaining fund information and the budgetary comparison of the general fund of the City of Alamogordo, New Mexico (the "City") as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and the combining and individual funds and related budgetary comparisons of the City, presented as supplementary information, and have issued our report thereon dated December 2, 2016.

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.

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

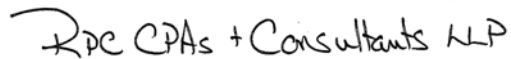
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 result of that testing, and not to provide an opinion on the effectiveness of the City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



RPC CPAs + Consultants, LLP
Albuquerque, New Mexico
December 2, 2016

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FEDERAL FINANCIAL ASSISTANCE

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

INDEPENDENT AUDITORS' REPORT

Timothy Keller
New Mexico State Auditor
The Office of Management and Budget
To the City Commission
City of Alamogordo
Alamogordo, New Mexico

Report on Compliance for Each Major Federal Program

We have audited the City of Alamogordo's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2016. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on the Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2016.

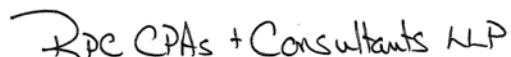
Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



RPC CPAs + Consultants, LLP
Albuquerque, New Mexico
December 2, 2016

STATE OF NEW MEXICO
City of Alamogordo
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2016

Funding Source/Grant or Contact Name	CFDA Number	Federal Grant Number	Federal Expenditures	Funds Provided to Subrecipients	Noncash Assistance
U.S. Department of Agriculture					
Collaborative Forest Restoration	10.679	14-DG-11030800-	\$ 174,866	\$ -	-
U.S. Department of Housing and Urban Development					
Community Development Block Grant	14.228	14-C-NR-I-03-G-15	14,696	-	-
Public and Indian Housing	14.850	NM004-	557,738	-	-
Public Housing Capital Fund	14.872	NM02P04501-12/13	302,021	-	-
U.S. Department of Justice Bureau of Justice Assistance					
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2011-DJ-BX-3456	14,333	-	-
U.S. Department of Transportation					
Airport Improvement Program	20.106	3-35-0001-022-2014 *	3,993,266	-	-
Passed through the New Mexico Department of Transportation					
Recreational Trails Program	20.219	MO1326	51,465	-	-
Minimum Penalties for Repeat Offenders for Driving Intoxicated:					
ENDDWI	20.608	16-AL-64-001	1,165	-	-
ENDDWI	20.608	15-AL-64-001	5,726	-	-
100 Days of Summer	20.608	15-DS-PT-001	2,776	-	-
DNTXT	20.608	16-DD-02-001	706	-	-
Safety Enforcement	20.608	16-SE-05D-001	2,466	-	-
U.S. Department of Health and Human Services					
Passed through the North Central New Mexico Economic District Non- Metro Area Agency					
Aging Cluster - Part B - Supportive Services & Senior Centers	93.044	2015-16-64012 (1)	38,820	-	-
Aging Cluster - Part C-I - Nutrition Services	93.045	2015-16-64012 (1)	78,390	-	-
Aging Cluster - Part C-II - Nutrition Services Home Delivered	93.045	2015-16-64012 (1)	59,255	-	-
Aging Cluster - Nutrition Services Incentive Program (NSIP)	93.053	2015-16-64012 (1)	-	-	-

(1) Denotes Cluster

* Denotes Major Program

See independent auditors' report.
See accompanying notes to schedule of expenditures of federal awards.

STATE OF NEW MEXICO
City of Alamogordo
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2016

Funding Source/Grant or Contact Name	CFDA Number	Federal Grant Number	Federal Expenditures	Funds Provided to Subrecipients	Noncash Assistance
Corporation for National Community Service					
Passed through the New Mexico Aging & Long Term Services Department					
Retired and Senior Volunteer Program	94.002	14SRWNM002	\$ 45,914	\$ -	\$ -
U.S. Department of Homeland Security					
Passed through the New Mexico Department of Homeland Security and Emergency Management					
Hazard Mitigation Plan	97.039	PDMC-PL-06-NM- 2012	2,901	-	-
Disaster Grants - Public Assistance	97.036	FEMA-4197-DR-NM	1,403	-	-
Disaster Grants - Public Assistance	97.036	FEMA-4079-DR-NM	571,469	-	-
Total Federal Financial Assistance			\$ 5,919,376	\$ -	\$ -

Notes to Schedule of Expenditures of Federal Awards

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of the City of Alamogordo. (The City) and is presented on the full accrual basis of accounting, which is the same basis as was used to prepare the fund financial statements. The information in this Schedule is presented in accordance with the requirements of *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*.

Federally Funded Loans

The City has no federally funded loans or loan guarantee programs as of June 30, 2016.

10% de minimis Indirect Cost Rate

The City did not elect to use the allowed

Federally Funded Insurance

The City has no federally funded insurance.

Reconciliation of Schedule of Expenditures of Federal Awards to Financial Statements:

<i>Total federal awards expended per Schedule of Expenditures of Federal Awards</i>	\$ 5,919,376
<i>Total expenditures funded by other sources</i>	<u>40,442,646</u>
<i>Total expenditures</i>	<u><u>\$46,362,022</u></u>

See independent auditors' report.

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STATE OF NEW MEXICO
City of Alamogordo
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2016

Section I – Summary of Auditors’ Results

Financial Statements:

- | | |
|--|------------|
| 1. Type of auditors’ report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weakness identified? | None noted |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| c. Noncompliance material to the financial statements noted? | None noted |

Federal Awards:

- | | |
|---|------------|
| 1. Internal control over major programs: | |
| a. Material weaknesses identified? | None noted |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| 2. Type of auditors’ report issued on compliance for major programs | Unmodified |
| 3. Any audit findings disclosed that are required to be reported in accordance with section 2 CFR section 200.516(a)? | None noted |

4. Identification of major programs:

<u>CFDA Number</u>	<u>Federal Program</u>
20.106	Airport Improvement Program

- | | |
|---|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$750,000 |
| 6. Auditee qualified as low-risk auditee? | No |

STATE OF NEW MEXICO
City of Alamogordo
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2016

Section II – Financial Statement Findings

None Noted

Section III – Federal Award Findings

None Noted

Section IV – Section 12-65-8 NMSA Findings

None Noted

Section V – Prior Year Audit Findings

FS 2015-001 – Travel and Per Diem Policy – Other Noncompliance - Resolved

FS 2015-002 – Review of Journal Entries – Finding that does not rise to the level of significant deficiency - Resolved

FS 2015-003 Stale Dated Checks – Finding that does not rise to the level of a significant deficiency - Resolved

STATE OF NEW MEXICO

City of Alamogordo

Other Disclosures

June 30, 2016

Exit Conference

An exit conference was held on December 5, 2016. In attendance were the following:

Representing the City of Alamogordo:

Richard Boss

Margaret Paluch

Julianne Hall

Stella Bracamonte

Mayor

Acting City Manager

Acting Finance Director

Senior Accountant

Representing RPC CPAs + Consultants, LLP:

Alan D. Bowers, Jr., CPA

Senior Manager

Auditor Prepared Financial Statements

RPC CPAs + Consultants, LLP prepared the GAAP-basis financial statements and footnotes of the City of Alamogordo from the original books and records provided to them by the management of the City. The responsibility for the financial statements remains with the City.