

State of  
New Mexico  
City of  
Sunland Park

Annual Financial Report  
For the Year Ended June 30, 2016



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## **INTRODUCTORY SECTION**

City of Sunland Park  
Annual Financial Report  
June 30, 2016  
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**STATE OF NEW MEXICO**  
City of Sunland Park  
Official Roster  
June 30, 2016

<u>Name</u>	<u>Elected Officials</u>	<u>Title</u>
Javier Perea		Mayor
Daniel A de los Santos		City Councilor
Francisco Jayme		City Councilor
Kenneth B Giove		City Councilor
Olga Nunez		City Councilor
Carolina Renteria		City Councilor
Don McBride		City Councilor
Lizette Salinas		Municipal Judge
	<u>Administration</u>	
Bob Gallagher		City Manager
Raquel Alarcon		Finance Director

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## **FINANCIAL SECTION**

## 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, 2016, and the related notes to the financial statements which collectively comprise the City's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the City's nonmajor governmental funds 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, 2016, as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, 2016, and the respective changes in financial position and where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the City as of June 30, 2016, 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 56 through 62 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*

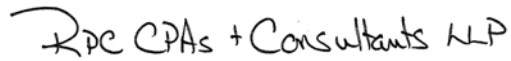
Our audit was conducted for the purpose of forming opinions on the City's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. Schedules III through VI required by 2.2.2 NMAC and the U.S. Department of Housing and Urban Development and introductory 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 7, 2016 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



RPC CPAs + Consultants, LLP  
Albuquerque, NM  
December 7, 2016

**BASIC  
FINANCIAL STATEMENTS**

**STATE OF NEW MEXICO**

City of Sunland Park

Statement of Net Position

June 30, 2016

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets</b>			
Current assets			
Cash and cash equivalents	\$ 14,218,341	\$ 1,348,510	\$ 15,566,851
Investments	700,094	-	700,094
Receivables:			
Property taxes	155,420	-	155,420
Other taxes	732,153	-	732,153
Other receivables	317,567	-	317,567
Customer receivables	-	21,431	21,431
<b>Total current assets</b>	<b>16,123,575</b>	<b>1,369,941</b>	<b>17,493,516</b>
Noncurrent assets			
Restricted cash and cash equivalents	150,016	5,974	155,990
Capital assets	34,753,804	3,488,251	38,242,055
Less: accumulated depreciation	(22,806,427)	(1,545,353)	(24,351,780)
<b>Total noncurrent assets</b>	<b>12,097,393</b>	<b>1,948,872</b>	<b>14,046,265</b>
<i>Total assets</i>	<i>28,220,968</i>	<i>3,318,813</i>	<i>31,539,781</i>
<b>Deferred outflows</b>			
Employer contributions subsequent to the measurement date	275,805	18,686	294,491
Change of assumptions	25,651	1,693	27,344
Changes in proportion	235,331	18,388	253,719
Difference between expected and actual experience	163,136	12,747	175,883
Net difference between projected and actual investment earnings	-	6,927	6,927
<i>Total assets and deferred outflows</i>	<i>\$ 28,920,891</i>	<i>\$ 3,377,254</i>	<i>\$ 32,298,145</i>

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

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Liabilities</b>			
Current liabilities			
Accounts payable	\$ 49,947	\$ 3,286	\$ 53,233
Accrued payroll	113,302	11,057	124,359
Customer deposits	-	5,974	5,974
Compensated absences	111,072	16,218	127,290
Total current liabilities	<u>274,321</u>	<u>36,535</u>	<u>310,856</u>
Noncurrent liabilities			
Compensated absences	224,073	17,642	241,715
Loans payable	151,134	-	151,134
Net pension liability	3,995,186	284,678	4,279,864
Total noncurrent liabilities	<u>4,370,393</u>	<u>302,320</u>	<u>4,672,713</u>
<i>Total liabilities</i>	<u>4,644,714</u>	<u>338,855</u>	<u>4,983,569</u>
<b>Deferred inflows</b>			
Net difference between projected and actual investment earnings	17,227	-	17,227
Change of assumptions	69,844	4,528	74,372
Difference between expected and actual experience	24,592	1,922	26,514
<i>Total deferred inflows</i>	<u>111,663</u>	<u>6,450</u>	<u>118,113</u>
<b>Net Position</b>			
Net investment in capital assets	11,796,243	1,942,898	13,739,141
Restricted for:			
Special revenue	440,334	-	440,334
Capital projects	9,911,222	-	9,911,222
Unrestricted	2,016,715	1,089,051	3,105,766
<i>Total net position</i>	<u>24,164,514</u>	<u>3,031,949</u>	<u>27,196,463</u>
<i>Total liabilities, deferred inflows, and net position</i>	<u>\$ 28,920,891</u>	<u>\$ 3,377,254</u>	<u>\$ 32,298,145</u>

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

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

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Primary Government</b>				
<b>Governmental Activities:</b>				
General government	\$ 1,661,317	\$ 787,733	\$ 264,183	\$ -
Public safety	3,863,294	6,000	397,506	-
Public works	1,541,289	-	462,515	9,137
Culture and recreation	376,646	-	11,400	-
<i>Total governmental activities</i>	<u>7,442,546</u>	<u>793,733</u>	<u>1,135,604</u>	<u>9,137</u>
<b>Business-type Activities:</b>				
Motor Vehicle Department	340,058	333,352	-	-
Solid waste	3,673	568	-	-
Housing authority	386,159	90,762	102,374	51,424
<i>Total business-type activities</i>	<u>729,890</u>	<u>424,682</u>	<u>102,374</u>	<u>51,424</u>
<i>Total primary government</i>	<u>\$ 8,172,436</u>	<u>\$ 1,218,415</u>	<u>\$ 1,237,978</u>	<u>\$ 60,561</u>

**General Revenues and Transfers:**

Taxes:

Property

Gross receipts tax

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 - ending*

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



<b>Net (Expense) Revenue and Changes in Net Position</b>		
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
\$ (609,401)	\$ -	\$ (609,401)
(3,459,788)	-	(3,459,788)
(1,069,637)	-	(1,069,637)
(365,246)	-	(365,246)
<u>(5,504,072)</u>	<u>-</u>	<u>(5,504,072)</u>
-	(6,706)	(6,706)
-	(3,105)	(3,105)
-	(141,599)	(141,599)
<u>-</u>	<u>(151,410)</u>	<u>(151,410)</u>
<u>(5,504,072)</u>	<u>(151,410)</u>	<u>(5,655,482)</u>
1,639,483	-	1,639,483
3,372,809	71,819	3,444,628
61,082	-	61,082
610,512	-	610,512
15,803	302	16,105
143,938	81,296	225,234
23,405	(23,405)	-
<u>5,867,032</u>	<u>130,012</u>	<u>5,997,044</u>
362,960	(21,398)	341,562
<u>23,801,554</u>	<u>3,053,347</u>	<u>26,854,901</u>
<u>\$ 24,164,514</u>	<u>\$ 3,031,949</u>	<u>\$ 27,196,463</u>

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

**STATE OF NEW MEXICO**  
City of Sunland Park  
Balance Sheet  
Governmental Funds  
June 30, 2016

Exhibit B-1  
Page 1 of 2

	<b>General Fund</b>	<b>Border Crossing Facility</b>	<b>Other Governmental Funds</b>	<b>Total</b>
<i>Assets</i>				
Cash and cash equivalents	\$ 4,320,666	\$ 9,642,034	\$ 405,657	\$ 14,368,357
Investments	700,094	-	-	700,094
Receivables:				
Property taxes	155,420	-	-	155,420
Other taxes	728,246	-	3,907	732,153
Other receivables	6,808	-	310,759	317,567
<i>Total assets</i>	<u>\$ 5,911,234</u>	<u>\$ 9,642,034</u>	<u>\$ 871,457</u>	<u>\$ 16,424,725</u>
<i>Liabilities</i>				
Accounts payable	\$ 42,567	\$ 1,154	\$ 6,226	\$ 49,947
Accrued payroll	109,881	3,421	-	113,302
<i>Total liabilities</i>	<u>152,448</u>	<u>4,575</u>	<u>6,226</u>	<u>163,249</u>
<i>Deferred inflows of resources</i>				
Property taxes	121,890	-	-	121,890
<i>Total deferred inflows of resources</i>	<u>121,890</u>	<u>-</u>	<u>-</u>	<u>121,890</u>
<i>Fund balances</i>				
Spendable				
Restricted for:				
General government	-	-	77,849	77,849
Public safety	-	-	254,705	254,705
Culture and recreation	-	-	107,780	107,780
Capital projects	-	9,637,459	273,763	9,911,222
Minimum fund balance	1,338,335	-	-	1,338,335
Unassigned	4,298,561	-	-	4,298,561
<i>Total fund balances</i>	<u>5,636,896</u>	<u>9,637,459</u>	<u>714,097</u>	<u>15,988,452</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 5,911,234</u>	<u>\$ 9,642,034</u>	<u>\$ 720,323</u>	<u>\$ 16,273,591</u>

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

**STATE OF NEW MEXICO**  
City of Sunland Park  
Reconciliation of the Balance Sheet to the Statement of Net Position  
Governmental Funds  
June 30, 2016

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

Fund balances - total governmental funds	\$ 15,988,452
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	11,947,377
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	121,890
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	275,805
Deferred outflows of resources related to changes in proportion	235,331
Deferred outflows of resources related to difference between expected and actual experience	138,544
Deferred inflows of resources related to changes in assumptions	(44,193)
Deferred inflows of resources related to net difference between actual and and projected return on plan investments	(17,227)
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	(3,995,186)
Accrued compensated absences	(335,145)
Loans payable	(151,134)
<i>Total net position of governmental activities</i>	<u><u>\$ 24,164,514</u></u>

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, 2016

Exhibit B-2  
Page 1 of 2

	<u>General Fund</u>	<u>Border Crossing Facility</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<i>Revenues</i>				
Taxes:				
Property	\$ 1,646,727	\$ -	\$ -	\$ 1,646,727
Gross receipts	3,372,809	-	-	3,372,809
Gasoline and motor vehicle	38,993	-	22,089	61,082
Other	610,512	-	-	610,512
Intergovernmental income:				
Federal operating grants	-	-	311,265	311,265
State operating grants	11,400	-	812,939	824,339
State capital grants	-	-	9,137	9,137
Charges for services	8,410	-	6,000	14,410
Licenses and fees	733,909	-	45,414	779,323
Investment income	521	15,282	-	15,803
Miscellaneous	143,282	-	656	143,938
<i>Total revenues</i>	<u>6,566,563</u>	<u>15,282</u>	<u>1,207,500</u>	<u>7,789,345</u>
<i>Expenditures</i>				
Current:				
General government	1,276,258	-	105,143	1,381,401
Public safety	2,903,059	252,447	504,602	3,660,108
Public works	771,856	-	-	771,856
Culture and recreation	358,124	-	8,919	367,043
Capital outlay	44,043	-	619,955	663,998
<i>Total expenditures</i>	<u>5,353,340</u>	<u>252,447</u>	<u>1,238,619</u>	<u>6,844,406</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>1,213,223</u>	<u>(237,165)</u>	<u>(31,119)</u>	<u>944,939</u>
<i>Other financing sources (uses)</i>				
Bond proceeds	-	-	151,134	151,134
Transfers in	23,405	-	468,194	491,599
Transfers (out)	(361,343)	-	(106,851)	(468,194)
<i>Total other financing sources (uses)</i>	<u>(337,938)</u>	<u>-</u>	<u>512,477</u>	<u>174,539</u>
<i>Net change in fund balances</i>	875,285	(237,165)	481,358	1,119,478
<i>Fund balances - beginning of year</i>	<u>4,761,611</u>	<u>9,874,624</u>	<u>232,739</u>	<u>14,868,974</u>
<i>Fund balances - end of year</i>	<u>\$ 5,636,896</u>	<u>\$ 9,637,459</u>	<u>\$ 714,097</u>	<u>\$ 15,988,452</u>

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

**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, 2016

Exhibit B-2

Page 2 of 2

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

Net change in fund balances - total governmental funds	\$ 1,119,478
<p>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:</p>	
Capital expenditures recorded in capital outlay	663,998
Depreciation expense	(1,067,471)
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense:</p>	
City pension contributions	275,805
Pension expense	(436,426)
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds:</p>	
Change in unavailable revenue related to prior year property taxes receivable not collected within 60 days	(7,244)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position:</p>	
Increase in accrued compensated absences	(34,046)
Proceeds from the issuance of debt	(151,134)
<i>Change in net position of governmental activities</i>	<u><u>\$ 362,960</u></u>

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, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ 1,106,434	\$ 1,106,434	\$ 1,637,664	\$ 531,230
Gross receipts	3,614,862	3,276,961	3,240,262	(36,699)
Gasoline and motor vehicle	-	28,344	38,750	10,406
Other	28,344	2,901	109,670	106,769
Franchise tax	287,769	430,769	576,639	145,870
Intergovernmental income:				
State operating grants	-	11,550	11,400	(150)
Local sources	-	-	-	-
Charges for services	-	5,512	8,410	2,898
Licenses and fees	413,486	636,136	733,909	97,773
Fines and forfeitures	-	-	-	-
Investment income	-	555	521	(34)
Miscellaneous	-	215,425	138,103	(77,322)
<i>Total revenues</i>	<u>5,450,895</u>	<u>5,714,587</u>	<u>6,495,328</u>	<u>780,741</u>
<i>Expenditures</i>				
Current:				
General government	1,256,261	1,460,247	1,349,822	110,425
Public safety	2,962,407	2,936,692	2,791,423	145,269
Public works	1,105,324	1,248,673	809,272	439,401
Culture and recreation	484,639	512,272	361,090	151,182
Capital outlay	29,000	85,992	52,477	33,515
<i>Total expenditures</i>	<u>5,837,631</u>	<u>6,243,876</u>	<u>5,364,084</u>	<u>879,792</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(386,736)</u>	<u>(529,289)</u>	<u>1,131,244</u>	<u>1,660,533</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	432,745	1,978,761	-	(1,978,761)
Transfers in	47,000	47,000	23,405	(23,595)
Transfers (out)	(93,009)	(1,496,472)	(361,343)	1,135,129
<i>Total other financing sources (uses)</i>	<u>386,736</u>	<u>529,289</u>	<u>(337,938)</u>	<u>(867,227)</u>
<i>Net change in fund balance</i>	-	-	793,306	793,306
<i>Fund balances - beginning of year</i>	-	-	4,227,454	4,227,454
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,020,760</u>	<u>\$ 5,020,760</u>
Net change in fund balance (non-GAAP budgetary basis)				793,306
Adjustments to revenues for taxes and state operating grants.				71,235
Adjustments to expenditures for salaries, professional services and supplies.				10,744
<i>Net change in fund balance (GAAP basis)</i>				<u>\$ 875,285</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, 2016

	<u>Motor Vehicle Department</u>	<u>Solid Waste Fund</u>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 657,634	\$ 279,211
Accounts receivable:		
Customers	<u>16,062</u>	<u>-</u>
Total current assets	<u>673,696</u>	<u>279,211</u>
Noncurrent assets		
Restricted cash:		
Customer deposits	-	-
Capital assets	-	-
Less: accumulated depreciation	<u>-</u>	<u>-</u>
Total noncurrent assets	<u>-</u>	<u>-</u>
<i>Total assets</i>	<u>673,696</u>	<u>279,211</u>
<b>Deferred outflows of resources</b>		
Employer contributions subsequent to the measurement date	13,563	-
Change in proportion	12,833	-
Changes of assumption	1,238	-
Difference between expected and actual experience	8,896	-
Net difference between actual and projected return on plan investments	<u>3,325</u>	<u>-</u>
<i>Total deferred outflow of resources</i>	<u>39,855</u>	<u>-</u>
<i>Total assets and deferred outflows of resources</i>	<u>\$ 713,551</u>	<u>\$ 279,211</u>

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



<u>Housing Authority</u>	<u>Total</u>
\$ 585,378	\$ 1,522,223
<u>5,369</u>	<u>21,431</u>
<u>417,034</u>	<u>1,369,941</u>
5,974	5,974
3,488,251	3,488,251
<u>(1,545,353)</u>	<u>(1,545,353)</u>
<u>1,948,872</u>	<u>1,948,872</u>
<u>2,365,906</u>	<u>3,318,813</u>
5,123	18,686
5,555	18,388
455	1,693
3,851	12,747
<u>3,602</u>	<u>6,927</u>
<u>18,586</u>	<u>58,441</u>
<u>\$ 2,384,492</u>	<u>\$ 3,377,254</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, 2016

	<b>Motor Vehicle Department</b>	<b>Solid Waste Fund</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable	\$ 951	\$ -
Accrued payroll	7,637	-
Customer deposits	-	-
Compensated absences	9,706	-
	18,294	-
Total current liabilities		
Noncurrent liabilities		
Compensated absences	174	-
Net pension liability	203,690	-
	203,864	-
Total noncurrent liabilities		
	222,158	-
<i>Total liabilities</i>		
	222,158	-
<b>Deferred inflows of resources</b>		
Change of assumptions	3,329	-
Difference between expected and actual experience	1,341	-
	4,670	-
<i>Total deferred inflows of resources</i>		
	4,670	-
<i>Total liabilities and deferred inflows of resources</i>		
	226,828	-
<b>Net position</b>		
Net investment in capital assets	-	-
Unrestricted	486,723	279,211
	486,723	279,211
<i>Total net position</i>		
	486,723	279,211
<i>Total liabilities, deferred inflows of resources, and net position</i>		
	\$ 713,551	\$ 279,211

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

<u>Housing Authority</u>	<u>Total</u>
\$ 2,335	\$ 3,286
3,420	11,057
5,974	5,974
<u>6,512</u>	<u>16,218</u>
18,241	36,535
17,468	17,642
<u>80,988</u>	<u>284,678</u>
98,456	302,320
<u>116,697</u>	<u>338,855</u>
1,199	4,528
<u>581</u>	<u>1,922</u>
1,780	6,450
<u>118,477</u>	<u>345,305</u>
1,942,898	1,942,898
<u>323,117</u>	<u>1,089,051</u>
2,266,015	3,031,949
<u>\$ 2,384,492</u>	<u>\$ 3,377,254</u>

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

**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, 2016

Exhibit D-2

	<u>Motor Vehicle</u>	<u>Solid Waste Fund</u>	<u>Housing Authority</u>	<u>Total</u>
<i>Operating revenues</i>				
Charges for services	\$ 333,352	\$ 568	\$ 90,762	\$ 424,682
<i>Total operating revenues</i>	<u>333,352</u>	<u>568</u>	<u>90,762</u>	<u>424,682</u>
<i>Operating expenses</i>				
Personnel services	241,792	3,673	112,476	357,941
Contractual services	4,201	-	34,816	39,017
Supplies	5,656	-	4,216	9,872
Maintenance and materials	43,387	-	54,415	97,802
Utilities	9,340	-	28,402	37,742
Insurance	7,753	-	14,853	22,606
Depreciation	-	-	101,419	101,419
Rent	4,047	-	-	4,047
Miscellaneous	23,882	-	2,670	26,552
<i>Total operating expenses</i>	<u>340,058</u>	<u>3,673</u>	<u>353,267</u>	<u>696,998</u>
<i>Operating income (loss)</i>	<u>(6,706)</u>	<u>(3,105)</u>	<u>(262,505)</u>	<u>(272,316)</u>
<i>Non-operating revenues</i>				
Gross receipts tax	-	71,819	-	71,819
Interest income	-	-	302	302
Loss from impairment of capital assets	-	-	(32,892)	(32,892)
Miscellaneous income	80,674	-	622	81,296
<i>Total non-operating revenues</i>	<u>80,674</u>	<u>71,819</u>	<u>(31,968)</u>	<u>120,525</u>
<i>Income (loss) before contributions, grants and transfers</i>	<u>73,968</u>	<u>68,714</u>	<u>(294,473)</u>	<u>(151,791)</u>
Government contributions	-	-	153,798	153,798
Transfers (out)	(23,405)	-	-	(23,405)
<i>Contributions and net transfers</i>	<u>(23,405)</u>	<u>-</u>	<u>153,798</u>	<u>130,393</u>
<i>Change in net position</i>	50,563	68,714	(140,675)	(21,398)
<i>Net position - beginning of year</i>	<u>436,160</u>	<u>210,497</u>	<u>2,406,690</u>	<u>3,053,347</u>
<i>Net position - end of year</i>	<u>\$ 486,723</u>	<u>\$ 279,211</u>	<u>\$ 2,266,015</u>	<u>\$ 3,031,949</u>

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

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

Exhibit D-3

	<u>Motor Vehicle</u>	<u>Solid Waste</u>	<u>Housing Authority</u>	<u>Total</u>
<i>Cash flows from operating activities</i>				
Cash received from user charges	\$ 337,436	568	\$ 86,312	\$ 424,316
Cash payments to employees for services	(230,297)	(3,673)	(106,371)	(340,341)
Cash payments to suppliers for goods and services	(98,620)	-	(139,904)	(238,524)
<i>Net cash provided (used) by operating activities</i>	<u>8,519</u>	<u>(3,105)</u>	<u>(159,963)</u>	<u>(154,549)</u>
<i>Cash flows from noncapital financing activities</i>				
Taxes received	-	71,819	-	71,819
Miscellaneous income	80,674	-	622	81,296
Transfer from (to) other funds	(23,405)	-	-	(23,405)
<i>Net cash provided by noncapital financing activities</i>	<u>57,269</u>	<u>71,819</u>	<u>622</u>	<u>129,710</u>
<i>Cash flows from capital and related financing activities</i>				
Acquisition of capital assets	-	-	(45,900)	(45,900)
Government contributions	-	-	153,798	153,798
<i>Net cash provided by capital and related financing activities</i>	<u>-</u>	<u>-</u>	<u>107,898</u>	<u>107,898</u>
<i>Net increase (decrease) in cash and cash equivalents</i>	65,788	68,714	(51,343)	83,159
<i>Cash and cash equivalents - beginning of year</i>	<u>591,846</u>	<u>210,497</u>	<u>295,269</u>	<u>1,097,612</u>
<i>Cash and cash equivalents - end of year</i>	<u>\$ 657,634</u>	<u>\$ 279,211</u>	<u>\$ 243,926</u>	<u>\$ 1,180,771</u>
<i>Reconciliation of operating (loss) to net cash provided (used) by operating activities</i>				
Operating (loss)	\$ (6,706)	(3,105)	\$ (262,505)	\$ (272,316)
Adjustments to reconcile operating (loss) to net cash provided (used) by operating activities:				
Depreciation	-	-	101,419	101,419
Employer contributions to pension plan	(14,895)	-	(6,448)	(21,343)
Noncash pension expense	23,655	-	10,240	33,895
Changes in assets and liabilities:				
Receivables	4,084	-	(4,544)	(460)
Accounts payable	(354)	-	(532)	(886)
Accrued payroll expenses	3,197	-	1,497	4,694
Compensated absences	(462)	-	816	354
Customer deposits	-	-	94	94
<i>Net cash provided (used) by operating activities</i>	<u>\$ 8,519</u>	<u>\$ (3,105)</u>	<u>\$ (159,963)</u>	<u>\$ (154,549)</u>

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

**STATE OF NEW MEXICO**  
City of Sunland Park  
Notes to the Financial Statements  
June 30, 2016

**NOTE 1. Summary of Significant Accounting Policies**

The City of Sunland Park (the 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, 2016, the City adopted GASB Statements No. 72, *Fair Value Measurement and Application*, No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, No. 79, *Certain External Investment Pools and Pool Participants*, and a portion of No 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. GASB Statements Nos. 72, 76, and 79, as well as the implemented portion of Statement No. 73, are required to be implemented for the fiscal year ending June 30, 2016. Other than GASB No. 72 described below, the other new statements did not significantly impact the City's financial statements for fiscal year ending June 30, 2016.

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

**STATE OF NEW MEXICO**  
City of Sunland Park  
Notes to the Financial Statements  
June 30, 2016

**NOTE 1. Summary of Significant Accounting Policies (continued)**

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

**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.

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*.

**STATE OF NEW MEXICO**  
City of Sunland Park  
Notes to the Financial Statements  
June 30, 2016

**NOTE 1. Summary of Significant Accounting Policies (continued)**

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

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 the Financial Statements  
June 30, 2016

**NOTE 1. Summary of Significant Accounting Policies (continued)**

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

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. Sunland Park City Council is the authority for establishment of this fund and the use is restricted by an agreement with Sunland Park Casino.

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 receipt of gross receipts tax related to the utilities. As the City transferred operations of Solid Waste fund to the South Central Solid Authority on October 1, 2012, the City Council is still determining what the residual funds will be utilized for in the future.

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 the Financial Statements  
June 30, 2016

**NOTE 1. Summary of Significant Accounting Policies (continued)**

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

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 funds are charges for services for the City's Housing Authority and MVD. 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, and government contributions, are reported as non-operating revenues and expenses.

*D. Assets, Deferred Outflows of Resources, 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.

**Fair Value Measurements:** The fair value framework uses a hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). As of June 30, 2016, there are no items are required to be valued using valuation techniques.

**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.

**STATE OF NEW MEXICO**  
City of Sunland Park  
Notes to the Financial Statements  
June 30, 2016

**NOTE 1. Summary of Significant Accounting Policies (continued)**

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

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.

**Capital Assets:** Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Information Technology Equipment including software is being capitalized and included in furniture, fixtures and equipment in accordance with NMAC 2.20.1.9 C (5). Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. There was no capitalized interest in 2016. 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, 2016, along with applicable PERA and Retiree Health Care.

**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 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 four types of item that qualify 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 \$294,491. 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 \$27,344 at June 30, 2016. The third item relates to the difference between expected and actual experience and totals \$175,883 at June 30, 2016. The fourth item relates to changes in proportion and totals \$253,719 at June 30, 2016. These amounts are amortized into pension expense over the average remaining service life of employees.

**STATE OF NEW MEXICO**  
City of Sunland Park  
Notes to the Financial Statements  
June 30, 2016

**NOTE 1. Summary of Significant Accounting Policies (continued)**

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

**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 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, 2016 in the amount of \$155,420. The portion of the receivable not collected within sixty days of year-end totaled \$121,890. Consequently the City has recorded the amount related to the uncollected property as unavailable revenue. In addition, the City has three 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 \$17,227, change of assumptions of \$74,372, and differences between expected and actual experience of \$26,514 are reported on the Statement of Net Position. These amounts are reported as deferred inflows and 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.

**STATE OF NEW MEXICO**  
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Notes to the Financial Statements  
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**NOTE 1. Summary of Significant Accounting Policies (continued)**

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

**Fund Balance Classification Policies and Procedures:** In the governmental fund financial statements, fund balance is reported in five classifications:

**Nonspendable** – This classification includes amounts that cannot be spent because they are either (a) not in spendable form, for example, inventories, prepaid amounts, long term amount of loans and note receivable; or (b) legally or contractually required to be maintained intact, for example, debt service reserves. The City has no nonspendable fund balance at June 30, 2016.

**Restricted** – This classification includes amounts that are restricted to a specific purpose. Fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors (such as debt covenants) grantors, contributors, or laws or regulations of other governments; (b) enabling legislation, as the term is used authorizes the City to assess, levy, charge, or otherwise mandate payment of resources and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. The City has \$11,691,009 in restricted fund balances at June 30, 2016.

**Committed** – This classification includes amounts that can only be used for specific purposes to constraints imposed by formal action of the Board. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specific use by taking the same type of action (for example, resolution or ordinance) it employed to previously commit those amounts. The City has no committed funds at June 30, 2016.

**Assigned** – This classification includes amounts that are constrained by the City’s *intent* to be used for specific purposes, but are neither restricted nor committed and should be reported as assigned fund balance. The City no assigned fund balances at June 30, 2016.

**Unassigned** – This classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. The City has \$4,298,561 in unassigned fund balances at June 30, 2016.

**Minimum Fund Balance Policy:** The City’s policy for maintaining a minimum amount of fund balance for operations is to minimize any sudden and unplanned discontinuity to programs and operations and for unforeseen contingencies. At a minimum, the budget shall ensure that the City holds cash reserves of 3/12th of the General Fund final budgeted expenditures.

**Net Position:** 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 pages 33 and 64-65.

**STATE OF NEW MEXICO**  
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**NOTE 1. Summary of Significant Accounting Policies (continued)**

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

- 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.

*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 an 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.

**STATE OF NEW MEXICO**  
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**NOTE 2. Stewardship, Compliance, and Accountability (continued)**

*Budgetary Information (continued)*

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, 2016 is presented. Reconciliations between the non-GAAP budgetary basis amounts and the financial statements on the GAAP basis, by fund, can be found on each individual budgetary statement.

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.

**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, 2016.

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.

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, 2016, \$15,621,222 of the City's bank balance of \$16,121,222 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, 2016.

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City of Sunland Park  
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**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:

	<b>Wells Fargo</b>
Amount of deposits	\$ 16,121,222
FDIC coverage	(500,000)
Total uninsured public funds	15,621,222
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the City's name	15,621,222
Uninsured and uncollateralized	\$ -
Collateral requirement (50% of uninsured funds)	\$ 7,810,611
Pledged collateral	17,492,983
Over (under) collateralized	\$ 9,682,372

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	\$ 14,218,341
Cash and cash equivalents - Business-type Activities Exhibit A-1	1,348,510
Restricted cash and cash equivalents - Governmental Activities Exhibit A-1	150,016
Restricted cash and cash equivalents - Business-type Activities Exhibit A-1	5,974
Investments - Governmental Activities Exhibit A-1	700,094
Total cash, cash equivalents, and investments	16,422,935
Less: petty cash	(300)
Add: outstanding checks and other reconciling items	(151,397)
Bank balance of deposits	\$ 16,121,222



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**NOTE 4. Receivables**

Governmental funds receivables as of June 30, 2016, are as follows:

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Property taxes	\$ 155,420	\$ -	\$ 155,420
Other taxes:			
Gross receipts taxes	660,738	-	660,738
Franchise taxes	67,508	-	67,508
Gasoline & motor vehicle taxes	-	3,907	3,907
Other receivables:			
Accrued interest	-	-	-
State sources	-	-	-
Local sources	317,567	-	317,567
	<u>317,567</u>	<u>-</u>	<u>317,567</u>
Totals by category	<u>\$ 1,201,233</u>	<u>\$ 3,907</u>	<u>\$ 1,205,140</u>

The above receivables are deemed 100% collectible. In accordance with GASB 33, property tax revenues receivables in the amount of \$121,890 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, 2016, are as follows:

	<u>Motor Vehicle Department</u>	<u>Housing Authority</u>	<u>Total</u>
Customer receivables	\$ 16,062	\$ 5,369	\$ 21,431
Total customer receivables	<u>\$ 16,062</u>	<u>\$ 5,369</u>	<u>\$ 21,431</u>

The above receivables are deemed 100% collectible.

**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>
Community Center	FEMA Grant	\$ 106,818
General Fund	State LRF Grant	20,838
General Fund	Traffic Safety Fund	18,132
General Fund	State LRF Grant	47,768
General Fund	Community Center	274,605
Fire Protection Fund	Emergency Medical Services	33
Motor Vehicle	General Fund	23,405
	Total transfers	<u>\$ 491,599</u>

**STATE OF NEW MEXICO**  
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**NOTE 6. Capital Assets**

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

	<u>Balance</u> <u>June 30, 2015</u>	<u>Additions</u>	<u>Balance</u> <u>June 30, 2016</u>
<b>Governmental activities:</b>			
Capital assets, not depreciated:			
Land	\$ 496,703	\$ -	\$ 496,703
Total capital assets, not depreciated	<u>496,703</u>	<u>-</u>	<u>496,703</u>
Capital assets, depreciated:			
Buildings & building improvements	3,568,834	24,414	3,593,248
Land Improvements	5,466,517	-	5,466,517
Furniture, fixtures, & equipment	861,197	88,582	949,779
Vehicles	2,028,479	111,550	2,140,029
Equipment	<u>21,668,076</u>	<u>439,452</u>	<u>22,107,528</u>
Total capital assets, depreciated	<u>33,593,103</u>	<u>663,998</u>	<u>34,257,101</u>
Less accumulated depreciation:			
Buildings & building improvements	1,663,417	90,458	1,753,875
Land improvements	1,494,516	261,383	1,755,899
Furniture, fixtures, & equipment	723,139	78,590	801,729
Vehicles	1,789,710	106,778	1,896,488
Equipment	<u>16,068,174</u>	<u>530,262</u>	<u>16,598,436</u>
Total accumulated depreciation	<u>21,738,956</u>	<u>1,067,471</u>	<u>22,806,427</u>
Net book value	<u>\$ 12,350,850</u>	<u>\$ (403,473)</u>	<u>\$ 11,947,377</u>

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

General Government	\$ 252,683
Public Safety	61,823
Public Works	<u>752,965</u>
Total	<u>\$ 1,067,471</u>

**STATE OF NEW MEXICO**  
City of Sunland Park  
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**NOTE 6. Capital Assets (continued)**

	<b>Balance</b>				<b>Balance</b>
	<b>June 30, 2015</b>	<b>Reclassification</b>	<b>Additions</b>	<b>Deletions</b>	<b>June 30, 2016</b>
<b>Business-type activities:</b>					
Capital assets, not depreciated:					
Land	\$ 150,000	\$ -	\$ -	\$ -	\$ 150,000
Total capital assets, not depreciated	150,000	-	-	-	150,000
Capital assets, depreciated:					
Buildings & building improvements	3,243,214	-	45,900	58,738	3,230,376
Vehicles	48,532	-	-	-	48,532
Furniture, fixtures, & equipment	59,343	-	-	-	59,343
Total capital assets, depreciated	3,351,089	-	45,900	58,738	3,338,251
Less accumulated depreciation:					
Buildings & building improvements	1,401,516	-	94,944	25,846	1,470,614
Vehicles	7,293	4,468	5,471	-	17,232
Furniture, fixtures, & equipment	60,971	(4,468)	1,004	-	57,507
Total accumulated depreciation	1,469,780	-	101,419	25,846	1,545,353
Net book value	\$ 2,031,309	\$ -	\$ (55,519)	\$ 32,892	\$ 1,942,898

The deletion reported above is a result of an impairment on a Housing Authority building occurred during 2016 due to fire. The amount of loss was \$32,892. The City is currently working with their insurance on this matter.

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**NOTE 7. Long-term Debt**

**Governmental Activities**

During the year ended June 30, 2016, the following changes occurred in the liabilities reported in the government-wide Statement of Net Position:

	<u>Balance June 30, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2016</u>	<u>Due Within One Year</u>
Compensated Absences	\$ 301,099	\$ 145,118	\$ 111,072	\$ 335,145	\$ 111,072
NMFA Loans	-	151,134	-	151,134	-
Total long-term debt	<u>\$ 301,099</u>	<u>\$ 296,252</u>	<u>\$ 111,072</u>	<u>\$ 486,279</u>	<u>\$ 111,072</u>

The NMFA loan is as follows:

<u>Description</u>	<u>Date of Issue</u>	<u>Due Date</u>	<u>Interest Rate</u>	<u>Original Amount of Issue</u>	<u>Balance June 30, 2016</u>
NMFA Fire Pumper	6/24/2016	5/1/2022	0.10237%	\$ 151,134	\$ 151,134
Total Loans					<u>\$ 151,134</u>

The City entered into a loan/grant agreement with the New Mexico Finance Authority on June 24, 2016 to finance the cost of purchasing a Fire Pumper Truck for use by the City's Fire Department. The loan has an interest rate of .10237% and is payable and collectible solely from the net revenues to be derived from pledged revenues.

Annual debt service requirements to maturity for the NMFA loan is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2017	\$ -	\$ -	\$ -
2018	30,040	294	30,334
2019	30,228	121	30,349
2020	30,258	91	30,349
2021	30,289	61	30,350
2022	30,319	30	30,349
	<u>\$ 151,134</u>	<u>\$ 597</u>	<u>\$ 151,731</u>

**Business-type activities**

During the year ended June 30, 2016, the following changes occurred in the liabilities reported in the proprietary Statement of Net Position:

	<u>Balance June 30, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2016</u>	<u>Due Within One Year</u>
Compensated Absences	\$ 33,506	\$ 16,572	\$ 16,218	\$ 33,860	\$ 16,218
Total long-term debt	<u>\$ 33,506</u>	<u>\$ 16,572</u>	<u>\$ 16,218</u>	<u>\$ 33,860</u>	<u>\$ 16,218</u>

**STATE OF NEW MEXICO**  
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**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, 2016, no unpaid claims have been filed which exceed the policy limits and to the best of management's knowledge and belief all known and unknown claims will be covered by insurance. 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.

**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\\_2015.pdf](http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2015.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 FY15 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures on pages 29 through 31 of the PERA FY15 annual audit report at [http://osanm.org/media/audits/366\\_Public\\_Employees\\_Retirement\\_Association\\_2015.pdf](http://osanm.org/media/audits/366_Public_Employees_Retirement_Association_2015.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 \$294,491 and there were no employer paid member benefits that were "picked up" by the employer for the year ended June 30, 2016.

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June 30, 2016

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

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

The assets of the PERA fund are held in one trust, but there are six distinct membership groups (municipal general members, municipal police members, municipal fire members, state general members, state police members and legislative members) for whom separate contribution rates are determined each year pursuant to chapter 10, Article 11 NMSA 1978. Therefore, the calculations of the net pension liability, pension expense and deferred inflows and outflows were performed separately for each of the membership groups: municipal general members; municipal police members; municipal fire members; state general members; state police members and legislative members. 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, 2015. Only employer contributions for the pay period end dates that fell within the period of July 1, 2014 to June 30, 2015 were included in the total contributions for a specific employer.

Regular and any adjustment contributions that applied to FY 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.

**Reallocation of Deferred Amounts,** due to changes in proportion in fiscal year 2015 the beginning deferred inflows and outflows were reclassified due to the employer’s change in proportion for fiscal year 2015. The total reallocation of deferred inflows and outflows increased pension expense by \$332,270 for fiscal year ending June 30, 2016. This amount is not included in pension expense in PERA’s Schedule of Employer Pension Amounts for the year ended June 30, 2015.

**For PERA Fund Municipal General Division,** at June 30, 2016, Sunland Park reported a liability of \$1,196,995 for its proportionate share of the net pension liability. At June 30, 2015, Sunland Park’s proportion was 0.1174% percent, which was an increase of 0.0226 percent from its proportion measured as of June 30, 2015.

For the year ended June 30, 2016, Sunland Park recognized PERA Fund Municipal General Division pension expense of \$148,385. At June 30, 2016, Sunland Park reported PERA Fund Municipal General Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes of assumptions	\$ -	\$ 466
Changes in proportion	134,625	-
Difference between expected and actual experience	-	26,514
Net difference between projected and actual earnings on pension plan investments	-	3,786
City of Sunland Park's contributions subsequent to the measurement date	98,915	-
<b>Total</b>	<b>\$ 233,540</b>	<b>\$ 30,766</b>

**STATE OF NEW MEXICO**  
City of Sunland Park  
Notes to the Financial Statements  
June 30, 2016

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

\$98,915 reported as deferred outflows of resources related to pensions resulting from Sunland Park’s contributions subsequent to the measurement date June 30, 2015 will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30:</b>	
2017	\$ 9,975
2018	9,975
2019	9,975
2020	73,934
Thereafter	-
	<u>\$ 103,859</u>

**For PERA Fund Municipal Police Division**, at June 30, 2016, Sunland Park reported a liability of \$1,786,380 for its proportionate share of the net pension liability. At June 30, 2015, Sunland Park’s proportion was 0.3715 percent, which was an increase of .0102 percent from its proportion measured as of June 30, 2015.

For the year ended June 30, 2016, Sunland Park recognized PERA Fund Municipal Police Division pension expense of \$196,392. At June 30, 2016, Sunland Park reported PERA Fund Municipal Police Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes of assumptions	\$ -	\$ 73,906
Changes in proportion	25,390	-
Difference between expected and actual experience	124,825	-
Net difference between projected and actual earnings on pension plan investments	-	4,955
City of Sunland Park's contributions subsequent to the measurement date	133,310	-
Total	<u>\$ 283,525</u>	<u>\$ 78,861</u>

\$133,310 reported as deferred outflows of resources related to pensions resulting from Sunland Park’s contributions subsequent to the measurement date June 30, 2015 will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30:</b>	
2017	\$ (7,350)
2018	(7,350)
2019	(7,350)
2020	93,404
Thereafter	-
	<u>\$ 71,354</u>

**STATE OF NEW MEXICO**  
City of Sunland Park  
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June 30, 2016

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

**For PERA Fund Municipal Fire Division**, at June 30, 2016, Sunland Park reported a liability of \$1,296,489 for its proportionate share of the net pension liability. At June 30, 2015, Sunland Park’s proportion was 0.2218 percent, which was an increase of 0.0294 percent from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, Sunland Park recognized PERA Fund Municipal Fire Division pension expense of \$91,650. At June 30, 2016, Sunland Park reported PERA Fund Municipal Fire Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes of assumptions	\$ 27,344	\$ -
Changes in proportion	93,704	-
Difference between expected and actual experience	51,058	-
Net difference between projected and actual earnings on pension plan investments	-	1,559
City of Sunland Park's contributions subsequent to the measurement date	62,266	-
Total	<u>\$ 234,372</u>	<u>\$ 1,559</u>

\$62,266 reported as deferred outflows of resources related to pensions resulting from Sunland Park’s contributions subsequent to the measurement date June 30, 2015 will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30:</b>	
2017	\$ 44,407
2018	44,407
2019	44,407
2020	37,326
Thereafter	-
	<u>\$ 170,547</u>

**Actuarial assumptions.** As described above, the PERA Fund member group pension liabilities and net pension liabilities are based on actuarial valuations performed as of June 30, 2014 for each of the membership groups. Then each PERA Fund member group pension liability was rolled forward from the valuation date to the Plan year ending June 30, 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, 2015. These actuarial methods and assumptions were adopted by the Board for use in the June 30, 2015 actuarial valuation.



**STATE OF NEW MEXICO**  
City of Sunland Park  
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June 30, 2016

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

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

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

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

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

**STATE OF NEW MEXICO**  
City of Sunland Park  
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June 30, 2016

**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.

<b>PERA Fund Municipal General Division</b>	<b>1% Decrease (6.75%)</b>	<b>Current Discount Rate (7.75%)</b>	<b>1% Increase (8.75%)</b>
City of Sunland Park's proportionate share of the net pension liability	<u>\$ 2,038,007</u>	<u>\$ 1,196,995</u>	<u>\$ 497,750</u>

<b>PERA Fund Municipal Police Division</b>	<b>1% Decrease (6.75%)</b>	<b>Current Discount Rate (7.75%)</b>	<b>1% Increase (8.75%)</b>
City of Sunland Park's proportionate share of the net pension liability	<u>\$ 2,950,099</u>	<u>\$ 1,786,380</u>	<u>\$ 831,737</u>

<b>PERA Fund Municipal Fire Division</b>	<b>1% Decrease (6.75%)</b>	<b>Current Discount Rate (7.75%)</b>	<b>1% Increase (8.75%)</b>
City of Sunland Park's proportionate share of the net pension liability	<u>\$ 1,758,360</u>	<u>\$ 1,296,489</u>	<u>\$ 915,844</u>

**Pension plan fiduciary net position.** Detailed information about the pension plan’s fiduciary net position is available in the separately issued FY15 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, 2016. Contractually required contributions are remitted to PERA monthly for the previous month’s withholdings. Accrued payroll includes the employer’s portion of retirement contributions related to employee services rendered as of June 30, 2016 but paid in July 2016.

**STATE OF NEW MEXICO**  
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**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](http://www.nmrhca.state.nm.us).

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

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

The City's contributions to the RHCA for the years ended June 30, 2016, 2015, and 2014 were \$61,123, \$59,373, and \$51,261, respectively which equal the required contributions for each year.

**STATE OF NEW MEXICO**  
City of Sunland Park  
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**NOTE 11. Concentrations**

The Housing Authority received 63% 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, 2016 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. There were no funds that reflected a deficit fund balance as of June 30, 2016:
- B. Excess of expenditures over appropriations exceeded approved budgetary authority for the year ended June 30, 2016: There were no funds that exceeded approved budgetary authority for the year ended June 30, 2016
- 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, 2016.

**NOTE 14. Subsequent Events**

The date to which events occurring after June 30, 2016, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or disclosures is December 7, 2016, which is the date on which the financial statements were available to be issued.

The City entered into a loan agreement with NMFA on August 12, 2016, in the amount of \$760,680 for the purchase of a Fire Pumper Truck and Wild Land Fire Pumper for the City's Fire Department. The blended interest rate on the loan is 1.36% and is payable through 2033.

The City entered into a loan agreement with NMFA on September 8, 2016, in the amount of \$289,053 for the financing of a solar energy efficiency project. The blended interest rate is .1% and is payable through 2021.

**NOTE 15. Restricted Net Position**

The government-wide statement of net position reports \$10,351,556 of restricted amounts, all of which is restricted by enabling legislation. For descriptions of the related enabling legislation for special revenue and capital projects, see pages 33 and 64-65.

**STATE OF NEW MEXICO**  
City of Sunland Park  
Notes to the Financial Statements  
June 30, 2016

**NOTE 16. 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 \$146,670 to the Mesilla Valley Regional Dispatch Authority in fiscal year 2016.

**NOTE 17. Subsequent Pronouncements**

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

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

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

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

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

**STATE OF NEW MEXICO**  
City of Sunland Park  
Notes to the Financial Statements  
June 30, 2016

**NOTE 17. Subsequent Pronouncements (continued)**

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

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

**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 General Division  
Public Employees Retirement Association (PERA) Plan  
Last 10 Fiscal Years\*

	<b>2016</b>		<b>2015</b>
	<b>Measurement Date</b>		<b>Measurement Date</b>
	<b>As of and for the</b>		<b>As of and for the</b>
	<b>Year Ended</b>		<b>Year Ended</b>
	<b>June 30, 2015</b>		<b>June 30, 2014</b>
City of Sunland Park's proportion of the net pension liability	0.1174%		0.0948%
City of Sunland Park's proportionate share of the net pension liability	\$ 1,196,995	\$	739,542
City of Sunland Park's covered-employee payroll	\$ 1,055,626	\$	1,006,072
City of Sunland Park's proportionate share of the net pension liability as a percentage of its covered-employee payroll	113.39%		73.51%
Plan fiduciary net position as a percentage of the total pension liability	76.99%		81.29%

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

	<b>2016</b>	<b>2015</b>
	<b>Measurement Date</b>	<b>Measurement Date</b>
	<b>As of and for the</b>	<b>As of and for the</b>
	<b>Year Ended</b>	<b>Year Ended</b>
	<b>June 30, 2015</b>	<b>June 30, 2014</b>
City of Sunland Park's proportion of the net pension liability	0.3715%	0.3613%
City of Sunland Park's proportionate share of the net pension liability	\$ 1,786,380	\$ 1,177,799
City of Sunland Park's covered-employee payroll	\$ 894,412	\$ 864,567
City of Sunland Park's proportionate share of the net pension liability as a percentage of its covered-employee payroll	199.73%	136.23%
Plan fiduciary net position as a percentage of the total pension liability	76.99%	81.29%

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

	<b>2016</b>		<b>2015</b>
	<b>Measurement Date</b>		<b>Measurement Date</b>
	<b>As of and for the</b>		<b>As of and for the</b>
	<b>Year Ended</b>		<b>Year Ended</b>
	<b>June 30, 2015</b>		<b>June 30, 2014</b>
City of Sunland Park's proportion of the net pension liability	0.2512%		0.2218%
City of Sunland Park's proportionate share of the net pension liability	\$ 1,296,489	\$	925,792
City of Sunland Park's covered-employee payroll	\$ 544,147	\$	477,280
City of Sunland Park's proportionate share of the net pension liability as a percentage of its covered-employee payroll	238.26%		193.97%
Plan fiduciary net position as a percentage of the total pension liability	76.99%		81.29%

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

	<b>As of and for the Year Ended June 30, 2016</b>	<b>As of and for the Year Ended June 30, 2015</b>
Contractually required contributions	\$ 98,915	\$ 96,654
Contributions in relation to the contractually required contribution	(98,915)	(96,654)
Contribution deficiency (excess)	\$ -	\$ -
City of Sunland Park 's covered-employee payroll	\$ 1,336,693	\$ 1,055,626
Contributions as a percentage of covered-employee payroll	7%	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\*

	<b>As of and for the Year Ended June 30, 2016</b>	<b>As of and for the Year Ended June 30, 2015</b>
Contractually required contributions	\$ 133,310	\$ 137,634
Contributions in relation to the contractually required contribution	(133,310)	(137,634)
Contribution deficiency (excess)	\$ -	\$ -
City of Sunland Park 's covered-employee payroll	\$ 865,650	\$ 894,412
Contributions as a percentage of covered-employee payroll	15%	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\*

	<b>As of and for the Year Ended June 30, 2016</b>	<b>As of and for the Year Ended June 30, 2015</b>
Contractually required contributions	\$ 62,266	\$ 61,958
Contributions in relation to the contractually required contribution	(62,266)	(61,958)
Contribution deficiency (excess)	\$ -	\$ -
City of Sunland Park 's covered-employee payroll	\$ 546,192	\$ 544,147
Contributions as a percentage of covered-employee payroll	11%	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, 2016

***Changes of benefit terms.*** The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA FY15 audit available at [http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366\\_Public\\_Employees\\_Retirement\\_Association\\_2015.pdf](http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2015.pdf).

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

Changes in assumptions resulted in a decrease of \$91.8 million to the total pension liability for the PERA Fund and an increase of 0.42% to the funded ratio for the year ended June 30, 2015. See more details of actuarial methods and assumptions on Note 2 on page 34 of PERA's Schedule of Employer Allocations and Pension amounts at [http://osanm.org/media/audits/366-B\\_PERA\\_Schedule\\_of\\_Employer\\_Allocations\\_FY2015.pdf](http://osanm.org/media/audits/366-B_PERA_Schedule_of_Employer_Allocations_FY2015.pdf)

See independent auditors' report.

## **SUPPLEMENTARY INFORMATION**

**STATE OF NEW MEXICO**  
City of Sunland Park  
Nonmajor Governmental Fund Descriptions  
June 30, 2016

**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).

**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, and the use of the fund is externally restricted by a grant agreement.

**Court Automation** - This fund was established by state 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 OF NEW MEXICO**  
City of Sunland Park  
Nonmajor Governmental Fund Descriptions  
June 30, 2016

**CAPITAL PROJECTS FUNDS**

**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.

**FEMA Grant** – To account for all resources used for the restoration of streets due to overland flooding. Funds are provided primarily by federal and local appropriations.

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

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

	<b>Special Revenue</b>			
	<b>Fire Protection Fund</b>	<b>Emergency Medical Services</b>	<b>Corrections Fund</b>	<b>Senior Citizens Center</b>
<i>Assets</i>				
Cash and cash equivalents	\$ 170,671	\$ -	\$ 26,844	\$ 136
Receivables:				
Other taxes	-	-	-	-
Due from other governments	-	-	-	-
Other receivables	-	-	-	-
<i>Total assets</i>	<u>\$ 170,671</u>	<u>\$ -</u>	<u>\$ 26,844</u>	<u>\$ 136</u>
<i>Liabilities</i>				
Accounts payable	\$ 3,545	\$ -	\$ 2,545	\$ 136
<i>Total liabilities</i>	<u>3,545</u>	<u>-</u>	<u>2,545</u>	<u>136</u>
<i>Fund balances</i>				
Spendable				
Restricted for:				
General government	-	-	-	-
Public safety	167,126	-	24,299	-
Culture and recreation	-	-	-	-
Capital projects	-	-	-	-
<i>Total fund balances</i>	<u>167,126</u>	<u>-</u>	<u>24,299</u>	<u>-</u>
<i>Total liabilities and fund balances</i>	<u>\$ 170,671</u>	<u>\$ -</u>	<u>\$ 26,844</u>	<u>\$ 136</u>

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

**Special Revenue**

<b>Law Enforcement Protection</b>	<b>State LRF Grant</b>	<b>Court Automation</b>	<b>New Mexico Beautification</b>	<b>COPS Federal Fund</b>
\$ -	\$ -	\$ 3,260	\$ 962	\$ 10,605
-	-	-	-	-
-	-	-	-	-
-	46,576	-	-	-
<u>\$ -</u>	<u>\$ 46,576</u>	<u>\$ 3,260</u>	<u>\$ 962</u>	<u>\$ 10,605</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
-	-	-	-	-
-	-	-	-	-
-	46,576	3,260	-	10,605
-	-	-	962	-
-	-	-	-	-
<u>-</u>	<u>46,576</u>	<u>3,260</u>	<u>962</u>	<u>10,605</u>
<u>\$ -</u>	<u>\$ 46,576</u>	<u>\$ 3,260</u>	<u>\$ 962</u>	<u>\$ 10,605</u>

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

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

	<u>Special Revenue</u>		<u>Capital Projects</u>	
	<u>Confiscated Assets</u>	<u>Traffic Safety Fund</u>	<u>Municipal Road</u>	<u>FEMA Grant</u>
<i>Assets</i>				
Cash and cash equivalents	\$ 2,839	\$ -	\$ 73,942	106,818
Receivables:				
Other taxes	-	-	3,907	-
Due from other governments	-	-	-	-
Other receivables	-	-	-	-
<i>Total assets</i>	<u>\$ 2,839</u>	<u>\$ -</u>	<u>\$ 77,849</u>	<u>\$ 106,818</u>
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>				
Spendable				
Restricted for:				
General government	-	-	77,849	-
Public safety	2,839	-	-	-
Culture and recreation	-	-	-	106,818
Capital projects	-	-	-	-
<i>Total fund balances</i>	<u>2,839</u>	<u>-</u>	<u>77,849</u>	<u>106,818</u>
<i>Total liabilities and fund balances</i>	<u>\$ 2,839</u>	<u>\$ -</u>	<u>\$ 77,849</u>	<u>\$ 106,818</u>

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

<u>Capital Projects</u>	
<u>Community Center</u>	<u>Total Other Governmental Funds</u>
\$ 9,580	\$ 405,657
-	3,907
-	-
<u>264,183</u>	<u>310,759</u>
<u>\$ 273,763</u>	<u>\$ 720,323</u>
\$ -	\$ 6,226
-	6,226
-	77,849
-	254,705
-	107,780
<u>273,763</u>	<u>273,763</u>
<u>273,763</u>	<u>714,097</u>
<u>\$ 273,763</u>	<u>\$ 720,323</u>

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, 2016

	<b>Special Revenue</b>			
	<b>Fire Protection Fund</b>	<b>Emergency Medical Services</b>	<b>Corrections Fund</b>	<b>Senior Citizens Center</b>
<i>Revenues</i>				
Taxes:				
Gasoline and motor vehicle	\$ -	\$ -	\$ -	\$ -
Intergovernmental income:				
Federal operating grants	-	-	-	-
State operating grants	309,190	6,725	-	-
State capital grants	-	-	-	-
Charges for services	6,000	-	-	-
Licenses and fees	-	-	45,414	-
Miscellaneous	2	-	-	-
<i>Total revenues</i>	315,192	6,725	45,414	-
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	348,772	6,471	32,463	-
Culture and recreation	-	-	-	-
Capital outlay	11,040	-	-	-
<i>Total expenditures</i>	359,812	6,471	32,463	-
<i>Excess (deficiency) of revenues over expenditures</i>	(44,620)	254	12,951	-
<i>Other financing sources (uses)</i>				
Proceeds from bonds	151,134	-	-	-
Transfers in	-	33	-	-
Transfers (out)	(33)	-	-	-
<i>Total other financing sources (uses)</i>	151,101	33	-	-
<i>Net change in fund balances</i>	106,481	287	12,951	-
<i>Fund balances - beginning of year</i>	60,645	(287)	11,348	-
<i>Fund balances - end of year</i>	\$ 167,126	\$ -	\$ 24,299	\$ -

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

**Special Revenue**

<b>Law Enforcement Protection</b>	<b>State LRF Grant</b>	<b>Court Automation</b>	<b>New Mexico Beautification</b>	<b>COPS Federal Fund</b>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	35,942
-	462,515	3,613	-	-
-	-	-	9,137	-
-	-	-	-	-
-	-	-	-	-
-	-	-	654	-
<u>-</u>	<u>462,515</u>	<u>3,613</u>	<u>9,791</u>	<u>35,942</u>
-	-	-	-	-
36,071	-	473	-	25,281
-	-	-	8,919	-
-	439,453	-	-	-
<u>36,071</u>	<u>439,453</u>	<u>473</u>	<u>8,919</u>	<u>25,281</u>
<u>(36,071)</u>	<u>23,062</u>	<u>3,140</u>	<u>872</u>	<u>10,661</u>
-	-	-	-	-
-	68,606	-	-	-
-	-	-	-	-
<u>-</u>	<u>68,606</u>	<u>-</u>	<u>-</u>	<u>-</u>
(36,071)	91,668	3,140	872	10,661
<u>36,071</u>	<u>(45,092)</u>	<u>120</u>	<u>90</u>	<u>(56)</u>
<u>\$ -</u>	<u>\$ 46,576</u>	<u>\$ 3,260</u>	<u>\$ 962</u>	<u>\$ 10,605</u>

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, 2016

	<u>Special Revenue</u>		<u>Capital Projects</u>	
	<u>Confiscated Assets</u>	<u>Traffic Safety Fund</u>	<u>Municipal Road</u>	<u>FEMA Grant</u>
<i>Revenues</i>				
Taxes:				
Gasoline and motor vehicle	\$ -	\$ -	\$ 22,089	\$ -
Intergovernmental income:				
Federal operating grants	11,140	-	-	-
State operating grants	-	30,896	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>11,140</u>	<u>30,896</u>	<u>22,089</u>	<u>-</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	6,271	48,800	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>6,271</u>	<u>48,800</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>4,869</u>	<u>(17,904)</u>	<u>22,089</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Proceeds from bonds	-	-	-	-
Transfers in	-	18,132	-	106,818
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>18,132</u>	<u>-</u>	<u>106,818</u>
<i>Net change in fund balances</i>	4,869	228	22,089	106,818
<i>Fund balances - beginning of year</i>	<u>(2,030)</u>	<u>(228)</u>	<u>55,760</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ 2,839</u>	<u>\$ -</u>	<u>\$ 77,849</u>	<u>\$ 106,818</u>

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



<u>Capital Projects</u>	
<u>Community Center</u>	<u>Total Other Governmental Funds</u>
\$ -	\$ 22,089
264,183	311,265
-	812,939
-	9,137
-	6,000
-	45,414
-	656
<u>264,183</u>	<u>1,207,500</u>
105,143	105,143
-	504,602
-	8,919
<u>169,462</u>	<u>619,955</u>
<u>274,605</u>	<u>1,238,619</u>
<u>(10,422)</u>	<u>(31,119)</u>
-	151,134
274,605	468,194
<u>(106,818)</u>	<u>(106,851)</u>
<u>167,787</u>	<u>512,477</u>
157,365	481,358
<u>116,398</u>	<u>232,739</u>
<u>\$ 273,763</u>	<u>\$ 714,097</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 Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	173,000	305,556	309,190	3,634
State capital grants	-	-	-	-
Charges for services	6,000	6,000	5,128	(872)
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>179,000</u>	<u>311,556</u>	<u>314,318</u>	<u>2,762</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	172,095	1,653,691	235,957	1,417,734
Culture and recreation	-	-	-	-
Capital outlay	-	125,315	121,658	3,657
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>172,095</u>	<u>1,779,006</u>	<u>357,615</u>	<u>1,421,391</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>6,905</u>	<u>(1,467,450)</u>	<u>(43,297)</u>	<u>1,424,153</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(6,905)	1,473,450	-	(1,473,450)
Proceeds from sale of equipment	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	(6,000)	(33)	5,967
<i>Total other financing sources (uses)</i>	<u>(6,905)</u>	<u>1,467,450</u>	<u>(33)</u>	<u>(1,467,483)</u>
<i>Net change in fund balance</i>	-	-	(43,330)	(43,330)
<i>Fund balance - beginning of year</i>	-	-	63,985	63,985
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,655</u>	<u>\$ 20,655</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (43,330)
Adjustments to revenues for state operating grants and loan proceeds				152,008
Adjustments to expenditures for supplies				(2,197)
<i>Net change in fund balance (GAAP basis)</i>				<u>\$ 106,481</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 Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income:				
Federal capital grants	-	-	-	-
State operating grants	6,725	6,725	6,725	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>6,725</u>	<u>6,725</u>	<u>6,725</u>	<u>-</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	12,725	12,725	6,758	5,967
Public works	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>12,725</u>	<u>12,725</u>	<u>6,758</u>	<u>5,967</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(6,000)</u>	<u>(6,000)</u>	<u>(33)</u>	<u>5,967</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	6,000	6,000	33	(5,967)
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>6,000</u>	<u>6,000</u>	<u>33</u>	<u>(5,967)</u>
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	-	-	-	-
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ -
No adjustments to revenues				-
Adjustments to expenditures for supplies				287
<i>Net change in fund balance (GAAP basis)</i>				<u>\$ 287</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 Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property 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	53,827	53,827	45,414	(8,413)
Investment income	-	-	-	-
<i>Total revenues</i>	<u>53,827</u>	<u>53,827</u>	<u>45,414</u>	<u>(8,413)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	57,000	57,000	34,065	22,935
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>57,000</u>	<u>57,000</u>	<u>34,065</u>	<u>22,935</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(3,173)</u>	<u>(3,173)</u>	<u>11,349</u>	<u>14,522</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	3,173	3,173	-	(3,173)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>3,173</u>	<u>3,173</u>	<u>-</u>	<u>(3,173)</u>
<i>Net change in fund balance</i>	-	-	11,349	11,349
<i>Fund balance - beginning of year</i>	-	-	15,495	15,495
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,844</u>	<u>\$ 26,844</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 11,349
No adjustments to revenues				-
Adjustments to expenditures for care of prisoners				1,602
<i>Net change in fund balance (GAAP basis)</i>				<u>\$ 12,951</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 Special Revenue Fund  
 Statement of Revenues, Expenditures, and Changes in Fund Balance  
 Budget (Non-GAAP Budgetary Basis) and Actual  
 For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable</u> <u>(Unfavorable)</u>
				<u>Final to Actual</u>
<i>Revenues</i>				
Taxes:				
Property 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)	-	(15,538)	-	15,538
Transfers in	-	15,538	-	(15,538)
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>	<u>-</u>	<u>-</u>	<u>136</u>	<u>136</u>
<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				-
<i>Net change in fund balance (GAAP basis)</i>				<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 Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
<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	36,831	36,831	36,071	760
Culture and recreation	-	-	-	-
Capital outlay	1,059	1,059	-	1,059
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>37,890</u>	<u>37,890</u>	<u>36,071</u>	<u>1,819</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(5,890)</u>	<u>(5,890)</u>	<u>(4,071)</u>	<u>1,819</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	5,890	5,890	-	(5,890)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>5,890</u>	<u>5,890</u>	<u>-</u>	<u>(5,890)</u>
<i>Net change in fund balance</i>	-	-	(4,071)	(4,071)
<i>Fund balance - beginning of year</i>	-	-	4,071	4,071
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (4,071)
Adjustments to revenues for state operating grants				(32,000)
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP basis)</i>				<u>\$ (36,071)</u>

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

## STATE OF NEW MEXICO

Statement B-6

City of Sunland Park

State LRF Grant Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	62,514	462,514	415,939	(46,575)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>62,514</u>	<u>462,514</u>	<u>415,939</u>	<u>(46,575)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Capital outlay	93,771	483,352	439,453	43,899
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>93,771</u>	<u>483,352</u>	<u>439,453</u>	<u>43,899</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(31,257)</u>	<u>(20,838)</u>	<u>(23,514)</u>	<u>(2,676)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	31,257	20,838	-	(20,838)
Transfers in	-	-	68,606	68,606
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>31,257</u>	<u>20,838</u>	<u>68,606</u>	<u>47,768</u>
<i>Net change in fund balance</i>	-	-	45,092	45,092
<i>Fund balance - beginning of year</i>	-	-	(45,092)	(45,092)
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 45,092
Adjustments to revenues for state grants				46,576
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP basis)</i>				<u>\$ 91,668</u>

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

## STATE OF NEW MEXICO

Statement B-7

City of Sunland Park

Court Automation Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income:				
Federal capital grants	-	-	-	-
State operating grants	10,787	10,787	5,118	(5,669)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
<i>Total revenues</i>	<u>10,787</u>	<u>10,787</u>	<u>5,118</u>	<u>(5,669)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	10,787	10,787	473	10,314
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>10,787</u>	<u>10,787</u>	<u>473</u>	<u>10,314</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>4,645</u>	<u>4,645</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>4,645</u>	<u>4,645</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(1,385)</u>	<u>(1,385)</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,260</u>	<u>\$ 3,260</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 4,645
Adjustments to revenues for state operating grants				(1,505)
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP basis)</i>				<u>\$ 3,140</u>

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



## STATE OF NEW MEXICO

Statement B-8

City of Sunland Park

New Mexico Beautification Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income:				
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	7,000	13,910	9,137	(4,773)
Charges for services	-	-	-	-
Miscellaneous	-	-	654	654
<i>Total revenues</i>	<u>7,000</u>	<u>13,910</u>	<u>9,791</u>	<u>(4,119)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	7,000	13,910	8,919	4,991
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>7,000</u>	<u>13,910</u>	<u>8,919</u>	<u>4,991</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>872</u>	<u>872</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>	-	-	872	872
<i>Fund balance - beginning of year</i>	-	-	90	90
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 962</u>	<u>\$ 962</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 872
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP basis)</i>				<u>\$ 872</u>

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

## STATE OF NEW MEXICO

Statement B-9

City of Sunland Park

COPS Federal Fund Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income:				
Federal operating grants	30,000	30,000	35,942	5,942
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
<i>Total revenues</i>	<u>30,000</u>	<u>30,000</u>	<u>35,942</u>	<u>5,942</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	30,000	30,000	25,281	4,719
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>30,000</u>	<u>30,000</u>	<u>25,281</u>	<u>4,719</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>10,661</u>	<u>10,661</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>	-	-	10,661	10,661
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(56)</u>	<u>(56)</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,605</u>	<u>\$ 10,605</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 10,661
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP basis)</i>				<u>\$ 10,661</u>

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

**STATE OF NEW MEXICO**  
City of Sunland Park  
Confiscated Assets Special Revenue Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2016

Statement B-10

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variances</b>
	<b>Original</b>	<b>Final</b>		<b>Favorable (Unfavorable) Final to Actual</b>
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income:				
Federal operating grants	42,337	42,337	11,140	(31,197)
Federal capital grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>42,337</u>	<u>42,337</u>	<u>11,140</u>	<u>(31,197)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	54,444	54,445	21,161	33,284
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>54,444</u>	<u>54,445</u>	<u>21,161</u>	<u>33,284</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(12,107)</u>	<u>(12,108)</u>	<u>(10,021)</u>	<u>2,087</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	12,107	12,108	-	(12,108)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>12,107</u>	<u>12,108</u>	<u>-</u>	<u>(12,108)</u>
<i>Net change in fund balance</i>	-	-	(10,021)	(10,021)
<i>Fund balance - beginning of year</i>	-	-	12,860	12,860
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,839</u>	<u>\$ 2,839</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (10,021)
No adjustments to revenues				-
Adjustments to expenditures for operating expenses				14,890
<i>Net change in fund balance (GAAP basis)</i>				<u>\$ 4,869</u>

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

**STATE OF NEW MEXICO**  
City of Sunland Park  
Traffic Safety Fund Special Revenue Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2016

Statement B-11

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variances</b>
	<b>Original</b>	<b>Final</b>		<b>Favorable</b> <b>(Unfavorable)</b> <b>Final to Actual</b>
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	30,229	81,562	30,896	(50,666)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
<i>Total revenues</i>	<u>30,229</u>	<u>81,562</u>	<u>30,896</u>	<u>(50,666)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	30,227	81,562	48,800	32,762
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>30,227</u>	<u>81,562</u>	<u>48,800</u>	<u>32,762</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>2</u>	<u>-</u>	<u>(17,904)</u>	<u>(17,904)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(2)	(18,132)		36,264
Transfers in	-	18,132	18,132	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(2)</u>	<u>-</u>	<u>18,132</u>	<u>36,264</u>
<i>Net change in fund balance</i>	-	-	228	18,360
<i>Fund balance - beginning of year</i>	-	-	(228)	(228)
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,132</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 228
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP basis)</i>				<u>\$ 228</u>

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

**STATE OF NEW MEXICO**  
City of Sunland Park  
Municipal Road Capital Projects Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2016

Statement B-12

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variances Favorable (Unfavorable) Final to Actual</b>
	<b>Original</b>	<b>Final</b>		
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	14,955	14,955	21,875	6,920
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>14,955</u>	<u>21,875</u>	<u>6,920</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>14,955</u>	<u>21,875</u>	<u>6,920</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(14,955)	(14,955)	-	14,955
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(14,955)</u>	<u>(14,955)</u>	<u>-</u>	<u>14,955</u>
<i>Net change in fund balance</i>	-	-	21,875	21,875
<i>Fund balance - beginning of year</i>	-	-	52,067	52,067
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,942</u>	<u>\$ 73,942</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 21,875
Adjustments for revenues for gasoline and motor vehicle taxes				214
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP basis)</i>				<u>\$ 22,089</u>

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

## STATE OF NEW MEXICO

Statement B-13

City of Sunland Park

FEMA Grant Capital Projects Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
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>-</u>	<u>-</u>	<u>-</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>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(106,818)	(106,818)	-	106,818
Transfers in	106,818	106,818	106,818	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>106,818</u>	<u>106,818</u>
<i>Net change in fund balance</i>	-	-	106,818	106,818
<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>\$ 106,818</u>	<u>\$ 106,818</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 106,818
No adjustments for revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP basis)</i>				<u>\$ 106,818</u>

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

**STATE OF NEW MEXICO**  
City of Sunland Park  
Community Center Capital Projects Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2016

Statement B-14

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variances Favorable (Unfavorable) Final to Actual</b>
	<b>Original</b>	<b>Final</b>		
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	665,000	665,000	-	(665,000)
Licenses and fees	-	-	-	-
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>665,000</u>	<u>665,000</u>	<u>-</u>	<u>(665,000)</u>
<i>Expenditures</i>				
Current:				
General government	400,000	400,000	9,581	390,419
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	265,000	265,001	265,024	(23)
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>665,000</u>	<u>665,001</u>	<u>274,605</u>	<u>390,396</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(1)</u>	<u>(274,605)</u>	<u>(274,604)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	1	-	(1)
Transfers in	-	-	274,605	274,605
Transfers (out)	-	-	(106,818)	(106,818)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>1</u>	<u>167,787</u>	<u>167,786</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>(106,818)</u>	<u>(106,818)</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>116,398</u>	<u>116,398</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,580</u>	<u>\$ 9,580</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (106,818)
Adjustments to revenues for state grants				264,183
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP basis)</i>				<u>\$ 157,365</u>

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

## STATE OF NEW MEXICO

Statement B-15

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, 2016

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	10,500	10,500	16,361	5,861
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>10,500</u>	<u>10,500</u>	<u>16,361</u>	<u>5,861</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	2,375
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,375</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>10,500</u>	<u>10,500</u>	<u>16,361</u>	<u>5,861</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	(10,500)	-	10,500
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(191,742)</u>
<i>Net change in fund balance</i>	-	-	16,361	16,361
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>9,875,765</u>	<u>9,875,765</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,892,126</u>	<u>\$ 9,892,126</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 16,361
Adjustments to revenues for interest income				(1,079)
Adjustments to expenditures for salaries and contractual services				(252,447)
<i>Net change in fund balance (GAAP basis)</i>				<u>\$ (237,165)</u>

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



## STATE OF NEW MEXICO

Statement B-16

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, 2016

	Budget Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Operating revenues</i>				
Charges for services	\$ 372,218	\$ 372,218	\$ 333,352	\$ (38,866)
<i>Total operating revenues</i>	<u>372,218</u>	<u>372,218</u>	<u>333,352</u>	<u>(38,866)</u>
<i>Operating expenses</i>				
Personnel services	247,381	247,444	241,792	5,652
Contractual services	2,200	11,000	4,201	6,799
Supplies	4,620	6,420	5,656	764
Maintenance and materials	12,503	42,053	43,387	(1,334)
Utilities	8,732	8,732	9,340	(608)
Insurance	24,430	24,430	7,753	16,677
Depreciation	-	-	-	-
Rent	7,876	7,276	4,047	3,229
Miscellaneous	24,097	25,651	23,882	1,769
<i>Total operating expenses</i>	<u>331,839</u>	<u>373,006</u>	<u>340,058</u>	<u>32,948</u>
<i>Operating income (loss)</i>	<u>40,379</u>	<u>(788)</u>	<u>(6,706)</u>	<u>(5,918)</u>
<i>Non-operating revenues (expenses)</i>				
Interest expense	-	-	-	-
Issuance costs	-	-	-	-
Interest income	-	-	-	-
Gross receipts tax revenue	-	-	-	-
Miscellaneous income	-	-	80,674	80,674
<i>Total non-operating revenues (expenses)</i>	<u>-</u>	<u>-</u>	<u>80,674</u>	<u>80,674</u>
<i>Other financing sources (uses)</i>				
Governmental contributions	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	47,000	47,000	23,405	(23,595)
<i>Total other financing sources</i>	<u>47,000</u>	<u>47,000</u>	<u>23,405</u>	<u>(23,595)</u>
<i>Change in net position</i>	<u>\$ 87,379</u>	<u>\$ 46,212</u>	<u>50,563</u>	<u>\$ 51,161</u>
<i>Net position - beginning of year</i>			<u>436,160</u>	
<i>Net position - end of year</i>			<u>\$ 486,723</u>	

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

## STATE OF NEW MEXICO

Statement B-17

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, 2016

	Budget Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Operating revenues</i>				
Charges for services	\$ -	\$ -	\$ 568	\$ 568
<i>Total operating revenues</i>	-	-	568	568
<i>Operating expenses</i>				
Personnel services	-	10,911	3,673	7,238
Contractual services	-	-	-	-
Supplies	-	-	-	-
Maintenance and materials	-	-	-	-
Utilities	-	-	-	-
Insurance	-	-	-	-
Depreciation	-	-	-	-
Rent	-	-	-	-
Miscellaneous	-	-	-	-
Gross receipts taxes	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total operating expenses</i>	-	10,911	3,673	7,238
<i>Operating income (loss)</i>	-	(10,911)	(3,105)	7,806
<i>Non-operating revenues (expenses)</i>				
Gross receipts tax	68,684	68,684	71,819	3,135
Interest expense	-	-	-	-
Gain on sale of capital asset	-	-	-	-
Interest income	-	-	-	-
Miscellaneous income	-	-	-	-
<i>Total non-operating revenues (expenses)</i>	68,684	68,684	71,819	3,135
<i>Income (loss) before contributions and transfer</i>	(68,684)	(68,684)	(71,819)	(3,135)
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources</i>	-	-	-	-
<i>Change in net position</i>	\$ 68,684	\$ 57,773	68,714	\$ 10,941
<i>Net position - beginning of year</i>			210,497	
<i>Net position - end of year</i>			\$ 279,211	

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

## STATE OF NEW MEXICO

Statement B-18

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, 2016

	Budget Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Operating revenues</i>				
Charges for services	\$ 102,200	\$ 102,000	\$ 90,762	\$ (11,238)
<i>Total operating revenues</i>	<u>102,200</u>	<u>102,000</u>	<u>90,762</u>	<u>(11,238)</u>
<i>Operating expenses</i>				
Personnel services	138,015	138,015	112,476	25,539
Contractual services	39,592	39,162	34,816	4,346
Supplies	5,220	58,181	4,216	53,965
Maintenance and materials	78,384	78,384	54,415	23,969
Utilities	30,500	30,500	28,402	2,098
Insurance	13,240	13,240	14,853	(1,613)
Depreciation	101,419	101,419	101,419	-
Rent	2,105	2,105	-	2,105
Gross receipts taxes	16,627	16,627	16,627	-
Miscellaneous	5,500	5,500	2,670	2,830
Equipment	700	700	-	700
Repairs	52,961	52,961	-	52,961
<i>Total operating expenses</i>	<u>414,675</u>	<u>467,206</u>	<u>353,267</u>	<u>113,939</u>
<i>Operating income (loss)</i>	<u>(312,475)</u>	<u>(365,206)</u>	<u>(262,505)</u>	<u>102,701</u>
<i>Non-operating revenues (expenses)</i>				
Interest expense	-	-	-	-
Issuance costs	-	-	-	-
Loss on disposal of capital assets	-	-	(32,892)	(32,892)
Interest income	167	367	302	(65)
Miscellaneous income	-	-	622	622
<i>Total non-operating revenues (expenses)</i>	<u>167</u>	<u>367</u>	<u>(31,968)</u>	<u>(32,335)</u>
<i>Income (loss) before contributions, grants, and transfers</i>	<u>414,508</u>	<u>466,839</u>	<u>385,235</u>	<u>146,274</u>
<i>Other financing sources (uses)</i>				
Governmental contributions	104,000	104,000	153,798	49,798
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Change in net position</i>	<u>\$ (312,308)</u>	<u>\$ (364,839)</u>	<u>(140,675)</u>	<u>\$ 70,366</u>
<i>Net position - beginning of year, after restatement</i>			<u>2,406,690</u>	
<i>Net position - end of year</i>			<u>\$ 2,266,015</u>	

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

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## **SUPPORTING SCHEDULES**

**STATE OF NEW MEXICO**  
City of Sunland Park  
Schedule of Deposit and Investment Accounts  
June 30, 2016

Schedule III

<u>Deposit Account Type</u>	<u>Wells Fargo Bank</u>	<u>NMFA</u>	<u>Totals</u>
City of Sunland Park General Fund - Checking	\$ 4,156,080	\$ -	\$ 4,156,080
Fire Protection Fund - Checking	106,797	-	106,797
Senior Citizen Center - Checking	136	-	136
Law Enforcement Protection Fund - Checking	9,166	-	9,166
Confiscated Asset Fund - Checking	5,553	-	5,553
Public Housing Authority Fund - Checking	274,427	-	274,427
Motor Vehicle Fund - Checking	683,042	-	683,042
Border Crossing Account - Checking	360,688	-	360,688
Solid Waste - Checking	282,316	-	282,316
Wells Fargo Savings	9,369,210	-	9,369,210
Wells Fargo CD	700,094 *	-	700,094
Saving account	173,713	-	173,713
NMFA Program Funds	-	150,016	150,016
	<hr/>	<hr/>	<hr/>
<i>Total deposits and investments</i>	<u>\$ 16,121,222</u>	<u>\$ 150,016</u>	16,271,238
			151,397
			300
			<hr/>
			<u>\$ 16,422,935</u>
			<hr/>
			\$ 15,566,851
			155,990
			700,094
			<hr/>
			<u>\$ 16,422,935</u>
			<hr/>

\* Interest Bearing Account

See independent auditors' report.

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, 2016

Line Item Number	Description	Low Rent Public Housing Program 14.850	Public Housing Capital Fund Program 14.872	Total
111	Cash - Unrestricted	\$ 411,665	\$ -	\$ 411,665
100	<i>Total Cash</i>	411,665	-	411,665
126	Accounts Receivable - Tenants	5,369	-	5,369
120	<i>Total Receivables, Net of Allowance for Doubtful Accounts</i>	5,369	-	5,369
131	Investments - Unrestricted	-	-	-
130	<i>Total Investments</i>	-	-	-
150	<i>Total Current Assets</i>	417,034	-	417,034
114	Cash - Tenant Security Deposits	5,974	-	5,974
161	Land	150,000	-	150,000
162	Buildings	3,230,376	-	3,230,376
163	Furniture, Equipment & Machinery - Dwellings	59,343	-	59,343
164	Vehicles	48,532	-	48,532
166	Accumulated Depreciation	(1,545,353)	-	(1,545,353)
160	<i>Total Capital Assets, Net of Accumulated Depreciation</i>	1,942,898	-	1,942,898
180	<i>Total Non-Current Assets</i>	1,948,872	-	1,948,872
190	<i>Total Assets</i>	2,365,906	-	2,365,906
200	Deferred Outflows of Resources	17,550	-	17,550
290	<i>Total Assets and Deferred Outflow of Resources</i>	<u>\$ 2,383,456</u>	<u>\$ -</u>	<u>\$ 2,383,456</u>

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, 2016

Line Item Number	Description	Low Rent Public Housing Program 14.850	Public Housing Capital Fund Program 14.872	Total
312	Accounts Payable <= 90 Days	\$ 2,335	\$ -	\$ 2,335
321	Accrued Wage/Payroll Taxes Payable	3,420	-	3,420
322	Accrued Compensated Absences - Current Portion	6,512	-	6,512
324	Accrued Contingency Liability	-	-	-
331-030	Other	-	-	-
332	Accounts Payable - PHA Projects	-	-	-
333	Accounts Payable - Other Government	-	-	-
341	Tenant Security Deposits	5,974	-	5,974
342	Deferred Revenues	-	-	-
342-010	Operating Subsidy	-	-	-
342-020	Capital Fund	-	-	-
343-020	Capital Projects/Mortgage Revenue	-	-	-
344	Borrowings	-	-	-
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	<i>Total Current Liabilities</i>	<u>18,241</u>	<u>-</u>	<u>18,241</u>
354	Accrued Compensated Absences - Non Current	17,468	-	17,468
357	Net Pension Liability	80,988	-	80,988
350	<i>Total Non-Current Liabilities</i>	<u>98,456</u>	<u>-</u>	<u>98,456</u>
300	<i>Total Liabilities</i>	<u>116,697</u>	<u>-</u>	<u>116,697</u>
400	Deferred Inflows of Resources	744	-	744
508.1	Net investment in capital assets	1,942,898	-	1,942,898
512.1	Unrestricted Net Position	274,565	-	274,565
513	<i>Total Equity/Net Position</i>	<u>2,217,463</u>	<u>-</u>	<u>2,216,719</u>
600	<i>Total Liabilities and Equity/Net Position</i>	<u>\$ 2,334,904</u>	<u>\$ -</u>	<u>\$ 2,334,904</u>

See independent auditors' report.

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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, 2016

Schedule V  
Page 3 of 3

Line Item Number	Description	Low Rent Public Housing Program 14.850	Public Housing Capital Fund Program 14.872	Total
70300	Net Tenant Rental Revenue	\$ 90,762	\$ -	\$ 90,762
70400	Tenant Revenue - Other	191	-	191
70500	<i>Total Tenant Revenue</i>	<u>90,953</u>	<u>-</u>	<u>90,953</u>
70600	HUD PHA Operating Grants	102,374	-	102,374
70610	Capital Grants	51,424	-	51,424
70800	Other Government Grants	-	-	-
71100	Investment Income - Unrestricted	302	-	302
71500	Other Revenue	431	-	431
71600	Gain or Loss on Sale of Capital Assets	(32,892)	-	(32,892)
70000	<i>Total Revenue</i>	<u>212,592</u>	<u>-</u>	<u>212,592</u>
91100	Administrative Salaries	88,555	-	88,555
91200	Auditing Fees	8,167	-	8,167
91300	Management Fee	20,600	-	20,600
91500	Employee Benefit Contributions - Administrative	23,921	-	23,921
91600	Office Expenses	32,414	-	32,414
91700	Professional Service Expense	6,049	-	6,049
91800	Travel	-	-	-
91810	Allocated Overhead	-	-	-
91900	Other	871	-	871
93400	Fuel	417	-	417
93800	Other Utilities Expense	28,402	-	28,402
94300	Maintenance	27,599	-	27,599
96120	Insurance	12,950	-	12,950
96130	Workmen's Compensation	-	-	-
96140	All Other Insurance	1,903	-	1,903
97400	Depreciation Expense	101,419	-	101,419
91000	<i>Total Operating Expenses</i>	<u>353,267</u>	<u>-</u>	<u>353,267</u>
97000	Excess Operating Revenue Over Operating Expenses	(140,675)	-	(140,675)
10010	Operating Transfers In	-	-	-
10000	Excess (Deficiency) of Operating Revenue Over (Under) Total Expenses	<u>(140,675)</u>	<u>-</u>	<u>(140,675)</u>
11030	Net Position at the Beginning of the Year	<u>2,406,690</u>	<u>-</u>	<u>2,406,690</u>
11040	Prior Period Adjustment, Equity Transfers an Correction	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	<i>Net Position at End of Year</i>	<u>\$ 2,266,015</u>	<u>\$ -</u>	<u>\$ 2,266,015</u>

See independent auditors' report.

**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, 2016

Prepared by: Sunland Park

Title: Finance Director

Date: 11/22/2016

<b>Agency Number</b>	<b>Agency Name</b>	<b>Agency Type</b>	<b>RFB#/RFP# (If applicable)</b>	<b>Type of Procurement</b>	<b>Vendor Name</b>	<b>Did Vendor Win Contract?</b>	<b>\$ Amount of Awarded Contract</b>
6169	City of Sunland Park	Municipalities	Exempt	Sole Source	NM Taxation & Revenue	Winner	\$ 75,087.61
6169	City of Sunland Park	Municipalities	Exempt	Sole Source	Camino Real Regional Utility Authority	Winner	\$ 84,029.84
6169	City of Sunland Park	Municipalities	Exempt	Sole Source	NM Self Insurer's Fund	Winner	\$ 347,708.22
6169	City of Sunland Park	Municipalities	Exempt	Sole Source	El Paso Electric Co.	Winner	\$ 187,703.86
6169	City of Sunland Park	Municipalities	Exempt	Sole Source	NM GSF Admin Services	Winner	\$ 573,138.31
6169	City of Sunland Park	Municipalities	Exempt	Sole Source	NM Retiree Health Care	Winner	\$ 91,685.97
6169	City of Sunland Park	Municipalities	Exempt	Sole Source	Internal Revenue Services	Winner	\$ 362,545.27
6169	City of Sunland Park	Municipalities	Exempt	Sole Source	City of Las Cruces Board of Commissioners	Winner	\$ 146,669.88
6169	City of Sunland Park	Municipalities	Exempt	Sole Source	State of NM - Pera/Regular	Winner	\$ 209,078.42
6169	City of Sunland Park	Municipalities	Exempt	Sole Source	State of NM - Pera/Police	Winner	\$ 206,890.75
6169	City of Sunland Park	Municipalities	Exempt	Sole Source	State of NM - Pera/Fire	Winner	\$ 114,154.28
6169	City of Sunland Park	Municipalities	SP-1-14(919)	Competitive (RFP or RFB)	Smith & Aguirre Construction Co.	Winner	\$ 428,140.26
6169	City of Sunland Park	Municipalities	Exempt	Sole Source	Firebird Fuel	Winner	\$ 97,147.28
6169	City of Sunland Park	Municipalities	SPD # 50-000-14-00033	Competitive (RFP or RFB)	Power Ford	Winner	\$ 111,550.00
6169	City of Sunland Park	Municipalities	FY1314-02	Competitive (RFP or RFB)	Holt, Mynatt, Martinez P.C.	Winner	\$ 247,264.40
6169	City of Sunland Park	Municipalities	NM GPO - Exempt	Competitive (RFP or RFB)	Cooperative Educational Services	Winner	\$ 206,374.87

See independent auditors' report.

<b><i>\$ Amount of Amended Contract</i></b>	<b><i>Physical address of vendor (City, State)</i></b>	<b><i>Did the Vendor provide documentation of eligibility for in-state preference?</i></b>	<b><i>Did the Vendor provide documentation of eligibility for veterans' preference?</i></b>	<b><i>Brief Description of the Scope of Work</i></b>	<b><i>If the procurement is attributable to a Component Unit, Name of Component Unit</i></b>
N/A	Las Cruces, NM	Y		NM Tax Assessor	
N/A	Sunland Park, NM	Y		Water Utility Services	
N/A	Santa Fe NM	Y		NM Self Insurance Fund	
N/A	Dallas, TX	N		Electrical Services	
N/A	Santa Fe, NM	Y		Dental/medical Insurance Premiums	
N/A	Albuquerque, NM	Y		Retirement Insurance	
N/A	Internal Revenue Services	N		FICA Federal Taxes	
N/A	Las Cruces, NM	Y		MVRDA & Animal Shelter	
N/A	Santa Fe, NM	Y		Pera Retirement regular	
N/A	Santa Fe, NM	Y		Pera Retirement Police	
N/A	Santa Fe, NM	Y		Pera Retirement Fire Dept	
N/A	Las Cruces, NM	Y	No	Repave 1st through 5th St.	
N/A	Los Angeles, CA	N		Fuel Services for City Vehicles	
N/A	Albuquerque, NM	Y		Vehicle Dealership	
N/A	Las Cruces, NM	Y	No	Attorney at Law	
N/A	Albuquerque, NM	Y		Purchasing Coop Group	

See independent auditors' report.

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## **COMPLIANCE SECTION**

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

**INDEPENDENT AUDITORS' REPORT**

Timothy 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, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and the combining and individual funds and related budgetary comparisons of the City presented as supplementary information, and have issued our report thereon dated December 7, 2016.

**Internal Control Over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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 first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

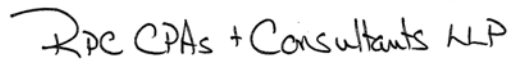


## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free 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 not disclose instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

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



RPC CPAs + Consultants, LLP  
Albuquerque, NM  
December 7, 2016

**STATE OF NEW MEXICO**  
City of Sunland Park  
Schedule of Findings and Responses  
June 30, 2016

**Section I - Summary of Auditors' Results**

*Financial Statements:*

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

STATE OF NEW MEXICO  
City of Sunland Park  
Schedule of Findings and Responses  
June 30, 2016

**Section II - Findings-Financial Statement Audit**

None noted

**Section III - Findings-Section 12-6-5 NMSA 1978**

None noted

**STATE OF NEW MEXICO**  
City of Sunland Park  
Schedule of Findings and Responses  
June 30, 2016

**Section III - Prior Year Audit Findings**

<u>FS 2015-001 Internal Controls</u>	Resolved
<u>FS 2015-002 Internal Controls (MVD)</u>	Resolved
<u>FS 2015-003 Travel and Per Diem</u>	Resolved

**STATE OF NEW MEXICO**  
City of Sunland Park  
Other Disclosures  
June 30, 2016

**Exit Conference**

An exit conference was held on November 30, 2016. In attendance were the following:

**Representing the City of Sunland Park:**

Javier Parea  
Bob Gallagher  
Raquel Alarcon

Mayor  
City Manager  
Finance Director

**Representing RPC CPAs + Consultants, LLP:**

Robert Cordova, CPA  
Danny Martinez, CPA, CGFM

Partner  
Manager

**Auditor Prepared Financial Statements**

RPC CPAs + Consultants, 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.