

**ANNUAL FINANCIAL
REPORT**

JUNE 30, 2015



**State of New Mexico
City of Sunland Park**

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INTRODUCTORY SECTION

STATE OF NEW MEXICO
City of Sunland Park
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STATE OF NEW MEXICO

City of Sunland Park

Official Roster

June 30, 2015

<u>Name</u>	<u>Elected Officials</u>	<u>Title</u>
Javier Perea		Mayor
Sergio Carrillo		City Councilor
Isabel Santos		City Councilor
Daniel A de los Santos		City Councilor
Francisco Jayme		City Councilor
Jessica Alba		City Councilor
Kenneth B Giove		City Councilor
Lizette Salinas		Municipal Judge

Administration

Robert Coleman	Acting City Manager
Raquel Alarcon	Finance Director

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FINANCIAL SECTION



Accounting & Consulting Group, LLP
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Timothy H. Keller
New Mexico State Auditor
To City Council
City of Sunland Park
Sunland Park, New Mexico

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparison for the General Fund of the City of Sunland Park (the City) as of and for the year ended June 30, 2015, 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 and the budgetary comparisons for the major capital projects fund, major 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, 2015, 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2015, 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 of the City as of June 30, 2015, and the respective changes in financial position, thereof and the respective budgetary comparisons for the major capital project fund, major 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

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America required to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by the missing information.

Accounting principles generally accepted in the United States of America require Schedules I and II and the notes to the Required Supplementary Information on pages 62 through 68 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the City's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. Schedules III through VI required by 2.2.2 NMAC and the U.S. Department of Housing and Urban Development and introductory section are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

Schedules III through V required by 2.2.2 NMAC and the U.S. Department of Housing and Urban Development are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, Schedules III through V required by 2.2.2 NMAC and the U.S. Department of Housing and Urban Development are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and Schedule VI 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 12, 2015 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.

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP
EL Paso, TX
December 12, 2015

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**BASIC
FINANCIAL STATEMENTS**

STATE OF NEW MEXICO

City of Sunland Park

Statement of Net Position

June 30, 2015

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets			
Current assets			
Cash and cash equivalents	\$ 6,268,452	\$ 1,091,732	\$ 7,360,184
Investments	8,053,108	173,511	8,226,619
Receivables:			
Property taxes	153,601	-	153,601
Other taxes	635,518	-	635,518
Other receivables	75,641	-	75,641
Customers	-	20,971	20,971
Total current assets	<u>15,186,320</u>	<u>1,286,214</u>	<u>16,472,534</u>
Noncurrent assets			
Restricted cash and cash equivalents	-	5,880	5,880
Capital assets	34,089,806	3,501,089	37,590,895
Less: accumulated depreciation	<u>(21,738,956)</u>	<u>(1,469,780)</u>	<u>(23,208,736)</u>
Total noncurrent assets	<u>12,350,850</u>	<u>2,037,189</u>	<u>14,388,039</u>
Total assets	<u>27,537,170</u>	<u>3,323,403</u>	<u>30,860,573</u>
Deferred outflows			
Employer contributions subsequent to the measurement date	277,433	18,813	296,246
Change in assumptions	<u>30,098</u>	<u>2,041</u>	<u>32,139</u>
Total assets and deferred outflows	<u>\$ 27,844,701</u>	<u>\$ 3,344,257</u>	<u>\$ 31,188,958</u>

The accompanying notes are an integral part of these financial statements

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Liabilities			
Current liabilities			
Accounts payable	\$ 131,655	\$ 4,172	\$ 135,827
Accrued payroll	56,557	6,363	62,920
Customer deposits	-	5,880	5,880
Compensated absences	92,823	11,044	103,867
Total current liabilities	<u>281,035</u>	<u>27,459</u>	<u>308,494</u>
Noncurrent liabilities			
Compensated absences	208,276	22,462	230,738
Net pension liability	2,662,581	180,552	2,843,133
Total noncurrent liabilities	<u>2,870,857</u>	<u>203,014</u>	<u>3,073,871</u>
Total liabilities	<u>3,151,892</u>	<u>230,473</u>	<u>3,382,365</u>
Deferred inflows			
Net difference between actual and projected return on plan investments	801,185	54,329	855,514
Change in assumptions	90,070	6,108	96,178
Total deferred inflows	<u>891,255</u>	<u>60,437</u>	<u>951,692</u>
Net Position			
Net investment in capital assets	12,350,850	2,031,309	14,382,159
Restricted for:			
Special revenue	280,432	-	280,432
Capital projects	9,874,624	-	9,874,624
Unrestricted	1,295,648	1,022,038	2,317,686
Total net position	<u>23,801,554</u>	<u>3,053,347</u>	<u>26,854,901</u>
Total liabilities, deferred inflows and net position	<u>\$ 27,844,701</u>	<u>\$ 3,344,257</u>	<u>\$ 31,188,958</u>

STATE OF NEW MEXICO
City of Sunland Park
Statement of Activities
For the Year Ended June 30, 2015

<u>Functions/Programs</u>	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary Government				
Governmental Activities:				
General government	\$ 1,098,877	\$ 551,297	\$ 418,716	\$ 14,479
Public safety	4,206,542	42,120	162,650	
Public works	1,069,284	-	-	7,054
Culture and recreation	435,678	-	-	-
<i>Total governmental activities</i>	<u>6,810,381</u>	<u>593,417</u>	<u>581,366</u>	<u>21,533</u>
Business-type Activities:				
Motor Vehicle Department	285,998	399,784	-	-
Solid waste	1,911	565	-	-
Housing authority	369,656	90,430	63,806	89,384
<i>Total business-type activities</i>	<u>657,565</u>	<u>490,779</u>	<u>63,806</u>	<u>89,384</u>
<i>Total primary government</i>	<u>\$ 7,467,946</u>	<u>\$ 1,084,196</u>	<u>\$ 645,172</u>	<u>\$ 110,917</u>

General Revenues and Transfers:

Taxes:

Property

Gross Receipts

Gasoline and motor vehicle taxes

Other

Investment income

Miscellaneous income

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning

Net position - restatement (note 16)

Net position - as restated

Net position - ending

The accompanying notes are an integral part of these financial statements

**Net (Expense) Revenue and
Changes in Net Position**

Governmental Activities	Business-Type Activities	Total
\$ (114,385)	\$ -	\$ (114,385)
(4,001,772)	-	(4,001,772)
(1,062,230)	-	(1,062,230)
(435,678)	-	(435,678)
<u>(5,614,065)</u>	<u>-</u>	<u>(5,614,065)</u>
-	113,786	113,786
-	(1,346)	(1,346)
-	(126,036)	(126,036)
<u>-</u>	<u>(13,596)</u>	<u>(13,596)</u>
<u>(5,614,065)</u>	<u>(13,596)</u>	<u>(5,627,661)</u>
1,672,029	-	1,672,029
3,624,465	78,617	3,703,082
62,343	-	62,343
280,714	-	280,714
16,997	269	17,266
205,346	1,411	206,757
51,981	(51,981)	-
<u>5,913,875</u>	<u>28,316</u>	<u>5,942,191</u>
<u>299,810</u>	<u>14,720</u>	<u>314,530</u>
26,834,932	3,265,400	30,100,332
(3,333,188)	(226,773)	(3,559,961)
<u>23,501,744</u>	<u>3,038,627</u>	<u>26,540,371</u>
<u>\$ 23,801,554</u>	<u>\$ 3,053,347</u>	<u>\$ 26,854,901</u>

STATE OF NEW MEXICO

City of Sunland Park
Balance Sheet
Governmental Funds
June 30, 2015

	General Fund	Border Crossing Facility	Other Governmental Funds
<i>Assets</i>			
Cash and cash equivalents	\$ 3,668,818	\$ 2,322,657	\$ 276,977
Investments	500,000	7,553,108	-
Receivables:			
Property taxes	153,601	-	-
Other taxes	631,825	-	3,693
Other receivables	41,057	1,079	33,505
Due from other funds	58,636	-	-
<i>Total assets</i>	<u>\$ 5,053,937</u>	<u>\$ 9,876,844</u>	<u>\$ 314,175</u>
<i>Liabilities</i>			
Accounts payable	\$ 108,520	\$ 335	\$ 22,800
Accrued payroll	54,672	1,885	-
Due to other funds	-	-	58,636
<i>Total liabilities</i>	<u>163,192</u>	<u>2,220</u>	<u>81,436</u>
<i>Deferred inflows of resources</i>			
Property taxes	129,134	-	-
<i>Total deferred inflows of resources</i>	<u>129,134</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>			
Spendable			
Restricted for:			
General government	-	-	55,760
Public safety	-	-	108,184
Culture and recreation	-	-	116,488
Capital projects	-	9,874,624	-
Unassigned	4,761,611	-	(47,693)
<i>Total fund balances</i>	<u>4,761,611</u>	<u>9,874,624</u>	<u>232,739</u>
<i>Total liabilities, deferred inflows of resources and fund balances</i>	<u>\$ 5,053,937</u>	<u>\$ 9,876,844</u>	<u>\$ 314,175</u>

The accompanying notes are an integral part of these financial statements

<u>Total</u>	
\$	6,268,452
	8,053,108
	153,601
	635,518
	75,641
	58,636
	<u>15,244,956</u>
	<u><u>15,244,956</u></u>
\$	131,655
	56,557
	58,636
	<u>246,848</u>
	<u><u>246,848</u></u>
	129,134
	<u>129,134</u>
	<u><u>129,134</u></u>
	55,760
	108,184
	116,488
	9,874,624
	4,713,918
	<u>14,868,974</u>
	<u><u>14,868,974</u></u>
\$	15,244,956
	<u><u>15,244,956</u></u>

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STATE OF NEW MEXICO
City of Sunland Park
Reconciliation of the Balance Sheet to the Statement of Net Position
Governmental Funds
June 30, 2015

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

Fund balances - total governmental funds	\$	14,868,974
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		12,350,850
Delinquent property taxes and contract receivables 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		129,134
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		277,433
Deferred outflows of resources related to changes in assumption		30,098
Deferred inflows of resources related to changes in assumptions		(90,070)
Deferred inflows of resources related to net difference between actual and and projected return on plan investments		(801,185)
Some liabilities, including net pension liability and accrued compensation, are not due and payable in the current period and, therefore, are not reported in the funds:		
Net pension liability		(2,662,581)
Accrued compensated absences		(301,099)
		(2,963,680)
Total net position of governmental activities	\$	23,801,554

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Sunland Park
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2015

	<u>General Fund</u>	<u>Border Crossing Facility</u>	<u>Other Governmental Funds</u>
<i>Revenues</i>			
Taxes:			
Property	\$ 1,678,789	\$ -	\$ -
Gross receipts	3,624,465	-	-
Gasoline and motor vehicle	39,510	-	22,833
Other	280,714	-	-
Intergovernmental income:			
Federal operating grants	-	-	177,500
State operating grants	-	-	403,866
State capital grants	-	-	21,533
Charges for services	8,160	-	6,500
Licenses and fees	530,137	-	48,620
Investment income	963	16,034	-
Miscellaneous	15,557	-	189,789
<i>Total revenues</i>	<u>6,178,295</u>	<u>16,034</u>	<u>870,641</u>
<i>Expenditures</i>			
Current:			
General government	1,131,358	244,265	45,092
Public safety	2,691,883	-	448,137
Public works	868,472	-	-
Culture and recreation	438,698	-	6,964
Capital outlay	20,172	3,225	276,768
<i>Total expenditures</i>	<u>5,150,583</u>	<u>247,490</u>	<u>776,961</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>1,027,712</u>	<u>(231,456)</u>	<u>93,680</u>
<i>Other financing sources (uses)</i>			
Transfers in	69,236	-	3,517
Transfers (out)	-	-	(20,772)
<i>Total other financing sources (uses)</i>	<u>69,236</u>	<u>-</u>	<u>(17,255)</u>
<i>Net change in fund balances</i>	1,096,948	(231,456)	76,425
<i>Fund balances - beginning of year</i>	<u>3,664,663</u>	<u>10,106,080</u>	<u>156,314</u>
<i>Fund balances - end of year</i>	<u>\$ 4,761,611</u>	<u>\$ 9,874,624</u>	<u>\$ 232,739</u>

<u>Total</u>	
\$	1,678,789
	3,624,465
	62,343
	280,714
	177,500
	403,866
	21,533
	14,660
	578,757
	16,997
	205,346
	<u>7,064,970</u>
	1,420,715
	3,140,020
	868,472
	445,662
	300,165
	<u>6,175,034</u>
	<u>889,936</u>
	72,753
	<u>(20,772)</u>
	<u>51,981</u>
	941,917
	<u>13,927,057</u>
\$	<u><u>14,868,974</u></u>

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STATE OF NEW MEXICO

City of Sunland Park

Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
Governmental Funds
For the Year Ended June 30, 2015

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 \$ 941,917

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 recorded in capital outlay 300,165
Depreciation expense (1,024,818)

City pension contributions 277,433
Pension expense (179,550)

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 prior year property taxes receivable
not collected within 60 days (6,760)

Increase in accrued compensated absences (8,577)

Change in net position of governmental activities \$ 299,810

The accompanying notes are an integral part of these financial statements

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STATE OF NEW MEXICO

Exhibit C-1

City of Sunland Park

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ 1,115,597	\$ 1,115,597	\$ 1,510,444	\$ 394,847
Gross receipts	3,159,278	3,156,559	3,664,170	507,611
Gasoline and motor vehicle	-	26,158	36,416	10,258
Other	26,158	2,719	3,091	372
Franchise tax	304,612	304,612	267,812	(36,800)
Intergovernmental income:				
State operating grants	-	23,100	-	(23,100)
Local sources				
Charges for services	-	-	8,160	8,160
Licenses and fees	350,048	745,508	659,271	(86,237)
Fines and forfeitures	-	-	-	-
Investment income	-	1,000	963	(37)
Miscellaneous	-	-	20,936	20,936
<i>Total revenues</i>	<u>4,955,693</u>	<u>5,375,253</u>	<u>6,171,263</u>	<u>796,010</u>
<i>Expenditures</i>				
Current:				
General government	1,597,006	1,651,275	1,091,028	560,247
Public safety	2,754,886	2,766,946	2,718,198	48,748
Public works	345,670	543,933	854,593	(310,660)
Culture and recreation	440,950	765,950	350,895	415,055
Capital outlay	-	-	39,434	(39,434)
<i>Total expenditures</i>	<u>5,208,835</u>	<u>5,798,427</u>	<u>5,122,689</u>	<u>675,738</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(253,142)</u>	<u>(423,174)</u>	<u>1,048,574</u>	<u>1,471,748</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	231,246	411,697	-	(411,697)
Transfers in	37,434	37,434	69,236	31,802
Transfers (out)	(15,538)	(25,957)	(200)	25,757
<i>Total other financing sources (uses)</i>	<u>253,142</u>	<u>423,174</u>	<u>69,036</u>	<u>(354,138)</u>
<i>Net change in fund balance</i>	-	-	1,117,610	1,117,610
<i>Fund balances - beginning of year</i>	-	-	3,109,844	3,109,844
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,227,454</u>	<u>\$ 4,227,454</u>
Net change in fund balance (non-GAAP budgetary basis)				1,117,610
Adjustments to revenues for taxes and state operating grants.				7,232
Adjustments to expenditures for salaries, professional services and supplies.				(27,894)
Net change in fund balance (GAAP basis)				<u>\$ 1,096,948</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

City of Sunland Park
Statement of Net Position
Proprietary Funds
June 30, 2015

	Motor Vehicle Department	Solid Waste Fund	Housing Authority
<i>Assets</i>			
<i>Current assets</i>			
Cash and cash equivalents	\$ 591,846	210,497	\$ 289,389
Investments	-	-	173,511
Accounts receivable			
Customers	20,146	-	825
<i>Total current assets</i>	<u>611,992</u>	<u>210,497</u>	<u>463,725</u>
<i>Noncurrent assets</i>			
Restricted cash:			
Customer deposits	-	-	5,880
Capital assets	-	-	3,501,089
Less: accumulated depreciation	-	-	(1,469,780)
<i>Total noncurrent assets</i>	<u>-</u>	<u>-</u>	<u>2,037,189</u>
<i>Total assets</i>	<u>611,992</u>	<u>210,497</u>	<u>2,500,914</u>
<i>Deferred Outflows of Resources</i>			
Employer contributions subsequent to the measurement date	13,652	-	5,161
Change in assumptions	1,481	-	560
<i>Total deferred outflow of resources</i>	<u>15,133</u>	<u>-</u>	<u>5,721</u>
<i>Total assets and deferred outflows of resources</i>	<u>\$ 627,125</u>	<u>\$ 210,497</u>	<u>\$ 2,506,635</u>
<i>Liabilities and net position</i>			
<i>Liabilities</i>			
<i>Current liabilities</i>			
Accounts payable	\$ 1,305	\$ -	\$ 2,867
Accrued payroll	4,440	-	1,923
Customer deposits	-	-	5,880
Compensated absences	7,944	-	3,100
<i>Total current liabilities</i>	<u>13,689</u>	<u>-</u>	<u>13,770</u>
<i>Noncurrent liabilities</i>			
Compensated absences	2,398	-	20,064
Net pension liability	131,021	-	49,531
<i>Total noncurrent liabilities</i>	<u>133,419</u>	<u>-</u>	<u>69,595</u>
<i>Total liabilities</i>	<u>147,108</u>	<u>-</u>	<u>83,365</u>
<i>Deferred Inflows of Resources</i>			
Net difference between actual and projected return on plan investments	39,425	-	14,904
Change in assumptions	4,432	-	1,676
<i>Total deferred inflows of resources</i>	<u>43,857</u>	<u>-</u>	<u>16,580</u>
<i>Total liabilities and deferred inflow of resources</i>	<u>190,965</u>	<u>-</u>	<u>99,945</u>
<i>Net position</i>			
Net investment in capital assets	-	-	2,031,309
Unrestricted	436,160	210,497	375,381
<i>Total net position</i>	<u>436,160</u>	<u>210,497</u>	<u>2,406,690</u>
<i>Total liabilities, deferred inflows and net position</i>	<u>\$ 627,125</u>	<u>\$ 210,497</u>	<u>\$ 2,506,635</u>

The accompanying notes are an integral part of these financial statements

Total

\$	1,091,732
	173,511
	<u>20,971</u>
	<u>1,286,214</u>

	5,880
	3,501,089
	(1,469,780)
	<u>2,037,189</u>
	<u>3,323,403</u>

	18,813
	<u>2,041</u>
	<u>20,854</u>

\$	<u>3,344,257</u>
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\$	4,172
	6,363
	5,880
	<u>11,044</u>
	<u>27,459</u>

	22,462
	<u>180,552</u>
	<u>203,014</u>
	230,473

	54,329
	<u>6,108</u>
	<u>60,437</u>

	<u>290,910</u>
--	----------------

	2,031,309
	<u>1,022,038</u>
	<u>3,053,347</u>

\$	<u>3,344,257</u>
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STATE OF NEW MEXICO
City of Sunland Park
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2015

	Motor Vehicle Department	Solid Waste Fund	Housing Authority
<i>Operating revenues</i>			
Charges for services	\$ 399,784	\$ 565	90,430
<i>Total operating revenues</i>	<u>399,784</u>	<u>565</u>	<u>90,430</u>
<i>Operating expenses</i>			
Personnel services	209,116	1,911	88,983
Contractual services	2,612	-	46,097
Supplies	4,424	-	2,663
Maintenance and materials	8,429	-	37,882
Utilities	9,286	-	30,334
Insurance	22,049	-	9,479
Depreciation	-	-	103,802
Rent	6,973	-	-
Repairs	-	-	12,779
Miscellaneous	23,109	-	667
<i>Total operating expenses</i>	<u>285,998</u>	<u>1,911</u>	<u>332,686</u>
<i>Operating income (loss)</i>	<u>113,786</u>	<u>(1,346)</u>	<u>(242,256)</u>
<i>Non-operating revenues (expenses)</i>			
Gross receipts tax	-	78,617	-
Interest income	-	-	269
Loss on disposal of capital assets	-	-	(36,970)
Miscellaneous income	-	-	1,411
<i>Total non-operating revenues (expenses)</i>	<u>-</u>	<u>78,617</u>	<u>(35,290)</u>
<i>Income (loss) before contributions, grants and transfers</i>	<u>113,786</u>	<u>77,271</u>	<u>(277,546)</u>
Government contributions	-	-	153,190
Transfers in	-	-	1,009
Transfers (out)	(52,990)	-	-
<i>Contributions, grants and net transfers</i>	<u>(52,990)</u>	<u>-</u>	<u>154,199</u>
<i>Change in net position</i>	60,796	77,271	(123,347)
<i>Net position - beginning of year - prior to restatement</i>	539,926	133,226	2,592,248
<i>Restatement</i>	(164,562)	-	(62,211)
<i>Net position - beginning of year- after restatement</i>	<u>375,364</u>	<u>133,226</u>	<u>2,530,037</u>
<i>Net position - end of year</i>	<u>\$ 436,160</u>	<u>\$ 210,497</u>	<u>\$ 2,406,690</u>

The accompanying notes are an integral part of these financial statements

<u>Total</u>	
\$	490,779
	<u>490,779</u>
	300,010
	48,709
	7,087
	46,311
	39,620
	31,528
	103,802
	6,973
	12,779
	<u>23,776</u>
	<u>620,595</u>
	(129,816)
	<u>(129,816)</u>
	78,617
	269
	(36,970)
	<u>1,411</u>
	<u>43,327</u>
	(86,489)
	<u>(86,489)</u>
	153,190
	1,009
	(52,990)
	<u>101,209</u>
	14,720
	3,265,400
	(226,773)
	<u>3,038,627</u>
\$	<u>3,053,347</u>

STATE OF NEW MEXICO
City of Sunland Park
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2015

	Motor Vehicle Department	Solid Waste	Housing Authority
<i>Cash flows from operating activities</i>			
Cash received from user charges	\$ 401,154	\$ 565	\$ 91,958
Cash payments to employees for services	(209,954)	-	(88,996)
Cash payments to suppliers for goods and services	(76,064)	(1,911)	(138,889)
<i>Net cash provided (used) by operating activities</i>	<u>115,136</u>	<u>(1,346)</u>	<u>(135,927)</u>
<i>Cash flows from noncapital financing activities</i>			
Taxes received	-	78,617	-
Miscellaneous income	-	-	1,411
Transfer from (to) other funds	(52,990)	-	1,009
<i>Net cash provided (used) by noncapital financing activities:</i>	<u>(52,990)</u>	<u>78,617</u>	<u>2,420</u>
<i>Cash flows from capital and related financing activities</i>			
Acquisition of capital assets	-	-	(23,927)
Government contributions	-	-	153,190
<i>Net cash provided (used) by capital and related financing activities</i>	<u>-</u>	<u>-</u>	<u>129,263</u>
<i>Net increase (decrease) in cash and cash equivalents</i>	62,146	77,271	(4,244)
<i>Cash and cash equivalents - beginning of year</i>	<u>529,700</u>	<u>133,226</u>	<u>299,513</u>
<i>Cash and cash equivalents - end of year</i>	<u>\$ 591,846</u>	<u>\$ 210,497</u>	<u>\$ 295,269</u>
<i>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</i>			
Operating income (loss)	\$ 113,786	\$ (1,346)	\$ (242,256)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation	-	-	103,803
Employer contributions to pension plan	(13,652)	-	(5,161)
Noncash pension expense	8,835	-	3,340
Changes in assets and liabilities:			
Receivables	1,370	-	1,828
Prepaid expenses	449	-	449
Accounts payable	369	-	562
Accrued payroll expenses	583	-	543
Compensated absences	3,396	-	1,265
Customer deposits	-	-	(300)
<i>Net cash provided (used) by operating activities</i>	<u>\$ 115,136</u>	<u>\$ (1,346)</u>	<u>\$ (135,927)</u>

The accompanying notes are an integral part of these financial statements

<u>Total</u>	
\$	493,677
	(298,950)
	(216,864)
	<u>(22,137)</u>
	78,617
	1,411
	<u>(51,981)</u>
	28,047
	<u>(23,927)</u>
	153,190
	<u>129,263</u>
	135,173
	<u>962,439</u>
<u>\$</u>	<u>1,097,612</u>
\$	(129,816)
	103,803
	(18,813)
	12,175
	3,198
	898
	931
	1,126
	4,661
	<u>(300)</u>
<u>\$</u>	<u>(22,137)</u>

STATE OF NEW MEXICO
City of Sunland Park
Notes to Financial Statements
June 30, 2015

NOTE 1. Summary of Significant Accounting Policies

The City of Sunland Park (City) operates under a Mayor-Council form of government and provides the following services as authorized by its charter: public safety (police, fire, etc), highways and streets, public utilities (wastewater, water, solid waste, etc), health and social services, culture-recreation, public improvements, housing, planning and zoning, and general administrative services.

The City is a body, political 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 governmental units. The Governmental Accounting Standard Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

During the year ended June 30, 2015, the City adopted GASB Statements No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27 (“GASB 68”), and No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68 (“GASB 71”). These two Statements are required to be implemented at the same time. GASB 68 addresses accounting and financial reporting for pensions that are provided to the employees of state and local governments through pension plans that are administered through trusts that have the following characteristics:

- a. Contributions from employers and nonemployer contributing entities to the pension plan and earnings on those contributions are irrevocable.
- b. Pension plan assets are dedicated to providing pensions to plan members in accordance with the benefit terms.
- c. Pension plan assets are legally protected from the creditors of employers, nonemployer contributing entities, and the pension plan administrator. If the plan is a defined benefit plan, plan assets are also legally protected from creditors of the plan members.

GASB 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to pensions. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. As a result of the implementation of GASB 68, the government recognized a net pension liability (“NPL”) measured as of a date no later than the end of its prior fiscal year. If the government employer makes a contribution to the pension plan subsequent to the measurement date but prior to the end of the current fiscal year, GASB 68 requires the government to recognize that contribution as a deferred outflow of resources.

STATE OF NEW MEXICO
City of Sunland Park
Notes to Financial Statements
June 30, 2015

NOTE 1. Summary of Significant Accounting Policies (continued)

In addition, GASB 68 requires the recognition of deferred outflows of resources and deferred inflows of resources for changes in the NPL that arise from other types of events, but does not require the government to recognize beginning deferred outflows of resources or deferred inflows of resources if the amounts are not practical to estimate.

At transition to Statement 68, Statement 71 requires the employer or nonemployer contributing entity to recognize a beginning deferred outflow of resources for its pension contributions made subsequent to the measurement date of the beginning net pension liability but before the start of the government's fiscal year, thus avoiding possible understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

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 Statements No. 39 and No. 61. Blended component units, although legally separate entities, are in substance part of the government's operations.

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 on the criteria above the City does not have any component units.

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.

STATE OF NEW MEXICO
City of Sunland Park
Notes to Financial Statements
June 30, 2015

NOTE 1. Summary of Significant Accounting Policies (continued)

B. Government-wide and fund financial statements-continued

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 Net 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 are 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 are 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*.

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, except for property taxes, 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.

STATE OF NEW MEXICO
City of Sunland Park
Notes to Financial Statements
June 30, 2015

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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 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 allocated to separate functions on the Statement of Activities. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

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.

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.

The *Border Crossing Fund* is a capital projects fund that accounts for the funding received from donations to plan, design, and construction of border crossing facilities in the City.

The City reports the following proprietary funds as major funds. Proprietary funds include:

The *Motor Vehicle Department* fund accounts for the activities of the City's operation of the Motor Vehicle Department, which provides vehicle registration services to residents of the City and surrounding areas.

The *Solid Waste Fund* accounts for the activities of the City solid waste utility, which provides services to residents of the City and Santa Teresa, New Mexico. The City transferred operations of Solid Waste fund to the South Central Solid Authority on October 1, 2012. There is a residual cash balance of \$210,497 still in the fund at year end. The City Council will make a decision as to what will the residual funds will be utilized for in fiscal year 2016.

The *Housing Authority* accounts for pre-construction, construction, maintenance, and operation of the local Housing Authority. The Housing Authority is not a legal separate organization with a separate elected governing body; rather, it is a department of the City.

STATE OF NEW MEXICO
City of Sunland Park
Notes to Financial Statements
June 30, 2015

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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.

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.

D. *Assets, Liabilities, Deferred Inflows of Resources and Net Position*

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 market value. Fair market value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

Interest income, unrealized and realized gains and losses on investment transactions, and amortization of premiums/discounts on investment purchases are included for financial statement purposes as investment income and are allocated to participating funds based on the specific identification of the source of funds for a given investment.

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.

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.

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.

STATE OF NEW MEXICO
City of Sunland Park
Notes to Financial Statements
June 30, 2015

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Deferred Inflows of Resources and Net Position (continued)

Capital Assets: Capital assets, which include property, plant, utility systems, 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. 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. The total interest expense capitalized by the City during the current fiscal year was \$0. No interest was included as part of the cost of capital assets under construction.

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 & building improvements	5-40
Land improvements	20
Vehicles	5-10
Furniture, fixtures and equipment	5-10
Infrastructure	50

Accrued Expenses: Accrued expenses are comprised of payroll expenditures based on amounts earned by the employees through June 30, 2015, along with applicable PERA and Retiree Health Care.

Deferred Inflows of Resources: In addition to liabilities, the balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Revenue must be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period) to be recognized. If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding liability for deferred inflows of resources. The City typically has one type of deferred inflow which arises under the modified accrual basis of accounting that qualifies for reporting in this category. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. The item, unavailable revenue - property taxes is typically reported only in the governmental funds balance sheet. The receivable from Doña Ana County was confirmed as of June 30, 2015 in the amount of \$153,601. The portion of the receivable not collected within sixty days of year-end totaled \$129,134. Consequently the City has recorded the amount related to the uncollected property as unavailable revenue. Only the available portion of property taxes collected within 60 days is reported as a tax receivable at June 30, 2015. In addition, the City has two types of items present on the Statement of Net Position for both the governmental and business-type activities, which arise due to the implementation of GASB 68 and the related net pension liability. Accordingly, the items, net difference between projected and actual investment earnings on pension plan investments of \$855,514

STATE OF NEW MEXICO
City of Sunland Park
Notes to Financial Statements
June 30, 2015

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Deferred Inflows of Resources and Net Position (continued)

and change in assumptions of \$96,178 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.

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 two types of item that qualifies for reporting in this category in both the governmental and business-type activities. Accordingly, the first item - employer contributions subsequent to measurement date has been reported as a deferred outflow of resources in the amount of \$296,246. This amount is reported in the Statement of Net Position. These amounts will directly reduce the net pension liability in the next fiscal year. The second item relates to changes in assumptions and totals \$32,139 at June 30, 2015. This amount is amortized into pension expense over the average remaining service life of employees.

Compensated Absences: City employees accrue vacation leave at various rates depending on the employee's length of service. Accumulated sick leave shall not be taken as annual paid leave. Accordingly, no liability is recorded for non-vesting accumulated rights to receive sick pay benefits.

Employees earn vacation leave at various rates depending on the employee's length of service, as follows:

No more than thirty-six (36) working days of accrued leave may be carried over from year to year. When an employee terminates his/her employment with the City, he/she shall be paid for all unused earned annual leave hours.

<u>Employment Duration</u>	<u>Regular Employees</u>
1 to 5 years	96 hours
6 to 10 years	144 hours
11 years and over	192 hours

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.

Long-term Obligations: In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method or straight-line method, if the difference is inconsequential.

Fund Balance Classification Policies and Procedures: For committed fund balance the City's highest level of decision-making authority is the City Council. The formal action that is required to establish, modify, or rescind a fund balance commitment is a resolution approved by the Council at a City Council meeting. The resolution must either be approved or rescinded, as applicable, prior to the last day of the fiscal year for which the commitment is made.

STATE OF NEW MEXICO
City of Sunland Park
Notes to Financial Statements
June 30, 2015

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Deferred Inflows of Resources and Net Position (continued)

For assigned fund balance, the City Council has approved the City Manager as an authorized official to assign fund balance to a specific purpose.

When multiple categories of fund balance are available for expenditures, the City will start with the most restricted category and spend those funds first before moving down to the next category of available funds.

Restricted and Committed Fund Balance: At June 30, 2015, the City has presented restricted fund balance on the governmental funds balance sheet in the amount of \$10,155,056 for various City operations as restricted by enabling legislation. The details of these fund balance items are located on the governmental funds balance sheet as detailed on pages 18-19.

Equity Classifications: Equity is classified as Net Position and displayed in three components in the Government-wide Financial Statements:

- a. Net investment in capital assets: These amounts represent capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted Net Position: Consist 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 related restrictions for the Net Position restricted for “special revenue, debt service, and capital projects” are described on 37 and 71.
- c. Unrestricted Net Position: All other Net Position amounts that do not meet the definition of “restricted” or “net investment in capital assets.”

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.

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.

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 in the enterprise funds, depreciation on capital assets over their estimated useful lives, the current portion of accrued compensated absences, and actuarial estimates included in the calculation of the net pension liability and related deferred outflow and inflow amounts.

STATE OF NEW MEXICO
City of Sunland Park
Notes to Financial Statements
June 30, 2015

NOTE 1. Summary of Significant Accounting Policies (continued)

E. 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 (P.E.R.A) and additions to/deductions from P.E.R.A's fiduciary net position have been determined on the same basis as they are reported by P.E.R.A, 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.

NOTE 2. Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets of the City are prepared prior to June 1 and must be approved by resolution of the City Council Members, and submitted to the Department of Finance and Administration for State approval. Once the budget has been formally approved, any amendments that increase or decrease a individual fund's budget must also be approved by the City Council Members and the Department of Finance and Administration. A separate budget is prepared 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.

For Governmental Funds these budgets are prepared on a Non-GAAP cash budgetary 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.

Proprietary fund budgets are prepared on the GAAP 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. The City does not budget for depreciation expense, only capital outlay.

The budgetary information presented in these financial statements has been properly amended by the City Council in accordance with the above procedures.

Formal budgetary integration is employed as a management control device at the fund level during the year for the General Fund, Special Revenue Funds, Capital Projects Funds, and Proprietary Funds.

The City is required to balance its budgets each year. Accordingly, amounts that are excess or deficient are presented as changes in cash designated for expenditures, not as an excess or deficiency of revenues over expenditures.

For governmental funds the accompanying Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual presents comparisons of the legally adopted budget with actual data on the 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 generally accepted accounting principles, a reconciliation of basis, perspective, equity and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2015 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.

For proprietary funds the accompanying Statements of Revenues, Expenses, and Changes in Net Position Budget (GAAP Basis) and Actual present comparisons of the legally adopted budget with actual data on a budgetary basis.

STATE OF NEW MEXICO
City of Sunland Park
Notes to Financial Statements
June 30, 2015

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, 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, 2015.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the City. The financial institution must provide pledged collateral for 50% of the deposit amount in excess of the deposit insurance.

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.

By operation of federal law, beginning January 1, 2013, funds deposited in a noninterest-bearing transaction account (including an Interest on Lawyer Trust Account) no longer will receive unlimited deposit insurance coverage by the FDIC. Beginning January 1, 2013, all of 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.

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, 2015, \$7,980,957 of the City's bank balance of \$8,480,957 was subject to custodial credit risk, all of which was uninsured and collateralized by collateral held by the pledging bank's trust department, not in the City's name. None of the City's deposits were uninsured and uncollateralized at June 30, 2015.

Reconciliation to the Statement of Net Position

The carrying amount of deposits and investments shown above are included in the City's Statement of Net Position as follows:

	<u>Wells Fargo</u>
Amount of deposits	\$ 8,480,957
FDIC coverage	(500,000)
Total uninsured public funds	7,980,957
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the City's name	7,980,957
Uninsured and uncollateralized	-
Collateral requirement	
(50% of uninsured funds)	3,990,479
Pledged collateral	8,837,113
Over (under) collateralized	\$ 4,846,635

STATE OF NEW MEXICO
City of Sunland Park
Notes to Financial Statements
June 30, 2015

NOTE 3. Deposits and Investments (continued)

Reconciliation to the Statement of Net Position

The carrying amount of deposits and investments shown above are included in the City's Statement of Net Position as follows:

Primary Government

Reconciliation to the Statement of Net Position:

Cash and cash equivalents - Governmental Activities Exhibit A-1	\$	6,268,452
Cash and cash equivalents - Business-type Activities Exhibit A-1		1,091,732
Restricted cash and cash equivalents - Business-type Activities Exhibit A-1		5,880
Investments - Governmental Activities Exhibit A-1		8,053,108
Investments - Business-type Activities Exhibit A-1		<u>173,511</u>
 Total cash, cash equivalents, and investments		 <u>15,592,683</u>
 Less petty cash		 (200)
Add: outstanding checks and other reconciling items		615,093
Less: investments held in NM State Treasurer's LGIP		<u>(7,726,619)</u>
 Bank balance of deposits	 \$	 <u><u>8,480,957</u></u>

Investments

The City's investments at June 30, 2015 include the following:

<u>Investments</u>	<u>Rating</u>	<u>Weighted Average Maturity</u>	<u>Fair Market Value</u>
New Mexico LGIP	AAAm	54.6	<u><u>7,726,619</u></u>

The investments are listing on Schedule III of this report.

The New Mexico Local Government Investment Pool's (LGIP) investments are valued at fair market value based on quoted market prices as of the valuation date. The LGIP is not SEC registered. The New Mexico State Treasurer is authorized to invest the short-term investment funds, with the advice and consent of the State Board of Finance, in accordance with Sections 6-10-10(I) through 6-10-10(P) and Sections 6-10-10.1(A) and (E), NMSA 1978. The pool does not have unit shares. Per section 6-10-10(F), NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested. Participation in the LGIP is voluntary. As of June 30, 2015, the City's investment in the State Treasurer Local Government Investment Pool was rated AAAM by Standard & Poor's.

The City has presented a certificate of deposit in the amount of \$500,000 as an investment on the Statement of Net Position. The amount is considered a deposit for disclosure purposes.

STATE OF NEW MEXICO
City of Sunland Park
Notes to Financial Statements
June 30, 2015

NOTE 3. Deposits and Investments (continued)

Interest Rate Risk – Investments. 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).

Concentration of Credit Risk – Investments. For an investment, concentration of credit risk is when any one issuer is 5% or more of the investment portfolio of the City. The investment in the New Mexico State Treasurer Local Government Investment Pool is 100% of the investment portfolio. Since the City only purchases investments with the highest credit rating, concentration is not viewed to be an additional risk by the City. The City’s policy related to concentration of 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).

NOTE 4. Receivables

Governmental funds receivables as of June 30, 2015, are as follows:

	General Fund	Border Crossing Facility	Other Governmental Funds	Total
Property taxes	\$ 153,601	\$ -	\$ -	\$ 153,601
Other taxes:				
Gross receipts taxes	566,476	-	-	566,476
Franchise taxes	65,349	-	-	65,349
Gasoline & motor vehicle taxes	-	-	3,693	3,693
Other receivables				
Accrued interest	-	1,079	-	1,079
State sources	-	-	33,505	33,505
Local sources	41,057	-	-	41,057
Totals by category	<u>\$ 826,483</u>	<u>\$ 1,079</u>	<u>\$ 37,198</u>	<u>\$ 864,760</u>

The above receivables are deemed 100% collectible. In accordance with GASB 33, property tax revenues receivables in the amount of \$129,134 were not collected within the period of availability and have been reclassified as deferred inflow of resources in the governmental fund financial statements.

Proprietary fund receivables as of June 30, 2015, are as follows:

	Motor Vehicle Department	Housing Authority	Total
Customer receivables	\$ 20,146	\$ 825	\$ 20,971
Total customer receivables	<u>\$ 20,146</u>	<u>\$ 825</u>	<u>\$ 20,971</u>

The above receivables are deemed 100% collectible.

STATE OF NEW MEXICO
City of Sunland Park
Notes to Financial Statements
June 30, 2015

NOTE 5. Transfers and Internal Balances

Net operating transfers and internal amounts owed are made to close out funds and to supplement other funding sources in the normal course of operations. Internal due from/to amounts are expected to be repaid within 1 year.

<u>Transfers out</u>	<u>Transfers in</u>	<u>Amount</u>
Motor Vehicle Department	General Fund	\$ 51,981
Motor Vehicle Department	Housing	1,009
Traffic Safety Fund	General Fund	17,255
Fire Protection Fund	Emergency Medical Services	<u>3,517</u>
	Total transfers	<u>\$ 73,762</u>
<u>Due to other funds</u>	<u>Due from other funds</u>	<u>Amount</u>
Court Automation	General Fund	\$ 1,385
New Mexico Beatification	General Fund	11,875
COPS Federal Fund	General Fund	56
Traffic Safety Grant	General Fund	228
State LRF Grant	General Fund	<u>45,092</u>
		<u>\$ 58,636</u>

STATE OF NEW MEXICO
City of Sunland Park
Notes to Financial Statements
June 30, 2015

NOTE 6. Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2015, are as follows. Land and construction in progress are not subject to depreciation.

	<u>Balance June 30, 2014</u>	<u>Restatement</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2015</u>
Governmental activities:					
Capital assets, not depreciated:					
Land	\$ 496,703	\$ -	\$ -	\$ -	\$ 496,703
Total capital assets, not depreciated	<u>496,703</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>496,703</u>
Capital assets, depreciated:					
Buildings & building improvements	3,568,834	-	-	-	3,568,834
Land Improvements	5,466,517	-	-	-	5,466,517
Furniture, fixtures, & equipment	777,865	-	83,332	-	861,197
Vehicles	1,965,569	11,000	216,833	(164,923)	2,028,479
Equipment	<u>21,668,076</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,668,076</u>
Total capital assets, depreciated	<u>33,446,861</u>	<u>11,000</u>	<u>300,165</u>	<u>(164,923)</u>	<u>33,593,103</u>
Less accumulated depreciation:					
Buildings & building improvements	1,573,162	-	90,255	-	1,663,417
Land improvements	1,233,133	-	261,383	-	1,494,516
Furniture, fixtures, & equipment	654,160	-	68,979	-	723,139
Vehicles	1,858,722	-	95,911	(164,923)	1,789,710
Equipment	<u>15,559,884</u>	<u>-</u>	<u>508,290</u>	<u>-</u>	<u>16,068,174</u>
Total accumulated depreciation	<u>20,879,061</u>	<u>-</u>	<u>1,024,818</u>	<u>(164,923)</u>	<u>21,738,956</u>
Net book value	<u>\$ 13,064,503</u>	<u>\$ 11,000</u>	<u>\$ (724,653)</u>	<u>\$ -</u>	<u>\$ 12,350,850</u>

The City restated governmental capital assets in the net amount of \$11,000 as noted above and is discussed further in Note 16.

Depreciation expense in governmental activities was allocated to the following functions:

General Government	\$ 277,208
Public Safety	550,618
Public Works	139,964
Culture and Recreation	<u>57,028</u>
Total	<u>\$ 1,024,818</u>

STATE OF NEW MEXICO
City of Sunland Park
Notes to Financial Statements
June 30, 2015

NOTE 6. Capital Assets (continued)

	<u>Balance June 30, 2014</u>	<u>Reclassification</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2015</u>
Business-type activities:					
Capital assets, not depreciated:					
Land	\$ 150,000	\$ -	\$ -	\$ -	\$ 150,000
Total capital assets, not depreciated	150,000	-	-	-	150,000
Capital assets, depreciated:					
Buildings & building improvements	3,280,180	-	-	(36,966)	3,243,214
Vehicles	24,611	-	23,927	(6)	48,532
Furniture, fixtures, & equipment	59,341	-	-	2	59,343
Infrastructure	-	-	-	-	-
Total capital assets, depreciated	3,364,132	-	23,927	(36,970)	3,351,089
Less accumulated depreciation:					
Buildings & building improvements	1,304,188	-	97,328	-	1,401,516
Vehicles	6,290	-	1,003	-	7,293
Furniture, fixtures, & equipment	55,500	-	5,471	-	60,971
Total accumulated depreciation	1,365,978	-	103,802	-	1,469,780
Net book value	<u>\$ 2,148,154</u>	<u>\$ -</u>	<u>\$ (79,875)</u>	<u>\$ (36,970)</u>	<u>\$ 2,031,309</u>

NOTE 7. Long-term Debt

Governmental Activities

During the year ended June 30, 2015, the following changes occurred in the liabilities reported in the government-wide Statement of Net Position:

	<u>Balance June 30, 2014</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2015</u>	<u>Due Within One Year</u>
Compensated Absences	292,522	101,400	92,823	301,099	92,823
Total long-term debt	<u>\$ 292,522</u>	<u>\$ 101,400</u>	<u>\$ 92,823</u>	<u>\$ 301,099</u>	<u>\$ 92,823</u>

STATE OF NEW MEXICO
City of Sunland Park
Notes to Financial Statements
June 30, 2015

NOTE 7. Long-term Debt (continued)

Business-type activities

During the year ended June 30, 2015, the following changes occurred in the liabilities reported in the proprietary Statement of Net Position:

	<u>Balance</u> <u>June 30, 2014</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2015</u>	<u>Due Within</u> <u>One Year</u>
Compensated Absences	\$ 28,845	\$ 15,705	\$ 11,044	\$ 33,506	\$ 11,044
Total long-term debt	<u>\$ 28,845</u>	<u>\$ 15,705</u>	<u>\$ 11,044</u>	<u>\$ 33,506</u>	<u>\$ 11,044</u>

NOTE 8. Risk Management

The City is exposed to various risks of loss related to torts, thefts of, damage to, and destruction of property, errors and omissions and natural disasters. The City participates in the New Mexico Self-Insurers' Fund risk pool.

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 not 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 coverages have not changed significantly from prior years and coverages are expected to be continued.

At June 30, 2015, 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. New Mexico Self-Insurers' Fund has not provided information on an entity by entity basis that would allow for a reconciliation of changes in the aggregate liabilities for claims for the current fiscal year and the prior fiscal year.

NOTE 9. Pension Plan – Public Employee Retirement Association (PERA)

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 Sunland Park
Notes to Financial Statements
June 30, 2015

NOTE 9. Pension Plan – Public Employee Retirement Association (PERA) (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://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2014.pdf.

Contributions. The contribution requirements of defined benefit plan members and the Sunland Park 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 FY14 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 31 of the PERA FY14 annual audit report at http://osanm.org/media/audits/366_Public_Employees_Retirement_Association_2014.pdf. The PERA coverage options that apply to Sunland Park are: Municipal General Division, Municipal Police Division and Municipal Fire Division. Statutorily required contributions to the pension plan from the Sunland Park were \$296,246 and there were no employer paid member benefits that were “picked up” by the employer for the year ended June 30, 2015.

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, 2013. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2014, using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date June 30, 2014.

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. Sunland Park’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, 2014. Only employer contributions for the pay period end dates that fell within the period of July 1, 2013 to June 30, 2014 were included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to FY 2014 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.

STATE OF NEW MEXICO
City of Sunland Park
Notes to Financial Statements
June 30, 2015

NOTE 9. Pension Plan – Public Employee Retirement Association (PERA) (continued)

For PERA Fund Municipal General Division, at June 30, 2015, Sunland Park reported a liability of \$739,542 for its proportionate share of the net pension liability. At June 30, 2014, Sunland Park’s proportion was .0948% percent, which was unchanged from its proportion measured as of June 30, 2013, due to the insignificance of the difference.

For the year ended June 30, 2015, Sunland Park recognized PERA Fund Municipal General Division pension expense of \$30,854. At June 30, 2015, Sunland Park 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
Changes of assumptions	\$ -	\$ 501
Net difference between projected and actual earnings on pension plan investments	-	289,328
City of Sunland Park's contributions subsequent to the measurement date	96,654	-
Total	\$ 96,654	\$ 289,829

\$96,654 reported as deferred outflows of resources related to pensions resulting from Sunland Park’s contributions subsequent to the measurement date June 30, 2014 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2016	\$	(72,457)
2017		(72,457)
2018		(72,457)
2019		(72,457)
2020		(1)
Thereafter		-
	\$	(289,829)

For PERA Fund Municipal Police Division, at June 30, 2015, Sunland Park reported a liability of \$1,177,799 for its proportionate share of the net pension liability. At June 30, 2014, Sunland Park’s proportion was 0.3613 percent, which was unchanged from its proportion measured as of June 30, 2013, due to the insignificance of the difference.

For the year ended June 30, 2015, Sunland Park recognized PERA Fund Municipal Police Division pension expense of \$79,095. At June 30, 2015, Sunland Park reported PERA Fund Municipal Police Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

STATE OF NEW MEXICO
City of Sunland Park
Notes to Financial Statements
June 30, 2015

NOTE 9. Pension Plan – Public Employee Retirement Association (PERA) (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ -	\$ 95,677
Net difference between projected and actual earnings on pension plan investments	-	437,958
City of Sunland Park's contributions subsequent to the measurement date	137,634	-
Total	\$ 137,634	\$ 533,635

\$137,634 reported as deferred outflows of resources related to pensions resulting from Sunland Park 's contributions subsequent to the measurement date June 30, 2014 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$ (133,290)
2017	(133,290)
2018	(133,290)
2019	(133,290)
2020	(475)
Thereafter	-
	\$ (533,635)

For PERA Fund Municipal Fire Division, at June 30, 2015, Sunland Park reported a liability of \$925,792 for its proportionate share of the net pension liability. At June 30, 2014, Sunland Park 's proportion was 0.2218 percent, which was unchanged from its proportion measured as of June 30, 2013, due to the insignificance of the difference.

For the year ended June 30, 2015, Sunland Park recognized PERA Fund Municipal Fire Division pension expense of \$81,776. At June 30, 2015, Sunland Park 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	\$ 32,139	\$ -
Net difference between projected and actual earnings on pension plan investments	-	128,228
City of Sunland Park's contributions subsequent to the measurement date	61,958	-
Total	\$ 94,097	\$ 128,228

STATE OF NEW MEXICO
City of Sunland Park
Notes to Financial Statements
June 30, 2015

NOTE 9. Pension Plan – Public Employee Retirement Association (PERA) (continued)

\$61,958 reported as deferred outflows of resources related to pensions resulting from Sunland Park 's contributions subsequent to the measurement date June 30, 2014 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$ (24,062)
2017	(24,062)
2018	(24,062)
2019	(24,062)
2020	159
Thereafter	-
	\$ (96,089)

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, 2013 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, 2014 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, 2014. These actuarial methods and assumptions were adopted by the Board for use in the June 30, 2014 actuarial valuation.

Actuarial valuation date	June 30, 2013
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
Payroll growth	3.50% annual rate
Projected salary increases	3.5 to 14.25% annual rate
Includes inflation at	3.00% annual rate

STATE OF NEW MEXICO
City of Sunland Park
Notes to Financial Statements
June 30, 2015

NOTE 9. Pension Plan – Public Employee Retirement Association (PERA) (continued)

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 Sunland Park
Notes to Financial Statements
June 30, 2015

NOTE 9. Pension Plan – Public Employee Retirement Association (PERA) (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 Sunland Park’s net pension liability in each PERA Fund Division that Sunland Park 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 Sunland Park's proportionate share of the net pension liability	\$ 1,394,202	\$ 739,542	\$ 233,785

PERA Fund Municipal Police Division	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
City of Sunland Park's proportionate share of the net pension liability	\$ 2,246,064	\$ 1,177,799	\$ 380,139

PERA Fund Municipal Fire Division	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
City of Sunland Park's proportionate share of the net pension liability	\$ 1,308,074	\$ 925,792	\$ 643,844

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://www.pera.state.nm.us/publications.html>.

Payables to the pension plan. There were no amounts owed to PERA at June 30, 2015. 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, 2015 but paid in July 2015.

STATE OF NEW MEXICO
City of Sunland Park
Notes to Financial Statements
June 30, 2015

NOTE 10. Post Employment Benefits –State Retiree Health Care Plan

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

STATE OF NEW MEXICO
City of Sunland Park
Notes to Financial Statements
June 30, 2015

NOTE 10. Post Employment Benefits –State Retiree Health Care Plan (continued)

The City’s contributions to the RHCA for the years ended June 30, 2015, 2014, and 2013 were \$59,373, \$51,261, and \$50,019 respectively which equal the required contributions for each year.

NOTE 11. Concentrations

The Housing Authority received 62% of its revenues from programs directed by the United States Department of Housing and Urban Development. Receipt of these revenues is contingent upon the Public Housing Authority’s continued compliance with the grant provisions and the maintenance of the grant program by the United States Department of Housing and Urban Development.

NOTE 12. Contingent Liabilities

The City is also a defendant in other lawsuits arising in the normal course of business. The outcome of these claims cannot be determined at this time and litigation where loss to the City is reasonably possible has not been accrued in the financial statements.

Amounts received or receivables from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. As of June 30, 2015 the City does not have a contingent liability outstanding.

NOTE 13. Deficit Fund Balances and Budget Noncompliance Issues

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

- A. Deficit fund balance of individual funds. The following funds reflected a deficit fund balance as of June 30, 2015:

Emergency Medical Services	\$	287
COPS Federal Fund		56
Confiscated Assets		2,030
Traffic Safety Fund		228
State LRF Grant		45,092
		45,092
	\$	47,693

- B. Excess of expenditures over appropriations exceeded approved budgetary authority for the year ended June 30, 2015: There were no funds that exceeded approved budgetary authority for the year ended June 30, 2015
- C. Designated cash appropriations. There were no funds in which designated cash appropriations were in excess of available balances for the year ended June 30, 2015.

NOTE 14. Subsequent Events

The date to which events occurring after June 30, 2015, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or disclosures is December 12, 2015, which is the date on which the financial statements were available to be issued.

STATE OF NEW MEXICO
City of Sunland Park
Notes to Financial Statements
June 30, 2015

NOTE 15. Restricted Net Position

The government-wide statement of net position reports \$10,155,056 of restricted amounts, all of which is restricted by enabling legislation. For descriptions of the related enabling legislation for special revenue, capital projects, see pages 37 and 71.

NOTE 16. Restatement of Net Position

The beginning capital asset balance for vehicles in governmental activities was restated in the amount of \$11,000 to correct a previously recorded error. The restatement increased beginning net position by \$11,000 for governmental activities.

The City has recorded a prior period adjustment in the amount of \$(3,822,571) to record the beginning balance of the net pension liability and a prior period adjustment of \$251,610 to record a beginning deferred outflow for employer contributions after the beginning measurement date of June 30, 2013 but before July 1, 2014. These adjustments were required for implementation of GASBS 68 and GASBS 71. The net effect of these adjustments reduces beginning net position by \$(3,570,961).

Total restatements which include the above items equal (\$3,559,961) which is reflected in the statement of activities.

NOTE 17. Joint Powers Agreements and Memorandums of Understanding

A joint powers agreement was executed on February 24, 2009 between the City and the County of Dona Ana for purposes of establishing an independent entity to own and operate sewer and water utilities, and to sell sewer and water utility services. Fiscal agent and audit responsibility rest with Dona Ana County which is the responsible reporting entity. Board membership is comprised of two elected officials from Sunland Park and two County Commissioners from Dona Ana County. The term of the agreement is for a period of 20 years from the date the agreement was approved by the New Mexico Department of Finance and Administration which was March 11, 2009.

A memorandum of understanding was executed on October 19, 2012 between the City and the South Central Solid Waste Authority (Authority) for purposes of assigning exclusive right to collect and dispose of all solid waste to the Authority. The agreement term is indefinite but can be terminated as specified in the MOU. Audit and fiscal agent responsibility rest with the South Central Solid Waste Authority which is the responsible reporting entity.

A memorandum of understanding was executed on May 11, 2011 between the New Mexico Gang Task Force and the Sunland Park Police Department for purpose of preventing, documenting, and prosecuting criminal activity perpetrated by members of criminal gangs and their associates. There is no fiscal agent responsibility. Audit and reporting responsibility remains with both parties.

A joint powers agreement was executed on March 5, 2013 between the City and the City of Las Cruces, Dona Ana County, Town of Mesilla, Village of Hatch for purpose of governing the Mesilla Valley Regional Dispatch Authority. The City of Las Cruces is the fiscal agent and has audit responsibility. The City is required to contribute an amount annually determined by the Mesilla Valley Regional Dispatch Authority. The City contributed \$108,597 to the Mesilla Valley Regional Dispatch Authority in fiscal year 2015.

STATE OF NEW MEXICO
City of Sunland Park
Notes to Financial Statements
June 30, 2015

NOTE 18. Subsequent Pronouncements

In February 2015, GASB Statement No. 72 *Fair Value Measurement and Application*, was issued. Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2015. Earlier application is encouraged. The City will implement this standard during the fiscal year ended June 30, 2016. The City is still evaluating how this pronouncement will affect the financial statements.

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 City.

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 effect 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 June 2015, GASB Statement No. 76 *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, was issued. Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2015. Earlier application is encouraged. The City will implement this standard during the fiscal year ended June 30, 2016. The City is still evaluating how this pronouncement will affect the City.

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 effect the financial statements.

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**REQUIRED SUPPLEMENTARY INFORMATION
PENSION PLAN**

STATE OF NEW MEXICO

City of Sunland Park

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

	2015 Measurement Date As of and for the Year Ended <u>June 30, 2014</u>
City of Sunland Park 's proportion of the net pension liability	0.0948%
City of Sunland Park 's proportionate share of the net pension liability	\$ 739,542
City of Sunland Park 's covered-employee payroll	\$ 1,006,072
City of Sunland Park's proportionate share of the net pension liability as a percentage of its covered-employee payroll	73.51%
Plan fiduciary net position as a percentage of the total pension liability	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 Sunland Park 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 Sunland Park

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

	2015 Measurement Date As of and for the Year Ended <u>June 30, 2014</u>
City of Sunland Park 's proportion of the net pension liability	0.3613%
City of Sunland Park 's proportionate share of the net pension liability	\$ 1,177,799
City of Sunland Park 's covered-employee payroll	\$ 864,567
City of Sunland Park 's proportionate share of the net pension liability as a percentage of its covered-employee payroll	136.23%
Plan fiduciary net position as a percentage of the total pension liability	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 Sunland Park 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 Sunland Park

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

	2015 Measurement Date As of and for the Year Ended <u>June 30, 2014</u>
City of Sunland Park 's proportion of the net pension liability	0.2218%
City of Sunland Park 's proportionate share of the net pension liability	\$ 925,792
City of Sunland Park 's covered-employee payroll	\$ 477,280
City of Sunland Park's proportionate share of the net pension liability as a percentage of its covered-employee payroll	193.97%
Plan fiduciary net position as a percentage of the total pension liability	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 Sunland Park 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 Sunland Park
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 <u>June 30, 2015</u>
Contractually required contributions	\$ 96,654
Contributions in relation to the contractually required contribution	(96,654)
Contribution deficiency (excess)	<u>\$ -</u>
City of Sunland Park 's covered-employee payroll	\$ 1,055,626
Contributions as a percentage of covered-employee payroll	9%

* 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 Sunland Park 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 Sunland Park
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 <u>June 30, 2015</u>
Contractually required contributions	\$ 137,634
Contributions in relation to the contractually required contribution	(137,634)
Contribution deficiency (excess)	<u>\$ -</u>
City of Sunland Park 's covered-employee payroll	\$ 894,412
Contributions as a percentage of covered-employee payroll	15%

* 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 Sunland Park 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 Sunland Park
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 <u>June 30, 2015</u>
Contractually required contributions	\$ 61,958
Contributions in relation to the contractually required contribution	(61,958)
Contribution deficiency (excess)	<u>\$ -</u>
City of Sunland Park 's covered-employee payroll	\$ 544,147
Contributions as a percentage of covered-employee payroll	11%

* 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 Sunland Park 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 Sunland Park
Notes to Required Supplementary Information
June 30, 2015

Changes of benefit terms. The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA FY14 audit available at http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2014.pdf.

Changes of assumptions. The Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation as of June 30, 2014 report is available at http://www.pera.state.nm.us/pdf/Investments/RetirementFundValuationReports/6-30-2014%20PERA%20Valuation%20Report_FINAL.pdf.

The summary of Key Findings for the PERA Fund (on page 2 of the report) states “based on a recent experience study for the five-year period ending June 30, 2013, the economic and demographic assumptions were updated for this valuation. The changes in assumptions resulted in a decrease of \$30.8 million to Fund liabilities and an increase of 0.13% to the funded ratio. For details about changes in the actuarial assumptions, see Appendix B on page 60 of the report.

See independent auditors’ report

SUPPLEMENTARY INFORMATION

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STATE OF NEW MEXICO
City of Sunland Park
Nonmajor Fund Descriptions
June 30, 2015

SPECIAL REVENUE FUNDS

Fire Protection Fund - State Statutes Section 59-15 provides that revenues accumulated by the State from taxes on fire and vehicle insurance companies and deposited in the fire protection fund be distributed to local public bodies for the operation, betterment, and maintenance of the local fire departments. This fund is used to account for the operations of the City's fire protection agency. Expenses do not include personnel costs (NMSA 59A-53-1).

Emergency Medical Services - State Statutes Section 24-I OA provides for the distribution of funds from the State Emergency Medical Services Fund to local public bodies for the purchase, repair, and maintenance of rescue units, ambulance vehicles, emergency equipment, and communications equipment. This fund is used to account for the receipt and disbursement of these monies (NMSA 24-I OA-I to 24-I OA-IO).

Corrections Fund - To account for care of prisoners' expenditures not included in the General Fund. Financing is provided by fees collected by the Municipal Judge (NMSA 1978, Section 35-14-11 and City Council ordinance).

Senior Citizens Center - To account for a portion of the operations of the City's Senior Citizens Center. The sales of ceramics, fees, and dues are accounted for in this fund and a portion of the operating expenses. Authority for the creation of this fund is City Council.

Law Enforcement Protection - State Statutes Section 29-13 provides for the distribution of funds from the State Law Enforcement Protection Fund to municipal and county police and sheriff departments for the maintenance and improvement of those departments in order to enhance the efficiency and effectiveness of law enforcement services provided. This fund is used to account for specific law enforcement expenditures not included in the general fund. Financing is provided by a state allotment and can only be used for law enforcement equipment and personnel training (NMSA 1978, Section 29-13-4.A).

Court Automation - This fund was established by legislation to assist municipal courts in the cost associated with the automation requirements. Authority for the creation of this fund is City Council.

New Mexico Beautification - This fund is to account for the grant from the New Mexico State Highway and Transportation Department for expenditures incurred for aid and litter control and beautification projects (NMSA 67-16-1 to 67-16-14).

COPS Federal Fund - To account for the grant from the U.S. Department of Justice for the purposes of hiring or rehiring law enforcement officers to address crime and related problems through community oriented policing services (Title I-Omnibus Crime Control and Safe Streets Act of 1968 CFDA 16.710).

Confiscated Assets - To account for federal funds from federally forfeited cash, property and proceeds to be used for law enforcement purposes. This fund is authorized by the federal government 21 U.S. C. Section 881 (E)(1) and 19 U.S.C. Section 1616A.

Traffic Safety Fund - To account for the grant from the Traffic Safety Bureau of the New Mexico State Highway and Transportation Department for expenditures of enforcement of traffic safety laws (NMSA 66-8-130-A).

State LRF Grant- To account for state grant funds received by the City for purposes of maintaining and improving local roads within the City limits. Authority for the creation of this fund is City Council.

CAPITAL PROJECT FUND

Community Center - To account for the development of a community center for City of Sunland Park. Funds are provided by State and local appropriations.

Municipal Road - To account for all resources used for the resurfacing and renovation of municipal streets. Funds are provided primarily by state grants and gasoline tax.

STATE OF NEW MEXICO
City of Sunland Park
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015

	Special Revenue			
	Fire Protection Fund	Emergency Medical Services	Corrections Fund	Senior Citizens Center
<i>Assets</i>				
Cash and cash equivalents	\$ 63,985	\$ -	\$ 15,495	\$ 136
Receivables:				
Other taxes	-	-	-	-
Other receivables	-	-	-	-
<i>Total assets</i>	\$ 63,985	\$ -	\$ 15,495	\$ 136
<i>Liabilities</i>				
Accounts payable	\$ 3,340	\$ 287	\$ 4,147	\$ 136
Due to other funds	-	-	-	-
<i>Total liabilities</i>	3,340	287	4,147	136
<i>Fund balances</i>				
Spendable				
Restricted for:				
General government	-	-	-	-
Public safety	60,645	-	11,348	-
Culture and recreation	-	-	-	-
Unassigned	-	(287)	-	-
<i>Total fund balances</i>	60,645	(287)	11,348	-
<i>Total liabilities and fund balances</i>	\$ 63,985	\$ -	\$ 15,495	\$ 136

The accompanying notes are an integral part of these financial statements

Special Revenue

Law Enforcement Protection	Court Automation	New Mexico Beautification	COPS Federal Fund	Confiscated Assets	Traffic Safety Fund	State LRF Grant
\$ 4,071	\$ -	\$ 11,965	\$ -	\$ 12,860	\$ -	-
-	-	-	-	-	-	-
32,000	1,505	-	-	-	-	-
<u>\$ 36,071</u>	<u>\$ 1,505</u>	<u>\$ 11,965</u>	<u>\$ -</u>	<u>\$ 12,860</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ 14,890	\$ -	\$ -
-	1,385	11,875	56	-	228	45,092
-	1,385	11,875	56	14,890	228	45,092
-	-	-	-	-	-	-
36,071	120	-	-	-	-	-
-	-	90	-	-	-	-
-	-	-	(56)	(2,030)	(228)	(45,092)
<u>36,071</u>	<u>120</u>	<u>90</u>	<u>(56)</u>	<u>(2,030)</u>	<u>(228)</u>	<u>(45,092)</u>
<u>\$ 36,071</u>	<u>\$ 1,505</u>	<u>\$ 11,965</u>	<u>\$ -</u>	<u>\$ 12,860</u>	<u>\$ -</u>	<u>\$ -</u>

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STATE OF NEW MEXICO
City of Sunland Park
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015

	Capital Projects		
	Community Center	Municipal Road	Total Other Governmental Funds
<i>Assets</i>			
Cash and cash equivalents	\$ 116,398	\$ 52,067	\$ 276,977
Receivables:			
Other taxes	-	3,693	3,693
Other receivables	-	-	33,505
<i>Total assets</i>	\$ 116,398	\$ 55,760	\$ 314,175
<i>Liabilities</i>			
Accounts payable	\$ -	\$ -	\$ 22,800
Due to other funds	-	-	58,636
<i>Total liabilities</i>	-	-	81,436
<i>Fund balances</i>			
Spendable			
Restricted for:			
General government	-	55,760	55,760
Public safety	-	-	108,184
Culture and recreation	116,398	-	116,488
Unassigned	-	-	(47,693)
<i>Total fund balances</i>	116,398	55,760	232,739
<i>Total liabilities and fund balances</i>	\$ 116,398	\$ 55,760	\$ 314,175

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Sunland Park
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2015

	Special Revenue			
	Fire Protection Fund	Emergency Medical Services	Corrections Fund	Senior Citizens Center
<i>Revenues</i>				
Taxes:				
Gasoline and motor vehicle	\$ -	\$ -	\$ -	\$ -
Intergovernmental income:				
Federal operating grants	-	-	-	-
State operating grants	306,111	7,272	-	-
State capital grants	-	-	-	-
Charges for services	6,500	-	-	-
Licenses and fees	-	-	48,620	-
Miscellaneous	4,420	5	-	-
<i>Total revenues</i>	<u>317,031</u>	<u>7,277</u>	<u>48,620</u>	<u>-</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	260,309	11,309	34,689	-
Culture and recreation	-	-	-	-
Capital outlay	59,935	-	-	-
<i>Total expenditures</i>	<u>320,244</u>	<u>11,309</u>	<u>34,689</u>	<u>-</u>
<i>Excess (deficiency) of revenues over</i>	<u>(3,213)</u>	<u>(4,032)</u>	<u>13,931</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	3,517	-	-
Transfers (out)	(3,517)	-	-	-
<i>Total other financing sources (uses)</i>	<u>(3,517)</u>	<u>3,517</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	(6,730)	(515)	13,931	-
<i>Fund balances - beginning of year</i>	<u>67,375</u>	<u>228</u>	<u>(2,583)</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ 60,645</u>	<u>\$ (287)</u>	<u>\$ 11,348</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

Law Enforcement Protection	Court Automation	New Mexico Beautification	COPS Federal Fund	Confiscated Assets	Traffic Safety Fund	State LRF Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	57,119	18,462	-	-
64,000	3,414	-	-	-	23,069	-
-	-	7,054	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	200	-	185,164	-	-
<u>64,000</u>	<u>3,414</u>	<u>7,254</u>	<u>57,119</u>	<u>203,626</u>	<u>23,069</u>	<u>-</u>
-	-	-	-	-	-	45,092
31,864	2,195	-	58,891	25,583	23,297	-
-	-	6,964	-	-	-	-
-	-	-	-	216,833	-	-
<u>31,864</u>	<u>2,195</u>	<u>6,964</u>	<u>58,891</u>	<u>242,416</u>	<u>23,297</u>	<u>45,092</u>
<u>32,136</u>	<u>1,219</u>	<u>290</u>	<u>(1,772)</u>	<u>(38,790)</u>	<u>(228)</u>	<u>(45,092)</u>
-	-	-	-	-	-	-
-	-	-	-	-	(17,255)	-
-	-	-	-	-	(17,255)	-
32,136	1,219	290	(1,772)	(38,790)	(17,483)	(45,092)
<u>3,935</u>	<u>(1,099)</u>	<u>(200)</u>	<u>1,716</u>	<u>36,760</u>	<u>17,255</u>	<u>-</u>
<u>\$ 36,071</u>	<u>\$ 120</u>	<u>\$ 90</u>	<u>\$ (56)</u>	<u>\$ (2,030)</u>	<u>\$ (228)</u>	<u>\$ (45,092)</u>

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STATE OF NEW MEXICO

City of Sunland Park

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended June 30, 2015

Statement A-2

Page 2 of 2

	<u>Capital Projects</u>		Total Other Governmental Funds
	Community Center	Municipal Road	
<i>Revenues</i>			
Taxes:			
Gasoline and motor vehicle	\$ -	\$ 22,833	\$ 22,833
Intergovernmental income:			
Federal operating grants	101,919	-	177,500
State operating grants	-	-	403,866
State capital grants	14,479	-	21,533
Charges for services	-	-	6,500
Licenses and fees	-	-	48,620
Miscellaneous	-	-	189,789
<i>Total revenues</i>	<u>116,398</u>	<u>22,833</u>	<u>870,641</u>
<i>Expenditures</i>			
Current:			
General government	-	-	45,092
Public safety	-	-	448,137
Culture and recreation	-	-	6,964
Capital outlay	-	-	276,768
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>776,961</u>
<i>Excess (deficiency) of revenues over</i>	<u>116,398</u>	<u>22,833</u>	<u>93,680</u>
<i>Other financing sources (uses)</i>			
Transfers in	-	-	3,517
Transfers (out)	-	-	(20,772)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(17,255)</u>
<i>Net change in fund balances</i>	116,398	22,833	76,425
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>32,927</u>	<u>156,314</u>
<i>Fund balances - end of year</i>	<u>\$ 116,398</u>	<u>\$ 55,760</u>	<u>\$ 232,739</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-1

City of Sunland Park

Fire Protection Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	201,387	440,997	306,111	(134,886)
State capital grants	-	-	-	-
Charges for services	6,000	6,000	11,793	5,793
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>207,387</u>	<u>446,997</u>	<u>317,904</u>	<u>(129,093)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	220,431	220,431	193,020	27,411
Culture and recreation	-	-	-	-
Capital outlay	3,528	123,333	126,775	(3,442)
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>223,959</u>	<u>343,764</u>	<u>319,795</u>	<u>23,969</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(16,572)</u>	<u>103,233</u>	<u>(1,891)</u>	<u>(105,124)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	16,572	(97,582)	-	97,582
Proceeds from sale of equipment	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	(5,651)	(3,517)	2,134
<i>Total other financing sources (uses)</i>	<u>16,572</u>	<u>(103,233)</u>	<u>(3,517)</u>	<u>99,716</u>
<i>Net change in fund balance</i>	-	-	(5,408)	(5,408)
<i>Fund balance - beginning of year</i>	-	-	69,393	69,393
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63,985</u>	<u>\$ 63,985</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (5,408)
Adjustments to revenues for state operating grants				(873)
Adjustments to expenditures for supplies				(449)
Net change in fund balance (GAAP basis)				<u>\$ (6,730)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-2

City of Sunland Park

Emergency Medical Services

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income:				
Federal capital grants	-	-	-	-
State operating grants	9,764	9,764	7,272	(2,492)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	5	5
<i>Total revenues</i>	<u>9,764</u>	<u>9,764</u>	<u>7,277</u>	<u>(2,487)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	15,415	15,415	11,309	4,106
Public works	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>15,415</u>	<u>15,415</u>	<u>11,309</u>	<u>4,106</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(5,651)</u>	<u>(5,651)</u>	<u>(4,032)</u>	<u>1,619</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	4,113	4,113	-	(4,113)
Transfers in	1,538	1,538	3,517	1,979
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>5,651</u>	<u>5,651</u>	<u>3,517</u>	<u>(2,134)</u>
<i>Net change in fund balance</i>	-	-	(515)	(515)
<i>Fund balance - beginning of year</i>	-	-	515	515
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (515)
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP basis)				<u>\$ (515)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-3

City of Sunland Park

Corrections Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income:				
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	49,462	48,620	48,620	-
Investment income	-	-	-	-
<i>Total revenues</i>	<u>49,462</u>	<u>48,620</u>	<u>48,620</u>	<u>-</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	57,000	57,000	34,689	22,311
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>57,000</u>	<u>57,000</u>	<u>34,689</u>	<u>22,311</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(7,538)</u>	<u>(8,380)</u>	<u>13,931</u>	<u>22,311</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	7,538	(7,158)	-	7,158
Transfers in	-	15,538	-	(15,538)
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>7,538</u>	<u>8,380</u>	<u>-</u>	<u>(8,380)</u>
<i>Net change in fund balance</i>	-	-	13,931	13,931
<i>Fund balance - beginning of year</i>	-	-	1,564	1,564
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,495</u>	<u>\$ 15,495</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 13,931
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP basis)				<u>\$ 13,931</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-4

City of Sunland Park

Senior Citizens Center Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income:				
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<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 increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	-	-	136	136
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 136</u>	<u>\$ 136</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP basis)				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-5

City of Sunland Park

Law Enforcement Protection

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental income:				
Federal capital grants	-	-	-	-
State operating grants	32,000	32,000	32,000	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
<i>Total revenues</i>	<u>32,000</u>	<u>32,000</u>	<u>32,000</u>	<u>-</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	26,400	32,000	31,864	136
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>26,400</u>	<u>32,000</u>	<u>31,864</u>	<u>136</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>5,600</u>	<u>-</u>	<u>136</u>	<u>136</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(5,600)	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(5,600)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	136	136
<i>Fund balance - beginning of year</i>	-	-	3,935	3,935
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,071</u>	<u>\$ 4,071</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 136
Adjustments to revenues for state operating grants				32,000
No adjustments to expenditures				-
Net change in fund balance (GAAP basis)				<u>\$ 32,136</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-6

City of Sunland Park

Court Automation

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income:				
Federal capital grants	-	-	-	-
State operating grants	3,414	30,000	1,909	(28,091)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
<i>Total revenues</i>	<u>3,414</u>	<u>30,000</u>	<u>1,909</u>	<u>(28,091)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	10,753	2,195	8,558
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>10,753</u>	<u>2,195</u>	<u>8,558</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>3,414</u>	<u>19,247</u>	<u>(286)</u>	<u>(19,533)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(3,414)	(19,247)	-	19,247
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(3,414)</u>	<u>(19,247)</u>	<u>-</u>	<u>19,247</u>
<i>Net change in fund balance</i>	-	-	(286)	(286)
<i>Fund balance - beginning of year</i>	-	-	(1,099)	(1,099)
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,385)</u>	<u>\$ (1,385)</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (286)
Adjustments to revenues for state operating grants				1,505
No adjustments to expenditures				-
Net change in fund balance (GAAP basis)				<u>\$ 1,219</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-7

City of Sunland Park

New Mexico Beautification

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income:				
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	3,000	7,000	18,729	11,729
Charges for services	-	-	-	-
Investment income	-	-	-	-
<i>Total revenues</i>	<u>3,000</u>	<u>7,000</u>	<u>18,729</u>	<u>11,729</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	1,000	7,000	6,964	36
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,000</u>	<u>7,000</u>	<u>6,964</u>	<u>36</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>2,000</u>	<u>-</u>	<u>11,765</u>	<u>11,765</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(2,200)	(200)	-	200
Transfers in	200	200	200	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(2,000)</u>	<u>-</u>	<u>200</u>	<u>200</u>
<i>Net change in fund balance</i>	-	-	11,965	11,965
<i>Fund balance - beginning of year</i>	-	-	(11,875)	(11,875)
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 90</u>	<u>\$ 90</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 11,965
Adjustments to revenues for state capital grants				(11,675)
No adjustments to expenditures				-
Net change in fund balance (GAAP basis)				<u>\$ 290</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-8

City of Sunland Park

COPS Federal Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income:				
Federal operating grants	29,931	50,426	57,119	6,693
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
<i>Total revenues</i>	<u>29,931</u>	<u>50,426</u>	<u>57,119</u>	<u>6,693</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	53,500	71,100	25,891	45,209
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	33,000	33,000	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>53,500</u>	<u>104,100</u>	<u>58,891</u>	<u>45,209</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(23,569)</u>	<u>(53,674)</u>	<u>(1,772)</u>	<u>51,902</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	23,569	53,674	-	(53,674)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>23,569</u>	<u>53,674</u>	<u>-</u>	<u>(53,674)</u>
<i>Net change in fund balance</i>	-	-	(1,772)	(1,772)
<i>Fund balance - beginning of year</i>	-	-	1,716	1,716
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (56)</u>	<u>\$ (56)</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (1,772)
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP basis)				<u>\$ (1,772)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-9

City of Sunland Park

Confiscated Assets

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income:				
Federal operating grants	57,202	228,802	203,625	(25,177)
Federal capital grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>57,202</u>	<u>228,802</u>	<u>203,625</u>	<u>(25,177)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	34,103	34,105	242,416	(208,311)
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	25,002	240,414	-	240,414
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>59,105</u>	<u>274,519</u>	<u>242,416</u>	<u>32,103</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,903)</u>	<u>(45,717)</u>	<u>(38,791)</u>	<u>6,926</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	1,903	45,717	-	(45,717)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,903</u>	<u>45,717</u>	<u>-</u>	<u>(45,717)</u>
<i>Net change in fund balance</i>	-	-	(38,791)	(38,791)
<i>Fund balance - beginning of year</i>	-	-	51,651	51,651
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,860</u>	<u>\$ 12,860</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (38,791)
Adjustments to federal operating grants				1
No adjustments to expenditures				-
Net change in fund balance (GAAP basis)				<u>\$ (38,790)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-10

City of Sunland Park

Traffic Safety Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	54,170	58,670	23,069	(35,601)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
<i>Total revenues</i>	<u>54,170</u>	<u>58,670</u>	<u>23,069</u>	<u>(35,601)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	32,670	58,979	23,297	35,682
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>32,670</u>	<u>58,979</u>	<u>23,297</u>	<u>35,682</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>21,500</u>	<u>(309)</u>	<u>(228)</u>	<u>81</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(4,245)	17,564	-	(17,564)
Transfers in	-	-	-	-
Transfers (out)	(17,255)	(17,255)	(17,255)	-
<i>Total other financing sources (uses)</i>	<u>(21,500)</u>	<u>309</u>	<u>(17,255)</u>	<u>(17,564)</u>
<i>Net change in fund balance</i>	-	-	(17,483)	(17,483)
<i>Fund balance - beginning of year</i>	-	-	17,255	17,255
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (228)</u>	<u>\$ (228)</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (17,483)
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP basis)				<u>\$ (17,483)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-11

City of Sunland Park

State LRF Grant

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	83,352	-	(83,352)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>83,352</u>	<u>-</u>	<u>(83,352)</u>
<i>Expenditures</i>				
Current:				
General government	-	83,352	45,092	38,260
Public safety	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>83,352</u>	<u>45,092</u>	<u>38,260</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(45,092)</u>	<u>(45,092)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>(45,092)</u>	<u>(45,092)</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (45,092)</u>	<u>\$ (45,092)</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (45,092)
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP basis)				<u>\$ (45,092)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-12

City of Sunland Park

Community Center

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	14,479	14,479
State capital grants	365,000	365,000	101,919	(263,081)
Licenses and fees	-	-	-	-
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>365,000</u>	<u>365,000</u>	<u>116,398</u>	<u>(248,602)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	210,000	210,000	-	210,000
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>210,000</u>	<u>210,000</u>	<u>-</u>	<u>210,000</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>155,000</u>	<u>155,000</u>	<u>116,398</u>	<u>(38,602)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(155,000)	(155,000)	-	155,000
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(155,000)</u>	<u>(155,000)</u>	<u>-</u>	<u>155,000</u>
<i>Net change in fund balance</i>	-	-	116,398	116,398
<i>Fund balance - beginning of year</i>	-	-	-	-
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 116,398</u>	<u>\$ 116,398</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 116,398
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP basis)				<u>\$ 116,398</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-13

City of Sunland Park

Municipal Road

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	14,955	20,545	20,545	-
Other	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>14,955</u>	<u>20,545</u>	<u>20,545</u>	<u>-</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>14,955</u>	<u>20,545</u>	<u>20,545</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(14,955)	(20,545)	-	20,545
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(14,955)</u>	<u>(20,545)</u>	<u>-</u>	<u>20,545</u>
<i>Net change in fund balance</i>	-	-	20,545	20,545
<i>Fund balance - beginning of year</i>	-	-	31,522	31,522
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,067</u>	<u>\$ 52,067</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 20,545
Adjustments for revenues for gasoline and motor vehicle taxes				2,288
No adjustments to expenditures				-
Net change in fund balance (GAAP basis)				<u>\$ 22,833</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-14

City of Sunland Park

Border Crossing Facility

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	5,379	15,879	15,878	(1)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>5,379</u>	<u>15,879</u>	<u>15,878</u>	<u>(1)</u>
<i>Expenditures</i>				
Current:				
General government	1,067,140	1,603,441	243,879	1,359,562
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	2,008,500	3,225	2,375
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,067,140</u>	<u>3,611,941</u>	<u>247,104</u>	<u>1,361,937</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,061,761)</u>	<u>(3,596,062)</u>	<u>(231,226)</u>	<u>3,364,836</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	191,742	3,596,062	-	(3,596,062)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>191,742</u>	<u>191,742</u>	<u>-</u>	<u>(191,742)</u>
<i>Net change in fund balance</i>	-	-	(231,226)	(231,226)
<i>Fund balances - beginning of year</i>	-	-	10,106,991	10,106,991
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,875,765</u>	<u>\$ 9,875,765</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (231,226)
Adjustments to revenues for interest income				156
Adjustments to expenditures for salaries and contractual services				(386)
Net change in fund balance (GAAP basis)				<u>\$ (231,456)</u>

STATE OF NEW MEXICO

Statement B-15

City of Sunland Park

Motor Vehicle Department

Statement of Revenues, Expenses and Changes in Net Position

Budget (GAAP Basis) and Actual

For the Year Ended June 30, 2015

	Budget Amounts		Actual	Variations Favorable
	Original	Final	(GAAP basis)	(Unfavorable)
<i>Operating revenues</i>				
Charges for services	\$ 396,508	\$ 401,155	\$ 399,784	\$ (1,371)
<i>Total operating revenues</i>	<u>396,508</u>	<u>401,155</u>	<u>399,784</u>	<u>(1,371)</u>
<i>Operating expenses</i>				
Personnel services	269,562	269,562	209,116	60,446
Contractual services	-	-	2,612	(2,612)
Supplies	4,210	4,210	4,424	(214)
Maintenance and materials	12,248	12,248	8,429	3,819
Utilities	8,042	8,042	9,286	(1,244)
Insurance	24,473	24,473	22,049	2,424
Depreciation	-	-	-	-
Rent	7,876	7,876	6,973	903
Miscellaneous	21,092	22,646	23,109	(463)
<i>Total operating expenses</i>	<u>347,503</u>	<u>349,057</u>	<u>285,998</u>	<u>63,059</u>
<i>Operating income (loss)</i>	<u>49,005</u>	<u>52,098</u>	<u>113,786</u>	<u>61,688</u>
<i>Non-operating revenues (expenses)</i>				
Gross receipts tax revenue	-	-	-	-
Miscellaneous income	-	-	-	-
<i>Total non-operating revenues (expenses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Income (loss) before contributions and transfer</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers in	-	-	-	-
Transfers (out)	(52,990)	(52,990)	52,990	105,980
<i>Change in net position</i>	<u>\$ (3,985)</u>	<u>\$ (892)</u>	<u>60,796</u>	<u>\$ 167,668</u>
<i>Net position - beginning of year, after restatement</i>			<u>375,364</u>	
<i>Net position - end of year</i>			<u>\$ 436,160</u>	

STATE OF NEW MEXICO

Statement B-16

City of Sunland Park

Solid Waste Fund

Statement of Revenues, Expenses and Changes in Net Position
 Budget (GAAP Basis) and Actual
 For the Year Ended June 30, 2015

	Budget Amounts		Actual	Variances Favorable
	Original	Final	(GAAP basis)	(Unfavorable)
<i>Operating revenues</i>				
Charges for services	\$ -	\$ -	\$ 565	\$ 565
<i>Total operating revenues</i>	-	-	565	565
<i>Operating expenses</i>				
Personnel services	-	1,911	1,911	-
Contractual services	-	-	-	-
Supplies	-	-	-	-
Maintenance and materials	-	-	-	-
Utilities	-	-	-	-
Insurance	-	-	-	-
Depreciation	-	-	-	-
Rent	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total operating expenses</i>	-	1,911	1,911	-
<i>Operating income (loss)</i>	-	(1,911)	(1,346)	565
<i>Non-operating revenues (expenses)</i>				
Gross receipts tax	68,684	79,182	78,617	(565)
Interest expense	-	-	-	-
Gain on sale of capital asset	-	-	-	-
Miscellaneous income	-	-	-	-
<i>Total non-operating revenues (expenses)</i>	68,684	79,182	78,617	(565)
<i>Income (loss) before contributions and transfer</i>	(68,684)	(79,182)	(78,617)	565
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Change in net position</i>	\$ 68,684	\$ 77,271	77,271	\$ -
<i>Net position - beginning of year, after restatement</i>			133,226	
<i>Net position - end of year</i>			\$ 210,497	

STATE OF NEW MEXICO

Statement B-17

City of Sunland Park

Public Housing Authority

Statement of Revenues, Expenses and Changes in Net Position
 Budget (GAAP Basis) and Actual
 For the Year Ended June 30, 2015

	Budget Amounts		Actual	Variances Favorable
	Original	Final	(GAAP basis)	(Unfavorable)
<i>Operating revenues</i>				
Charges for services	\$ 94,684	\$ 94,684	\$ 90,430	\$ (4,254)
<i>Total operating revenues</i>	<u>94,684</u>	<u>94,684</u>	<u>90,430</u>	<u>(4,254)</u>
<i>Operating expenses</i>				
Personnel services	129,992	129,992	88,983	41,009
Contractual services	62,245	62,245	46,097	16,148
Supplies	4,824	57,943	2,663	55,280
Maintenance and materials	84,945	84,945	37,882	47,063
Utilities	31,000	31,000	30,334	666
Insurance	9,115	9,115	9,479	(364)
Depreciation	2,228	2,228	103,802	(101,574)
Rent	2,105	2,105	-	2,105
Miscellaneous	5,755	5,755	667	5,088
Equipment	943	943	-	943
Repairs	53,119	53,119	12,779	40,340
<i>Total operating expenses</i>	<u>333,152</u>	<u>386,271</u>	<u>332,686</u>	<u>66,364</u>
<i>Operating income (loss)</i>	<u>(238,468)</u>	<u>(291,587)</u>	<u>(242,256)</u>	<u>62,110</u>
<i>Non-operating revenues (expenses)</i>				
Loss on disposal of capital assets	-	-	(36,970)	(36,970)
Interest income	181	181	269	88
Miscellaneous income	-	-	1,411	1,411
<i>Total non-operating revenues (expenses)</i>	<u>181</u>	<u>181</u>	<u>(35,290)</u>	<u>(35,471)</u>
<i>Income (loss) before contributions and transfer</i>	<u>332,971</u>	<u>386,090</u>	<u>367,976</u>	<u>101,835</u>
Governmental contributions	73,351	159,576	153,190	(6,386)
Transfers in	-	-	1,009	1,009
Transfers (out)	-	-	-	-
<i>Change in net position</i>	<u>\$ (238,287)</u>	<u>\$ (291,406)</u>	<u>(123,347)</u>	<u>\$ 26,639</u>
<i>Net position - beginning of year, after restatement</i>			<u>2,530,037</u>	
<i>Net position - end of year</i>			<u>\$ 2,406,690</u>	

SUPPORTING SCHEDULES

STATE OF NEW MEXICO
City of Sunland Park
Schedule of Deposit and Investment Accounts
June 30, 2015

Deposit Account Type	Wells Fargo			Totals
	Bank	LGIP	NMFA	
City of Sunland Park General Fund - Checking	\$ 4,167,552	\$ -	\$ -	\$ 4,167,552
Fire Protection Fund-Checking	179,607	-	-	179,607
Senior Citizen Center-Checking	136	-	-	136
Law Enforcement Protection Fund-Checking	5,890	-	-	5,890
Confiscated Asset Fund-Checking	157,291	-	-	157,291
Public Housing Authority Fund-Checking	308,928	-	-	308,928
Motor Vehicle Fund-Checking	610,358	-	-	610,358
Border Crossing Account-Checking	538,673	-	-	538,673
Solid Waste-Checking	210,497	-	-	210,497
Wells Fargo Savings	1,802,025	-	-	1,802,025
Wells Fargo CD	500,000 *	-	-	500,000
LGIP	-	7,726,619	-	7,726,619
Total desposits and investments	\$ 8,480,957	\$ 7,726,619	\$ -	16,207,576
			Less: net reconciling items	(615,093)
			Plus: petty cash	200
			Reconciled balance June 30, 2015	\$ 15,592,683
			Cash and cash equivalents - Exhibit A-1	\$ 7,360,184
			Restricted cash and cash equivalents - Exhibit A-1	5,880
			Investments - Exhibit A-1	8,226,619
			Total cash and cash equivalents and investments - Exhibit A-1	\$ 15,592,683

* Interest Bearing Account

See independent auditors' report

STATE OF NEW MEXICO
City of Sunland Park
Schedule of Collateral Pledged by Depository
For Public Funds
June 30, 2015

Schedule IV

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value at June 30, 2015
Wells Fargo Bank				
	FG A93766 4.000%	9/1/2040	3312942FF7	\$ 939,835
	FG Q16377 3.000%	3/1/2043	3132J7Q70	548,531
	FHR 4014 PM	3/1/2032	3137AMGT8	48,867
	FN AH6993 4.500% 2/1/2041	2/1/2041	3138A8XX9	779,148
	FN AI7608 3.500% 11/01/2041	11/1/2041	3138AMNY7	787,767
	FN AQ9054 3.500% 12/01/2042	12/1/2042	3138MRBY6	530,994
	FN AR9199 3.000% 03/01/2043	3/1/2043	3138W7GH1	270,149
	FN AU4293 4.000% 9/01/2043	9/1/2043	3138X3XX5	4,013,423
	FN AD1656 4.500% 03/01/2040	3/1/2040	31418NZW3	918,399
	Total Wells Fargo Bank			\$ 8,837,113

The location of the safekeeper of the above securities is BNY Mellon at
One Wall Street, 4th Floor, New York, NY 10286

See independent auditors' report

STATE OF NEW MEXICO
City of Sunland Park Housing Authority
A Department of the City of Sunland Park
Financial Data Schedule
June 30, 2015

Line Item Number	Description	Low Rent Public Housing Program 14.850	Public Housing Capital Fund Program 14.872	Total
111	Cash - Unrestricted	\$ 289,389	\$ -	\$ 289,389
100	Total Cash	289,389	-	289,389
126	Accounts Receivable - Tenants	825	-	825
120	Total Receivables, Net of Allowance for Doubtful Accounts	825	-	825
131	Investments - Unrestricted	173,511	-	173,511
130	Total Investments	173,511	-	173,511
150	Total Current Assets	463,725	-	463,725
114	Cash - Tenant Security Deposits	5,880	-	5,880
161	Land	150,000	-	150,000
162	Buildings	59,343	-	59,343
163	Furniture, Equipment & Machinery - Dwellings	3,243,215	-	3,243,215
164	Vehicles	48,531	-	48,531
166	Accumulated Depreciation	(1,469,780)	-	(1,469,780)
160	Total Capital Assets, Net of Accumulated Depreciation	2,031,309	-	2,031,309
180	Total Non-Current Assets	2,037,189	-	2,037,189
146	Change in Assumptions	560	-	560
144	Deferred Outflows-Subsequent Contributions After the Measurement Date	5,161	-	5,161
	Total Deferred Outflow of Resources	5,721	-	5,721
190	Total Assets	\$ 2,506,635	\$ -	\$ 2,506,635

See independent auditors' report

STATE OF NEW MEXICO
City of Sunland Park Housing Authority
A Department of the City of Sunland Park
Financial Data Schedule
June 30, 2015

Line Item Number	Description	Low Rent Public Housing Program 14.850	Public Housing Capital Fund Program 14.872	Total
312	Accounts Payable <= 90 Days	\$ 2,867	\$ -	\$ 2,867
321	Accrued Wage/Payroll Taxes Payable	1,923	-	1,923
322	Accrued Compensated Absences - Current Portion	3,100	-	3,100
324	Accrued Contingency Liability	-	-	-
331-030	Other	-	-	-
332	Accounts Payable - PHA Projects	-	-	-
333	Accounts Payable - Other Government	-	-	-
341	Tenant Security Deposits	5,880	-	5,880
342	Deferred Revenues	-	-	-
342-010	Operating Subsidy	-	-	-
342-020	Capital Fund	-	-	-
343-020	Capital Projects/Mortgage Revenue	-	-	-
344	Current Portion of Long-term Debt - Operating	-	-	-
345	Other Current Liabilities	-	-	-
346	Accrued Liabilities - Other	-	-	-
347	Due to other funds	-	-	-
348	Loan Liability - Current	-	-	-
348-010	Not For Profit	-	-	-
348-020	Partnership	-	-	-
348-030	Joint Venture	-	-	-
348-040	Tax Credit	-	-	-
348-050	Other	-	-	-
310	Total Current Liabilities	<u>13,770</u>	<u>-</u>	<u>13,770</u>
354	Accrued Compensated Absences - Non Current	20,064	-	20,064
357	Net Pension Liability	49,531	-	49,531
350	Total Non-Current Liabilities	<u>69,595</u>	<u>-</u>	<u>69,595</u>
300	Total Liabilities	<u>83,365</u>	<u>-</u>	<u>83,365</u>
	Net Difference Between Projected and Actual Investment			
342	Earnings	14,904	-	14,904
342	Change in Assumption	1,676	-	1,676
340	Total Deferred Inflows	<u>16,580</u>	<u>-</u>	<u>16,580</u>
508.1	Net investment in capital assets	(1,260,437)	-	(1,260,437)
512.1	Unrestricted Net Position	<u>3,667,127</u>	<u>-</u>	<u>3,667,127</u>
513	Total Equity/Net Position	<u>2,406,690</u>	<u>-</u>	<u>2,390,110</u>
600	Total Liabilities and Equity/Net Position	<u>\$ 2,506,635</u>	<u>\$ -</u>	<u>\$ 2,506,635</u>

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STATE OF NEW MEXICO
City of Sunland Park Housing Authority
A Department of the City of Sunland Park
Financial Data Schedule
June 30, 2015

Line Item Number	Description	Low Rent Public Housing Program 14.850	Public Housing Capital Fund Program 14.872	Total
70300	Net Tenant Rental Revenue	\$ 90,430	\$ -	\$ 90,430
70400	Tenant Revenue - Other	932	-	932
70500	Total Tenant Revenue	<u>91,362</u>	<u>-</u>	<u>91,362</u>
70600	HUD PHA Operating Grants	139,635	-	139,635
70610	Capital Grants	13,555	-	13,555
70800	Other Government Grants	-	-	-
71100	Investment Income - Unrestricted	269	-	269
71200	Mortgage Interest Income	-	-	-
71300	Proceeds from Disposition of Assets Held for Sale	-	-	-
71310	Cost of Sale of Assets	-	-	-
71400	Fraud Recovery	-	-	-
71500	Other Revenue	179	-	179
71600	Gain or Loss on Sale of Capital Assets	<u>(36,970)</u>	<u>-</u>	<u>(36,970)</u>
70000	Total Revenue	<u>208,030</u>	<u>-</u>	<u>208,030</u>
91100	Administrative Salaries	74,660	-	74,660
91200	Auditing Fees	7,509	-	7,509
91300	Management Fee	20,600	-	20,600
91500	Employee Benefit Contributions - Administrative	14,344	-	14,344
91600	Office Expenses	2,562	-	2,562
93400	Fuel	468	-	468
93800	Other Utilities Expense	30,334	-	30,334
94300	Maintenance	68,649	-	68,649
96120	Insurance	7,211	-	7,211
96130	Workmen's Compensation	2,247	-	2,247
97400	Depreciation Expense	<u>103,802</u>	<u>-</u>	<u>103,802</u>
91000	Total Operating Expenses	<u>332,386</u>	<u>-</u>	<u>332,386</u>
97000	Excess Operating Revenue Over Operating Expenses	<u>(124,356)</u>	<u>-</u>	<u>(124,356)</u>
10010	Operating Transfers In	1,009	-	1,009
10000	Excess (Deficiency) of Operating Revenue Over (Under) Total Expenses	<u>(123,347)</u>	<u>-</u>	<u>(123,347)</u>
11030	Net Position at the Beginning of the Year	<u>2,592,248</u>	<u>-</u>	<u>2,592,248</u>
11040	Prior Period Adjustment, Equity Transfers and Correction	<u>(62,211)</u>	<u>\$ -</u>	<u>\$ (62,211)</u>
	Net Position at End of Year	<u>\$ 2,406,690</u>	<u>\$ -</u>	<u>\$ 2,406,690</u>

STATE OF NEW MEXICO
City of Sunland Park
Schedule of Vendor Information for Purchases Exceeding \$60,000 (excluding GRT)
For the Year Ended June 30, 2015

Prepared by: Sunland Park

Title: Finance Director

Date: 12/11/2015

RFB/ RFP #	Type of Procurement	Awarded Vendor	\$ Amount of Awarded Contract	\$ Amount of Amended Contract
C1131846/C1142067	Sealed Bid	Yes	\$426,934	N/A
C1131846/C1142067	Sealed Bid	No	N/A	N/A
C1131846/C1142067	Sealed Bid	No	N/A	N/A
C1131846/C1142067	Sealed Bid	No	N/A	N/A
C1131846/C1142067	Sealed Bid	No	N/A	N/A
C1131846/C1142067	Sealed Bid	No	N/A	N/A

See independent auditors' report.

Name and Physical Address per the procurement documentation, of ALL Vendor(s) that responded	In-State/ Out-of-State Vendor (Y or N) (Based on Statutory Definition)	Was the vendor in-state and chose Veteran's preference (Y or N). For federal funds answer N/A	Brief Description of the Scope of Work
Smith and Aguirre Construction Company 2457 Lakeside Dr. Las Cruces, NM 88007	Y	N/A	Roadway Reconstruction
Burn Construction 2100 W Amador Ave, Las Cruces, NM 88005	N/A	N/A	N/A
Renegade Construction 2100 Crawford Blvd, Las Cruces, NM 88007	N/A	N/A	N/A
Spartan Construction 240 Thunderbird Dr, El Paso, TX 79912	N/A	N/A	N/A
CSA Constructors 1845 Northwestern, Dr. El Paso, TX 79912	N/A	N/A	N/A
Morrow Enterprises 6525 W. Picacho Ave, Las Cruces, NM 88007	N/A	N/A	N/A

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COMPLIANCE SECTION



Accounting & Consulting Group, LLP
Certified Public Accountants

**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 H. Keller
New Mexico State Auditor
To City Council
City of Sunland Park
Sunland Park, New Mexico

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparison of the General Fund of the City of Sunland Park (the "City") as of and for the year ended June 30, 2015, 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 12, 2015.

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 City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses that we consider to be a significant deficiency. We consider the deficiency described in the accompanying schedule of findings and responses as item 2015-002 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests did disclose instances of noncompliance or other matters that are required to be reported under *Government Auditing Standard* and which are described in the accompanying schedule of findings and responses as items FS 2015-001 and FS 2015-003.

City's Responses to Findings

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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.

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP
EL Paso, TX
December 12, 2015

STATE OF NEW MEXICO
City of Sunland Park
Schedule of Findings and Responses
June 30, 2015

Summary of Auditors' Results

Financial Statements:

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

STATE OF NEW MEXICO
City of Sunland Park
Schedule of Findings and Responses
June 30, 2015

Section II -Findings-Financial Statement Audit-(continued)

FS 2015-001— Internal Controls- Finding that does not rise to the level of significant deficiency

Condition: During cash receipts testwork, we noted that the City is not following their internal control policy in the following way:

- 3 out of 5 items tested for the City did not have the required initials of the Department Manager, Finance Director or the City Clerk on the end of day packet and deposit slip.

Criteria: The City of Sunland Park hereby establishes a policy that identifies those people who are authorized to initial final deposit packets and deposit slips. The purpose of the policy is to establish controls over accuracy and fraud:

- All end of day packets and deposit slips will be initialed by the Department Manager.
- All deposit slips will be initialed by the finance department indicating the GL receipt amounts been matched to the bank account activity.
- The deposit slip is initialed by the City Clerk indicating review and approval of City receipts processed by the Clerks office.

Effect: The City is circumventing its own internal controls and the potential for fraud or material misstatement is present.

Cause: The City has not placed the appropriate emphasis on adherence to its own control policies.

Auditors' Recommendation: We recommend that the City follow their own internal control and check writing policies.

Management Response: City of Sunland Park was short staffed and this caused some struggle complying with the internal controls. A deputy city clerk was hired and will start on 12/28/2015 and is responsible for corrective action. The corrective action is being made and we estimate internal control will be followed by June 30, 2016.

STATE OF NEW MEXICO
City of Sunland Park
Schedule of Findings and Responses
June 30, 2015

Section II -Findings-Financial Statement Audit-(continued)

FS 2015-002— Internal Controls (MVD) - significant deficiency

Condition: During the surprise cash count at the MVD control we noted the following:

- In all of the three drawers counted, the cash did not match report provided for the city's fees collected. MVD's manager brought receipts from different stations and mentioned that certain transactions were processed in different stations than those where payments are made.
- At station #1 of the MVD, 3 out of 15 transactions were not recorded in the City Fee report in the amount of \$42.
- At station #2 of the MVD, 2 out of 19 transactions were not recorded in the City Fee report in the amount of \$17.
- At station #3 of the MVD, ACG noted that the clerk in charge of the station did not have a filled City Fee report. At our request to count the cash the clerk pulled a blank report and started to filling it. The clerk recorded 5 transactions on the report and, at the moment when the count was performed the clerk was \$3 over. Clerk alleged that it was a payment that was taken at his station and recorded in a different station. The clerk handed the cash to his coworker. Later, it was noted that the report had a mistake that could lead to the overage.
- ACG noted that one of the MVD clerks was not at her station and the computer was left unattended and unlock for several minutes.

Criteria: The Position Descriptions manual page 10 and 11 describes the Motor Vehicle Department Procedures. Violation to the procedure can be identifying on the lack of completeness of the reports and the miscounted of the cash receipts.

Effect: Without proper account of transactions and cash management, the MVD is susceptible to incorrect recording of revenues and or fraud.

Cause: Lack of training on work instructions and procedures. The absence of well established controls to prevent mistakes and or malpractice.

Auditors' Recommendations: ACG recommends the revision of the entire cash receipts process for the MVD to address any lack of controls. The update of the procedure described in the Position Descriptions manual is well recommended.

Management Response: The MVD Manager is responsible for corrective action. The cash receipts process will be reviewed and updated. The employees will be trained and updated with the revision to the procedures. It is estimated that corrective action will occur by June 30, 2016.

STATE OF NEW MEXICO
City of Sunland Park
Schedule of Findings and Responses
June 30, 2015

Section II -Findings-Financial Statement Audit-(continued)
FS 2015-003— Travel and Per Diem- Other Noncompliance

Condition: During our testwork of travel and per diem, we noted the following:

- Incorrect forms were used to calculate per diem on 4 out of 14 samples
- In the 4 times tested that were incorrect the employees were under paid \$521

Criteria: Each City shall establish and implement written policies and procedures for travel and training. Travel policies and procedures shall be in compliance with the Per Diem and Mileage Act, Sections 10-8-1 through 10-8-8, NMSA 1978, and Department of Finance and Administration (DFA) regulations. Internal control structure is required to demonstrate the City's ability to record, process, summarize and report financial statement assertions of existence and occurrence.

Effect: Current documentation is required to ensure proper reimbursement and compliance with the Per Diem and Mileage Act, the risk of misuse or improper payout.

Cause: The City does did not maintain vigilance to use proper form in order to ensure compliance with the Per Diem and Mileage Act and management oversight in internal controls when processing these reimbursements.

Auditors' Recommendations: We recommend that the City establishes controls to issue proper documentation that comply with the Per Diem and Mileage Act to ensure the City is in compliance.

Management Response: The Finance Department is responsible for this corrective action. A revised form was provided to all employees and only correct forms will be accepted/ processed when paying per diem to employees. Corrective action has already occurred as of the date of this report.

STATE OF NEW MEXICO
City of Sunland Park
Schedule of Findings and Responses
June 30, 2015

Section III-Findings-Prior Year Audit Findings

Financial Statement Findings

<u>FS 2011-001 (FS 2011-01) Governing Body Lack of Active Involvement/Significant Influence Over the City's Internal Control Environment</u>	Resolved
<u>FS 2011-002 (FS 2011-02) Lack of Ethics Policy</u>	Resolved
<u>FS 2011-003 (FS 2011-03) Lack of Effective Upstream Communication</u>	Resolved
<u>FS 2011-005 (FS 2011-05) Lack of Current Job Descriptions</u>	Resolved
<u>FS 2011-006 (FS 2011-06) Lack of Established Practices for the Identification and Mitigation of Risks</u>	Resolved
<u>FS 2011-011 (FS 2011-11) Improper Termination Payment</u>	Resolved
<u>FS 2014-001 Procurement- Request for Proposal</u>	Resolved
<u>FS 2014-002 Travel and Per Diem</u>	Resolved

STATE OF NEW MEXICO
City of Sunland Park
Other Disclosures
June 30, 2015

OTHER DISCLOSURES

Exit Conference

An exit conference was held on December 14, 2015. In attendance were the following:

Representing the City of Sunland Park:

Isabel Santos
Francisco Jayme
Kenneth Giove
Raquel Alarcon

City Councilor
City Councilor
City Councilor
Finance Director

Representing Accounting & Consulting Group, LLP:

Roxie Samaniego, CPA
Juan Garcia

Partner
Audit Staff

Auditor Prepared Financial Statements

Accounting and Consulting Group, LLP prepared the GAAP-basis financial statements and footnotes of the City of Sunland Park 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.