



**State of New Mexico
City of Alamogordo**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

For the Year Ended June 30, 2023

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INTRODUCTORY SECTION



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City of Alamogordo
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City of Alamogordo
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**State of New Mexico
City of Alamogordo
Official Roster
June 30, 2023**

City Commission

<u>Name</u>	<u>Title</u>
Susan L. Payne	Mayor
Dusty Wright	Mayor Pro-Tem, District 6 Commissioner
Nick Paul	District 1 Commissioner
Stephen Burnett	District 2 Commissioner
Karl Melton	District 3 Commissioner
Josh Rardin	District 4 Commissioner
Sharon McDonald	District 5 Commissioner

Administration

Stephanie Hernandez	Acting City Manager
Ashley Smith	City Attorney
Evelyn Huff	Finance Director
Rachel Hughs	City Clerk
Sue Ashe	Accounting Manager

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Joseph M. Maestas, P.E., CFE, New Mexico State Auditor
The Office of Management and Budget; and
To the City Commission
City of Alamogordo
Alamogordo, New Mexico

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds with legally adopted annual budgets of the City of Alamogordo (the "City"), as of and for the year ended June 30, 2023, 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 the City's discretely presented component unit presented as supplementary information, as defined by the Governmental Accounting Standards Board, as of and for the year ended June 30, 2023, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds with legally adopted annual budgets of the City, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof 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 the discretely presented component unit, as of June 30, 2023, and the respective changes in financial position and cash flow, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Restatement of Fund Balance and Net Position

As described in Note 2 to the basic financial statements, the City financial statements have been restated. Our opinions are not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted the management discussion and analysis (MD&A) that accounting principles generally accepted in the United States of America require 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 (GASB), 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 opinions on the basic financial statements are not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the GASB required pension schedules on pages 112 through 115, the GASB required other post-employment benefit schedules on pages 116 through 119, and the notes to the required supplementary information on page 120 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and supporting schedules, as identified in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Financial Data Schedule is presented for purposes of additional analysis as required by the U.S Department of Housing and Urban Development and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards, financial data schedule, and supporting schedules, as identified in the table of contents, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and other disclosures but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2024 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 solely 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 effectiveness of the City's 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.

Carr, Riggs & Ingram, L.L.C.

Carr, Riggs & Ingram, LLC
Albuquerque, New Mexico
October 11, 2024

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BASIC FINANCIAL STATEMENTS



**State of New Mexico
City of Alamogordo
Statement of Net Position**

June 30, 2023	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Otero-Greentree Regional Landfill
Assets				
Current assets				
Cash and cash equivalents	\$ 6,629,942	\$ 3,670,949	\$ 10,300,891	\$ 327,435
Investments	54,931,819	17,833,699	72,765,518	1,935,124
Receivables				
Taxes	6,096,480	47,173	6,143,653	13,231
Intergovernmental	686,920	146,143	833,063	-
Customer, net	470,198	2,327,642	2,797,840	105,915
Other, net	53,737	14,043	67,780	-
Lease, current	42,814	93,293	136,107	6,798
Inventory	236,476	891,205	1,127,681	-
Prepaid expenses	279,770	6,147	285,917	1,591
Internal balances	107,687	(107,687)	-	-
Total current assets	69,535,843	24,922,607	94,458,450	2,390,094
Noncurrent assets				
Restricted cash and cash equivalents	287,799	260,991	548,790	-
Restricted investments	1,592,573	74,551	1,667,124	1,181,575
Assets held for sale	-	88,338	88,338	-
Lease receivables, net of current portion	615,940	710,657	1,326,597	1,498
Capital assets, not being depreciated	19,329,959	17,137,447	36,467,406	2,150,012
Capital assets, being depreciated	267,859,218	183,413,903	451,273,121	8,610,885
Right to use assets, being amortized	59,605	188,798	248,403	50,297
Less accumulated depreciation	(203,784,384)	(78,849,276)	(282,633,660)	(5,485,845)
Less accumulated amortization	(31,824)	(100,752)	(132,576)	(20,112)
Total noncurrent assets	85,928,886	122,924,657	208,853,543	6,488,310
Total assets	155,464,729	147,847,264	303,311,993	8,878,404
Deferred outflows of resources				
Deferred outflows - pension	5,074,900	1,352,280	6,427,180	198,861
Deferred outflows - OPEB	1,837,277	467,311	2,304,588	33,947
Deferred outflows - extinguishment of debt	344,074	137,335	481,409	-
Total deferred outflows of resources	7,256,251	1,956,926	9,213,177	232,808
Total assets and deferred outflows of resources	\$ 162,720,980	\$ 149,804,190	\$ 312,525,170	\$ 9,111,212

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

June 30, 2023	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Otero-Greentree Regional Landfill
Liabilities				
Current liabilities				
Accounts payable	\$ 1,093,636	\$ 579,288	\$ 1,672,924	\$ 94,908
Accrued payroll	636,738	70,837	707,575	12,570
Deposits held in trust for others	27,161	574,816	601,977	22,637
Unearned revenue	7,154,129	1,866,048	9,020,177	4,298
Accrued interest	173,686	65,840	239,526	-
Lease liabilities, current	10,341	39,455	49,796	10,008
Long-term liabilities, current	3,478,333	2,589,275	6,067,608	24,727
Total current liabilities	12,574,024	5,785,559	18,359,583	169,148
Noncurrent liabilities				
Lease liabilities, net of current portion	20,400	49,066	69,466	20,170
Long-term liabilities, net of current portion	20,316,865	14,889,702	35,206,567	2,032,404
Net pension liability	25,999,847	4,903,401	30,903,248	515,045
Net OPEB liability	5,523,587	754,422	6,278,009	26,045
Total noncurrent liabilities	51,860,699	20,596,591	72,457,290	2,593,664
Total liabilities	64,434,723	26,382,150	90,816,873	2,762,812
Deferred inflows of resources				
Deferred inflows - leases	653,628	793,243	1,446,871	8,293
Deferred inflows - pension	795,331	175,508	970,839	27,092
Deferred inflows - OPEB	5,170,945	1,073,613	6,244,558	101,619
Total deferred inflows of resources	6,619,904	2,042,364	8,662,268	137,004
Net position				
Net investment in capital assets	61,042,042	104,756,153	165,798,195	5,275,059
Restricted for				
Debt service	5,391,809	-	5,391,809	-
Capital projects	31,296,930	-	31,296,930	-
Special revenue	8,253,182	-	8,253,182	-
Permanent fund	860,280	-	860,280	-
Unrestricted (deficit)	(15,177,890)	16,623,523	1,445,633	936,337
Total net position	91,666,353	121,379,676	213,046,029	6,211,396
Total liabilities, deferred inflows of resources, and net position	\$ 162,720,980	\$ 149,804,190	\$ 312,525,170	\$ 9,111,212

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

**State of New Mexico
City of Alamogordo
Statement of Activities**

For the Year Ended June 30, 2023

Program Revenues

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities				
General government	\$ 18,118,034	\$ 1,718,816	\$ 740,678	\$ 2,098,573
Public safety	10,787,869	191,308	854,984	9,255
Public works	2,861,907	-	21,639	149,551
Culture and recreation	4,575,898	781,984	627,841	-
Health and welfare	22,858	-	65,712	-
Interest and other charges	750,923	-	-	-
Total governmental activities	37,117,489	2,692,108	2,310,854	2,257,379
Business-type activities				
Water and sewer	11,318,830	8,865,328	-	1,169,508
Solid waste	2,337,313	2,580,368	-	-
Bonito lake	10,907	-	-	-
Golf course	2,231,962	1,880,157	-	-
Airport	825,664	165,947	17,513	-
Low rent public housing	1,613,621	423,217	761,846	1,867,128
Home ownership	9,175	-	-	146,143
Total business-type activities	18,347,472	13,915,017	779,359	3,182,779
Total primary government	\$ 55,464,961	\$ 16,607,125	\$ 3,090,213	\$ 5,440,158
Component unit				
Otero - Greentree Regional Landfill	\$ 1,994,522	\$ 1,659,807	\$ -	\$ -

General revenues and transfers

Taxes
Property
Gross receipts
Gasoline and motor vehicle
Other
Investment income (loss)
Miscellaneous
Opiod settlement
Interest on lease revenue
Transfers

Total general revenues and transfers

Change in net position

Net position - beginning of year, as originally stated

Net position - restatement (note 2)

Net position - beginning of year, as restated

Net position - end of year

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

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Unit	
Governmental Activities	Business-type Activities	Total	Otero - Greentree Regional Landfill	
\$ (13,559,967)	\$ -	\$ (13,559,967)	\$ -	-
(9,732,322)	-	(9,732,322)	-	-
(2,690,717)	-	(2,690,717)	-	-
(3,166,073)	-	(3,166,073)	-	-
42,854	-	42,854	-	-
(750,923)	-	(750,923)	-	-
(29,857,148)	-	(29,857,148)	-	-
-	(1,283,994)	(1,283,994)	-	-
-	243,055	243,055	-	-
-	(10,907)	(10,907)	-	-
-	(351,805)	(351,805)	-	-
-	(642,204)	(642,204)	-	-
-	1,438,570	1,438,570	-	-
-	136,968	136,968	-	-
-	(470,317)	(470,317)	-	-
(29,857,148)	(470,317)	(30,327,465)	-	-
-	-	-	(334,715)	-
4,787,872	-	4,787,872	-	-
32,759,377	-	32,759,377	-	-
723,444	-	723,444	-	-
566,796	-	566,796	-	-
(575,360)	313,703	(261,657)	49,548	-
1,298,154	189,753	1,487,907	36,303	-
364,355	-	364,355	-	-
12,071	10,624	22,695	62	-
(3,651,219)	3,653,873	2,654	(2,654)	-
36,285,490	4,167,953	40,453,443	83,259	-
6,428,342	3,697,636	10,125,978	(251,456)	-
80,070,949	118,045,711	198,116,660	6,462,852	-
5,167,062	(363,671)	4,803,391	-	-
85,238,011	117,682,040	202,920,051	6,462,852	-
\$ 91,666,353	\$ 121,379,676	\$ 213,046,029	\$ 6,211,396	-

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

**State of New Mexico
City of Alamogordo
Balance Sheet - Governmental Funds**

June 30, 2023	General	State and Local Fiscal Recovery	Leisure Services
Assets			
Cash and cash equivalents	\$ 1,682,822	\$ 323,717	\$ 13,775
Investments	8,855,179	6,902,955	-
Receivables			
Taxes	3,298,555	-	-
Intergovernmental	-	-	-
Customer, net	470,198	-	-
Leases	-	-	-
Other, net	24,402	-	-
Prepaid expense	5,208	-	-
Due from other funds	570,681	-	-
Total assets	\$ 14,907,045	\$ 7,226,672	\$ 13,775
Liabilities, deferred inflows of resources, and fund balances			
Liabilities			
Accounts payable	\$ 282,620	\$ 2,784	\$ 73,241
Accrued payroll	434,278	-	76,046
Deposits held in trust for others	7,109	-	17,731
Unearned revenue	9,270	7,093,584	24,638
Due to other funds	-	-	-
Total liabilities	733,277	7,096,368	191,656
Deferred inflows of resources			
Unavailable revenue - property taxes	107,177	-	-
Unavailable revenue - leases	-	-	-
Total deferred inflows of resources	107,177	-	-
Fund balances			
Nonspendable	5,208	-	-
Spendable			
Restricted	-	-	-
Unassigned (deficit)	14,061,383	130,304	(177,881)
Total fund balances	14,066,591	130,304	(177,881)
Total liabilities, deferred inflows of resources, and fund balances	\$ 14,907,045	\$ 7,226,672	\$ 13,775

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

2004 Capital Outlay GRT	Nonmajor Governmental Funds	Total Governmental Funds
\$ 753,552	\$ 3,615,678	\$ 6,389,544
14,886,621	24,735,033	55,379,788
814,494	1,983,431	6,096,480
-	686,920	686,920
-	-	470,198
-	211,606	211,606
-	19,957	44,359
-	3,993	9,201
-	-	570,681
<u>\$ 16,454,667</u>	<u>\$ 31,256,618</u>	<u>\$ 69,858,777</u>
\$ 33,889	\$ 612,965	\$ 1,005,499
-	64,079	574,403
-	2,321	27,161
-	26,637	7,154,129
-	462,994	462,994
<u>33,889</u>	<u>1,168,996</u>	<u>9,224,186</u>
-	33,530	140,707
-	209,986	209,986
-	243,516	350,693
-	3,993	9,201
16,420,778	29,961,862	46,382,640
-	(121,749)	13,892,057
<u>16,420,778</u>	<u>29,844,106</u>	<u>60,283,898</u>
<u>\$ 16,454,667</u>	<u>\$ 31,256,618</u>	<u>\$ 69,858,777</u>

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

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State of New Mexico
City of Alamogordo
Reconciliation of the Governmental Funds Balance Sheet to the
Statement of Net Position

June 30, 2023

Fund balances - total governmental funds	\$ 60,283,898
Amounts reported for governmental activities in the statement of net position are different because	
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds	82,494,204
Right to use assets, net of accumulated amortization, used in governmental activities are not financial resources and, therefore, are not reported in the funds	24,406
Internal service funds are used by management to charge the costs of activities, such as insurance, to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources are included in governmental activities in the statement of net position	163,955
Delinquent property taxes 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	140,707
Deferred outflows of resources related to long term debt are applicable to future periods and therefore, are not reported in funds	
Deferred outflows of resources related to the advanced extinguishment of debt	344,074
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in funds	
Deferred outflows - pension	4,633,184
Deferred inflows - pension	(719,667)
Deferred outflows - OPEB	1,654,655
Deferred inflows - OPEB	(4,660,856)
Liabilities, including accrued interest, accrued compensated absences, bonds payable, loans payable, net pension liability, and net OPEB liability are not due and payable in the current period and, therefore, are not reported in the funds	
Accrued interest	(173,686)
Accrued compensated absences	(940,326)
Bond discounts, net of accumulated amortization	123,943
Bond premiums, net of accumulated amortization	(155,808)
Current portion of long term debt payable	(2,387,000)
Lease liabilities	(26,850)
Long term portion of long term debt payable	(20,285,000)
Net pension liability	(23,937,410)
Net OPEB Liability	(4,910,070)
Net position - governmental activities	\$ 91,666,353

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

State of New Mexico
City of Alamogordo
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds

For the Year Ended June 30, 2023	General	State and Local Fiscal Recovery	Leisure Services
Revenues			
Taxes			
Property	\$ 3,633,591	\$ -	\$ -
Gross receipts	17,789,927	-	-
Gasoline and motor vehicle	-	-	-
Other	-	-	-
Intergovernmental			
Federal operating grants	-	734,015	-
Federal capital grants	-	-	-
State operating grants	-	-	68,728
State capital grants	-	-	-
Opioid settlement	364,355	-	-
Charges for services	1,542,667	-	500,515
Investment income (loss)	(1,262,863)	107,118	-
Interest on lease revenue	144	-	-
Miscellaneous	992,197	-	53,314
Total revenues	23,060,018	841,133	622,557
Expenditures			
Current			
General government	3,646,345	35,655	2,226,914
Public safety	10,022,155	-	-
Public works	-	-	-
Culture and recreation	-	-	2,825,625
Health and welfare	-	-	-
Capital outlay	2,171,003	609,425	871,772
Debt service			
Principal	9,095	-	300
Interest and other charges	84	-	-
Total expenditures	15,848,682	645,080	5,924,611
Excess (deficiency) of revenues over expenditures	7,211,336	196,053	(5,302,054)
Other financing sources (uses)			
Proceeds from sale of assets	-	-	-
Transfers in	551,897	-	5,240,610
Transfers (out)	(10,834,397)	(88,935)	-
Total other financing sources (uses)	(10,282,500)	(88,935)	5,240,610
Net change in fund balances	(3,071,164)	107,118	(61,444)
Fund balances - beginning of year	17,137,755	23,186	(116,437)
Fund balances - end of year	\$ 14,066,591	\$ 130,304	\$ (177,881)

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

2004 Capital Outlay GRT	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 1,212,047	\$ 4,845,638
4,701,996	10,267,454	32,759,377
-	723,444	723,444
-	566,796	566,796
-	150,991	885,006
-	289,873	289,873
-	1,357,120	1,425,848
-	1,967,506	1,967,506
-	-	364,355
-	439,751	2,482,933
221,790	350,149	(583,806)
-	3,894	4,038
-	115,701	1,161,212
<u>4,923,786</u>	<u>17,444,726</u>	<u>46,892,220</u>
-	1,617,054	7,525,968
-	956,085	10,978,240
459,923	2,453,995	2,913,918
-	1,847,529	4,673,154
-	64,159	64,159
1,682,534	3,259,306	8,594,040
-	2,397,115	2,406,510
-	688,255	688,339
<u>2,142,457</u>	<u>13,283,498</u>	<u>37,844,328</u>
<u>2,781,329</u>	<u>4,161,228</u>	<u>9,047,892</u>
-	10,888	10,888
-	6,396,011	12,188,518
(1,617,809)	(8,221,561)	(20,762,702)
<u>(1,617,809)</u>	<u>(1,814,662)</u>	<u>(8,563,296)</u>
1,163,520	2,346,566	484,596
15,257,258	27,497,540	59,799,302
<u>\$ 16,420,778</u>	<u>\$ 29,844,106</u>	<u>\$ 60,283,898</u>

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

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State of New Mexico
City of Alamogordo
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances - Governmental Funds to the Statement of Activities

For the Year Ended June 30, 2023

Net change in fund balances - total governmental funds	\$	484,596
<p>Amounts reported for governmental activities in the statement of activities are different because</p>		
Change in net position of the internal service funds, which are presented in the statement of activities as governmental activities but are not presented with the governmental fund financial statements		895,582
<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		8,594,040
Book value of disposed/deleted assets		(81,309)
Depreciation expense		(6,232,340)
<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 property taxes receivable		57,766
Change in unavailable revenue related to leases		(209,986)
<p>Governmental funds report city pension and OPEB contributions as expenditures. However, in the statement of activities, the cost of pension and OPEB benefits earned net of employee contributions is reported as pension and OPEB expense</p>		
Contributions subsequent to the measurement date - pension		1,483,428
Pension expense		(2,336,888)
Contributions subsequent to the measurement date - OPEB		240,413
OPEB benefit		1,188,633
<p>The issuance of long-term debt (e.g. bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities</p>		
Principal payments on debt payable		2,393,000
Principal payments on leases payable		13,510
Amortization of bond discounts		(13,596)
Amortization of deferred loss on extinguishment of debt		(62,559)
Amortization of bond premiums		14,052
Change in net position of governmental activities	\$	6,428,342

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

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State of New Mexico
City of Alamogordo
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
General Fund

For the Year Ended June 30, 2023	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues				
Taxes				
Property	\$ 3,427,754	\$ 3,611,705	\$ 3,633,591	\$ 21,886
Gross receipts	14,405,200	17,518,371	17,789,927	271,556
Opiod settlement	-	357,780	364,355	6,575
Charges for services	1,490,721	1,495,110	1,542,667	47,557
Investment income (loss)	112,144	112,144	(1,262,863)	(1,375,007)
Interest on lease revenue	-	-	144	144
Miscellaneous	675,474	854,758	992,197	137,439
Total revenues	20,111,293	23,949,868	23,060,018	(889,850)
Expenditures				
Current				
General government	3,888,684	4,735,636	3,646,345	1,089,291
Public safety	11,120,416	12,061,510	10,022,155	2,039,355
Capital outlay	-	4,262,507	2,171,003	2,091,504
Debt service				
Principal	-	-	9,095	(9,095)
Interest and other charges	-	-	84	(84)
Total expenditures	15,009,100	21,059,653	15,848,682	5,210,971
Excess (deficiency) of revenues over expenditures	5,102,193	2,890,215	7,211,336	4,321,121
Other financing sources (uses)				
Transfers in	-	1,046,208	551,897	(494,311)
Transfers (out)	(9,344,740)	(13,187,955)	(10,834,397)	2,353,558
Total other financing sources (uses)	(9,344,740)	(12,141,747)	(10,282,500)	1,859,247
Net change in fund balances	(4,242,547)	(9,251,532)	(3,071,164)	6,180,368
Fund balances - beginning of year, as originally stated				
	-	-	14,542,747	14,542,747
Fund balances - restatement (note 2)	17,137,755	17,137,755	2,595,008	(14,542,747)
Fund balances - beginning of year, as restated	17,137,755	17,137,755	17,137,755	-
Fund balances - end of year	\$ 12,895,208	\$ 7,886,223	\$ 14,066,591	\$ 6,180,368

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

**State of New Mexico
City of Alamogordo
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
State and Local Fiscal Recovery Fund**

For the Year Ended June 30, 2023	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
Revenues				
Intergovernmental				
Federal operating grants	\$ -	\$ 3,952,892	\$ 734,015	\$ (3,218,877)
Investment income (loss)	-	-	107,118	107,118
Total revenues	-	3,952,892	841,133	(3,111,759)
Expenditures				
Current				
General government	-	471,411	35,655	435,756
Capital outlay	-	7,379,374	609,425	6,769,949
Total expenditures	-	7,850,785	645,080	7,205,705
Excess (deficiency) of revenues over expenditures	-	(3,897,893)	196,053	4,093,946
Other financing sources (uses)				
Transfers (out)	-	-	(88,935)	(88,935)
Total other financing sources (uses)	-	-	(88,935)	(88,935)
Net change in fund balances	-	(3,897,893)	107,118	4,005,011
Fund balances - beginning of year, as originally stated	-	-	3,897,893	3,897,893
Fund balances - restatement (note 2)	-	23,186	(3,874,707)	(3,897,893)
Fund balances - beginning of year, as restated	-	23,186	23,186	-
Fund balances - end of year	\$ -	\$ (3,874,707)	\$ 130,304	\$ 4,005,011

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

**State of New Mexico
City of Alamogordo
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Leisure Services Fund**

For the Year Ended June 30, 2023	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
Revenues				
Intergovernmental				
State operating grants	\$ 90,444	\$ 91,699	\$ 68,728	\$ (22,971)
Charges for services	414,608	421,551	500,515	78,964
Miscellaneous	26,650	53,131	53,314	183
Total revenues	531,702	566,381	622,557	56,176
Expenditures				
Current				
General government	2,221,845	2,674,060	2,226,914	447,146
Culture and recreation	3,033,383	3,205,774	2,825,625	380,149
Capital outlay	631,412	1,612,561	871,772	740,789
Debt service				
Principal	-	-	300	(300)
Total expenditures	5,886,640	7,492,395	5,924,611	1,567,784
Excess (deficiency) of revenues over expenditures	(5,354,938)	(6,926,014)	(5,302,054)	1,623,960
Other financing sources (uses)				
Transfers in	4,920,355	6,927,930	5,240,610	(1,687,320)
Total other financing sources (uses)	4,920,355	6,927,930	5,240,610	(1,687,320)
Net change in fund balances	(434,583)	1,916	(61,444)	(63,360)
Fund balances - beginning of year	(116,437)	(116,437)	(116,437)	-
Fund balances - end of year	\$ (551,020)	\$ (114,521)	\$ (177,881)	\$ (63,360)

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

State of New Mexico
City of Alamogordo
Statement of Net Position - Proprietary Funds

June 30, 2023	Business-type Activities - Enterprise Funds		
	Water and Sewer Fund	Nonmajor Enterprise Funds	Total Enterprise Funds
Assets			
Current assets			
Cash and cash equivalents	\$ 942,708	\$ 2,728,241	\$ 3,670,949
Investments	16,914,538	919,161	17,833,699
Receivables			
Taxes	47,173	-	47,173
Intergovernmental	-	146,143	146,143
Customer, net	2,152,105	175,537	2,327,642
Lease, current	-	93,293	93,293
Other, net	14,043	-	14,043
Inventory	794,137	97,068	891,205
Prepaid expenses	6,147	-	6,147
Due from other funds	-	16	16
Total current assets	20,870,851	4,159,459	25,030,310
Noncurrent assets			
Restricted cash and cash equivalents	192,027	68,964	260,991
Restricted investments	-	74,551	74,551
Assets held for sale	-	88,338	88,338
Lease receivables, net of current portion	-	710,657	710,657
Capital assets, not being depreciated	9,810,083	7,327,364	17,137,447
Capital assets, being depreciated	148,041,192	35,372,711	183,413,903
Less accumulated depreciation	(55,155,229)	(23,694,047)	(78,849,276)
Right to use assets, being amortized	188,798	-	188,798
Less right to use amortization	(100,752)	-	(100,752)
Total noncurrent assets	102,976,119	19,948,538	122,924,657
Total assets	123,846,970	24,107,997	147,954,967
Deferred outflows of resources			
Deferred outflows - pension	856,996	495,284	1,352,280
Deferred outflows - OPEB	332,279	135,032	467,311
Deferred outflows - extinguishment of debt	137,335	-	137,335
Total deferred outflows of resources	1,326,610	630,316	1,956,926
Total assets and deferred outflows of resources	\$ 125,173,580	\$ 24,738,313	\$ 149,911,893

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

**Governmental
Activities**

**Internal Service
Funds**

\$ 528,197
1,144,604

-

-

-

22,354

9,378

236,476

270,569

-

2,211,578

-

-

-

424,794

-

4,289,802

(3,379,213)

9,399

(6,024)

1,338,758

3,550,336

441,716

182,622

-

624,338

\$ 4,174,674

(Continued)

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

State of New Mexico
City of Alamogordo
Statement of Net Position - Proprietary Funds

June 30, 2023	Business-type Activities - Enterprise Funds		
	Water and Sewer Fund	Nonmajor Enterprise Funds	Total Enterprise Funds
Liabilities			
Current liabilities			
Accounts payable	\$ 260,320	\$ 318,968	\$ 579,288
Accrued payroll	58,383	12,454	70,837
Deposits held in trust for others	496,856	77,960	574,816
Unearned revenue	1,866,048	-	1,866,048
Accrued interest	65,840	-	65,840
Lease liabilities, current	39,455	-	39,455
Long-term liabilities, current	2,502,399	86,876	2,589,275
Due to other funds	6,571	101,132	107,703
Total current liabilities	5,295,872	597,390	5,893,262
Noncurrent liabilities			
Lease liabilities, net of current portion	49,066	-	49,066
Long-term liabilities, net of current portion	14,889,702	-	14,889,702
Net pension liability	3,430,123	1,473,278	4,903,401
Net OPEB liability	505,788	248,634	754,422
Total noncurrent liabilities	18,874,679	1,721,912	20,596,591
Total liabilities	24,170,551	2,319,302	26,489,853
Deferred inflows of resources			
Deferred inflows - leases	-	793,243	793,243
Deferred inflows - pension	110,111	65,397	175,508
Deferred inflows - OPEB	768,007	305,606	1,073,613
Total deferred inflows of resources	878,118	1,164,246	2,042,364
Net position			
Net investment in capital assets	85,750,125	19,006,028	104,756,153
Unrestricted (deficit)	14,374,786	2,248,737	16,623,523
Total net position	100,124,911	21,254,765	121,379,676
Total liabilities, deferred inflows of resources, and net position	\$ 125,173,580	\$ 24,738,313	\$ 149,911,893

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

**Governmental
Activities**

**Internal Service
Funds**

\$ 88,137
62,335
-
-
-
1,845
151,007
-

303,324

2,046
-
2,062,437
613,517

2,678,000

2,981,324

443,642
75,664
510,089

1,029,395

910,073
(746,118)

163,955

\$ 4,174,674

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

State of New Mexico
City of Alamogordo
Statement of Revenues, Expenses, and Changes in Net Position -
Proprietary Funds

For the Year Ended June 30, 2023	Business-type Activities - Enterprise Funds		
	Water and Sewer Fund	Nonmajor Enterprise Funds	Total Enterprise Funds
Operating revenues			
Charges for services	\$ 8,865,328	\$ 5,049,689	\$ 13,915,017
Interest on lease revenue	-	10,624	10,624
Operating grants	-	779,359	779,359
Total operating revenues	8,865,328	5,839,672	14,705,000
Operating expenses			
Personnel services	2,966,213	1,247,863	4,214,076
Utilities	803,075	117,453	920,528
Contractual services	1,697	3,553,232	3,554,929
Supplies and purchased power	949,237	368,849	1,318,086
Repairs and maintenance	679,082	338,146	1,017,228
Depreciation expense	4,525,211	999,699	5,524,910
Miscellaneous expense	1,227,528	219,934	1,447,462
Total operating expenses	11,152,043	6,845,176	17,997,219
Operating income (loss)	(2,286,715)	(1,005,504)	(3,292,219)
Non-operating revenues (expenses)			
Interest expense	(166,787)	-	(166,787)
Investment income (loss)	263,764	49,939	313,703
(Loss) on sale of assets	-	(183,466)	(183,466)
Miscellaneous	155,233	34,520	189,753
Total non-operating revenues (expenses)	252,210	(99,007)	153,203
Income (loss) before contributions and transfers	(2,034,505)	(1,104,511)	(3,139,016)
Capital grants	1,169,508	2,013,271	3,182,779
Transfers in	2,899,786	873,475	3,773,261
Transfers (out)	(33,671)	(85,717)	(119,388)
Change in net position	2,001,118	1,696,518	3,697,636
Net position - beginning of year, as originally stated	98,487,464	19,558,247	118,045,711
Net position - restatement (note 2)	(363,671)	-	(363,671)
Net position - beginning of year, as restated	98,123,793	19,558,247	117,682,040
Net position - end of year	\$ 100,124,911	\$ 21,254,765	\$ 121,379,676

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

**Governmental
Activities**

**Internal
Service Funds**

\$ 209,175
8,033

-

217,208

1,521,727

102,094

1,352,811

654,838

224,454

119,517

414,513

4,389,954

(4,172,746)

(25)

8,446

-

136,942

145,363

(4,027,383)

-

4,922,965

-

895,582

(1,532,888)

801,261

(731,627)

\$ 163,955

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

State of New Mexico
City of Alamogordo
Statement of Cash Flows - Proprietary Funds

For the Year Ended June 30, 2023	Business-type Activities - Enterprise Funds		
	Water and Sewer Fund	Nonmajor Enterprise Funds	Total Enterprise Funds
Cash flows from operating activities			
Cash received from user charges	\$10,012,642	\$ 5,069,356	\$ 15,081,998
Cash received from subsidy grants	-	633,216	633,216
Cash payments to employees for services	(3,050,615)	(1,276,536)	(4,327,151)
Cash payments to suppliers for goods and services	(5,044,825)	(4,607,537)	(9,652,362)
Net cash provided (used) by operating activities	1,917,202	(181,501)	1,735,701
Cash flows from noncapital financing activities			
Miscellaneous income	155,233	34,520	189,753
Transfers in (out)	2,866,115	470,201	3,336,316
Net cash provided (used) by noncapital financing activities	3,021,348	504,721	3,526,069
Cash flows from investing activities			
Sales (purchases) of investments	(8,321,951)	(4,163)	(8,326,114)
Interest on investments	-	49,939	49,939
Net cash provided (used) by investing activities	(8,321,951)	45,776	(8,276,175)
Cash flows from capital and related financing activities			
Acquisition of capital assets	(4,271,271)	(1,724,354)	(5,995,625)
Capital grants	1,159,942	2,013,271	3,173,213
Interest paid	188,290	-	188,290
Principal payments on leases payable	(50,224)	-	(50,224)
Principal payments on bonds, loans, and notes payable	(1,848,403)	-	(1,848,403)
Net cash provided (used) by capital and related financing activities	(4,821,666)	288,917	(4,532,749)
Net increase (decrease) in cash and cash equivalents	(8,205,067)	657,913	(7,547,154)
Cash and cash equivalents - beginning of year	9,339,802	2,139,292	11,479,094
Cash and cash equivalents - end of year	\$ 1,134,735	\$ 2,797,205	\$ 3,931,940

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

**Governmental
Activities**

**Internal
Service Funds**

\$ 229,100

-
(1,596,168)

(3,502,813)

(4,869,881)

136,942

4,922,965

5,059,907

(15,203)

8,446

(6,757)

(225,833)
-
(25)
(5,508)

-

(231,366)

(48,097)

576,294

\$ 528,197

(Continued)

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

State of New Mexico
City of Alamogordo
Statement of Cash Flows - Proprietary Funds

For the Year Ended June 30, 2023	Business-type Activities - Enterprise Funds		
	Water and Sewer Fund	Nonmajor Enterprise Funds	Total Enterprise Funds
Reconciliation of operating (loss) to net cash provided (used) by operating activities			
Operating (loss)	\$ (2,286,715)	\$ (1,005,504)	\$ (3,292,219)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation/amortization	4,525,211	999,699	5,524,910
Noncash pension expense	147,113	86,738	233,851
Noncash OPEB benefit	(216,016)	(80,039)	(296,055)
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources			
Taxes receivable	(47,173)	-	(47,173)
Receivables, net	1,195,604	14,400	1,210,004
Due from federal		(146,143)	(146,143)
Inventory	(106,224)	(91,467)	(197,691)
Prepaid expenses	(1,546)	35,730	34,184
Subsequent contributions-pension	(36,786)	(18,223)	(55,009)
Subsequent contributions-OPEB	(4,058)	(1,215)	(5,273)
Accounts payable	(1,276,436)	45,814	(1,230,622)
Accrued payroll expenses	(21,041)	(17,419)	(38,460)
Accrued compensated absences	46,386	(9,222)	37,164
Unearned revenue	-	(15,234)	(15,234)
Customer deposits	(1,117)	20,584	19,467
Net cash provided (used) by operating activities	\$ 1,917,202	\$ (181,501)	\$ 1,735,701

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

**Governmental
Activities**

**Internal
Service Funds**

\$ (4,172,746)

119,517
75,326
(110,473)

-
11,892
-
(62,673)
(21,785)
(19,740)
(2,177)
(669,645)
(17,377)

-
-
-

\$ (4,869,881)

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

**State of New Mexico
City of Alamogordo
Statement of Fiduciary Net Position**

June 30, 2023	Custodial Funds
Assets	
Cash and cash equivalents	\$ 12,031
Total assets	\$ 12,031
Liabilities	
Accounts payable	\$ 3,051
Total liabilities	3,051
Net position	
Restricted	9,638
Unrestricted (deficit)	(658)
Total net position	8,980
Total liabilities and net position	\$ 12,031

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

**State of New Mexico
City of Alamogordo
Statement of Changes in Fiduciary Net Position**

For the Year Ended June 30, 2023	Custodial Funds
Additions	
Court fees	\$ 38,667
Total additions	38,667
Deductions	
Professional services	38,912
Total deductions	38,912
Net increase in fiduciary net position	(245)
Net position - beginning of year	9,225
Net position - end of year	\$ 8,980

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

State of New Mexico
City of Alamogordo
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Alamogordo (the "City") was incorporated in 1898. The City operates under a Commission-Manager form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, public utilities (water, wastewater, and solid waste), health and social services, culture-recreation, education, public improvements, planning and zoning, and general administrative services.

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

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

The City's financial statements are prepared in accordance with generally accepted accounting principles ("GAAP"). The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the City are discussed below.

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.

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.

State of New Mexico
City of Alamogordo
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

In evaluating how to define the City, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statement No. 14, as amended by GASB Statement No. 39, GASB Statement No. 61, GASB Statement No. 80, and GASB Statement No. 90. Blended component units, although legally separate entities, are in substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

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

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

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Discretely Presented Component Unit

Based upon the application of these criteria, the City has one component unit, the Otero-Greentree Regional Landfill which will be shown as a discretely presented component unit. The discretely presented component unit does not have separately issued financial statements. The Otero-Greentree Regional Landfill has been determined to be a component unit as a result of a joint powers agreement entered into during the fiscal year 1994, which should be presented as a discretely presented component unit. The purpose of the joint venture was to establish, finance and operate the landfill. The governmental entities involved in the Joint Powers Agreements ("JPA" are City of Alamogordo, Otero County, Village of Cloudcroft, Village of Tularosa, Village of Corona, Lincoln City, Town of Carrizozo, Village of Capitan, Village of Ruidoso and Village of Ruidoso Downs. Each of the governmental entity signers has pledged their respective environmental services gross receipts tax revenues as financial support for the purpose of funding the acquisition of capital assets necessary for the operation of the landfill. The Otero and Lincoln County authorities have also agreed to a 50-50 joint ownership and operation of this enterprise.

State of New Mexico
City of Alamogordo
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Discretely Presented Component Unit (Continued)

It was mutually agreed and covenanted between the entities that:

1. The facility shall be known as the Otero-Greentree Regional Landfill;
2. Title to the facility shall be held in undivided-joint tenancy between the Otero and Lincoln Solid Waste Authorities;
3. The entities, through their respective Otero or Lincoln County Authorities, shall be joint owners of a co-equal undivided one-half interest in the assets and also shall be equally responsible for the debt;
4. The entities each agree to maintain an irrevocable, first, but not exclusive, pledge of 100% of their environmental gross receipts tax revenues for the life of the bond issue used for permanent financing;
5. The entities agree that tipping fees collected shall be used to pay principal and interest on the bonds and that the fee established shall be adequate to meet operations, maintenance and financing requirements;
6. The entities agree that the City of Alamogordo shall annually prepare a budget that shall be approved by the Otero and Lincoln County Solid Waste Authorities. Thereafter, the City will operate the Landfill in accordance with good business practice;
7. The governmental entities authorize the exercise of the following joint powers by the City acting as agent on their behalf:
 - a. In accordance with the approved budget, to acquire, cause to be acquired, and maintain the necessary property, equipment and personnel for the landfill;
 - b. To approve the issuance of revenue bonds;
 - c. To enter into agreements for the services of managers, attorneys, appraisers consultants and employees; and
 - d. To implement adopted policies regarding fees, rates and charges.
8. The landfill shall be a joint venture of the entities acting in a proprietary capacity;
9. Annually, the City of Alamogordo will provide a complete financial report on the operation to each participating entity;
10. The terms of this agreement are perpetual;
11. The agreement was originally signed on September 30, 1993, and was amended on June 2, 1995.

State of New Mexico
City of Alamogordo
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Likewise, the primary government is reported separately from its legally separate component unit for which the primary government is financially accountable.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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 and timing requirements imposed by the provider have been met.

State of New Mexico
City of Alamogordo
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

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

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. Gross receipts 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. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary and custodial funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. The business-type activities column incorporates data from proprietary funds. 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.

As discussed earlier, the City has one discretely presented component unit. While the Otero-Greentree Regional Landfill is considered to be a major component unit, it is nevertheless shown in separate column in the government-wide financial statements.

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 various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

State of New Mexico
City of Alamogordo
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Fund Financial Statements

The fund financial statements provide information about the City's funds, including its fiduciary funds. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and major proprietary funds, and internal service funds, and fiduciary funds each displayed in a separate column on their respective financial statements. All remaining governmental and proprietary funds are aggregated and reported as nonmajor funds in their respective financial statements. Major individual governmental and proprietary funds are reported as separate columns in the fund financial statements. Fiduciary funds are used to report assets held in a custodial capacity for others that cannot be used to support the government's own programs. Custodial funds are purely custodial and do not involve measurement of results of operations.

Under the requirements of GASB Statement No. 34, the City is required to present certain of its governmental and proprietary funds as major based upon certain criteria.

The City reports the following major governmental funds:

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

The *State and Local Fiscal Recovery Fund* is a special revenue fund that is used to account for federal monies to respond to the effects of the Coronavirus pandemic known as novel COVID-19. Authority for creation of this fund is under section 602 of the Social Security Act, as added by section 9901 of the American Rescue Plan Act (ARPA).

The *Leisure Services Fund* is a special revenue fund that is used to account for services and admission fee received by the various Community Services departments for administration, maintenance, and improvements of facilities. This fund was authorized by the City Commission.

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

State of New Mexico
City of Alamogordo
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The City reports the following proprietary fund as a major fund:

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

Additionally, the government reports the following fund types:

Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes other than capital projects.

Debt service funds are used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds.

Capital projects funds account for the acquisition and construction of the City's major capital facilities, other than those financed by proprietary funds.

Internal service funds account for the central services for human resources, purchasing, fleet maintenance, management information systems, and facilities maintenance; self-insurance for liability, auto, and other insurances; and deductibles related to insurance.

The *Permanent fund* is used to account for resources legally held in trust to finance maintenance for the City's municipal cemeteries.

Fiduciary funds are used to report assets held in a trustee or agency capacity for others that cannot be used to support the government's own programs. *Custodial funds* are purely custodial and do not involve measurement of results of operations.

The government reports the following fiduciary funds:

The *Custodial funds* account for the collection, holding, and reimbursement of jail bonds, judicial revenues and expenditures, and amounts held for use for the Army Corps of Engineers.

State of New Mexico
City of Alamogordo
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

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

Deposits and Investments

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

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

Investments for the City are reported at fair value (generally based on quoted market prices) except for the position in the State Treasurer's Investment Pool (Pool). The State Treasurer's Investment Pool meets all of the specified criteria in Section 150: *Investments* to qualify to elect to measure their investments at amortized cost. Accordingly, the value of the City's position in the pool is equal to the value of the pooled shares.

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

State of New Mexico
City of Alamogordo
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Receivables and Payables

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

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

Unbilled receivables – An amount for unbilled revenue is recorded in the Water and Sewer and Solid Waste funds for services rendered, but not yet billed as of the end of the fiscal year. The receivable is derived from the cycle billings generated subsequent to fiscal year end and prorated for usage before year-end.

Allowance for doubtful accounts – Accounts receivable have been reported net of the allowance for doubtful accounts. Accounts receivable in excess of 90 days are subject to being considered as uncollectible.

Interfund Activities and Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” within the fund financial statements. Long-term borrowings between funds are classified as “advances to other funds” or “advances from other funds” in the fund financial statements. These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any residual balance outstanding between the governmental and business-type activities at the end of the fiscal year, which are reported in the government-wide financial statements as internal balances.

Interfund transactions are reflected as services provided, reimbursements, or transfers. Services provided, deemed to be at or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when on fund incurs a cost, charges the appropriate benefitting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or business-type funds are funds are netted as part of the reconciliation to the government-wide presentation.

State of New Mexico
City of Alamogordo
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Inventory

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

Lease receivables

The City's lease receivable is measured at the present value of lease payments expected to be received during the lease term. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable.

Prepaid Expenses

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

Restricted Assets

Certain assets of the City are classified as restricted assets on the statement of net position because their use is limited by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors, grantors, contributors or laws or regulations of other governments. Special restricted asset accounts have been established to account for the sources and uses of these limited use assets as follows:

Customer and developer deposit accounts – Deposited in non-interest-bearing accounts and refunded upon termination of service with the City and satisfaction of all obligations due.

Bond and loan debt service accounts – Includes certain proceeds from issuance of revenue bonds, as well as certain resources set aside for the repayment of bonds or capital lease obligations.

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Pursuant to the implementation of GASB Statement No. 34, as a Phase 2 government, the historical cost of infrastructure assets, (retroactive to June 30, 1980) are included as part of the governmental capital assets reported in the government wide statements. Information Technology Equipment including software is being capitalized and included in furniture, fixtures and equipment in accordance with NMAC 2.20.1.9 C (5). Donated capital assets are recorded at acquisition value at the date of donation, of which none were received for the year ended June 30, 2023.

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 City is expensed as it is incurred.

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

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

Right-of-Use Assets

The City has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

State of New Mexico
City of Alamogordo
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Deferred Outflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until then.

The City has three (3) items that qualify for reporting as deferred outflows of resources, the *deferred amount on debt extinguishment*, the *deferred outflows related to pensions* and the *deferred outflows related to OPEB*, all reported in the government-wide and proprietary funds statements of net position. The deferred amount on refunding results from debt refinancing, whereby the reacquisition price of the funding debt instruments exceeds their net carrying amount. The deferred amount on refunding is amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria*. The deferred outflows related to OPEB are an aggregate of items related to OPEB as calculated in accordance with Codification Section P50: *Postemployment Benefits Other than Pensions – Reporting for Benefits Provided through Trusts That Meet Specified Criteria*.

The deferred outflows related to pensions will be recognized as either pension expense or a reduction in the net pension liability in future reporting years. The deferred outflows related to OPEB will be recognized as either OPEB (benefit) or a reduction in the other post-employment benefit liability in future reporting years.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

State of New Mexico
City of Alamogordo
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The City has three (3) items that qualify for reporting as deferred inflows of resources. The *deferred inflows related to leases, the deferred inflows related to pensions, and the deferred inflows related to OPEB*, all reported in the government-wide and proprietary funds statements of net position. The deferred amount on pension are an aggregate of items related to pensions as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria*. The deferred inflows related to OPEB are an aggregate of items related to OPEB as calculated in accordance with Codification Section P50: *Postemployment Benefits Other than Pensions – Reporting for Benefits Provided through Trusts That Meet Specified Criteria*. The deferred inflows related to pensions will be recognized as a reduction to pension expense in future reporting years. The deferred inflows related to OPEB will be recognized as a reduction to pension (benefit) in future reporting years. The deferred inflows related to leases are associated with amounts owed to the City, as lessor, by entities leasing the City’s capital assets.

Unavailable revenue, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and leases. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Accrued Payroll

Accrued payroll is comprised of the payroll expenditures based on amounts earned by the employees through June 30, 2023, along with applicable FICA, Medicare, PERA, retiree health care, and other benefits expenses.

Compensated Absences

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

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

State of New Mexico
City of Alamogordo
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Unearned Revenues

Unearned revenues are comprised of advanced funded grants for which eligible expenditures have not yet been incurred and payments made in advance by customers for various services (i.e. prepaid rent, golf pro shop gift cards, etc.) provided by the City as of June 30, 2023.

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. Bonds payable are reported net of the applicable bond premium or discount. For fund financial reporting, bond premiums and discounts, as well as issuance costs are recognized in the period the bonds are issued. Bond proceeds are reported as another financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

State of New Mexico
City of Alamogordo
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Leases

Lease contracts that provide the City with control of a non-financial asset, such as land, buildings or equipment, for a period of time in excess of twelve months are reported as a leased asset with a related lease liability. The lease liability is recorded at the present value of future lease payments, including fixed payments, variable payments based on an index or fixed rate and reasonably certain residual guarantees. The intangible leased asset is recorded for the same amount as the related lease liability plus any prepayments and initial direct costs to place the asset in service. Leased assets are amortized over the shorter of the useful life of the asset or the lease term. The lease liability is reduced for lease payments made, less the interest portion of the lease payment.

Pensions

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

Postemployment Benefits Other Than Pensions (“OPEB”)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the New Mexico Retiree Health Care Authority (“NMRHCA”) and additions to and deductions from NMRHCA’s fiduciary net position have been determined on the same basis as they are reported by NMRHCA. For this purpose, NMRHCA recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fund Balance Classification Policies and Procedures

Fund Balances

The City has implemented GASB No. 54 and has defined the various categories reported in fund balance. For committed fund balance, the City’s highest level of decision-making authority is the City Commission. The formal action that is required to be taken to establish a fund balance commitment is the City Commission.

State of New Mexico
City of Alamogordo
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Nonspendable Fund Balance – At June 30, 2023, the City had nonspendable fund balance categorized in the governmental funds balance sheet in the amount of \$9,201 as related to prepaid expenses.

Restricted and Committed Fund Balance – At June 30, 2023, the restricted fund balance on the governmental funds balance sheet totals \$46,382,640 for various City operations as restricted by enabling legislation. The City presented no committed fund balance on the governmental funds balance sheet at June 30, 2023. The details of these fund balance items are located on the governmental funds balance sheet as detailed in Note 17.

Minimum Fund Balance Policy – The City’s policy for maintaining a minimum amount of fund balance for operations is to minimize any sudden and unplanned discontinuity to programs and operations and for unforeseen contingencies. At a minimum, the budget shall ensure that the City holds cash reserves (as approved in the subsequent year’s preliminary budget) of 1/12th of the General Fund budgetary basis expenditures of \$1,320,724 and the City’s self-imposed reserve of \$498,745 for the year ended June 30, 2023. As these amounts are an accumulation of resources and not a true restriction or commitment of expenditures, they are reflected within the unassigned fund balance of the general fund.

Net Position

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

Net investment in capital assets – Consists of 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. The City included no unspent debt proceeds in the calculation of net investment in capital assets in the governmental activities.

State of New Mexico
City of Alamogordo
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues and Expenditures/Expenses

Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. Descriptions for the related restrictions for net position restricted for “special revenue, debt service, and capital projects” are described on pages 49-50 and 123-127.

Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

Program revenues included in the statement of activities are derived directly from the program itself or from parties outside the City’s taxpayer or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the City’s general revenues.

Program revenues are categorized as (a) charges for services, which include revenues collected for fees and use of City facilities, etc., (b) program-specific operating grants, which includes revenues received from state and federal sources such as small cities assistance to be used as specified within each program grant agreement, and (c) program-specific capital grants and contributions, which include revenues from state sources to be used for capital projects. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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

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 major proprietary fund is charges for services for the City’s utilities. Operating expenses for enterprise funds include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

State of New Mexico
City of Alamogordo
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of 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 fair value of investments, allowance for uncollectible accounts, expected useful lives of capital assets, current portion of accrued compensated absences, the estimate for landfill closure and post-closure costs, and actuarial estimates included in the calculation of the net pension liability and net OPEB liability.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, October 11, 2024. See Note 21 for relevant disclosures. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recently Issued and Implemented Accounting Pronouncements

During the fiscal year ended June 30, 2023, the City adopted GASB Statement No. 91, *Conduit Debt Obligations*, GASB Statement 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, and GASB Statement No. 99, *Omnibus 2022*.

The implementation of GASB Statements No. 91, 94, 96, and 99 did not affect the City in a material manner.

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

GASB Statement No. 100, *Accounting Changes and Error Corrections*, This Statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period.

State of New Mexico
City of Alamogordo
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (Continued)

This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The requirement of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023. Earlier application is encouraged.

GASB Statement No. 102, *Certain Risk Disclosures*. The requirements of this Statement aim to improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024. Earlier application is encouraged.

GASB Statement No. 103, *Financial Reporting Model Improvements*. The requirements of this Statement aim to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. Earlier application is encouraged.

The City is evaluating the requirements of the above statements and the impact on reporting.

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

Note 2: RESTATEMENTS TO GOVERNMENTAL FUNDS AND NET POSITION

During fiscal year 2023, the City had corrections of errors to assets and deferred inflows of resources – leases in the governmental funds and the internal service fund related to leases. In addition, there were correction of errors in net position in the Water and Sewer Fund and business-type activities in the amount of \$363,671, the Internal Service Fund in the amount of \$801,261, and the governmental activities in the amount of \$5,167,062. See below for a detail.

	General Fund	Nonmajor Governmental	Total Governmental
Leases receivable	\$ 57,605	\$ 231,712	\$ 289,317
Deferred inflow of resources - leases	57,605	231,712	289,317
Net position change	\$ -	\$ -	\$ -

	Internal Service Fund
Leases receivable	\$ 469,115
Deferred inflow of resources - leases	469,115
Net position change	\$ -

	Water and Sewer Fund	Internal Service Fund
Net position - beginning of year, as originally stated	\$ 98,487,464	\$ (1,532,888)
Correction of error related to capital assets	(1,091,690)	801,261
Correction of error related to accounts payable	728,019	-
Net position - beginning of year, as restated	\$ 98,123,793	\$ (731,627)

	Governmental Activities	Business-Type Activities
Net position - beginning of year, as originally stated	\$ 80,070,949	\$ 118,045,711
Correction of error related to capital assets	5,167,062	(1,091,690)
Correction of error related to accounts payable	-	728,019
Net position - beginning of year, as restated	\$ 85,238,011	\$ 117,682,040

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

Note 2: RESTATEMENTS TO GOVERNMENTAL FUNDS AND NET POSITION (Continued)

In addition, during fiscal year 2023, the City had the following adjustments on the budgetary basis of accounting.

	General Fund	State and Local Fiscal Recovery Fund
Net position - beginning of year, as originally stated	\$ 14,542,747	\$ 3,897,893
Non-GAAP to GAAP basis budget	2,595,008	(3,874,707)
Net position - beginning of year, as restated	\$ 17,137,755	\$ 23,186

Note 3: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

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

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

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

The budgets for all funds are prepared on 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 budgetary information presented in these financial statements has been properly amended by City Commissioners in accordance with the above procedures. These amendments resulted in the following changes:

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

Note 3: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Budgetary Information (Continued)

	Excess (deficiency) of revenues over expenditures	
	Original Budget	Final Budget
Budgeted governmental funds		
General Fund	\$ 5,102,193	\$ 2,890,215
State and Local Fiscal Recovery Fund	-	(3,897,893)
Leisure Services Fund	(5,354,938)	(6,926,014)
2004 Capital Outlay GRT Fund	3,890,743	1,027,410
Other governmental funds	(422,058)	(5,396,365)
Budgeted proprietary funds		
Water and Sewer Fund	565,448	(5,111,127)
Nonmajor proprietary funds	(4,826,787)	(2,001,744)
Internal Service Fund	(4,734,800)	(6,253,128)
Component unit		
Otero - Greentree Regional Landfill	(610,208)	(1,857,178)

The accompanying statements of revenues, expenditures and changes in fund balance – budget and actual present comparisons of the legally adopted budget with actual data on a budgetary basis.

Note 4: DEPOSITS AND INVESTMENTS

State statutes authorize the investment of City funds in a wide variety of instruments including certificates of deposit and other similar obligations, the state investment pool, money market accounts, and United States Government obligations. All invested funds of the City properly followed State investment requirements as of June 30, 2023.

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

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

State of New Mexico
City of Alamogordo
Notes to Financial Statements

Note 4: DEPOSITS AND INVESTMENTS (Continued)

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

The City's accounts at an insured depository institution, including all noninterest-bearing transaction accounts, will be insured by the FDIC up to the standard maximum deposit insurance amount of \$250,000 for demand deposit accounts and \$250,000 for time and savings accounts. The City also has accounts that are subject to Securities Investor Protection Corporation (SIPC) coverage, which safeguards assets up to \$500,000, which includes a maximum of \$250,000 for cash claims. SIPC coverage is designed to protect against the loss of cash and securities, such as stocks and bonds, held by the brokerage firm. It's important to note that SIPC coverage does not protect against losses due to market fluctuations.

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, 2023, \$12,248,029 of the City's bank balance of \$43,844,272 was subject to custodial credit risk. Of this amount, \$10,980,339 was uninsured and collateralized by collateral held by the pledging bank's trust department, not in the City's name and \$1,267,690 of the City's deposits was uninsured and uncollateralized at June 30, 2023.

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

Note 4: DEPOSITS AND INVESTMENTS (Continued)

The City utilizes pooled accounts for their funds. Cash and investments of the general, special revenue, capital projects, proprietary funds, and custodial funds are pooled and held in multiple accounts.

	First National Bank of Alamogordo	First Savings Bank	Moreton Capital Markets*	Pioneer Bank Housing Authority**	Pioneer Bank
Amount of deposits	\$ 7,305,109	\$ 3,406,960	\$ 30,096,243	\$ 924,629	\$ 286,345
FDIC/SIPC coverage	(250,000)	(500,000)	(30,096,243)	(250,000)	(250,000)
Total uninsured public funds	7,055,109	2,906,960	-	674,629	36,345
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the City's name	6,933,774	2,764,971	-	674,629	36,345
Uninsured and uncollateralized	\$ 121,335	\$ 141,989	\$ -	\$ -	\$ -
Collateral requirement	\$ 3,527,555	\$ 1,453,480	\$ -	\$ 674,629	\$ 18,173
Pledged securities	6,933,774	2,764,971	-	7,486,652	180,100
Over (under) collateralized	\$ 3,406,219	\$ 1,311,491	\$ -	\$ 6,812,023	\$ 161,927

	Wells Fargo Bank	Total
Amount of deposits	\$ 1,824,986	\$ 43,844,272
FDIC/SIPC coverage	(250,000)	(31,596,243)
Total uninsured public funds	1,574,986	12,248,029
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the City's name	570,620	10,980,339
Uninsured and uncollateralized	\$ 1,004,366	\$ 1,267,690
Collateral requirement	\$ 787,493	\$ 6,461,330
Pledged securities	570,620	17,936,117
Over (under) collateralized	\$ (216,873)	\$ 11,474,787

State of New Mexico
City of Alamogordo
Notes to Financial Statements

Note 4: DEPOSITS AND INVESTMENTS (Continued)

*In addition to the regular FDIC coverage of \$250,000 for the certificates of deposit accounts, the cash at Moreton Capital Markets also includes \$250,000 of insurance through the Securities Investor Protection Service (SIPC).

** These accounts require 100% collateralization of the amount over FDIC Coverage per depository agreements with the United States Department of Housing and Urban Development.

The collateral pledged is listed on pages 176-177 of this report. The types of collateral allowed are limited to direct obligations of the United States Government, all bonds issued by any agency, city or political subdivision of the State of New Mexico, or revenue bonds that are underwritten by a member of the financial industry regulatory authority, known as FINRA, and are rated BAA or above by a nationally recognized bond rating service.

Reconciliation to the Statement of Net Position

Cash and cash equivalents per statement of net position	\$ 10,300,891
Investments per statement of net position	72,765,518
Restricted cash and cash equivalents per statement of net position	548,790
Restricted investments per statement of net position	1,667,124
Component unit cash and cash equivalents per statement of net position	327,435
Component unit investments per statement of net position	1,935,124
Component unit restricted investments per statement of net position	1,181,575
Cash and cash equivalents per statement of fiduciary net position	12,031
<hr/>	
Total cash, cash equivalents and investments	88,738,488
Plus outstanding checks	702,562
Less outstanding deposits	(77,532)
Less investments at Moreton Capital Markets	(44,275,933)
Less NMFA investment accounts	(923,078)
Less NMFA cash accounts	(287,703)
Less New MexiGROW LGIP	(5,805)
Less petty cash	(26,727)
<hr/>	
Bank balance of deposits	\$ 43,844,272
<hr/>	

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

Note 4: DEPOSITS AND INVESTMENTS (Continued)

Investments

The City's investments at June 30, 2023, include the following.

Investment Type	Weighted Average Maturities	Fair Value	Rating*
	22 days WAM (R) and		
New MexiGROW LGIP	86 days WAM (F)	\$ 5,805	AAAm
U.S. Treasury/Agency Bonds	1 to 10 years	923,078	A-1+
Fixed Income Securities	0 to 10 years	38,896,549	Not Rated
Moreton Capital Money Market Mutual Funds	<1 year	5,379,384	Not Rated
Total		\$45,204,816	

* Based off Standard & Poor's rating

The City has presented certificates of deposit in the amount of \$32,344,525 as investments in the statement of net position; however, these are classified as deposits for disclosure purposes.

Interest Rate Risk – Investments. The City has multiple investments in which the maturity date is greater than one year. The fair value of the securities exposed to interest rate risk is \$45,204,816. These securities do not have call options. The City's policy related to interest rate risk with investments is to comply with the statute as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978).

Maturity rates consist of the following as of June 30, 2023.

Investment Type	Fair Value	Less than 1 Year	1-5 Years	5+ Years
New MexiGROW LGIP	\$ 5,805	\$ 5,805	\$ -	\$ -
U.S. Treasury/Agency Bonds	923,078	627,693	295,385	-
Fixed Income Securities	38,896,549	1,849,850	35,172,654	1,874,045
Moreton Capital Money Market Mutual Funds	5,379,384	5,379,384	-	-
Total investments	\$ 45,204,816	\$ 7,862,732	\$ 35,468,039	\$ 1,874,045

State of New Mexico
City of Alamogordo
Notes to Financial Statements

Note 4: DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Concentration of Credit Risk – Investments. For an investment, concentration of credit risk is when any one issuer is 5% or more of the investment portfolio of the City. The investment in the U.S. Treasury/Agency Bonds represent 2.04% of the investment portfolio, the Fixed Income Securities represents 86.05%, and the Moreton Capital Money Market Mutual Funds represents 11.90%. The City's policy related to concentration credit risk is to comply with the state statute as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978).

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

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

Level 2 Inputs to the valuation methodology include:

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

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

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

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

The City's investment of \$5,805 with the New MexiGROW LGIP is valued at amortized cost and is not subject to fair market valuation.

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

Note 4: DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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

The City maintained a balance of \$45,199,011 in investments at June 30, 2023 which required fair value disclosure. The following table sets forth by level within the fair value hierarchy of the City's assets at fair value as of June 30, 2023:

	Level 1	Level 2	Level 3	Total
U.S. Treasury/Agency Bonds	\$ -	\$ 923,078	\$ -	\$ 923,078
Fixed Income Securities	5,750,027	33,146,522	-	38,896,549
Moreton Capital Money Market Mutual Funds	5,379,384	-	-	5,379,384
Total investments	\$ 11,129,411	\$34,069,600	\$ -	\$ 45,199,011

Note 5: RECEIVABLES

Receivables as of June 30, 2023, are as follows for the governmental activities:

	General Fund	2004 Capital Outlay GRT Fund	Nonmajor Governmental Funds	Total Governmental Funds
Taxes				
Property	\$ 191,587	\$ -	\$ 61,310	\$ 252,897
Gross receipts	3,106,968	814,494	1,776,174	5,697,636
Gasoline and oil taxes	-	-	145,947	145,947
Intergovernmental				
Federal capital grants	-	-	686,920	686,920
Customer				
Charges for services	1,186,003	-	-	1,186,003
Allowance - uncollectable	(715,805)	-	-	(715,805)
Leases	-	-	211,606	211,606
Other				
Miscellaneous	1,050,960	-	198,723	1,249,683
Allowance - uncollectable	(1,026,558)	-	(178,766)	(1,205,324)
Totals	\$ 3,793,155	\$ 814,494	\$ 2,901,914	\$ 7,509,563

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

Note 5: RECEIVABLES (Continued)

In accordance with GASB Statement No. 33, property tax revenues in the amount of \$140,707 and leases in the amount of \$209,986 that were not collected within the period of availability have been reclassified as deferred inflows of resources in the governmental fund financial statements.

Receivables as of June 30, 2023, are as follows for the business-type activities:

	Water and Sewer Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Fund
Taxes				
Gross receipts taxes	\$ 47,173	\$ -	\$ 47,173	\$ -
Intergovernmental				
Federal operating grants	-	146,143	146,143	-
Customer				
Charges for services	2,307,525	178,907	2,486,432	-
Allowance - uncollectable				
charges for services	(155,420)	(3,370)	(158,790)	-
Leases		803,950	803,950	447,148
Other				
Miscellaneous	14,043	-	14,043	71,008
Allowance - uncollectable				
miscellaneous	-	-	-	(61,630)
Totals	\$ 2,213,321	\$ 1,125,630	\$ 3,338,951	\$ 456,526

Receivables as of June 30, 2023, are as follows for the component unit:

	Component Unit Otero-Greentree Regional Landfill
Taxes	
Gross receipts	\$ 13,231
Customer	
Charges for services	168,828
Allowance - uncollectable	
charges for services	(62,913)
Leases	8,296
Totals	\$ 127,442

State of New Mexico
City of Alamogordo
Notes to Financial Statements

Note 5: RECEIVABLES (Continued)

Lease Receivable

The City has recorded lease receivables for the governmental funds, business-type activities, and the component unit of the City. The lease receivables are initially measured at an amount equal to the initial measurement of the related deferred inflow of resources.

The City, as part of their governmental funds, entered into agreements to lease their land and water towers. The terms of the lease agreements range from 23 months to 252 months, with a discount rate of 0.50% and 1.75%.

During the year ended June 30, 2023, the following changes occurred in lease receivables reported on the statement of net position for governmental activities:

	Balance June 30, 2022	Increases	Decreases	Balance June 30, 2023	Due Within One Year
Triple A Replat D Block	\$ 57,605	\$ -	\$ 57,605	\$ -	\$ -
Verizon Tower Lease	266,738	-	13,440	253,298	13,677
2101 South Walker Ave.	202,377	-	8,527	193,850	8,677
Downtown Ventures	231,712	-	20,106	211,606	20,460
Total lease receivable	\$ 758,432	\$ -	\$ 99,678	\$ 658,754	\$ 42,814

The future minimum lease payments for governmental funds to be received as of June 30, 2023 is as follows:

Fiscal Year Ending June 30,	Payment	Interest	Total Lease Receivable
2024	\$ 42,814	\$ 11,186	\$ 54,000
2025	43,569	10,431	54,000
2026	44,338	9,662	54,000
2027	45,120	9,880	55,000
2028	45,917	9,083	55,000
2029-2033	231,992	28,007	259,999
2034-2038	137,907	12,094	150,001
2039-2042	67,097	1,903	69,000
Total	\$ 658,754	\$ 92,246	\$ 751,000

The City's airport, as part of their business-type activities, entered into lease agreements to lease their land and hanger sites. The terms of the lease agreements range from 5 years to 25 years with a discount rate of 0.50% and 1.75%, which was set by the New Mexico Department of Finance and Administration.

State of New Mexico
City of Alamogordo
Notes to Financial Statements

Note 5: RECEIVABLES (Continued)

Lease Receivable (Continued)

During the year ended June 30, 2023, the following changes occurred in lease receivables reported on the statement of net position for business type activities:

	Balance June 30, 2022	Increases	Decreases	Balance June 30, 2023	Due Within One Year
Hanger Site A-1	\$ 3,588	\$ -	\$ 331	\$ 3,257	\$ 337
Lease E6-C	1,197	-	111	1,086	113
Lease E9-B	2,275	-	210	2,065	214
Lease AE-3C	1,178	-	109	1,069	111
Lease AE-8C	2,022	-	502	1,520	504
Lease E2-A	3,531	-	326	3,205	332
Lease E6-B	4,704	-	1,167	3,537	1,173
Lease E4-A	2,956	-	733	2,223	737
Lease E4-D	3,435	-	852	2,583	857
Lease E8-A	7,477	-	622	6,855	633
Lease E13-B	5,208	-	1,026	4,182	1,034
Lease E2-C	1,458	-	360	1,098	363
Lease E4-B	1,347	-	334	1,013	336
Lease E6-D	3,037	-	751	2,286	756
Lease A-2	99,275	-	3,277	95,998	3,335
Lease E10-B	6,646	-	614	6,032	625
Lease W2-A	11,233	-	1,038	10,195	1,056
Lease W2-C	6,048	-	989	5,059	997
Lease W2-B	4,846	-	1,198	3,648	1,207
Lease W4-A	415,718	-	44,822	370,896	45,159
Lease E9-C	1,193	-	296	897	297
Lease E2-B and FF1-A	3,077	-	503	2,574	507
Lease E7-A	7,547	-	1,873	5,674	1,882
Lease E9-A1	4,352	-	712	3,640	717
Lease E6-A	878	-	218	660	219
Lease E4-C	769	-	191	578	192
Lease E9-A2	1,695	-	421	1,274	423
Lease E1-A	73,527	-	6,792	66,735	6,911
Lease E13-A1	5,108	-	713	4,395	719
Lease E-12-B3	9,981	-	1,076	8,905	1,084
Lease E12-A	3,093	-	767	2,326	771
Lease W3-A	190,813	-	17,626	173,187	17,935
Lease E10-A	7,047	-	1,749	5,298	1,757
Total lease receivable	\$ 896,259	\$ -	\$ 92,309	\$ 803,950	\$ 93,293

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

Note 5: RECEIVABLES (Continued)

Lease Receivable (Continued)

The future minimum lease payments for business-type activities to be received as of June 30, 2023 is as follows:

Fiscal Year Ending June 30,	Payment	Interest	Total Lease Receivable
2024	\$ 93,293	\$ 9,641	\$ 102,934
2025	94,286	8,651	102,937
2026	95,294	7,648	102,942
2027	84,643	6,626	91,269
2028	84,551	5,659	90,210
2029-2033	291,997	14,102	306,099
2034-2038	20,556	4,444	25,000
2039-2043	22,428	2,572	25,000
2044-2046	16,902	597	17,499
Total	\$ 803,950	\$ 59,940	\$ 863,890

The City's discretely presented component unit, Otero-Greentree Regional Landfill entered into lease agreements to lease their land. The terms of the lease agreements range from 2 years to 3 years with a discount rate of .50%, which was set by the New Mexico Department of Finance and Administration.

During the year ended June 30, 2023, the following changes occurred in lease receivables reported on the statement of net position for the discretely presented component unit:

	Balance June 30, 2022	Increases	Decreases	Balance June 30, 2023	Due Within One Year
Grease Trap - Arrearages	\$ 1,641	\$ -	\$ 819	\$ 822	\$ 822
Grease Trap - Annual	13,421	-	5,947	7,474	5,976
Total lease receivable	\$ 15,062	\$ -	\$ 6,766	\$ 8,296	\$ 6,798

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

Note 5: RECEIVABLES (Continued)

Lease Receivable (Continued)

The future minimum lease payments for the discretely presented component unit to be received as of June 30, 2023 is as follows:

Fiscal Year Ending June 30,	Payment	Interest	Total Lease Receivable
2024	\$ 6,798	\$ 28	\$ 6,826
2025	1,498	1	1,499
Total	\$ 8,296	\$ 29	\$ 8,325

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

State of New Mexico
City of Alamogordo
Notes to Financial Statements

Note 6: TRANSFERS AND INTERFUND BALANCES

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

Fund	Transfers Out	Transfers In
Governmental Activities		
General	\$ 10,834,397	\$ 551,897
State and Local Fiscal Recovery	88,935	-
Leisure Services	-	5,240,610
2004 Capital Outlay GRT	1,617,809	-
Internal Service	-	4,922,965
Nonmajor Governmental Funds		
Lodger's Tax - Promotional	1,615	-
Lodger's Tax- City	68,498	-
Court Administration	-	420,942
1984 Gross Receipts	2,239,031	-
Transportation	260,257	2,250,467
Community Development/Infrastructure Acquisitions	28,131	300,280
Alamo Senior Center	-	687,396
ESGRT 0.0625%	1,043,740	-
Cannabis Regulation Act	-	79,091
General Obligation Fund	470,000	-
1994 & 1996 GRT Principal & Interest	-	2,407,014
1994 Gross Receipts Tax	1,634,872	-
New Mexico CDBG	-	147,659
1986 Gross Receipt Tax	2,448,723	-
Reverse Osmosis Project	-	5,792
99 GRT Flood Control	-	97,370
Municipal Infrastructure	26,694	-
Business-Type Activities		
Water and Sewer	33,671	2,899,786
Nonmajor Proprietary Funds		
Solid Waste	53,421	-
Golf Course	-	822,532
Airport	32,296	50,943
Component Unit		
Otero Greentree Regional Landfill	2,654	-
Total	\$ 20,884,744	\$ 20,884,744

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

Note 6: TRANSFERS AND INTERFUND BALANCES (Continued)

The City records temporary interfund receivables and payables to enable the funds to operate until monies are received. The composition of interfund balances during the year ended June 30, 2023 is as follows:

	Due from Other Funds	Due to Other Funds
General Fund	\$ 570,681	\$ -
H.I.D.T.A. Fund	-	4,461
Grant Capital Improvements Fund	-	324,627
New Mexico CDBG Fund	-	133,906
Water and Sewer Fund	-	6,571
Golf Course Fund	-	91,503
Low Rent Public Housing Fund	-	9,268
Housing Home Ownership Fund	16	361
Total	\$ 570,697	\$ 570,697

State of New Mexico
City of Alamogordo
Notes to Financial Statements

Note 7: CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2023 follows. Land and construction in progress are not subject to depreciation.

Governmental activities	Balance					Balance
	June 30, 2022	Restatement	Additions	Transfers	Deletions	June 30, 2023
Capital assets not being depreciated						
Land	\$ 10,403,857	\$ -	\$ 133,148	\$ 231,513	\$ (55,438)	\$ 10,713,080
Construction in progress	13,158,849	1,091,690	6,836,730	(12,470,390)	-	8,616,879
Total capital assets not being depreciated	23,562,706	1,091,690	6,969,878	(12,238,877)	(55,438)	19,329,959
Capital assets being depreciated/amortized						
Buildings and improvements	32,625,053	4,074,302	-	678,306	(10,119)	37,367,542
Mechanized equipment	16,139,044	-	1,482,788	322,724	(425,673)	17,518,883
Unscheduled property	5,129,317	-	347,367	667,140	(15,841)	6,127,983
Infrastructure	196,186,944	-	19,840	10,638,026	-	206,844,810
Right of use asset- equipment	61,677	-	-	-	(2,072)	59,605
Total capital assets being depreciated/amortized	250,142,035	4,074,302	1,849,995	12,306,196	(453,705)	267,918,823
Total capital assets	273,704,741	5,165,992	8,819,873	67,319	(509,143)	287,248,782
Accumulated depreciation/amortization						
Buildings and improvements	21,726,419	-	1,162,321	-	(10,119)	22,878,621
Mechanized equipment	10,981,573	-	841,048	67,319	(404,617)	11,485,323
Unscheduled property	4,185,598	-	292,629	-	(11,026)	4,467,201
Infrastructure	160,914,020	-	4,039,219	-	-	164,953,239
Right of use asset- equipment	17,256	-	16,640	-	(2,072)	31,824
Total accumulated depreciation/amortization	197,824,866	-	6,351,857	67,319	(427,834)	203,816,208
Net capital assets	\$ 75,879,875	\$ 5,165,992	\$ 2,468,016	\$ -	\$ (81,309)	\$ 83,432,574

Depreciation expense for the year ended June 30, 2023 was charged to governmental activities as follows:

General government	\$ 1,463,385
Public safety	4,807
Public works	3,916,836
Culture and recreation	950,189
Total	\$ 6,335,217

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

Note 7: CAPITAL ASSETS (Continued)

The City has lease liabilities associated with the right of use assets as of June 30, 2023, which are further described in Note 8. Amortization of right of use assets totaled \$16,640 for the year ended June 30, 2023 was charged to governmental activities.

Business-type activities	Balance					Balance
	June 30, 2022	Restatement	Additions	Transfers	Deletions	June 30, 2023
Capital assets not being depreciated						
Land	\$ 7,003,434	\$ -	\$ -	\$ -	\$ -	\$ 7,003,434
Construction in progress	7,959,961	(1,142,686)	4,665,013	(1,164,809)	(183,466)	10,134,013
Total capital assets not being depreciated	14,963,395	(1,142,686)	4,665,013	(1,164,809)	(183,466)	17,137,447
Capital assets being depreciated/amortized						
Buildings and improvements	37,164,969	-	487,211	553,155	-	38,205,335
Mechanized equipment	10,717,910	-	874,782	200,176	(261,907)	11,530,961
Unscheduled property	4,605,082	-	-	(250,370)	-	4,354,712
Infrastructure	128,709,130	-	19,236	594,529	-	129,322,895
Right of use asset- equipment	188,798	-	-	-	-	188,798
Total capital assets being depreciated/amortized	181,385,889	-	1,381,229	1,097,490	(261,907)	183,602,701
Total capital assets	196,349,284	(1,142,686)	6,046,242	(67,319)	(445,373)	200,740,148
Accumulated depreciation/amortization						
Buildings and improvements	22,069,050	-	943,733	162	-	23,012,945
Mechanized equipment	7,447,680	-	701,030	(9,135)	(261,895)	7,877,680
Unscheduled property	2,343,562	-	295,062	(58,346)	-	2,580,278
Infrastructure	41,843,664	-	3,534,709	-	-	45,378,373
Right of use asset- equipment	50,376	-	50,376	-	-	100,752
Total accumulated depreciation/amortization	73,754,332	-	5,524,910	(67,319)	(261,895)	78,950,028
Net capital assets	\$ 122,594,952	\$ (1,142,686)	\$ 521,332	\$ -	\$ (183,478)	\$ 121,790,120

During the year ended June 30, 2023, the business-type activities transferred \$67,319 of mechanized equipment to the governmental activities.

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

Note 7: CAPITAL ASSETS (Continued)

Depreciation expense for the year ended June 30, 2023 was charged to business-type activities as follows:

Water and Sewer Fund	\$	4,474,835
Solid Waste Fund		52,090
Bonito Lake Fund		1,137
Golf Course Fund		225,126
Airport Fund		395,568
Low Rent Public Housing Fund		325,778
Total	\$	5,474,534

The City has lease liabilities associated with the right of use assets as of June 30, 2023, which are further described in Note 8. Amortization of right of use assets totaled \$50,376 for the year ended June 30, 2023 was charged to business-type activities.

Component unit	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Capital assets not being depreciated				
Land	\$ 1,526,005	\$ -	\$ -	\$ 1,526,005
Construction in progress	603,371	20,636	-	624,007
Total capital assets not being depreciated	2,129,376	20,636	-	2,150,012
Capital assets being depreciated/amortized				
Buildings and improvements	280,004	-	-	280,004
Mechanized equipment	5,060,099	519,619	-	5,579,718
Unscheduled property	243,362	6,663	-	250,025
Infrastructure	2,486,163	14,975	-	2,501,138
Right of use asset- equipment	50,297	-	-	50,297
Total capital assets being depreciated/amortized	8,119,925	541,257	-	8,661,182
Total capital assets				
	10,249,301	561,893	-	10,811,194
Accumulated depreciation/amortization				
Buildings and improvements	161,935	5,667	-	167,602
Mechanized equipment	3,589,230	335,167	-	3,924,397
Unscheduled property	106,474	8,414	-	114,888
Infrastructure	1,163,153	115,805	-	1,278,958
Right of use asset- equipment	10,056	10,056	-	20,112
Total accumulated depreciation/amortization	5,030,848	475,109	-	5,505,957
Net capital assets				
	\$ 5,218,453	\$ 86,784	\$ -	\$ 5,305,237

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

Note 7: CAPITAL ASSETS (Continued)

Depreciation expense for the year ended June 30, 2023 was charged to the component unit as follows:

<u>Otero - Greentree Regional Landfill</u>	\$	465,053
<u>Total</u>	\$	465,053

The City has lease liabilities associated with the right of use assets as of June 30, 2023, which are further described in Note 8. Amortization of right of use assets totaled \$10,056 for the year ended June 30, 2023 was charged to the component unit.

Note 8: LONG-TERM LIABILITIES

Governmental Activities

During the year ended June 30, 2023, the following changes occurred in the liabilities reported in the government-wide statement of net position:

	Balance		Balance		Balance	Due Within
	June 30, 2022	Additions	Deletions	June 30, 2023	One Year	
General obligation bonds	\$ 9,505,000	\$ -	\$ 185,000	\$ 9,320,000	\$	215,000
NMFA loans	15,560,000	-	2,208,000	13,352,000		2,172,000
Bond discounts	(137,539)	-	(13,596)	(123,943)		-
Bond premiums	169,860	-	14,052	155,808		-
Compensated absences	1,091,333	1,427,010	1,427,010	1,091,333		1,091,333
Lease liabilities	49,759	-	19,018	30,741		10,341
Total long-term liabilities	\$ 26,238,413	\$ 1,427,010	\$ 3,839,484	\$ 23,825,939	\$	3,488,674

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

Note 8: LONG-TERM LIABILITIES (Continued)

General Obligation Bonds (Continued)

At June 30, 2023, the City had two general obligation bonds outstanding which have been approved by the voters and issued for various municipal improvements. These bonds are liquidated by property tax revenues and paid out of the debt service fund. The general obligation bonds are as follows:

Description	Date of Issue	Due Date	Interest Rate	Original Amount of Issue	Outstanding June 30, 2023
Series 2014A GO Bond	12/24/2014	8/1/2034	4.00-4.50%	\$ 6,000,000	\$ 5,330,000
Series 2014B GO Bond	12/24/2014	8/1/2034	2.00-4.00%	4,500,000	3,990,000
Total General obligation bonds					\$ 9,320,000

The annual requirements to amortize the general obligation bonds as of June 30, 2023, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2024	\$ 215,000	\$ 362,744	\$ 577,744
2025	245,000	355,194	600,194
2026	270,000	346,444	616,444
2027	305,000	336,319	641,319
2028	340,000	324,969	664,969
2029-2033	4,770,000	1,267,133	6,037,133
2034-2035	3,175,000	138,254	3,313,254
Total	\$ 9,320,000	\$ 3,131,057	\$ 12,451,057

NMFA Loans

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

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

Note 8: LONG-TERM LIABILITIES (Continued)

NMFA Loans (Continued)

The NMFA loans are as follows:

Description	Date of Issue	Due Date	Interest Rate	Original Amount of Issue	Outstanding June 30, 2023
NMFA Ref/Flood/Nat	12/1/2016	6/1/2029	0.700-2.510%	\$ 6,870,000	\$ 3,618,000
NMFA Adv Ref & Defeas	12/1/2016	6/1/2028	0.670-2.130%	5,150,000	2,525,000
NMFA Adv Ref & Defeas	12/1/2016	6/1/2028	0.670-2.130%	2,770,000	1,255,000
NMFA Refunding	1/7/2022	6/1/2027	0.18-0.0840%	3,603,000	2,327,000
NMFA Refunding	1/7/2022	6/1/2031	0.18-1.220%	4,456,000	3,627,000
Total NMFA loans					\$ 13,352,000

The annual requirements to amortize the NMFA loan as of June 30, 2023, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2024	\$ 2,172,000	\$ 182,472	\$ 2,354,472
2025	2,189,000	136,336	2,325,336
2026	2,196,000	143,442	2,339,442
2027	2,237,000	118,941	2,355,941
2028	2,317,000	83,794	2,400,794
2029-2031	2,241,000	54,468	2,295,468
Total	\$ 13,352,000	\$ 719,453	\$ 14,071,453

Compensated Absences – Employees of the City are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2023, there was no change in compensated absences. Compensated absences are liquidated by the respective funds in which they are accrued.

Lease Liabilities

The City has entered into agreements to lease equipment. The lease agreements have been recorded at the present value of the future lease payments as of the date of their inception or, for leases existing prior to the implementation year at the remaining terms of the agreement, using the facts and circumstances available at July 1, 2021.

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

Note 8: LONG-TERM LIABILITIES (Continued)

Lease Liabilities - Governmental Funds

Lease liabilities, right-of-use assets, and lease terms are as follows at June 30, 2023:

	Effective Date	End Date	Monthly Payments	Borrowing Rate	Lease Liability	Right-to-Use Lease Asset, net amortization
Xerox VersaLink Copier C405/DN	1/4/2022	4/4/2027	61	0.75%	\$ 2,757	\$ 2,246
Xerox VersaLink Copier B400DN	1/10/2019	12/1/2023	189	0.50%	1,134	1,129
Xerox VersaLink Copier C605.XLM	8/23/2021	6/6/2026	135	0.50%	4,830	4,665
HP 77650Z Copier 77650Z	10/19/2021	10/3/2026	155	0.75%	6,129	5,673
Xerox XERC Copier 8056/H2	3/30/2022	3/30/2027	198	0.75%	8,804	7,011
Xerox 8030T 1 Xerox 8030T 1	9/18/2018	7/18/2023	132	0.50%	132	133
Xerox 8030T 2 Xerox 8030T 2	9/18/2018	7/18/2023	132	0.50%	132	133
Xerox 8030T 3 Xerox 8030T 3	9/18/2018	7/18/2023	132	0.50%	132	133
HP 77650Z+ Copier 77650Z+	5/21/2021	4/21/2026	198	0.50%	6,691	6,658
Total					\$ 30,741	\$ 27,781

Lease debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 10,341	\$ 166	\$ 10,507
2025	8,865	108	8,973
2026	8,527	51	8,578
2027	3,008	9	3,017
Totals	\$ 30,741	\$ 334	\$ 31,075

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

Note 8: LONG-TERM LIABILITIES (Continued)

Business-Type Activities

The proprietary funds have incurred various forms of debt which were used for the purposes of constructing, expanding, repairing and making improvements to its property, plant and equipment. The following schedule shows the changes to its various forms of debt during the fiscal year ended June 30, 2023:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year
General obligation bonds	\$ 4,685,000	\$ -	\$ 470,000	\$ 4,215,000	\$ 500,000
NMFA loans	14,122,877	272,203	1,650,606	12,744,474	1,693,079
Bond premiums	142,519	-	19,212	123,307	-
Compensated absences	359,032	273,319	236,155	396,196	396,196
Lease liabilities	138,745	-	50,224	88,521	39,455
Total long-term liabilities	\$ 19,448,173	\$ 545,522	\$ 2,426,197	\$ 17,567,498	\$ 2,628,730

At June 30, 2023, the City had one general revenue bond outstanding which have been approved by the voters and issued for various municipal improvements. This bond is liquidated by property tax revenues and paid out of the debt service fund. The general obligation bond is as follows:

Description	Date of Issue	Due Date	Interest Rate	Original Amount of Issue	Outstanding June 30, 2023
Series 2017 GO Bond (2009 Escrow)	11/30/2017	8/1/2029	2.375-3.00%	\$ 5,455,000	\$ 4,215,000

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

Note 8: LONG-TERM LIABILITIES (Continued)

Business-Type Activities (Continued)

General Obligation Bonds

The annual requirements to amortize the general obligation bond as of June 30, 2023, including interest payments, is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2024	\$ 500,000	\$ 105,500	\$ 605,500
2025	530,000	90,050	620,050
2026	565,000	73,625	638,625
2027	595,000	56,225	651,225
2028	635,000	40,156	675,156
2029-2030	1,390,000	33,250	1,423,250
Total	\$ 4,215,000	\$ 398,806	\$ 4,613,806

NMFA Loans

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

Description	Date of Issue	Due Date	Interest Rate	Original Amount of Issue	Outstanding June 30, 2023
NMFA Drinking Water	5/1/2013	5/1/2032	1.75%	\$ 4,805,293	\$ 2,457,190
NMFA Westside	11/1/2006	5/1/2026	3.28-4.18%	730,453	153,043
NMFA WTB	6/1/2011	6/1/2030	0.00%	1,127,000	400,865
NMFA Drinking Water	5/1/2014	5/1/2025	2.00%	855,320	639,673
NMFA Desalination	5/1/2014	5/1/2035	2.00%	1,136,250	867,174
NMFA Refunding & Projects	12/1/2016	6/1/2025	0.670-1.350%	2,715,000	624,000
NMFA 2016 Jt Utility	12/6/2019	6/1/2029	1.19-1.64%	3,207,212	2,070,969
NMFA Adv Ref & Defeas	1/7/2022	6/1/2031	0.18-1.22%	5,505,000	4,483,000
NMFA Water Reservoir	4/16/2021	5/1/2039	0.25-1.00%	2,151,300	1,048,560
Total NMFA loans					\$ 12,744,474

State of New Mexico
City of Alamogordo
Notes to Financial Statements

Note 8: LONG-TERM LIABILITIES (Continued)

Business-Type Activities (Continued)

The annual requirements to amortize the loan payable as of June 30, 2023, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2024	\$ 1,693,079	\$ 155,017	\$ 1,848,096
2025	1,716,638	138,177	1,854,815
2026	1,417,689	118,109	1,535,798
2027	1,380,740	100,893	1,481,633
2028	1,398,473	84,553	1,483,026
2029-2033	4,146,463	179,893	4,326,356
2034-2038	744,513	29,234	773,747
2039-2043	246,879	4,672	251,551
Total	\$ 12,744,474	\$ 810,548	\$ 13,555,022

Compensated Absences – Employees of the City are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2023, compensated absences increased \$37,164 in business-type funds from the prior year. Compensated absences are liquidated by the respective funds in which they are accrued.

Lease Liabilities - Business-Type Activities

The City, business-type activities has entered into agreements to lease equipment. The lease agreements have been recorded at the present value of the future lease payments as of the date of their inception or, for leases existing prior to the implementation year at the remaining terms of the agreement, using the facts and circumstances available at July 1, 2021.

Lease liabilities, right-of-use assets, and lease terms are as follows at June 30, 2023:

	Effective Date	End Date	Monthly Payments	Borrowing Rate	Lease Liability	Right-to-Use Lease Asset, net amortization
2 Expanse Kiosks	6/24/2021	4/24/2026	\$ 1,700	0.50%	\$ 57,381	\$ 57,119
Water Easement WM-245 Snake Tank	11/19/2019	9/19/2024	1,500	0.50%	22,425	22,327
Water Easement WO-54 Well	9/30/2018	7/30/2023	1,000	0.50%	999	995
Water Tower Lease No. 71068311	11/16/1992	6/1/2041	42	1.75%	7,716	7,605
Total					\$ 88,521	\$ 88,046

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

Note 8: LONG-TERM LIABILITIES (Continued)

Lease Liabilities- Business-Type Activities (Continued)

Lease debt service requirements to maturity are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 39,455	\$ 444	\$ 253,144
2025	25,130	270	25,400
2026	17,343	158	17,501
2027	388	112	500
2028	395	105	500
2029-33	2,081	419	2,500
2034-38	2,270	240	2,510
2039-41	1,459	40	1,499
Totals	\$ 88,521	\$ 1,788	\$ 303,554

Component Unit Activities

During the year ended June 30, 2023, the following changes occurred in the liabilities reported in the government-wide statement of net position:

	<u>Balance June 30, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2023</u>	<u>Due Within One Year</u>
Compensated absences	\$ 18,419	\$ 54,404	\$ 48,096	\$ 24,727	\$ 24,727
Post-closure liability	1,911,751	120,653	-	2,032,404	-
Lease liabilities	40,137	-	9,959	30,178	10,008
Total long-term liabilities	\$ 1,970,307	\$ 175,057	\$ 58,055	\$ 2,087,309	\$ 34,735

Compensated Absences – Employees of the City are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2023, compensated absences increased \$6,308 in the component unit from the prior year.

Lease Liabilities- Component Unit Activities

The discretely presented component unit has entered into agreements to lease equipment. The lease agreements have been recorded at the present value of the future lease payments as of the date of their inception or, for leases existing prior to the implementation year at the remaining terms of the agreement, using the facts and circumstances available at July 1, 2021.

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

Note 8: LONG-TERM LIABILITIES (Continued)

Lease Liabilities- Component Unit Activities (Continued)

Lease liabilities, right-of-use assets, and lease terms are as follows at June 30, 2023:

	Effective Date	End Date	Monthly Payments	Borrowing Rate	Lease Liability	Right-to-Use Lease Asset, net amortization
Mining Lease-1	7/15/2021	7/15/2025	792	0.50%	\$ 475	\$ 480
Mining Lease-2	7/15/2021	7/15/2025	49,505	0.50%	29,703	29,705
Total					\$ 30,178	\$ 30,185

Lease debt service requirements to maturity are as follow:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 10,008	\$ 151	\$ 10,159
2025	10,060	101	10,161
2026	10,110	51	10,161
Totals	\$ 30,178	\$ 303	\$ 30,481

Note 9: RISK MANAGEMENT

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

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

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

State of New Mexico
City of Alamogordo
Notes to Financial Statements

Note 9: RISK MANAGEMENT (Continued)

The City has not filed any claims for which the settlement amount exceeded the insurance coverage during the past three years. However, should a claim be filed against the City which exceeds the insurance coverage, the City would be responsible for a loss in excess of the coverage amounts. As claims are filed, the

New Mexico Self-Insurers' Fund assesses and estimates the potential for loss and handles all aspects of the claim. Insurance coverage's have not changed significantly from prior years and coverage's are expected to be continued.

At June 30, 2023, no unpaid claims have been filed which exceed the policy limits and to the best of management's knowledge and belief all known and unknown claims will be covered by insurance. No major lawsuits have been filed against the City of Alamogordo.

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

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

Note 10: OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

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

A. Deficit fund balance of individual funds.

Governmental Funds	
Leisure Services Fund	\$ (177,881)
Nonmajor Governmental Funds	
Court Automation Fund	(3,520)
Court Administration Fund	(8,682)
Police Contingency Fund	(45,131)
H.I.D.T.A. Fund	(3,006)
Community Development/ Infrastructure Acquisition Fund	(9,332)
Alamo Senior Center Fund	(21,568)
New Mexico CDBG Fund	(30,510)
<hr/>	
Total nonmajor governmental funds	(121,749)
<hr/>	
Total governmental funds	\$ (299,630)
<hr/>	
Internal Service Funds	
<hr/>	
Internal Service Fund	\$(1,491,089)
<hr/>	
Total governmental funds	\$(1,491,089)
<hr/>	
Fiduciary Funds	
<hr/>	
State judicial fund	\$ (658)
<hr/>	
Total fiduciary funds	\$ (658)
<hr/>	

There was no business type funds with a deficit fund balance as of June 30, 2023.

- B. Actual expenditures in excess of amount budgeted at the budgetary authority level. Budgetary legal level of control is at the fund level. There were no funds with expenditures in excess of budgetary authority for the year ended June 30, 2023.
- C. Designated cash appropriations in excess of available balances. There were no funds that had designated cash appropriations in excess of available balances for the year ended June 30, 2023.

State of New Mexico
City of Alamogordo
Notes to Financial Statements

Note 11: PENSION PLAN - PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

Note: The City maintains audit responsibility for the Otero – Greentree Regional Landfill (the “Landfill”), which is presented as a discretely presented component unit. The City processes payroll for the Landfill, which includes expenditures for PERA. As a result, a portion of the City’s net pension liability and related deferred outflows and inflows of resources is allocated to the Landfill on the statement of net position.

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, unless specifically excluded.

Benefits Provided. Benefits are generally available at age 65 with five or more years of service or after 25 years of service regardless of age for TIER I members. Provisions also exist for retirement between ages 60 and 65, with varying amounts of service required. Certain police and fire members may retire at any age with 20 or more years of service for Tier I members. Generally, the amount of retirement pension is based on final average salary, which is defined under Tier I as the average of salary for the 36 consecutive months of credited service producing the largest average; credited service; and the pension factor of the applicable coverage plan. Monthly benefits vary depending upon the plan under which the member qualifies, ranging from 2% to 3.5% of the member’s final average salary per year of service. The maximum benefit that can be paid to a retiree may not exceed a range of 60% to 90% of the final average salary, depending on the division. Benefits for duty and non-duty death and disability and for post-retirement survivors’ annuities are also available.

State of New Mexico
City of Alamogordo
Notes to Financial Statements

Note 11: PENSION PLAN - PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)

General Information about the Pension Plan (Continued)

TIER II. The retirement age and service credit requirements for normal retirement for PERA state and municipal general members hired increased effective July 1, 2013 with the passage of Senate Bill 27 in the 2013 Legislative Session. Under the new requirements (Tier II), general members are eligible to retire at any age if the member has at least five years of service credit and the sum of the member's age and service credit equals at least 85 or at age 65 with 5 or more years of service credit. General members hired on or before June 30, 2013 (Tier I) remain eligible to retire at any age with 25 or more years of service credit. Under Tier II, police and firefighters in Plans 3, 4 and 5 are eligible to retire at any age with 25 or more years of service credit. State police and adult correctional officers, peace officers and municipal juvenile detention officers will remain in 25-year retirement plans, however, service credit will no longer be enhanced by 20%. All public safety members in Tier II may retire at age 60 with 5 or more years of service credit. Generally, under Tier II pension factors were reduced by 0.5%, employee Contribution increased 1.5 percent and effective July 1, 2014 employer contributions were raised 0.05 percent. The computation of final average salary increased as the average of salary for 60 consecutive months.

Contributions. See PERA's Annual Comprehensive Financial Report for a summary of various statutory PERA coverage rates, for both Tier I and Tier II, on page 36 of the annual audit report at <http://www.nmpera.org/financial-overview/retirement-fund-valuation-reports/>. The PERA coverage options that apply to the City are: Municipal General Division. Municipal Fire Division and Municipal Police Division. Statutorily required contributions to the pension plan from the City were \$1,962,612 and there was \$973,284 employer paid member benefits that were "picked up" by the employer for the year ended June 30, 2023.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. The total pension liability was rolled forward from the valuation date to the plan year ending June 30, 2022 using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2021. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2022. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined.

For PERA Fund Municipal General Division, at June 30, 2023, City reported a liability of \$16,918,340 for its proportionate share of the net pension liability. At June 30, 2022, the City's proportion was 0.953840 percent, which increased from its proportion measured as of June 30, 2021, by 0.005963 percent.

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

Note 11: PENSION PLAN - PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)

General Information about the Pension Plan (Continued)

For the year ended June 30, 2023, the City recognized PERA Fund Municipal General Division pension expense of \$1,385,394. At June 30, 2023, the City reported PERA Fund Municipal General Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 67,822	\$ 411,447
Net difference between projected and actual earnings on pension plan investments	1,674,335	-
Changes of assumption	-	-
Changes in proportion and differences between the City's contributions and proportionate share of contributions	131,702	125,435
City's contributions subsequent to the measurement date	1,056,841	-
Total	\$ 2,930,700	\$ 536,882

\$1,056,841 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date June 30, 2022 will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2023	\$ 360,557
2024	244,046
2025	(589,632)
2026	1,322,006
Thereafter	-
Total	\$ 1,336,977

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

Note 11: PENSION PLAN - PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)

General Information about the Pension Plan (Continued)

For PERA Fund Municipal Police Division, at June 30, 2023, the City reported a liability of \$7,775,664 for its proportionate share of the net pension liability. At June 30, 2022, the City's proportion was 0.96752 percent, which increased from its proportion measured as of June 30, 2021, by 0.109893 percent.

For the year ended June 30, 2023, the City recognized PERA Fund Municipal Police Division pension expense of \$615,791. At June 30, 2023, the City reported PERA Fund Municipal Police Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 202,542	\$ -
Net difference between projected and actual earnings on pension plan investments	679,421	-
Changes of assumption	-	-
Changes in proportion and differences between the City's contributions and proportionate share of contributions	525,768	456,302
City's contributions subsequent to the measurement date	485,724	-
Total	\$ 1,893,455	\$ 456,302

\$485,724 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date June 30, 2022 will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2023	\$ 99,406
2024	388,570
2025	(76,912)
2026	540,365
Thereafter	-
Total	\$ 951,429

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

Note 11: PENSION PLAN - PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)

General Information about the Pension Plan (Continued)

For PERA Fund Municipal Fire Division, at June 30, 2023, the City reported a liability of \$6,724,289 for its proportionate share of the net pension liability. At June 30, 2021, the City's proportion was 0.88541 percent, which increased from its proportion measured as of June 30, 2021, by 0.183963 percent.

For the year ended June 30, 2023, the City recognized PERA Fund Municipal Fire Division pension expense of \$1,079,720. At June 30, 2023, the City reported PERA Fund Municipal Fire Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 41,825	\$ 4,747
Net difference between projected and actual earnings on pension plan investments	299,823	-
Changes of assumptions	-	-
Changes in proportion and differences between the City's contributions and proportionate share of contributions	1,040,191	-
City's contributions subsequent to the measurement date	420,047	-
Total	\$ 1,801,886	\$ 4,747

\$420,047 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date June 30, 2022 will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2023	\$	543,626
2024		480,663
2025		117,506
2026		235,297
Thereafter		-
Total	\$	1,377,092

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

Note 11: PENSION PLAN - PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)

General Information about the Pension Plan (Continued)

Actuarial assumptions. The total pension liability in the June 30, 2021 actuarial valuation was determined using the following significant actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	June 30, 2021
Actuarial cost method	Entry Age Normal
Amortization period	25 years
Actuarial Assumptions:	
Investment rate of return, net	7.25% annual rate
Projected salary increases	3.25% to 13.50% annual rate
Includes inflation at	2.50%
Mortality assumptions	The mortality assumptions are based on the RPH-2014 Blue Collar mortality table with female ages set forward one year. Future improvement in mortality rates is assumed using 60% of the MP-2017 projection scale generationally. For nonpublic safety groups, 25% of in-service deaths are assumed to be duty related and 35% are assumed to be duty-related for public safety groups.
Experience Study Dates	July 1, 2008 to June 30, 2017 (demographic) and July 1,

The total pension liability, net pension liability, and certain sensitivity information are based on an actuarial valuation performed as of June 30, 2021. The total pension liability was rolled-forward from the valuation date to the plan year ended June 30, 2022. These assumptions were adopted by the Board use in the June 30, 2021 actuarial valuation.

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

Note 11: PENSION PLAN - PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)

General Information about the Pension Plan (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method 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 allocation and 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
Global Equity	35.50%	6.35%
Risk Reduction & Mitigation	19.50%	1.90%
Credit Oriented Fixed Income	15.00%	4.45%
Real Assets to include Real Estate Equity	20.00%	5.10%
Multi-Risk Allocation	10.00%	6.65%
Total	100.00%	

Discount rate. A single discount rate of 7.25% was used to measure the total pension liability as of June 30, 2022. This single discount rate was based on a long-term expected rate of return on pension plan investments of 7.25%, compounded annually, net of expense. Based on the stated assumptions and the projection of cash flows, the plan’s fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

The projections of cash flows used to determine this single discount rate assumed that plan member and employer contributions will be made at the current statutory levels.

Sensitivity of the City’s proportionate share of the net pension liability to changes in the discount rate. The following presents the City’s proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

Note 11: PENSION PLAN - PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)

General Information about the Pension Plan (Continued)

PERA Fund Municipal General Division	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
City's proportionate share of the net pension liability	\$ 25,601,075	\$ 16,918,340	\$ 9,705,283

PERA Fund Municipal Police Division	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
City's proportionate share of the net pension liability	\$ 11,665,845	\$ 7,775,664	\$ 1,710,491

PERA Fund Municipal Fire Division	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
City's proportionate share of the net pension liability	\$ 8,857,189	\$ 6,724,289	\$ 4,972,881

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued PERA financial report.

Payables to the pension plan. At June 30, 2023 there were no contributions due and payable to PERA for the City.

Note 12: POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN

Note: The City maintains audit responsibility for the Otero – Greentree Regional Landfill (the "Landfill"), which is presented as a discretely presented component unit. The City processes payroll for the Landfill, which includes expenditures for NMRHCA. As a result, a portion of the City's net OPEB liability and related deferred outflows and inflows of resources is allocated to the Landfill on the statement of net position.

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

Note 12: POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN (Continued)

General Information about the OPEB

Plan description. Employees of the City are provided with OPEB through the Retiree Health Care Fund (“the Fund”)—a cost-sharing multiple-employer defined benefit OPEB plan administered by the New Mexico Retiree Health Care Authority (“NMRHCA”). NMRHCA was formed February 13, 1990, under the New Mexico Retiree Health Care Act (“the Act”) of New Mexico Statutes Annotated, as amended (NMSA 1978), to administer the Fund under Section 10-7C-1-19 NMSA 1978. The Fund was created to provide comprehensive group health insurance coverage for individuals (and their spouses, dependents and surviving spouses) who have retired or will retire from public service in New Mexico.

NMRHCA is an independent agency of the State of New Mexico. The funds administered by NMRHCA are considered part of the State of New Mexico financial reporting entity and are OPEB trust funds of the State of New Mexico. NMRHCA’s financial information is included with the financial presentation of the State of New Mexico.

Benefits provided. The Fund is a multiple employer cost sharing defined benefit healthcare plan that provides eligible retirees (including terminated employees who have accumulated benefits but are not yet receiving them), their spouses, dependents and surviving spouses and dependents with health insurance and prescription drug benefits consisting of a plan, or optional plans of benefits, that can be contributions to the Fund and by co-payments or out-of-pocket payments of eligible retirees.

Employees covered by benefit terms. At June 30, 2022, the Fund’s measurement date, the following employees were covered by the benefit terms:

Plan Membership	
Current retirees and surviving spouses	53,092
Inactive and eligible for deferred benefit	11,759
Current active members	92,520
	157,371
Active membership	
State general	18,691
State police and corrections	1,919
Municipal general	20,357
Municipal police	1,573
Municipal Fire	756
Educational Retirement Board	49,224
	92,520

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

Note 12: POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN (Continued)

General Information about the OPEB (Continued)

Contributions – Employer and employee contributions to the Fund total 3% for non-enhanced retirement plans and 3.75% of enhanced retirement plans of each participating employee’s salary as required by Section 10-7C-15 NMSA 1978. The contributions are established by statute and are not based on an actuarial calculation. All employer and employee contributions are non-refundable under any circumstance, including termination of the employer’s participation in the Fund. Contributions to the Fund from the City were \$319,162 for the year ended June 30, 2023.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2023, the City reported a liability of \$6,304,054 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021. The City’s proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2022. At June 30, 2022, the City’s proportion was 0.27271 percent.

For the year ended June 30, 2023, the recognized OPEB benefit of (\$1,386,529). At June 30, 2023 the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 1,345,136	\$ 4,673,124
Net difference between projected and actual earnings on pension plan investments	86,927	-
Changes in proportion and differences between contributions and proportionate share of contributions	482,455	738,658
Difference between expected and actual experience	104,855	934,395
City's contributions subsequent to the measurement date	319,162	-
Total	\$ 2,338,535	\$ 6,346,177

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

Note 12: POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Contribution)

Deferred outflows of resources totaling \$319,162 represent the City’s contributions to the Fund made subsequent to the measurement date and will be recognized as a reduction of net OPEB liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year ended June 30:	
2023	\$ (1,373,851)
2024	(1,087,622)
2025	(668,799)
2026	(750,751)
2027	(445,781)
Total	\$ (4,326,804)

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2021, using the following actuarial assumptions:

Actuarial valuation date	June 30, 2021
Actuarial cost method	Entry age normal, level percent of pay, calculated on individual employee basis
Asset valuation method	Market value of assets
Actuarial assumptions:	
Inflation	2.30% for ERB members; 2.50% for PERA members.
Projected payroll increases	3.25% to 13.00%, based on years of service, including inflation
Investment rate of return	7.00%, net of OPEB plan investment expense and margin for adverse deviation including inflation
Health care cost trend rate	8% graded down to 4.5% over 14 years for Non-Medicare medical plan costs and 7.5% graded down to 4.5% over 12 years for Medicare medical plan costs
Mortality	ERB members: 2020 GRS Southwest Region Teacher Mortality Table, set back one year (and scaled at 95% for males). Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2020. PERA members: Headcount-eighted RP-2014 Blue Collar Annuitant Mortality, set forward one year for females, projected generationally with Scale MP-2017 times 60%

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

Note 12: POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Contribution)

Rate of Return. The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which the expected future real rates of return (net of investment fees and inflation) are developed for each major asset class. These returns 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, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumptions.

The best estimates for the long-term expected rate of return is summarized as follows:

Asset Class	Long-Term Rate of Return
U.S. core fixed income	0.4%
U.S. equity - large cap	6.6%
Non U.S. - emerging markets	9.2%
Non U.S. - developed equities	7.3%
Private equity	10.6%
Credit and structured finance	3.1%
Real estate	3.7%
Absolute return	2.5%
U.S. equity - small/mid cap	6.6%

Discount Rate. The discount rate used to measure the Fund’s total OPEB liability is 5.42% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates proportional to the actuary determined contribution rates. For this purpose, employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members through the fiscal year ending June 30, 2059. The 7.00% discount rate, which includes the assumed inflation rate of 2.30% for ERB members and 2.50% of PERA members, was used to calculate the net OPEB liability through 2059. Beyond 2059, the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher (3.54%) was applied. Thus, 5.42% is the blended discount rate.

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

Note 12: POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Contribution)

Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates.

The following presents the net OPEB liability of the City, as well as what the City’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.42 percent) or 1-percentage-point higher (6.42 percent) than the current discount rate:

1% Decrease (4.42%)	Current Discount Rate (5.42%)	1% Increase (6.42%)
\$ 7,845,007	\$ 6,304,054	\$ 5,075,453

The following presents the net OPEB liability of the City, as well as what the City’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

1% Decrease	Current Trend Rates	1% Increase
\$ 5,051,188	\$ 6,304,054	\$ 7,371,823

OPEB plan fiduciary net position. Detailed information about the OPEB plan’s fiduciary net position is available in NMRHCA’s audited financial statements for the year ended June 30, 2022.

Payable Changes in the Net OPEB Liability. At June 30, 2023, the City did not have amounts payable to the NMRHCA.

Note 13: CONTINGENT LIABILITIES

The City is party to various claims and lawsuits arising in the normal course of business. The City is insured through the New Mexico Self Insurers Fund. The maximum exposure of the City is not estimable as of June 30, 2023, for any open claims and lawsuits.

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

Note 14: COMMITMENTS

The City's commitments as of June 30, 2023 are as follows:

Contract	Project	Amount
Cemetery Wall & Fence	CE2301	\$ 205,808
Contract Services Dudley	CM2303	273,971
FLOOD CONTROL (COE)	EN0226	269,404
10th & Hubbard CBC Repair	EN1904	2,504
PARALLEL PIPELINE-PHASE 1	EN2007	18,174
CDBG Sidewalk Improvements	EN2013	1,329,565
APD Reroof & HVAC	EN2201	43,746
DESERT LAKES DRAINAGE RPR	EN2202	88,793
PARALLEL PIPELINE-PHASE 2	EN2203	29,810
New York SMP 8th to 10th	EN2305	115,648
FS6 Addition	FD2201	421,244
Oregon Administration Remodel	FD2304	31,834
GOLF COURSE TRIPLEX	GC2205	105,000
Golf Course Irrigation Phase 1	GC2301	1,053,356
Software Project Oversight	IT2102	64,535
HTE Replacement Project	IT2103	382,414
LF Excavation and Testing	LF2201	349,500
PSAP Capital Building Improv	PD1501	528,880
DESIGN/ED BRABSON BALLOON PARK	PK2202	142,959
Pickleball Courts	PK2203	11,457
OREGON COURTS RESURFACING	PK2301	4,973
OREGON BB COURTS LIGHTING	PK2302	560
Alameda Park Zoo Irrigation De	PK2303	31,508
Indian Wells Trail	PK2306	55,932
Animal Control Roof Replacemen	PW1912	22,223
DRAINAGE MAINTENANCE	PW2203	50,000
Radio Read Program	UB0601	699,875
Water/Sewer Master Plan	UC2203	515,125
Water/Sewer IT Infrastructure	UC2204	108,742
LA GEN-SET	UC2208	75,000
LL RESERVOIR REPAIR/REPL	UC2209	927,558
LH to UP Transmission Pipeline	UC2210	300,000
MH 2734 REHAB	UC2211	62,941
WWTP Belt Press Repair	UC2302	77,740
UM Hydraulic Pumps	UM2202	14,253
Sample Stations	UP2201	264,391
Water Plan/Permit Update	UT2001	46,444
DP220 & 806 Compliance	UW2203	3,452
Monitoring Wells	UW2301	160,000
Zoo Improvements	ZO2301	284,177
Total		\$ 10,637,984

State of New Mexico
City of Alamogordo
Notes to Financial Statements

Note 15: OTERO – GREENTREE REGIONAL LANDFILL

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

The estimate of closure and post-closure costs was updated during the year ended June 30, 2023, and has increased by \$120,653, for a balance of \$2,032,404. The effect of this change in accounting estimate is that net position and the change in net position have decreased by \$464,126, as of and for the year ended June 30, 2023.

The landfill currently holds a 95-acre permit. The permit is defined as land that may be disturbed. To date 58% of the landfill capacity has been used: 30 acres have been disturbed for solid waste disposal and 15 acres for landfill facilities. The landfill is averaging six years of use for every ten acres of land. The remaining acres should give approximately 13.6 more years of life before re-permitting is requested.

The landfill is required to set aside a predetermined amount of funds to cover any closure and post closure care. The City sets aside approximately \$20,000 to \$40,000 annually in investment. To date, the City has restricted \$1,181,575 in investments for this purpose.

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

The Environmental Protection Agency (EPA) required the landfill to obtain a permit under 20 NMAC 2.70 Title V. This permit requires the landfill to monitor and report emission and particulates that are disbursed into the atmosphere. As the landfill continues to grow and monitoring requirements change, additional costs for closure and post closure care costs will need to be estimated in order for the City to accumulate the proper reserves and restrict sufficient funds to pay for the costs. As specified by 20.9.10.9 B NMAC, the owner of each solid waste facility shall establish a financial assurance mechanism for closure of the facility in compliance with 20.9.10.13 – 20.9.10.23 NMAC. The owner shall provide continued coverage for closure until released from financial assurance requirements by written verification issued by the secretary. The owner of a solid waste facility shall develop a detailed written estimate, in current dollars, of the cost of hiring a third party to close the largest area of the facility requiring closure under 20.9.6 NMAC.

**State of New Mexico
City of Alamogordo
Notes to Financial Statements**

Note 16: RESTRICTED NET POSITION

The government-wide statement of net position reports \$45,802,201 of restricted net position for governmental activities, all of which is restricted by enabling legislation. For descriptions of the related enabling legislation for special revenue, capital projects, and debt service funds, see 49-50 and 123-127.

Note 17: FUND BALANCE

Fund balances on the modified accrual basis were classified as follows as of June 30, 2023:

	General Fund	State and Local Fiscal Recovery Special Revenue Fund	Leisure Services	2004 Capital Outlay GRT Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund balances						
Nonspendable						
Prepaid expenses	\$ 5,208	\$ -	\$ -	\$ -	\$ 3,993	\$ 9,201
Restricted for						
Government operations	-	-	-	-	4,617,185	4,617,185
Public safety	-	-	-	-	1,168,128	1,168,128
Public works	-	-	-	-	232,413	232,413
Culture and recreation	-	-	-	-	2,562,177	2,562,177
Health and welfare	-	-	-	-	8,086	8,086
Capital projects	-	-	-	16,420,778	14,876,152	31,296,930
Debt service	-	-	-	-	5,637,441	5,637,441
Permanent fund	-	-	-	-	860,280	860,280
Unassigned (deficit)	14,061,383	130,304	(177,881)	-	(121,749)	13,892,057
Total fund balances	\$ 14,066,591	\$ 130,304	\$ (177,881)	\$ 16,420,778	\$ 29,844,106	\$ 60,283,898

Note 18: TAX ABATEMENTS

The City of Alamogordo had no tax abatements during the year ended June 30, 2023. The City is not subject to any tax abatement agreements entered into by other governmental entities.

Note 19: CONCENTRATIONS

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

State of New Mexico
City of Alamogordo
Notes to Financial Statements

Note 20: FEDERAL AND STATE GRANTS

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

Note 21: SUBSEQUENT EVENTS

Management evaluated all events or transactions that occurred after June 30, 2023, through October 11, 2024, the date the current year's financial statements were available to be issued. The following events occurred:

Subsequent to June 30, 2023, the City received two loans from the New Mexico Finance Authority for \$3.0 million for energy efficiency projects and \$400,000 for a lead service line survey. In addition, the City was awarded approximately \$1.1 million in federal funding for the emergency watershed program of natural resource conservation services.

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REQUIRED SUPPLEMENTARY INFORMATION



State of New Mexico
City of Alamogordo
Schedule of the City's Proportionate Share of
the Net Pension Liability of PERA Fund
Public Employees Retirement Association (PERA) Plan
Last 10 Fiscal Years*

	June 30,		
Fiscal Year	2023	2022	2021
Measurement Date	2022	2021	2020
City of Alamogordo's proportion of the net pension liability			
Municipal General	0.9538%	0.9598%	0.9417%
Municipal Police	0.9675%	0.8576%	0.8698%
Municipal Fire	0.8854%	0.7014%	0.6608%
City of Alamogordo's proportionate share of the net pension liability			
Municipal General	\$ 16,918,340	\$ 10,813,786	\$ 19,043,314
Municipal Police	7,775,664	4,435,315	7,470,449
Municipal Fire	6,724,289	4,257,959	4,998,118
	<u>\$ 31,418,293</u>	<u>\$ 19,507,060</u>	<u>\$ 31,511,881</u>
City of Alamogordo's covered payroll			
Municipal General	\$ 9,055,755	\$ 9,047,388	\$ 8,883,194
Municipal Police	1,900,768	2,064,341	2,068,783
Municipal Fire	1,595,621	1,007,425	917,050
	<u>\$ 12,552,144</u>	<u>\$ 12,119,154</u>	<u>\$ 11,869,027</u>
City of Alamogordo's proportionate share of the net pension liability as a percentage of its covered payroll			
Municipal General	186.82%	119.52%	214.37%
Municipal Police	409.08%	214.85%	361.10%
Municipal Fire	421.42%	422.66%	545.02%
Plan fiduciary net position as a percentage of the total pension liability			
Municipal General	69.35%	77.25%	66.36%
Municipal Police	69.35%	77.25%	66.36%
Municipal Fire	69.35%	77.25%	66.36%

* 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, the City will present information for those years for which information is available.

See notes to required supplementary information.

June 30,

2020	2019	2018	2017	2016	2015
2019	2018	2017	2016	2015	2014
0.9597%	1.0112%	0.9192%	0.9228%	0.9651%	0.9957%
1.1708%	1.1257%	1.1898%	1.1819%	1.2572%	1.3996%
0.6567%	0.6295%	0.5694%	0.5710%	0.5622%	0.5592%
\$ 16,613,363	\$ 16,122,270	\$ 12,630,586	\$ 14,743,243	\$ 9,840,030	\$ 7,767,529
8,648,338	7,680,700	6,610,256	8,720,409	6,045,322	4,562,544
4,513,084	4,029,335	3,257,791	3,809,151	2,901,616	2,334,097
<u>\$ 29,774,785</u>	<u>\$ 27,832,305</u>	<u>\$ 22,498,633</u>	<u>\$ 27,272,803</u>	<u>\$ 18,786,968</u>	<u>\$ 14,664,170</u>
\$ 8,420,576	\$ 8,862,304	\$ 8,072,408	\$ 8,519,979	\$ 8,002,462	\$ 8,370,704
2,515,241	2,469,059	2,452,647	2,350,723	2,460,929	2,789,369
842,919	831,512	690,057	665,639	637,580	646,276
<u>\$ 11,778,736</u>	<u>\$ 12,162,875</u>	<u>\$ 11,215,112</u>	<u>\$ 11,536,341</u>	<u>\$ 11,100,971</u>	<u>\$ 11,806,349</u>
197.29%	181.92%	156.47%	173.04%	122.96%	92.79%
343.84%	311.08%	269.52%	370.97%	245.65%	163.57%
535.41%	484.58%	472.10%	572.25%	455.10%	0.00%
70.52%	71.13%	73.74%	69.18%	76.99%	81.29%
70.52%	71.13%	73.74%	69.18%	76.99%	81.29%
70.52%	71.13%	73.74%	69.18%	76.99%	81.29%

See notes to required supplementary information.

State of New Mexico
City of Alamogordo
Schedule of the City's Contributions
Public Employees Retirement Association (PERA) Plan
Last 10 Fiscal Years*

As of and for the Year Ended June 30,	2023	2022	2021
Contractually required contribution			
Municipal General	\$ 1,056,841	\$ 887,464	\$ 886,644
Municipal Police	485,724	363,997	395,321
Municipal Fire	420,047	349,441	220,626
	<u>\$ 1,962,612</u>	<u>\$ 1,600,902</u>	<u>\$ 1,502,591</u>
Contributions in relation to the contractually required contribution			
Municipal General	\$ (1,056,841)	\$ (887,464)	\$ (886,644)
Municipal Police	(485,724)	(363,997)	(395,321)
Municipal Fire	(420,047)	(349,441)	(220,626)
	<u>\$ (1,962,612)</u>	<u>\$ (1,600,902)</u>	<u>\$ (1,502,591)</u>
Contribution deficiency (excess)			
Municipal General	\$ -	\$ -	\$ -
Municipal Police	-	-	-
Municipal Fire	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City of Alamogordo's covered payroll			
Municipal General	\$ 10,784,092	\$ 9,055,755	\$ 9,047,388
Municipal Police	2,536,418	1,900,768	2,064,341
Municipal Fire	1,918,023	1,595,621	1,007,425
	<u>\$ 15,238,532</u>	<u>\$ 12,552,144</u>	<u>\$ 12,119,154</u>
Contributions as a percentage of covered payroll			
Municipal General	9.80%	9.80%	9.80%
Municipal Police	19.15%	19.15%	19.15%
Municipal Fire	21.90%	21.90%	21.90%

* 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, the City will present information for those years for which information is available.

See notes to required supplementary information.

2020	2019	2018	2017	2016	2015
\$ 870,553	\$ 804,165	\$ 846,350	\$ 770,915	\$ 813,658	\$ 764,235
396,172	475,381	466,652	463,550	444,287	465,116
200,834	182,492	180,022	149,397	144,111	138,036
<u>\$ 1,467,559</u>	<u>\$ 1,462,038</u>	<u>\$ 1,493,024</u>	<u>\$ 1,383,862</u>	<u>\$ 1,402,056</u>	<u>\$ 1,367,387</u>
\$ (870,553)	\$ (804,165)	\$ (846,350)	\$ (770,915)	\$ (813,658)	\$ (764,235)
(396,172)	(475,381)	(466,652)	(463,550)	(444,287)	(465,116)
(200,834)	(182,492)	(180,022)	(149,397)	(144,111)	(138,036)
<u>\$ (1,467,559)</u>	<u>\$ (1,462,038)</u>	<u>\$ (1,493,024)</u>	<u>\$ (1,383,862)</u>	<u>\$ (1,402,056)</u>	<u>\$ (1,367,387)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>					
\$ 8,883,194	\$ 8,420,576	\$ 8,862,304	\$ 8,072,408	\$ 8,519,979	\$ 8,002,462
2,068,783	2,515,241	2,469,059	2,452,647	2,350,723	2,460,929
917,050	842,919	831,512	690,057	665,639	637,580
<u>\$ 11,869,027</u>	<u>\$ 11,778,736</u>	<u>\$ 12,162,875</u>	<u>\$ 11,215,112</u>	<u>\$ 11,536,341</u>	<u>\$ 11,100,971</u>
9.80%	9.55%	9.55%	9.55%	9.55%	9.55%
19.15%	18.90%	18.90%	18.90%	18.90%	18.90%
21.90%	21.65%	21.65%	21.65%	21.65%	21.65%

See notes to required supplementary information.

State of New Mexico
City of Alamogordo
Schedule of Employer's Proportionate Share of the Net OPEB Liability of
New Mexico Retiree Health Care Authority (NMRHCA) Plan
Last 10 Fiscal Years*

Fiscal Year	June 30,	
	2023	2022
Measurement Date	2022	2021
City of Alamogordo's proportion of the net OPEB liability	0.27271%	0.26776%
City of Alamogordo's proportionate share of the net OPEB liability	\$ 6,304,054	\$ 8,810,241
City of Alamogordo's covered-employee payroll	12,938,135	12,112,153
City of Alamogordo's proportionate share of the net OPEB liability as a percentage of its covered payroll	48.72%	72.74%
Plan fiduciary net position as a percentage of the total OPEB liability	33.33%	25.39%

* 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, the City will present information for those years for which information is available.

See notes to required supplementary information.

June 30,

2021	2020	2019	2018
2020	2019	2018	2017
0.26114%	0.28515%	0.29296%	0.28033%
\$ 10,965,028	\$ 9,245,673	\$ 12,738,940	\$ 12,703,639
11,857,608	11,775,275	11,677,559	11,677,559
92.47%	78.52%	108.18%	108.79%
16.50%	18.92%	11.34%	11.34%

See notes to required supplementary information.

State of New Mexico
City of Alamogordo
Schedule of Employer Contributions
New Mexico Retiree Health Care Authority (NMRHCA) Plan
Last 10 Fiscal Years*

As of and for the Year Ended June 30,	2023	2022
Contractually required contributions	\$ 319,162	\$ 283,985
Contributions in relation to the contractually required contribution	(319,162)	(283,985)
Contribution deficiency (excess)	\$ -	\$ -
City of Alamogordo's covered payroll	\$ 15,034,815	\$ 12,938,135
Contributions as a percentage of covered payroll	2.00%	2.00%

* 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, the City will present information for those years for which information is available.

See notes to required supplementary information.

2021	2020	2019	2018
\$ 258,373	\$ 253,327	\$ 252,470	\$ 250,375
(258,373)	(253,327)	(252,470)	(250,375)
\$ -	\$ -	\$ -	\$ -
\$ 12,112,153	\$ 11,857,608	\$ 11,775,275	\$ 11,677,559
2.00%	2.00%	2.00%	2.00%

See notes to required supplementary information.

State of New Mexico
City of Alamogordo
Notes to Required Supplementary Information

Public Employees Retirement Association (PERA) Plan

Changes of benefit terms. The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA CAFR available at <https://www.nmpera.org/financial-overview>.

Changes of assumptions. The Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation as of June 2022 report is available at <https://www.nmpera.org/financial-overview/retirement-fund-valuation-reports>.

New Mexico Retiree Health Care Authority (MRHCA)

Changes of benefit terms. The NMRHCA eligibility benefits changes in recent years are described in Note 1 of the NMRHCA audit available at <http://nmrhca.org/financial-documents>.

Changes of assumptions. The New Mexico Retiree Healthcare Authority (NMRHCA) Actuarial Valuation as of June 30, 2021 report is available at <http://nmrhca.org/financial-documents>. See the notes beginning on page 12 which summarizes actuarial assumptions and methods effective with the June 30, 2021 valuation.

In the total OPEB liability measured as of June 30, 2022, changes in assumptions include adjustments resulting from an increase in the discount rate from 3.62% to 5.42%.



SUPPLEMENTARY INFORMATION



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State of New Mexico
City of Alamogordo
Nonmajor Governmental and Proprietary Fund Descriptions

SPECIAL REVENUE FUNDS

Corrections (015) – This fund accounts for fees imposed on individuals convicted of any offense relating to the operation of a motor vehicle. Funds must be used as specified by State law. This is also the fund where the City pays the County for prisoners at the Detention Center. NMSA 33-3-25.

Lodgers' Tax – Promotional (016) – To account for various promotional and tourism attraction programs. NMSA 3-38-15.

Court Automation (019) – This fund is to account for the collections and disbursement of penalty assessments to develop a statewide computer system for all Municipal Courts. This fund was authorized by the City Commission and 35-14-11 NMSA

Lodgers' Tax – City (020) – To account for revenues generated through the use of the Civic Center. NMSA 3-38-25.

D.A.R.E. Donations (021) – To account for revenues and expenditures designated for the educational programs provided by D.A.R.E. officers. This fund was authorized by the City Commission.

Court Administration (027) – To account for collections and disbursements associated with traffic violations. NMSA 33-3-25.

Police Contingency (028) – To account for revenues and costs associated with confiscated items and investigation programs. NMSA 7-12-15.

Fire Protection (033) – To account for revenues accumulated by the State from taxes for the operation, betterment, and maintenance of local fire departments. NMSA 59A-53-1.

H.I.D.T.A. (035) – This fund accounts for all grant monies, initiated at the federal level, for the Narcotics Enforcement Unit's projects and services.

Law Enforcement (036) – To account for revenues received from the State for the equitable distribution to Municipal and County Police and Sheriff's Department for maintenance and improvements. NMSA 29-13-3.

State Highway (037) – To account for a grant from the New Mexico State Highway and Transportation Department for the Keep Alamogordo Beautiful program. NMSA 67-15-1.

Traffic Safety (038) – This fund is created to account for fees attached to each penalty assessment and traffic convictions under the State Motor Vehicle Code. The monies are used for public outreach programs, educational activities and programs to promote traffic safety in the entity's area. This fund was authorized by the City Commission.

State of New Mexico
City of Alamogordo
Nonmajor Governmental and Proprietary Fund Descriptions

SPECIAL REVENUE FUNDS (Continued)

1984 Gross Receipts (042) – To account for a one-quarter of one percent gross receipts tax used for the cost of maintenance and repairs of the City streets. NMSA 1978 7-1-6-9.

Transportation (044) – To account for the one-cent gasoline tax revenues used for local street and bridges capital items. NMSA 7-1-6-9.

Community Development/Infrastructure Acquisition (063) – This fund accounts for the project planning, budgeting, engineering and design, and project management for the city's capital projects.

Alamo Senior Center (071) – To account for grants and user fees to provide services for person 60 and over. (State Grant and City Ordinance)

Alamo Senior Center Gift (074) – This fund is created to account for donations and proceeds from fundraising events. Expenditures are restricted to building improvements or special events. This fund was authorized by the City Commission.

Retired and Senior Volunteer Program (075) – To account for grants used to recruit, train and place senior volunteers throughout Otero County. Domestic Volunteer Service Act of 1973; PL 93-113.

ESGRT 0.0625% (089) – To account for the Environmental Gross Receipts Tax that is used for the activities for the Convenience Center. NMSA 7019D-10.

Cannabis Regulation Act (125) – To account for the gross receipt taxes received from the legalization of cannabis. House Bill 356.

DEBT SERVICE FUNDS

General Obligation (053) – The purpose of this fund is to account for servicing of principal and interest requirements on the 1990 General Obligation Sanitary Sewer Bonds and the 1996 General Obligation Sanitary Sewer Refunding Water Improvement Bonds. Property tax revenues secure these bonds. This fund was authorized by the City Commission.

1994 & 1996 GRT Principal & Interest (059) – The purpose of this fund is to account for the servicing of principal and interest payments for any debt pledged with Gross Receipts Tax revenues.

1994 Gross Receipts Tax (069) – This fund serves as an income fund for ¼ of 1% Gross Receipts Tax Revenues which is pledged for repayment of the 1996 and 2002 Gross Receipts Tax Revenue Bonds. This fund was authorized by the City Commission.

State of New Mexico
City of Alamogordo
Nonmajor Governmental and Proprietary Fund Descriptions

CAPITAL PROJECTS FUNDS

Economic Development Fund (105) –To account for projects which are not funded from specific revenue dedications. This fund was authorized by the City Commission.

Grant Capital Improvement (024) – To accounts for receipts and disbursements of grant funds for capital projects. This fund was authorized by the City Commission.

New Mexico CDBG (048) – The purpose of this fund is to account for federal financial assistance to provide a suitable living environment, decent housing, essential community facilities, and economic opportunities to persons of low and moderate income through the State-Administered Community Development Block Grant Program. The authority for this fund is the U.S. Housing and Community Development Act of 1974, as amended.

1986 Gross Receipt Tax (049) – This fund accounts for ¼ of 1% Gross Receipts Tax Revenues that are dedicated to the purpose of repair, upgrade, rehabilitate, replace and install water facilities outside of the City limits

Property Acquisition (050) – To account for funds used to acquire needed right-of-way and easements, as well as provide for expenditures involved in the disposition of City property and maintenance of City rental property. This fund was authorized by the City Commission.

Reverse Osmosis Project (054) – This fund is established to receive the monies that are being paid back to the GO Bond Fund which were borrowed to fund the covers and linings on the reservoirs at La Luz. This fund was authorized by the City Commission.

99 GRT Flood Control (056) – To account for bond proceeds for the purpose of paying for flood control. This fund was authorized by the City Commission.

Municipal Infrastructure (061) – To account for one-sixteenth of one-percent gross receipts tax dedicated for the payment of special obligation bonds used for repairs, maintenance and acquisition of infrastructure improvements. This fund was authorized by the City Commission.

Sidewalk Revolving Loans (114) – This fund provides the City with an accounting of loans financed through the City for qualified property owners for the replacement or repair of sidewalks, curb cuts and driveway ramps.

2012 GRT Refunding and Improvement Revenue Bond (119) – The fund is for the improvement of the revenue loan, “Quality for Life” and GRT bond refunding. This fund was authorized by the City Commission.

2014A GO Bond (121) – The purpose of this fund is to provide funds for the purpose of beautifying, improving, acquiring, constructing, equipping, and improving land and buildings for public parks and related recreational facilities. This fund was authorized by Ord. 1476 dated 11/18/2014.

State of New Mexico
City of Alamogordo
Nonmajor Governmental and Proprietary Fund Descriptions

CAPITAL PROJECTS FUNDS (Continued)

2014B GO Bond – Streets (122) – The purpose of this fund is to provide funds for constructing, repairing, and otherwise improving streets and bridges. This fund was authorized by Ord. 1477 dated 11/18/2014.

PERMANENT FUNDS

Cemetery Perpetual (031) – This fund is established to account for the accumulation of funds for the future maintenance of the cemetery. This fund was authorized by the City Commission.

PROPRIETARY FUNDS

Solid Waste Fund (086) – This fund was established to provide funds for the solid waste services provided to the residents of the City, and related costs. This fund is authorized by the City Commission.

Bonito Lake Fund (088) – This fund was established to provide funds for the management and daily operations of the Bonito Lake watershed, recreation area, and part of the Bonito pipeline. This fund is authorized by the City Commission.

Golf Course Fund (090) – This fund was established to provide funds for the maintenance and daily operations of the Municipal golf course. This fund is authorized by the City Commission.

Airport Fund (091) – This fund was established to provide funds for the maintenance and daily operations of the Municipal Airport. This fund is authorized by the City Commission.

Low Rent Public Housing Fund (901) – This fund was established to provide funds to assist income eligible families with housing needs within the guidelines set forth by Housing and Urban Development (HUD). This fund is authorized by the City Commission.

Home Ownership Fund (903) – This fund was established to provide funds to assist income eligible families with housing needs within the guidelines set forth by Housing and Urban Development (HUD). This fund is authorized by the City Commission.

INTERNAL SERVICE FUNDS

Internal Service Fund (012) – This fund was established to provide financing for activities of services provided in-house by the using department. The City currently provides central services for human resources, purchasing, fleet maintenance, management information systems, and facilities maintenance. This fund was authorized by the City Commission.

State of New Mexico
City of Alamogordo
Nonmajor Governmental and Proprietary Fund Descriptions

INTERNAL SERVICE FUNDS (Continued)

Self-Insured Fund (096) – This fund was established to provide the primary insurance for liability and auto and other insurance protection provided for all functions is recorded within the internal service funds. This fund was authorized by the City Commission

Liability/Deductibles Fund (107) – This fund was established to provide for the liabilities and deductibles related to the insurance expenses of the City. This fund was authorized by the City Commission.

State of New Mexico
City of Alamogordo
Combining Balance Sheet - Nonmajor Governmental Funds

June 30, 2023	Special Revenue			
	Corrections	Lodgers' Tax- Promotional	Court Automation	Lodgers' Tax- City
Assets				
Cash and cash equivalents	\$ 90,675	\$ 177,447	\$ 6,033	\$ 293,395
Investments	-	175,732	-	243,033
Receivables				
Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Leases	-	-	-	-
Other, net	-	-	-	15,110
Prepaid expense	-	-	3,993	-
Total assets	\$ 90,675	\$ 353,179	\$ 10,026	\$ 551,538
Liabilities, deferred inflows of resources, and fund balances				
Liabilities				
Accounts payable	\$ 37,766	\$ 67,108	\$ 9,553	\$ -
Accrued payroll	-	-	-	555
Deposits held in trust for others	-	-	-	2,321
Unearned revenue	-	-	-	21,718
Due to other funds	-	-	-	-
Total liabilities	37,766	67,108	9,553	24,594
Deferred inflows of resources				
Unavailable revenue - property taxes	-	-	-	-
Unavailable revenue - leases	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances				
Nonspendable	-	-	3,993	-
Spendable				
Restricted	52,909	286,071	-	526,944
Unassigned (deficit)	-	-	(3,520)	-
Total fund balances	52,909	286,071	473	526,944
Total liabilities, deferred inflows of resources, and fund balances	\$ 90,675	\$ 353,179	\$ 10,026	\$ 551,538

Special Revenue

D.A.R.E Donations	Court Administration	Police Contingency	Fire Protection	H.I.D.T.A.
\$ 4,412	\$ 5,000	\$ 19,858	\$ 432,956	\$ 780
16,593	-	55,221	680,895	-
-	-	-	-	-
-	-	-	-	675
-	-	-	-	-
-	-	-	-	-
\$ 21,005	\$ 5,000	\$ 75,079	\$ 1,113,851	\$ 1,455
\$ -	\$ 648	\$ 120,210	\$ 104,389	\$ -
-	8,115	-	-	-
-	-	-	-	-
-	4,919	-	-	-
-	-	-	-	4,461
-	13,682	120,210	104,389	4,461
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
21,005	-	-	1,009,462	-
-	(8,682)	(45,131)	-	(3,006)
21,005	(8,682)	(45,131)	1,009,462	(3,006)
\$ 21,005	\$ 5,000	\$ 75,079	\$ 1,113,851	\$ 1,455

(Continued)

State of New Mexico
City of Alamogordo
Combining Balance Sheet - Nonmajor Governmental Funds

June 30, 2023	Special Revenue			
	Law Enforcement	State Highway	Traffic Safety	1984 Gross Receipts
Assets				
Cash and cash equivalents	\$ 68,724	\$ 49,203	\$ 28,101	\$ 558,155
Investments	-	66,629	49,407	3,314,370
Receivables				
Taxes	-	-	-	407,247
Intergovernmental	-	-	-	-
Leases	-	-	-	-
Other, net	-	-	-	-
Prepaid expense	-	-	-	-
Total assets	\$ 68,724	\$ 115,832	\$ 77,508	\$ 4,279,772
Liabilities, deferred inflows of resources, and fund balances				
Liabilities				
Accounts payable	\$ 61,061	\$ -	\$ -	\$ -
Accrued payroll	419	-	-	-
Deposits held in trust for others	-	-	-	-
Unearned revenue	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	61,480	-	-	-
Deferred inflows of resources				
Unavailable revenue - property taxes	-	-	-	-
Unavailable revenue - leases	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances				
Nonspendable	-	-	-	-
Spendable				
Restricted	7,244	115,832	77,508	4,279,772
Unassigned (deficit)	-	-	-	-
Total fund balances	7,244	115,832	77,508	4,279,772
Total liabilities, deferred inflows of resources, and fund balances	\$ 68,724	\$ 115,832	\$ 77,508	\$ 4,279,772

Special Revenue

Transportation	Community Development/ Infrastructure Acquisition	Alamo Senior Center	Alamo Senior Center Gift	Retired and Senior Volunteer Program
\$ 22,581	\$ 2,500	\$ 14,430	\$ 44,403	\$ 10,107
-	-	-	91,618	-
247,791	-	-	-	-
-	-	-	-	-
-	-	-	-	-
847	-	-	-	-
-	-	-	-	-
\$ 271,219	\$ 2,500	\$ 14,430	\$ 136,021	\$ 10,107
\$ 131,253	\$ 970	\$ 17,904	\$ -	\$ 1,055
23,385	10,862	18,094	-	966
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
154,638	11,832	35,998	-	2,021
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
116,581	-	-	136,021	8,086
-	(9,332)	(21,568)	-	-
116,581	(9,332)	(21,568)	136,021	8,086
\$ 271,219	\$ 2,500	\$ 14,430	\$ 136,021	\$ 10,107

(Continued)

**State of New Mexico
City of Alamogordo
Combining Balance Sheet - Nonmajor Governmental Funds**

June 30, 2023	Special Revenue		Debt Service	
	ESGRT 0.0625%	Cannabis Regulation Act	General Obligation	1994 & 1996 GRT Principal & Interest
Assets				
Cash and cash equivalents	\$ 201,062	\$ -	\$ 89,996	\$ 160,733
Investments	1,599,781	-	900,000	11,678
Receivables				
Taxes	101,812	51,342	61,310	-
Intergovernmental	-	-	-	-
Leases	-	-	-	-
Other, net	-	-	-	-
Prepaid expense	-	-	-	-
Total assets	\$ 1,902,655	\$ 51,342	\$ 1,051,306	\$ 172,411
Liabilities, deferred inflows of resources, and fund balances				
Liabilities				
Accounts payable	\$ 3,443	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-
Deposits held in trust for others	-	-	-	-
Unearned revenue	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	3,443	-	-	-
Deferred inflows of resources				
Unavailable revenue - property taxes	-	-	33,530	-
Unavailable revenue - leases	-	-	-	-
Total deferred inflows of resources	-	-	33,530	-
Fund balances				
Nonspendable	-	-	-	-
Spendable				
Restricted	1,899,212	51,342	1,017,776	172,411
Unassigned (deficit)	-	-	-	-
Total fund balances	1,899,212	51,342	1,017,776	172,411
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,902,655	\$ 51,342	\$ 1,051,306	\$ 172,411

Debt Service**Capital Projects**

1994 Gross Receipts Tax	Economic Development	Grant Capital Improvements	New Mexico CDBG	1986 Gross Receipt Tax
\$ 434,722	\$ 246,606	\$ -	\$ -	\$ 224,491
3,605,285	6,574,758	-	-	4,323,340
407,247	197,623	-	-	407,247
-	-	546,556	139,689	-
-	211,606	-	-	-
-	4,000	-	-	-
-	-	-	-	-
\$ 4,447,254	\$ 7,234,593	\$ 546,556	\$ 139,689	\$ 4,955,078
\$ -	\$ -	\$ 2,462	\$ 36,293	\$ 12,329
-	-	1,683	-	-
-	-	-	-	-
-	-	-	-	-
-	-	324,627	133,906	-
-	-	328,772	170,199	12,329
-	-	-	-	-
-	209,986	-	-	-
-	209,986	-	-	-
-	-	-	-	-
4,447,254	7,024,607	217,784	-	4,942,749
-	-	-	(30,510)	-
4,447,254	7,024,607	217,784	(30,510)	4,942,749
\$ 4,447,254	\$ 7,234,593	\$ 546,556	\$ 139,689	\$ 4,955,078

(Continued)

State of New Mexico
City of Alamogordo
Combining Balance Sheet - Nonmajor Governmental Funds

June 30, 2023	Capital Projects			
	Property Acquisition	Reverse Osmosis Project	99 GRT Flood Control	Municipal Infrastructure
Assets				
Cash and cash equivalents	\$ 85,010	\$ 21,967	\$ 8	\$ 244,042
Investments	-	-	-	1,627,998
Receivables				
Taxes	-	-	-	101,812
Intergovernmental	-	-	-	-
Leases	-	-	-	-
Other, net	-	-	-	-
Prepaid expense	-	-	-	-
Total assets	\$ 85,010	\$ 21,967	\$ 8	\$ 1,973,852
Liabilities, deferred inflows of resources, and fund balances				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-
Deposits held in trust for others	-	-	-	-
Unearned revenue	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	-	-	-	-
Deferred inflows of resources				
Unavailable revenue - property taxes	-	-	-	-
Unavailable revenue - leases	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances				
Nonspendable	-	-	-	-
Spendable				
Restricted	85,010	21,967	8	1,973,852
Unassigned (deficit)	-	-	-	-
Total fund balances	85,010	21,967	8	1,973,852
Total liabilities, deferred inflows of resources, and fund balances	\$ 85,010	\$ 21,967	\$ 8	\$ 1,973,852

Capital Projects				Permanent Fund	
Sidewalk Revolving Loans	2012 GRT Refunding and Improvement Revenue Bond	2014A GO Bond	2014B GO Bond - Streets	Cemetery Perpetual	Total Nonmajor Governmental Funds
\$ - 146,446	\$ 37,062 162,255	\$ 299 91,927	\$ 557 178,150	\$ 40,363 819,917	\$ 3,615,678 24,735,033
-	-	-	-	-	1,983,431
-	-	-	-	-	686,920
-	-	-	-	-	211,606
-	-	-	-	-	19,957
-	-	-	-	-	3,993
\$ 146,446	\$ 199,317	\$ 92,226	\$ 178,707	\$ 860,280	\$ 31,256,618
\$ -	\$ 6,521	\$ -	\$ -	\$ -	\$ 612,965
-	-	-	-	-	64,079
-	-	-	-	-	2,321
-	-	-	-	-	26,637
-	-	-	-	-	462,994
-	6,521	-	-	-	1,168,996
-	-	-	-	-	33,530
-	-	-	-	-	209,986
-	-	-	-	-	243,516
-	-	-	-	-	3,993
146,446	192,796	92,226	178,707	860,280	29,961,862
-	-	-	-	-	(121,749)
146,446	192,796	92,226	178,707	860,280	29,844,106
\$ 146,446	\$ 199,317	\$ 92,226	\$ 178,707	\$ 860,280	\$ 31,256,618

State of New Mexico
City of Alamogordo
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -
Nonmajor Governmental Funds

For the Year Ended June 30, 2023	Special Revenue			
	Corrections	Lodgers' Tax- Promotional	Court Automation	Lodgers' Tax- City
Revenues				
Taxes				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	226,719	-	340,077
Intergovernmental				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	6,663	8,668	-
State capital grants	-	-	-	-
Charges for services	70,431	-	28,073	67,890
Investment income (loss)	-	2,657	-	3,676
Interest on lease revenue	-	-	-	-
Miscellaneous	-	639	-	33,106
Total revenues	70,431	236,678	36,741	444,749
Expenditures				
Current				
General government	-	290,199	15,281	-
Public safety	76,913	-	23,450	-
Public works	-	-	-	-
Culture and recreation	-	-	-	380,419
Health and welfare	-	-	-	-
Capital outlay	-	211,304	-	49,674
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Total expenditures	76,913	501,503	38,731	430,093
Excess (deficiency) of revenues over expenditures	(6,482)	(264,825)	(1,990)	14,656
Other financing sources (uses)				
Proceeds from sale of assets	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	(1,615)	-	(68,498)
Total other financing sources (uses)	-	(1,615)	-	(68,498)
Net change in fund balances	(6,482)	(266,440)	(1,990)	(53,842)
Fund balances - beginning of year	59,391	552,511	2,463	580,786
Fund balances - end of year	\$ 52,909	\$ 286,071	\$ 473	\$ 526,944

Special Revenue

D.A.R.E Donations	Court Administration	Police Contingency	Fire Protection	H.I.D.T.A.
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	9,255
-	-	-	764,316	-
-	-	-	-	-
2,652	12,118	1,680	-	-
252	-	837	10,299	-
-	-	-	-	-
-	-	-	-	-
2,904	12,118	2,517	774,615	9,255
-	425,233	-	-	-
5,601	-	961	519,912	5,966
-	-	-	-	-
-	-	-	-	-
-	-	-	130,527	-
-	-	-	-	-
-	-	-	-	-
5,601	425,233	961	650,439	5,966
(2,697)	(413,115)	1,556	124,176	3,289
-	-	-	-	-
-	420,942	-	-	-
-	-	-	-	-
-	420,942	-	-	-
(2,697)	7,827	1,556	124,176	3,289
23,702	(16,509)	(46,687)	885,286	(6,295)
\$ 21,005	\$ (8,682)	\$ (45,131)	\$ 1,009,462	\$ (3,006)

(Continued)

State of New Mexico
City of Alamogordo
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -
Nonmajor Governmental Funds

For the Year Ended June 30, 2023	Special Revenue			1984 Gross Receipts
	Law Enforcement	State Highway	Traffic Safety	
Revenues				
Taxes				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	2,350,998
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	82,000	21,639	-	-
State capital grants	-	-	-	-
Charges for services	-	27,100	17,094	-
Investment income (loss)	-	1,008	748	53,243
Interest on lease revenue	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	82,000	49,747	17,842	2,404,241
Expenditures				
Current				
General government	-	-	-	41,029
Public safety	85,411	-	-	-
Public works	-	35,609	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Total expenditures	85,411	35,609	-	41,029
Excess (deficiency) of revenues over expenditures	(3,411)	14,138	17,842	2,363,212
Other financing sources (uses)				
Proceeds from sale of assets	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	(2,239,031)
Total other financing sources (uses)	-	-	-	(2,239,031)
Net change in fund balances	(3,411)	14,138	17,842	124,181
Fund balances - beginning of year	10,655	101,694	59,666	4,155,591
Fund balances - end of year	\$ 7,244	\$ 115,832	\$ 77,508	\$ 4,279,772

Special Revenue

Transportation	Community Development/ Infrastructure Acquisitions	Alamo Senior Center	Alamo Senior Center Gift	Retired and Senior Volunteer Program
\$ -	\$ -	\$ -	\$ -	\$ -
587,749	-	-	-	-
723,444	-	-	-	-
-	-	-	-	-
-	-	150,991	-	-
-	-	-	-	-
-	-	408,122	-	65,712
-	-	-	-	-
6,508	-	175,185	11,294	-
-	-	-	1,385	-
-	-	-	-	-
26,059	-	51,058	-	-
1,343,760	-	785,356	12,679	65,712
1,726	272,639	-	-	-
-	-	-	-	-
2,368,409	-	-	-	-
-	-	1,421,672	14,923	-
-	-	-	-	64,159
967,901	-	38,144	-	-
2,306	-	1,809	-	-
75	-	53	-	-
3,340,417	272,639	1,461,678	14,923	64,159
(1,996,657)	(272,639)	(676,322)	(2,244)	1,553
-	-	-	-	-
2,250,467	300,280	687,396	-	-
(260,257)	(28,131)	-	-	-
1,990,210	272,149	687,396	-	-
(6,447)	(490)	11,074	(2,244)	1,553
123,028	(8,842)	(32,642)	138,265	6,533
\$ 116,581	\$ (9,332)	\$ (21,568)	\$ 136,021	\$ 8,086

(Continued)

State of New Mexico
City of Alamogordo
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -
Nonmajor Governmental Funds

For the Year Ended June 30, 2023	Special Revenue		Debt Service	
	ESGRT 0.0625%	Cannabis Regulation Act	General Obligation	1994 & 1996 GRT Principal & Interest
Revenues				
Taxes				
Property	\$ -	\$ -	\$ 1,212,047	\$ -
Gross receipts	587,749	275,714	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income (loss)	28,202	-	-	11,761
Interest on lease revenue	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	615,951	275,714	1,212,047	11,761
Expenditures				
Current				
General government	-	303,463	-	-
Public safety	-	-	-	1,697
Public works	37,510	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	185,000	2,208,000
Interest and other charges	-	-	489,194	198,933
Total expenditures	37,510	303,463	674,194	2,408,630
Excess (deficiency) of revenues over expenditures	578,441	(27,749)	537,853	(2,396,869)
Other financing sources (uses)				
Proceeds from sale of assets	-	-	-	-
Transfers in	-	79,091	-	2,407,014
Transfers (out)	(1,043,740)	-	(470,000)	-
Total other financing sources (uses)	(1,043,740)	79,091	(470,000)	2,407,014
Net change in fund balances	(465,299)	51,342	67,853	10,145
Fund balances - beginning of year	2,364,511	-	949,923	162,266
Fund balances - end of year	\$ 1,899,212	\$ 51,342	\$ 1,017,776	\$ 172,411

Debt Service		Capital Projects			
1994 Gross Receipts Tax	Economic Development	Grant Capital Improvement	New Mexico CDBG	1986 Gross Receipt Tax	
\$ -	\$ -	\$ -	\$ -	\$ -	
2,350,998	1,175,499	-	-	2,350,998	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
-	-	131,067	149,551	-	
-	-	-	-	-	
-	-	1,967,506	-	-	
-	19,726	-	-	-	
46,586	88,605	-	-	62,163	
-	3,894	-	-	-	
-	119	-	-	-	
2,397,584	1,287,843	2,098,573	149,551	2,413,161	
41,029	-	216,198	-	-	
-	-	183,865	-	52,309	
-	-	-	12,467	-	
-	30,515	-	-	-	
-	-	-	-	-	
-	-	1,226,709	309,124	14,564	
-	-	-	-	-	
-	-	-	-	-	
41,029	30,515	1,626,772	321,591	66,873	
2,356,555	1,257,328	471,801	(172,040)	2,346,288	
-	-	-	-	-	
-	-	-	147,659	-	
(1,634,872)	-	-	-	(2,448,723)	
(1,634,872)	-	-	147,659	(2,448,723)	
721,683	1,257,328	471,801	(24,381)	(102,435)	
3,725,571	5,767,279	(254,017)	(6,129)	5,045,184	
\$ 4,447,254	\$ 7,024,607	\$ 217,784	\$ (30,510)	\$ 4,942,749	

(Continued)

State of New Mexico
City of Alamogordo
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -
Nonmajor Governmental Funds

	Capital Projects			
For the Year Ended June 30, 2023	Property Acquisition	Reverse Osmosis Project	99 GRT Flood Control	Municipal Infrastructure
Revenues				
Taxes				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	587,749
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income (loss)	-	-	-	16,066
Interest on lease revenue	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	-	603,815
Expenditures				
Current				
General government	-	-	-	10,257
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	5,792	97,470	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Total expenditures	-	5,792	97,470	10,257
Excess (deficiency) of revenues over expenditures	-	(5,792)	(97,470)	593,558
Other financing sources (uses)				
Proceeds from sale of assets	-	-	-	-
Transfers in	-	5,792	97,370	-
Transfers (out)	-	-	-	(26,694)
Total other financing sources (uses)	-	5,792	97,370	(26,694)
Net change in fund balances	-	-	(100)	566,864
Fund balances - beginning of year	85,010	21,967	108	1,406,988
Fund balances - end of year	\$ 85,010	\$ 21,967	\$ 8	\$ 1,973,852

Capital Projects				Permanent Fund	
Sidewalk Revolving Loans	2012 GRT Refunding and Improvement Revenue Bond	2014A GO Bond	2014B Go Bond - Streets	Cemetery Perpetual	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,212,047
-	-	-	-	-	10,267,454
-	-	-	-	-	723,444
-	-	-	-	-	566,796
-	-	-	-	-	150,991
-	-	-	-	-	289,873
-	-	-	-	-	1,357,120
-	-	-	-	-	1,967,506
-	-	-	-	-	439,751
2,214	3,966	1,390	2,693	12,398	350,149
-	-	-	-	-	3,894
-	4,720	-	-	-	115,701
2,214	8,686	1,390	2,693	12,398	17,444,726
-	-	-	-	-	1,617,054
-	-	-	-	-	956,085
-	-	-	-	-	2,453,995
-	-	-	-	-	1,847,529
-	-	-	-	-	64,159
-	208,097	-	-	-	3,259,306
-	-	-	-	-	2,397,115
-	-	-	-	-	688,255
-	208,097	-	-	-	13,283,498
2,214	(199,411)	1,390	2,693	12,398	4,161,228
-	-	-	-	10,888	10,888
-	-	-	-	-	6,396,011
-	-	-	-	-	(8,221,561)
-	-	-	-	10,888	(1,814,662)
2,214	(199,411)	1,390	2,693	23,286	2,346,566
144,232	392,207	90,836	176,014	836,994	27,497,540
\$ 146,446	\$ 192,796	\$ 92,226	\$ 178,707	\$ 860,280	\$ 29,844,106

State of New Mexico
City of Alamogordo
Combining Statement of Net Position - Nonmajor Proprietary Funds

June 30, 2023	Nonmajor Enterprise Funds		
	Solid Waste	Bonito Lake	Golf Course
Assets			
Current assets			
Cash and cash equivalents	\$ 354,158	\$ 44,069	\$ -
Investments	641,903	277,258	-
Receivables			
Intergovernmental	-	-	-
Customer, net	160,358	-	-
Lease, current	-	-	-
Inventory	-	-	-
Due from other funds	-	-	-
Total current assets	1,156,419	321,327	-
Noncurrent assets			
Restricted cash and cash equivalents	-	-	-
Restricted investments	-	74,551	-
Assets held for sale	-	-	-
Lease receivables, net of current portion	-	-	-
Capital assets, not being depreciated	16,000	1,740,180	2,528,794
Capital assets, being depreciated	1,234,208	255,855	5,934,544
Less accumulated depreciation	(901,325)	(244,318)	(3,687,990)
Total noncurrent assets	348,883	1,826,268	4,775,348
Total assets	1,505,302	2,147,595	4,775,348
Deferred outflows of resources			
Deferred outflows - pension	83,874	-	180,386
Deferred outflows - OPEB	19,409	-	34,680
Total deferred outflows of resources	103,283	-	215,066
Total assets and deferred outflows of resources	\$ 1,608,585	\$ 2,147,595	\$ 4,990,414

Nonmajor Enterprise Funds

Airport	Low Rent Public Housing	Home Ownership	Total Nonmajor Enterprise Funds
\$ 20,000	\$ 1,633,782	\$ 676,232	\$ 2,728,241
-	-	-	919,161
-	146,143	-	146,143
14,353	826	-	175,537
93,293	-	-	93,293
-	97,068	-	97,068
-	-	16	16
127,646	1,877,819	676,248	4,159,459
-	47,559	21,405	68,964
-	-	-	74,551
-	-	88,338	88,338
710,657	-	-	710,657
765,788	2,276,602	-	7,327,364
13,015,728	14,932,376	-	35,372,711
(6,211,413)	(12,649,001)	-	(23,694,047)
8,280,760	4,607,536	109,743	19,948,538
8,408,406	6,485,355	785,991	24,107,997
36,762	191,486	2,776	495,284
11,861	67,113	1,969	135,032
48,623	258,599	4,745	630,316
\$ 8,457,029	\$ 6,743,954	\$ 790,736	\$ 24,738,313

(Continued)

State of New Mexico
City of Alamogordo
Combining Statement of Net Position - Nonmajor Proprietary Funds

June 30, 2023	Nonmajor Enterprise Funds		
	Solid Waste	Bonito Lake	Golf Course
Liabilities			
Current liabilities			
Accounts payable	\$ 147,249	\$ 2,226	\$ 9,801
Accrued payroll	3,182	-	7,771
Deposits held in trust for others	-	-	-
Long-term liabilities, current	16,512	-	34,780
Due to other funds	-	-	91,503
Total current liabilities	166,943	2,226	143,855
Noncurrent liabilities			
Net pension liability	226,764	-	475,483
Net OPEB liability	25,906	-	31,902
Total noncurrent liabilities	252,670	-	507,385
Total liabilities	419,613	2,226	651,240
Deferred inflows of resources			
Deferred inflows - leases	-	-	-
Deferred inflows - pension	5,859	-	6,544
Deferred inflows - OPEB	41,722	-	91,896
Total deferred inflows of resources	47,581	-	98,440
Net position			
Net investment in capital assets	348,883	1,751,717	4,775,348
Unrestricted (deficit)	792,508	393,652	(534,614)
Total net position	1,141,391	2,145,369	4,240,734
Total liabilities, deferred inflows of resources, and net position	\$ 1,608,585	\$ 2,147,595	\$ 4,990,414

Nonmajor Enterprise Funds

Airport	Low Rent Public Housing	Home Ownership	Total Nonmajor Enterprise Funds
\$ 9,733	\$ 149,959	\$ -	\$ 318,968
1,501	-	-	12,454
13,259	64,701	-	77,960
706	32,949	1,929	86,876
-	9,268	361	101,132
25,199	256,877	2,290	597,390
145,261	610,463	15,307	1,473,278
17,775	169,362	3,689	248,634
163,036	779,825	18,996	1,721,912
188,235	1,036,702	21,286	2,319,302
793,243	-	-	793,243
3,469	48,177	1,348	65,397
31,880	136,299	3,809	305,606
828,592	184,476	5,157	1,164,246
7,570,103	4,559,977	-	19,006,028
(129,901)	962,799	764,293	2,248,737
7,440,202	5,522,776	764,293	21,254,765
\$ 8,457,029	\$ 6,743,954	\$ 790,736	\$ 24,738,313

**State of New Mexico
City of Alamogordo
Combining Statement of Revenues, Expenses, and Changes in Net Position -
Nonmajor Proprietary Funds**

For the Year Ended June 30, 2023	Nonmajor Enterprise Funds		
	Solid Waste	Bonito Lake	Golf Course
Operating revenues			
Charges for services	\$ 2,580,368	\$ -	\$ 1,880,157
Interest revenue on leases	-	-	-
Operating grants	-	-	-
Total operating revenues	2,580,368	-	1,880,157
Operating expenses			
Personnel services	213,576	-	425,075
Utilities	7,034	-	20,721
Contractual services	1,881,114	-	1,388,857
Supplies and purchased power	42,428	-	89,920
Repairs and maintenance	33,977	-	46,626
Depreciation expense	52,090	1,137	225,126
Miscellaneous expense	107,094	9,770	35,637
Total operating expenses	2,337,313	10,907	2,231,962
Operating income (loss)	243,055	(10,907)	(351,805)
Non-operating revenues (expenses)			
Investment income	6,683	5,320	36,078
(Loss) on sale of assets	-	-	-
Miscellaneous	6,525	-	1,553
Total non-operating revenues (expenses)	13,208	5,320	37,631
Income (loss) before contributions and transfers	256,263	(5,587)	(314,174)
Capital grants	-	-	-
Transfers in	-	-	822,532
Transfers (out)	(53,421)	-	-
Change in net position	202,842	(5,587)	508,358
Net position - beginning of year	938,549	2,150,956	3,732,376
Net position - end of year	\$ 1,141,391	\$ 2,145,369	\$ 4,240,734

Nonmajor Enterprise Funds				
	Airport	Low Rent Public Housing	Home Ownership	Total Nonmajor Enterprise Funds
\$	165,947	\$ 423,217	\$ -	\$ 5,049,689
	10,624	-	-	10,624
	17,513	761,846	-	779,359
	194,084	1,185,063	-	5,839,672
	108,964	498,431	1,817	1,247,863
	28,283	61,249	166	117,453
	16,751	261,864	4,646	3,553,232
	67,414	169,084	3	368,849
	4,405	253,138	-	338,146
	395,568	325,778	-	999,699
	20,813	44,077	2,543	219,934
	642,198	1,613,621	9,175	6,845,176
	(448,114)	(428,558)	(9,175)	(1,005,504)
	-	1,445	413	49,939
	(183,466)	-	-	(183,466)
	26,318	50	74	34,520
	(157,148)	1,495	487	(99,007)
	(605,262)	(427,063)	(8,688)	(1,104,511)
	-	2,013,271	-	2,013,271
	50,943	-	-	873,475
	(32,296)	-	-	(85,717)
	(586,615)	1,586,208	(8,688)	1,696,518
	8,026,817	3,936,568	772,981	19,558,247
\$	7,440,202	\$ 5,522,776	\$ 764,293	\$ 21,254,765

State of New Mexico
City of Alamogordo
Combining Statement of Cash Flows - Nonmajor Proprietary Funds

For the Year Ended June 30, 2023	Nonmajor Enterprise Funds		
	Solid Waste	Bonito Lake	Golf Course
Cash flows from operating activities			
Cash received from user charges	\$ 2,591,332	\$ -	\$ 1,880,157
Cash received from subsidy grants	-	-	-
Cash payments to employees for services	(229,851)	-	(438,778)
Cash payments to suppliers for goods and services	(2,096,850)	(7,544)	(1,648,799)
Net cash provided (used) by operating activities	264,631	(7,544)	(207,420)
Cash flows from noncapital financing activities			
Miscellaneous income	6,525	-	1,553
Transfers in (out)	(53,421)	-	504,975
Net cash provided (used) by noncapital financing activities	(46,896)	-	506,528
Cash flows from investing activities			
Sale (purchase) of investments	(206,585)	(5,242)	-
Interest on investments	6,683	5,320	36,078
Net cash provided (used) by investing activities	(199,902)	78	36,078
Cash flows from capital and related financing activities			
Acquisition of capital assets	-	-	(335,186)
Capital grants	-	-	-
Net cash provided (used) by capital and related financing activities	-	-	(335,186)
Net increase (decrease) in cash and cash equivalents	17,833	(7,466)	-
Cash and cash equivalents - beginning of year	336,325	51,535	-
Cash and cash equivalents - end of year	\$ 354,158	\$ 44,069	\$ -

Nonmajor Enterprise Funds

Airport	Low Rent Public Housing	Home Ownership	Total Nonmajor Enterprise Funds
\$ 164,818	\$ 433,049	\$ -	\$ 5,069,356
17,513	615,703	-	633,216
(119,836)	(487,157)	(914)	(1,276,536)
(130,360)	(717,262)	(6,722)	(4,607,537)
(67,865)	(155,667)	(7,636)	(181,501)
26,318	50	74	34,520
18,647	-	-	470,201
44,965	50	74	504,721
-	96,552	111,112	(4,163)
-	1,445	413	49,939
-	97,997	111,525	45,776
-	(1,389,168)	-	(1,724,354)
-	2,013,271	-	2,013,271
-	624,103	-	288,917
(22,900)	566,483	103,963	657,913
42,900	1,114,858	593,674	2,139,292
\$ 20,000	\$ 1,681,341	\$ 697,637	\$ 2,797,205

(Continued)

State of New Mexico
City of Alamogordo
Combining Statement of Cash Flows - Nonmajor Proprietary Funds

Nonmajor Enterprise Funds

For the Year Ended June 30, 2023	Solid Waste	Bonito Lake	Golf Course
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	\$ 243,055	\$ (10,907)	\$ (351,805)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	52,090	1,137	225,126
Noncash pension expense	13,672	-	28,770
Noncash OPEB benefit	(15,731)	-	(32,863)
Changes in assets, deferred outflows, liabilities, and deferred inflows			
Receivables, net	10,964	-	-
Due from federal	-	-	-
Leases receivable	-	-	-
Inventory	-	-	-
Prepaid expenses	-	-	-
Subsequent contributions-pension	(3,640)	-	(7,606)
Subsequent contributions-OPEB	(296)	-	(617)
Accounts payable	(25,203)	2,226	(67,038)
Accrued payroll expenses	(3,537)	-	(2,789)
Accrued compensated absences	(6,743)	-	1,402
Unearned revenue	-	-	-
Customer deposits	-	-	-
Net cash provided (used) by operating activities	\$ 264,631	\$ (7,544)	\$ (207,420)

Nonmajor Enterprise Funds

Airport	Low Rent Public Housing	Home Ownership	Total Nonmajor Enterprise Funds
\$ (448,114)	\$ (428,558)	\$ (9,175)	\$ (1,005,504)
395,568	325,778	-	999,699
7,184	36,187	925	86,738
(19,761)	(11,684)	-	(80,039)
(2,968)	6,404	-	14,400
-	(146,143)	-	(146,143)
-	-	-	-
-	(91,467)	-	(91,467)
-	35,094	636	35,730
(2,096)	(4,859)	(22)	(18,223)
(170)	(132)	-	(1,215)
7,306	128,523	-	45,814
(2,855)	(8,238)	-	(17,419)
(3,881)	-	-	(9,222)
-	(15,234)	-	(15,234)
1,922	18,662	-	20,584
<u>\$ (67,865)</u>	<u>\$ (155,667)</u>	<u>\$ (7,636)</u>	<u>\$ (181,501)</u>

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INTERNAL SERVICE FUNDS



State of New Mexico
City of Alamogordo
Combining Statement of Net Position - Internal Service Funds

June 30, 2023	Internal Service Fund	Self-Insured Fund	Liability/ Deductibles Fund	Total Internal Service Funds
Assets				
Current assets				
Cash and cash equivalents	\$ 10,000	\$ 119,139	\$ 399,058	\$ 528,197
Investments	-	462,080	682,524	1,144,604
Receivables				
Leases, current	22,354	-	-	22,354
Other, net	9,378	-	-	9,378
Inventory	236,476	-	-	236,476
Prepaid expenses	270,569	-	-	270,569
Total current assets	548,777	581,219	1,081,582	2,211,578
Noncurrent assets				
Leases receivable, net of current portion	424,794	-	-	424,794
Capital assets, being depreciated	4,289,802	-	-	4,289,802
Less accumulated depreciation	(3,379,213)	-	-	(3,379,213)
Right to use assets, being amortized	9,399	-	-	9,399
Less accumulated right to use amortization	(6,024)	-	-	(6,024)
Total noncurrent assets	1,338,758	-	-	1,338,758
Total assets	1,887,535	581,219	1,081,582	3,550,336
Deferred outflows of resources				
Deferred outflows - pension	441,716	-	-	441,716
Deferred outflows - OPEB	182,622	-	-	182,622
Total deferred outflows of resources	624,338	-	-	624,338
Total assets and deferred outflows of resources	\$ 2,511,873	\$ 581,219	\$ 1,081,582	\$ 4,174,674

June 30, 2023	Internal Service Fund	Self-Insured Fund	Liability/ Deductibles Fund	Total Internal Service Funds
Liabilities				
Current liabilities				
Accounts payable	\$ 80,380	\$ -	\$ 7,757	\$ 88,137
Accrued payroll	62,335	-	-	62,335
Lease liabilities, current	1,845	-	-	1,845
Long-term liabilities, current	151,007	-	-	151,007
Total current liabilities	295,567	-	7,757	303,324
Noncurrent liabilities				
Lease liabilities, net of current portion	2,046	-	-	2,046
Net pension liability	2,062,437	-	-	2,062,437
Net OPEB liability	613,517	-	-	613,517
Total noncurrent liabilities	2,678,000	-	-	2,678,000
Total liabilities	2,973,567	-	7,757	2,981,324
Deferred inflows of resources				
Deferred inflows - leases	443,642	-	-	443,642
Deferred inflows - pension	75,664	-	-	75,664
Deferred inflows - OPEB	510,089	-	-	510,089
Total deferred inflows of resources	1,029,395	-	-	1,029,395
Net position				
Net investment in capital assets	910,073	-	-	910,073
Unrestricted (deficit)	(2,401,162)	581,219	1,073,825	(746,118)
Total net position	(1,491,089)	581,219	1,073,825	163,955
Total liabilities, deferred inflows of resources, and net position	\$ 2,511,873	\$ 581,219	\$ 1,081,582	\$ 4,174,674

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**State of New Mexico
City of Alamogordo
Combining Statement of Revenues, Expenses, and Changes in Net Position -
Internal Service Funds**

For the Year Ended June 30, 2023	Internal Service Fund	Self-Insured Fund	Liability/ Deductibles Fund	Total Internal Service Funds
Operating revenues				
Charges for services	\$ 152,187	\$ 56,988	\$ -	\$ 209,175
Interest on lease revenue	8,033	-	-	8,033
Total operating revenues	160,220	56,988	-	217,208
Operating expenses				
Personnel services	1,521,727	-	-	1,521,727
Utilities	102,094	-	-	102,094
Contractual services	1,352,811	-	-	1,352,811
Supplies and purchased power	654,838	-	-	654,838
Repairs and maintenance	224,454	-	-	224,454
Depreciation expense	119,517	-	-	119,517
Miscellaneous expense	303,874	53,005	57,634	414,513
Total operating expenses	4,279,315	53,005	57,634	4,389,954
Operating income (loss)	(4,119,095)	3,983	(57,634)	(4,172,746)
Non-operating revenues (expenses)				
Interest expense	(25)	-	-	(25)
Investment income	-	-	8,446	8,446
Miscellaneous	106,710	30,232	-	136,942
Total non-operating revenues (expenses)	106,685	30,232	8,446	145,363
Income (loss) before transfers	(4,012,410)	34,215	(49,188)	(4,027,383)
Transfers in	4,922,965	-	-	4,922,965
Change in net position	910,555	34,215	(49,188)	895,582
Net position - beginning of year, as originally stated	(3,202,905)	547,004	1,123,013	(1,532,888)
Net position - restatement (note 2)	801,261	-	-	801,261
Net position - beginning of year, as restated	(2,401,644)	547,004	1,123,013	(731,627)
Net position - end of year	\$ (1,491,089)	\$ 581,219	\$ 1,073,825	\$ 163,955

State of New Mexico
City of Alamogordo
Combining Statement of Cash Flows - Internal Service Funds

For the Year Ended June 30, 2023	Internal Service Fund	Self-Insured Fund	Liability/ Deductibles Fund	Total Internal Service Funds
Cash flows from operating activities				
Cash received from user charges	\$ 172,112	\$ 56,988	\$ -	\$ 229,100
Cash payments to employees for services	(1,596,168)	-	-	(1,596,168)
Cash payments to suppliers for goods and services	(3,388,749)	(53,005)	(61,059)	(3,502,813)
Net cash (used) by operating activities	(4,812,805)	3,983	(61,059)	(4,869,881)
Cash flows from noncapital financing activities				
Miscellaneous income	106,710	30,232	-	136,942
Transfers in (out)	4,922,965	-	-	4,922,965
Net cash provided by noncapital financing activities	5,029,675	30,232	-	5,059,907
Cash flows from investing activities				
Sale (purchase) of investments	-	(6,885)	(8,318)	(15,203)
Interest on investments	-	-	8,446	8,446
Net cash provided by investing activities	-	(6,885)	128	(6,757)
Cash flows from capital and related financing activities				
Acquisition of capital assets	(225,833)	-	-	(225,833)
Interest paid	(25)	-	-	(25)
Principal payments on leases payable	(5,508)	-	-	(5,508)
Net cash provided (used) by capital and related financing activities	(231,366)	-	-	(231,366)
Net (decrease) in cash and cash equivalents	(14,496)	27,330	(60,931)	(48,097)
Cash and cash equivalents - beginning of year	24,496	91,809	459,989	576,294
Cash and cash equivalents - end of year	\$ 10,000	\$ 119,139	\$ 399,058	\$ 528,197

For the Year Ended June 30, 2023	Internal Service Fund	Self-Insured Fund	Liability/ Deductibles Fund	Total Internal Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ (4,119,095)	\$ 3,983	\$ (57,634)	\$ (4,172,746)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	119,517	-	-	119,517
Noncash pension expense	75,326	-	-	75,326
Noncash OPEB benefit	(110,473)	-	-	(110,473)
Changes in assets, deferred outflows, and liabilities				
Receivables, net	11,892	-	-	11,892
Inventory	(62,673)	-	-	(62,673)
Prepaid expenses	(21,785)	-	-	(21,785)
Subsequent contributions-pension	(19,740)	-	-	(19,740)
Subsequent contributions-OPEB	(2,177)	-	-	(2,177)
Accounts payable	(666,220)	-	(3,425)	(669,645)
Accrued payroll expenses	(17,377)	-	-	(17,377)
Net cash provided (used) by operating activities	\$ (4,812,805)	\$ 3,983	\$ (61,059)	\$ (4,869,881)

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COMPONENT UNIT
OTERO – GREENTREE REGIONAL LANDFILL



State of New Mexico
City of Alamogordo
Statement of Net Position - Otero - Greentree Regional Landfill

June 30, 2023	Component Unit
Assets	
Current assets	
Cash and cash equivalents	\$ 327,435
Investments	1,935,124
Receivables	
Taxes	13,231
Customer, net	105,915
Lease, current	6,798
Prepaid expenses	1,591
Total current assets	2,390,094
Noncurrent assets	
Restricted investments	1,181,575
Lease receivables, net of current portion	1,498
Capital assets, not being depreciated	2,150,012
Capital assets, being depreciated	8,610,885
Right to use assets, being amortized	50,297
Less accumulated depreciation	(5,485,845)
Less accumulated amortization	(20,112)
Total noncurrent assets	6,488,310
Total assets	8,878,404
Deferred outflows of resources	
Deferred outflows - pension	198,861
Deferred outflows - OPEB	33,947
Total deferred outflows of resources	232,808
Total assets and deferred outflows of resources	\$ 9,111,212

June 30, 2023	Component Unit
Liabilities	
Current liabilities	
Accounts payable	\$ 94,908
Accrued payroll	12,570
Deposits held in trust for others	22,637
Unearned revenue	4,298
Lease liabilities, current	10,008
Long-term liabilities, current	24,727
Total current liabilities	169,148
Noncurrent liabilities	
Lease liabilities, net of current portion	20,170
Long-term liabilities, net of current portion	2,032,404
Net pension liability	515,045
Net OPEB liability	26,045
Total noncurrent liabilities	2,593,664
Total liabilities	2,762,812
Deferred inflows of resources	
Deferred inflows - leases	8,293
Deferred inflows - pension	27,092
Deferred inflows - OPEB	101,619
Total deferred inflows of resources	137,004
Net position	
Net investment in capital assets	5,275,059
Unrestricted	936,337
Total net position	6,211,396
Total liabilities, deferred inflows of resources, and net position	\$ 9,111,212

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State of New Mexico
City of Alamogordo
Statement of Revenues, Expenses, and Changes in Net Position -
Otero - Greentree Regional Landfill

For the Year Ended June 30, 2023	Component Unit
Operating revenues	
Charges for services	\$ 1,659,807
Interest on lease revenue	62
Total operating revenues	1,659,869
Operating expenses	
Personnel services	583,608
Contractual services	329,858
Supplies and purchased power	138,219
Repairs and maintenance	268,139
Depreciation expense	475,109
Miscellaneous expense	188,684
Total operating expenses	1,994,321
Operating income (loss)	(334,452)
Non-operating revenues (expenses)	
Interest expense	(201)
Investment income (loss)	49,548
Miscellaneous	36,303
Total non-operating revenues (expenses)	85,650
Income before contributions and transfers	(248,802)
Government contributions	
Transfers (out)	(2,654)
Change in net position	(251,456)
Net position - beginning of year	6,462,852
Net position - ending	\$ 6,211,396

**State of New Mexico
City of Alamogordo
Statement of Cash Flows - Otero Greentree Landfill**

For the year ended June 30, 2023	Component Unit
Cash flows from operating activities	
Cash received from user charges	\$ 1,665,861
Cash payments to employees for services	(584,010)
Cash payments to suppliers for goods and services	(804,369)
Net cash provided by operating activities	277,482
Cash flows from noncapital financing activities	
Miscellaneous income	36,303
Transfers in (out)	(2,654)
Net cash provided by noncapital financing activities	33,649
Cash flows from investing activities	
(Purchases) sales of investments	558,894
Net cash provided by investing activities	558,894
Cash flows from capital and related financing activities	
Acquisition of capital assets	(561,893)
Principal payments on bonds, loans, and notes payable	(9,959)
Net cash (used) by capital and related financing activities	(572,053)
Net (decrease) in cash and cash equivalents	297,972
Cash and cash equivalents - beginning of year	29,463
Cash and cash equivalents - end of year	\$ 327,435

For the year ended June 30, 2023	Component Unit
Reconciliation of operating loss to net cash provided by operating activities	
Operating (loss)	\$ (334,452)
Adjustments to reconcile operating (loss) to net cash provided by operating activities	
Depreciation	475,109
Noncash pension expense	49,046
Noncash OPEB benefit	(40,909)
Change in landfill liability	120,653
Changes in assets, liabilities and deferred outflows of resources	
Receivables, net	(8,885)
Prepaid expenses	(1,591)
Subsequent contributions-pension	(9,469)
Subsequent contributions-OPEB	(768)
Accounts payable	12,173
Accrued payroll expenses	(4,610)
Accrued compensated absences	6,308
Unearned revenue	(3,673)
Customer deposits	18,550
Net cash provided by operating activities	\$ 277,482

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FIDUCIARY FUNDS



**State of New Mexico
City of Alamogordo
Combining Statement of Fiduciary Net Position**

June 30, 2023	Police Court Bond Fund	Army Corp of Engineers Escrow Fund	State Judicial Fund	Total Custodial Funds
Assets				
Cash and cash equivalents	\$ 8,638	\$ 1,000	\$ 2,393	\$ 12,031
Total assets	\$ 8,638	\$ 1,000	\$ 2,393	\$ 12,031
Liabilities				
Accounts payable	\$ -	\$ -	\$ 3,051	\$ 3,051
Total liabilities	-	-	3,051	3,051
Net position				
Restricted	8,638	1,000	-	9,638
Unrestricted (deficit)	-	-	(658)	(658)
Total net position	8,638	1,000	(658)	8,980
Total liabilities and net position	\$ 8,638	\$ 1,000	\$ 2,393	\$ 12,031

**State of New Mexico
City of Alamogordo
Combining Statement of Changes in Fiduciary Net Position**

For the Year Ended June 30, 2023	Police Court Bond Fund	Army Corp of Engineers Escrow Fund	State Judicial Fund	Total Custodial Funds
Additions				
Court fees	\$ -	\$ -	\$ 38,667	\$ 38,667
Total additions	-	-	38,667	38,667
Deductions				
Professional services	-	-	38,912	38,912
Total deductions	-	-	38,912	38,912
Net increase in fiduciary net position	-	-	(245)	(245)
Net position - beginning of year	8,638	1,000	(413)	9,225
Net position, end of year	\$ 8,638	\$ 1,000	\$ (658)	\$ 8,980

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SUPPORTING SCHEDULES



State of New Mexico
City of Alamogordo
Schedule of Collateral Pledged by Depository For Public Funds
June 30, 2023

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value June 30, 2023
First National Bank of Alamogordo, City Accounts				
	FNMA Pool #890306, 4%	4/1/2026	31410LDK5	32,694
	FNMA Pool #MA2829, 2.5%	12/1/2026	31418CEB6	237,723
	FHLMC Pool #T45074, 2.5%	2/1/2030	31286WT74	207,000
	FHLMC Pool #G18614, 2.5%	10/1/2031	3128MMVG5	322,816
	FNMA Pool #2868, 2.5%	1/1/2032	31418CFJ8	355,280
	FNMA Pool #MA1059, 3.5%	5/1/2032	31418AE95	209,244
	FNMA Pool #MA2531, 3.5%	2/1/2036	31418BY59	169,094
	FNMA Pool #CB0284, 2%	4/1/2036	3140QKJ66	1,375,583
	FNMA Pool #MA2643, 3%	6/1/2036	31418B5D4	273,594
	FNMA Pool #MA2707, 3%	8/1/2036	31418CAH7	289,437
	FNMA Pool #256724, 5%	5/1/2037	31371ND51	12,652
	FNMA Pool #888737, 5.5%	10/1/2037	31410GLSO	9,636
	FNMA Pool #AL9014, 3%	1/1/2044	3138ERAQ3	972,554
	FNMA Pool #MA4108, 2.5%	8/1/2050	31418DR61	842,680
	FNMA Pool #AL0128, 2.556%	4/1/2041	3138EGEA8	223,902
	FNMA Pool #FM3524	4/1/2032	3140X64J7	1,399,885
Total First National Bank of Alamogordo, City Accounts				6,933,774
Name and location of safekeeper for above pledged collateral: Federal Home Loan Bank, Dallas, Texas				
First Savings Bank				
	FNMA 15YR, 3%	11/1/2034	3140X5DA8	737,084
	FRLMC 20YR, 2%	1/1/2041	3133KTNM8	2,027,887
Total First Savings Bank				2,764,971
Name and location of safekeeper for above pledged collateral: Federal Reserve Bank, Beresford, South Dakota				
Pioneer Bank				
	Federal Nat Mtg Assn	10/1/2026	3138ASYU0	\$ 4,530
	Federal Nat Mtg Assn GTD MTG	4/1/2029	3140LFYZ1	175,570
Total Pioneer Bank				180,100
Name and location of safekeeper for above pledged collateral: Federal Home Loan Bank, Dallas TX				

(Continued)

State of New Mexico
City of Alamogordo
Schedule of Collateral Pledged by Depository For Public Funds
June 30, 2023

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value June 30, 2023
Pioneer Bank, Held with Eastern Regional Housing Authority				
	Federal Home Ln Mtg Corp	2/1/2032	3133LPUC9	1,444,504
	Federal Nat Mtg Assn	1/1/2032	3140X4HB5	231,620
	Federal Nat Mtg Assn	1/1/2042	3140XFG88	510,509
	Federal Nat Mtg Assn	10/1/2036	31418D5B4	1,457,193
	Federal Nat Mtg Assn	3/1/2036	31418DXH0	2,536,166
	Govt Nat Mtg Assn II	7/20/2050	3617NLQA7	1,306,660
Total Pioneer Bank, Held with Eastern Regional Housing Authority				7,486,652

Name and location of safekeeper for above pledged collateral:
Federal Home Loan Bank, Dallas, Texas

Wells Fargo (Checking Account Collateral)

	FNMA FNMS 3.500%	7/1/2043	3138WZXX5	27,559
	FNMA FNMS 4.000%	4/1/2052	3140M2TF9	18,685
	FNMA FNMS 3.000%	6/1/2043	3140MGEK3	77,135
	FNMA FNMS 3.500%	3/1/2048	3140XCFZ6	64,934
	GNMA G2SF 4.000%	9/20/2048	36179UCB6	15,893
	GNMA G2SF 4.500%	6/20/2052	36179XAA4	68,111
	GNMA G2SF 4.500%	7/20/2052	36179XBU9	41,694
	GNMA G2SF 4.500%	9/20/2052	3617XFH4	35,246
	GNII SF MA8269 5.000%	9/20/2052	36179XFJ0	108,979
	GNMA G2SF 5.500%	1/20/2053	36179XQX7	10,254
	GNMA G1SF 3.000%	12/15/2049	3617M2YW3	16,985
	GNMA G2SF 2.500%	9/20/2050	3617NYB23	21,857
	GNMA G2SF 3.000%	3/20/2050	3622AALM4	15,221
	GNMA G2SP 3.000%	3/20/2052	3622ABQ47	32,045
	GNMA G2SP 4.000%	1/20/2053	3622ACE71	16,022
Total Wells Fargo				570,620

Name and location of safekeeper for above pledged collateral:
Bank of New York Mellon, New York, New York

Total pledged collateral	\$ 17,936,117
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**State of New Mexico
City of Alamogordo
Schedule of Deposits and Investments
June 30, 2023**

Bank Account Type/Name	First National Bank	First Savings Bank
General Operating Account - Non-interest Bearing	\$ 5,841,835	\$ -
Home Ownership Operating - Interest Bearing	18	-
Low Rent Operating - Interest Bearing	1,463,256	-
Alamogordo Home - Non-interest Bearing	-	-
Alamogordo Reserve - Non-interest Bearing	-	-
Alamogordo Operating - Non-interest Bearing	-	-
Alamogordo Securty Deposit - Non-interest Bearing	-	-
General Operating Account - Non-interest Bearing	-	-
Escrow Account - Non-interest Bearing	-	-
Money Market - Interest Bearing	-	1,427,555
Cash	-	-
NMFA Cash Accounts	-	-
State Treasurer - LGIP	-	-
Certificates of Deposit - Interest Bearing	-	1,979,405
Fixed Income Securities	-	-
NMFA Investment Accounts**	-	-
Total	7,305,109	3,406,960
Reconciling items	(615,805)	-
Reconciled balance	\$ 6,689,304	\$ 3,406,960

**Accounts are U.S. Agency or Treasuries

Moreton Capital Markets	NMFA Accounts	Pioneer Bank	State Treasurer	Wells Fargo Bank	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,841,835
-	-	-	-	-	18
-	-	-	-	-	1,463,256
-	-	676,214	-	-	676,214
-	-	21,405	-	-	21,405
-	-	179,451	-	-	179,451
-	-	47,559	-	-	47,559
-	-	-	-	1,823,985	1,823,985
-	-	-	-	1,001	1,001
5,379,384	-	-	-	-	6,806,939
17,466	-	-	-	-	17,466
-	287,703	-	-	-	287,703
-	-	-	5,805	-	5,805
30,078,777	-	286,345	-	-	32,344,527
38,896,549	-	-	-	-	38,896,549
-	923,078	-	-	-	923,078
74,372,176	1,210,781	1,210,974	5,805	1,824,986	89,336,791
-	-	(9,225)	-	-	(625,030)
<u>\$ 74,372,176</u>	<u>\$ 1,210,781</u>	<u>\$ 1,201,749</u>	<u>\$ 5,805</u>	<u>\$ 1,824,986</u>	<u>88,711,761</u>
Plus petty cash					26,727
Less restricted cash and cash equivalents per statement of net position					(548,790)
Less cash and cash equivalents per statement of fiduciary net position					(12,031)
Less investments per statement of net position					(72,765,518)
Less restricted investments per statement of net position					(1,667,124)
Less component unit cash and cash equivalents per statement of net position					(327,435)
Less component unit investments per statement of net position					(1,935,124)
Less component unit restricted investments per statement of net position					(1,181,575)
Cash and cash equivalents per statement of net position					<u>\$ 10,300,891</u>

**State of New Mexico
City of Alamogordo
Financial Data Schedule
June 30, 2023**

Line Item Number	Description	Low Rent Public Housing Program NM004000001		Total
		14.850	2. State/Local	
111	Cash - Unrestricted	\$ 1,633,782	\$ 676,232	\$ 2,310,014
113	Cash - Other Restricted	-	-	-
114	Cash - Tenant Security Deposits	47,559	21,405	68,964
115	Cash - Restricted- Payment of Current liabilities	-	-	-
100	Total Cash	1,681,341	697,637	2,378,978
121	Accounts Receivable - PHA projects	146,143	-	146,143
126	Accounts Receivable - Tenants - Dwelling Rents	826	-	826
120	Total Receivables, Net of Allowance for Doubtful Accounts	146,969	-	146,969
143	Inventories	97,690	-	97,690
143.1	Allowance for Obsolete Inventories	(622)	-	(622)
144	Inter Program Due From	-	16	16
145	Assets Held for Sale	-	88,338	88,338
150	Total Current Assets	1,925,378	785,991	2,711,369
161	Land	1,324,708	-	1,324,708
162	Buildings	14,723,236	-	14,723,236
164	Furniture, Equipment & Machinery - Administration	209,140	-	209,140
166	Accumulated Depreciation	(12,649,001)	-	(12,649,001)
167	Construction in progress	951,894	-	951,894
160	Total Capital Assets, Net of Accumulated Depreciation	4,559,977	-	4,559,977
180	Total Non-Current Assets	4,559,977	-	4,559,977
190	Total Assets	6,485,355	785,991	7,271,346
200	Deferred Outflows of Resources	258,599	4,745	263,344
290	Total Assets and Deferred Outflows of Resources	\$ 6,743,954	\$ 790,736	\$ 7,534,690

(Continued)

**State of New Mexico
City of Alamogordo
Financial Data Schedule
June 30, 2023**

Line Item Number	Description	Low Rent Public Housing Program NM004000001		Total
		14.850	2. State/Local	
312	Accounts Payable <= 90 Days	\$ 14,015	\$ -	\$ 14,015
321	Accrued Wage/Payroll Taxes Payable	-	-	-
	Accrued Compensated Absences - Current			
322	Portion	32,949	1,929	34,878
333	Accounts Payable - Other Government	135,944	-	135,944
341	Tenant Security Deposits	64,701	-	64,701
347	Inter Program Due To	9,268	361	9,629
310	Total Current Liabilities	256,877	2,290	259,167
357	Accrued Pension and OPEB Liabilities	779,825	18,996	798,821
350	Total Non-Current Liabilities	779,825	18,996	798,821
300	Total Liabilities	1,036,702	21,286	1,057,988
400	Deferred Inflows of Resources	184,476	5,157	189,633
508.1	Net investment in capital assets	4,559,977	-	4,559,977
512.1	Unrestricted Net Position	962,799	764,293	1,727,092
513	Total Equity/Net Position	5,522,776	764,293	6,287,069
600	Total Liabilities, Deferred Inflows of Resources, and Equity/Net Position	\$ 6,743,954	\$ 790,736	\$ 7,534,690

**State of New Mexico
City of Alamogordo
Financial Data Schedule
June 30, 2023**

Line Item Number	Description	Low Rent Public Housing Program NM004000001		Capital Fund Program		Total
		14.850	2. State/Local	14.872		
70300	Net Tenant Rental Revenue	\$ 394,457	\$ -	\$ -	\$ -	\$ 394,457
70400	Tenant Revenue - Other	2,464	-	-	-	2,464
70500	Total Tenant Revenue	396,921	-	-	-	396,921
70600	HUD PHA Operating Grants	761,846	-	-	-	761,846
70610	Capital Grants	-	-	2,013,271	-	2,013,271
71100	Investment Income - Unrestricted	1,445	413	-	-	1,858
71500	Other Revenue	26,346	74	-	-	26,420
70000	Total Revenue	1,186,558	487	2,013,271	-	3,200,316
91100	Administrative Salaries	145,902	978	-	-	146,880
91200	Auditing Fees	5,943	322	-	-	6,265
91500	Employee Benefit Contributions - Administrative	137,098	805	-	-	137,903
91600	Office Expenses	14,745	3	-	-	14,748
91900	Other Operating - Administrative	23,485	4,324	-	-	27,809
91000	Total Operating - Administrative	485,231	6,432	-	-	491,663
93100	Water	21,857	47	-	-	21,904
93200	Electricity	14,288	23	-	-	14,311
93300	Gas	4,345	-	-	-	4,345
93600	Sewer	168	43	-	-	211
93800	Other Utilities Expense	19,079	-	-	-	19,079
93000	Total Utilities	59,737	113	-	-	59,850
94100	Ordinary Maintenance & Operation - Labor	236,275	-	-	-	236,275
94200	Ordinary Maintenance & Operation - Materials & Other	290,630	-	-	-	290,630
94300	Ordinary Maintenance & Operation Contracts	96,383	53	-	-	96,436
94500	Employee Benefit Contributions - Ordinary Maintenance	2,285	-	-	-	2,285
94000	Total Maintenance	625,573	53	-	-	625,626
96110	Property Insurance	(2,015)	1,151	-	-	(864)
96120	Liability Insurance	2,059	1,354	-	-	3,413
96130	Workmen's Compensation	2,962	34	-	-	2,996
96140	All Other Insurance	69,847	38	-	-	69,885
96100	Total Insurance Premiums	72,853	2,577	-	-	75,430

(Continued)

**State of New Mexico
City of Alamogordo
Financial Data Schedule
June 30, 2023**

Line Item Number	Description	Low Rent Public Housing Program NM004000001		Capital Fund Program		Total
		14.850	2. State/Local	14.872		
96210	Compensated Absences	\$ 4,960	\$ -	\$ -	\$ -	4,960
96400	Bad Debt - Tenant Rents	14,637	-	-	-	14,637
96000	Total Other General	44,449	-	-	-	44,449
96900	Total Operating Expenses	1,287,843	9,175	-	-	1,297,018
97000	Excess Operating Revenue Over Operating Expenses	(101,285)	(8,688)	2,013,271	-	1,903,298
97100	Extraordinary Maintenance	-	-	-	-	-
97400	Depreciation Expense	325,778	-	-	-	325,778
90000	Total Expenses	\$ 1,613,621	\$ 9,175	\$ -	\$ -	1,622,796
10010	Operating Transfers In	\$ 2,013,271	\$ -	\$ -	\$ -	2,013,271
10020	Operating Transfers Out	-	-	(2,013,271)	-	(2,013,271)
10000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	1,586,208	(8,688)	-	-	1,577,520
11030	Beginning Equity	3,936,568	772,981	-	-	4,709,549
11040-10	Prior Period Adjustments	-	-	-	-	-
11040-20	Equity Transfers	-	-	-	-	-
11040-30	Prior Year Voids	-	-	-	-	-
11040-40	Return of Funds to HUD	-	-	-	-	-
	Ending Equity (deficit)	\$ 5,522,776	\$ 764,293	\$ -	\$ -	6,287,069
11190	Unit Months Available	\$ 2,652	\$ -	\$ -	\$ -	2,652
11210	Number of Unit Months Leased	\$ 2,526	\$ -	\$ -	\$ -	2,526
11270	Excess Cash	\$ 1,317,144	\$ -	\$ -	\$ -	1,317,144
11620	Building Purchases	\$ -	\$ -	\$ -	\$ -	-

**State of New Mexico
City of Alamogordo
Schedule of Joint Powers Agreements
For the Year Ended June 30, 2023**

Joint Power Agreement	Participants	Responsible Party	Description
1 Dispatch Services (C-1)	City of Alamogordo Otero County Village of Tularosa	Otero County City of Alamogordo	Utilization of ambulance services as required with dispatch services.
2 Mutual aid contract for fire protection and rescue services (PERM 249)	Otero County Volunteer Fire Department City of Alamogordo	DPS (Dept. of Public Safety) Otero County Volunteer Fire Department	Mutual aid for both Volunteer fire departments in Otero County & City of Alamogordo.
3 Wildfire Suppression (C-1)	State of NM Forestry Division City of Alamogordo	State of NM Forestry Division City of Alamogordo	Support wildland fire suppression and services outside the city boundaries, as needed.
4 Development of Scenic Drive for use of NMSU (D-1 projects)	City of Alamogordo Otero County NM State University	City of Alamogordo	Agreement for the use of approx. 23 acres for development, equipment, maintenance & facilities.
5 Issue business licenses through the City of Alamogordo	City of Alamogordo NM Taxation & Revenue	City of Alamogordo	The city issues business licenses to businesses operating within the City limits and NM Tax & Rev enables the City to register & assign taxpayer ID numbers.
6 40 Year Water Study (A-4)	City of Alamogordo Village of Tularosa Otero County Lincoln County	City of Alamogordo Village of Tularosa Otero County Lincoln County	This 40 year water plan is done in consideration for the population/water demand and supply available for the future with the recommendations.
7 Affordable housing for low to moderate income (PERM 246)	NM State Housing City of Alamogordo	City of Alamogordo	Disbursement of state affordable housing program funds and/or home investment partnerships program funds.

Beginning and Ending Dates	Total Estimated Project Amount and Amount Applicable to Party	Amount contributed By City During Current Fiscal Year	Audit Responsibility	Fiscal Agent and Responsible Reporting Entity
8/19/2010- Indefinite	\$ 168,768	\$163,158 or 97%	Otero County	Otero County
1/14/1986- Indefinite	As budgeted per each department	As budgeted per each department	City of Alamogordo Otero County	City of Alamogordo Otero County
8/30/2010- Indefinite	As budgeted per each department	As budgeted per each department	State of NM Forestry Division City of Alamogordo	State of NM Forestry Division City of Alamogordo
12/17/1985- 12/17/2035	N/A	N/A	City of Alamogordo	City of Alamogordo
8/9/1996- Indefinite	As budgeted per each department	As budgeted per each department	City of Alamogordo	City of Alamogordo
6/19/1987- 6/19/2027	As budgeted per each department	As budgeted per each department	City of Alamogordo Village of Tularosa Otero County Lincoln County	City of Alamogordo Village of Tularosa Otero County Lincoln County
5/8/1995- Indefinite	As budgeted per each department	As budgeted per each department	City of Alamogordo	City of Alamogordo

(Continued)

State of New Mexico
City of Alamogordo
Schedule of Joint Powers Agreements
For the Year Ended June 30, 2023

Joint Power Agreement	Participants	Responsible Party	Description
8 Solid Waste (C-1)	City of Alamogordo Otero County Village of Tularosa Village of Cloudcroft	City of Alamogordo Otero County Village of Tularosa Village of Cloudcroft	Disposal and maintenance of solid waste as required.
9 Regional Landfill "Otero County Solid Waste Authority" & "Lincoln County Solid Waste Authority" (C-1)	City of Alamogordo Otero County Village of Tularosa Village of Cloudcroft Lincoln County Village of Ruidoso Village of Ruidoso Downs Town of Carrizozo Village of Capitan Village of Corona	City of Alamogordo Otero County Village of Tularosa Village of Cloudcroft Lincoln County Village of Ruidoso Village of Ruidoso Downs Town of Carrizozo Village of Capitan Village of Corona	Operation of the landfill as is required for the purpose of the environmental services and solid waste disposal.
10 Operation of the Otero/Greentree Landfill	City of Alamogordo and Otero/Lincoln County Regional Landfill (now known as the Otero/Greentree Landfill)	City of Alamogordo and Otero/Lincoln County Regional Landfill (now known as the Otero/Greentree Landfill)	City of Alamogordo and Otero/Lincoln County Regional Landfill (now known as the Otero/Greentree Landfill)
14 APSOA - Collectively Bargaining Unit	Alamogordo Public Safety Officers Association and City of Alamogordo	City of Alamogordo	Employee Personnel Policy

Beginning and Ending Dates	Total Estimated Project Amount and Amount Applicable to Party	Amount contributed By City During Current Fiscal Year	Audit Responsibility	Fiscal Agent and Responsible Reporting Entity
6/2/1995- Indefinite	As budgeted per each department	As budgeted per each department	City of Alamogordo Otero County Village of Tularosa Village of Cloudcroft	City of Alamogordo Otero County Village of Tularosa Village of Cloudcroft
9/30/1993- Indefinite	As budgeted per each department	As budgeted per each department	City of Alamogordo Otero County Village of Tularosa Village of Cloudcroft Lincoln County Village of Ruidoso Village of Ruidoso Downs Town of Carrizozo Village of Capitan Village of Corona	City of Alamogordo Otero County Village of Tularosa Village of Cloudcroft Lincoln County Village of Ruidoso Village of Ruidoso Downs Town of Carrizozo Village of Capitan Village of Corona
7/1/2019- 12/31/2023	\$95/hour, not to exceed a total of \$50,000 per year		City of Alamogordo	City of Alamogordo
5/11/2021- 6/30/2025	N/A	N/A	City of Alamogordo	City of Alamogordo

State of New Mexico
City of Alamogordo
Schedule of Revenue and Expenses - Aging Programs
For the Year Ended June 30, 2023

	Congregate Meals	Home Delivered Meals	Transportation
Revenues and other support			
Contributions	\$ -	\$ -	\$ -
Governmental grants and contracts			
Title IIID	-	-	-
Title IIIB	-	-	37,152
Title IIIC-1	78,208	-	-
Title IIIC-2	-	47,342	-
NSIP	28,583	28,583	-
State funds - program	135,558	117,633	66,704
Other grants and contracts			
Otero County	-	16,849	17,347
United Way	-	16,638	-
Local match (transfer from City)	-	-	-
Program service revenue	-	-	-
Miscellaneous	-	-	-
Total revenue and other support	242,349	227,045	121,203
Expenses			
Program services	424,764	341,792	216,429
Capital outlay	-	-	-
Payments - Lease principal payment	-	-	-
Interest and other charges	-	-	-
Supporting services	-	-	-
Total expenses	424,764	341,792	216,429
Excess (deficiency) of revenue over expenses	\$ (182,415)	\$ (114,747)	\$ (95,226)
Units provided	29,843	37,180	7,375

Total	Physical Fitness/Other	Total
\$ -	\$ -	\$ -
-	262	262
37,152	-	37,152
78,208	-	78,208
47,342	-	47,342
57,166	-	57,166
319,895	19,088	338,983
34,196	-	34,196
16,638	-	16,638
-	687,396	687,396
-	175,185	175,185
-	224	224
590,597	882,155	1,472,752
982,985	24,583	1,007,568
-	38,144	38,144
-	1,809	1,809
-	53	53
-	414,104	414,104
982,985	478,693	1,461,678
\$ (392,388)	\$ 403,462	\$ 11,074
74,398	21,910	96,308

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COMPLIANCE SECTION



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

Joseph M. Maestas, P.E., CFE, New Mexico State Auditor
The Office of Management and Budget; and
To the City Commission
City of Alamogordo
Alamogordo, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds with legally adopted annual budgets of the City of Alamogordo (the “City”), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated October 11, 2024. We also have audited the financial statements of the City’s discretely presented component unit presented as supplementary information, as defined by the Governmental Accounting Standards Board, as of and for the year ended June 30, 2023, as listed in the table of contents.

Report on 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) as a basis for designing 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002, that we consider to be material weaknesses.

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

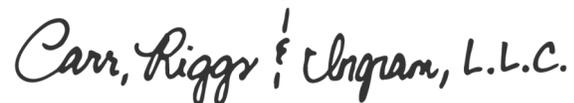
We noted certain matters that are required to be reported pursuant to Section 12-6-5 NMSA 1978, which are described in the accompanying schedule of findings and questioned costs under Section 12-6-5 NMSA 1978 as items 2023-005, 2023-006, 2023-007, 2023-008, 2023-009, 2023-010, 2023-011, 2023-012, and 2023-013.

The City's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the entity's responses to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The entity's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of This Report

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



Carr, Riggs & Ingram, LLC
Albuquerque, NM
October 11, 2024

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

Joseph M. Maestas, P.E., CFE, New Mexico State Auditor
The Office of Management and Budget and
The City Commission
City of Alamogordo
Alamogordo, New Mexico

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Alamogordo's (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2023. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2023-003 and 2023-004. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the City's responses to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-003 and 2023-004 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the City's responses to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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

Carr, Riggs & Ingram, L.L.C.

Carr, Riggs & Ingram, LLC
Albuquerque, New Mexico
October 11, 2024

**State of New Mexico
City of Alamogordo
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

Federal Grantor or Pass- Through Grantor / Program Title	Grant/Pass Thru Number
U.S. Department of Housing and Urban Development	
Public and Indian Housing	FW-5439
Public Housing Capital Fund	FW-5436
Public Housing Capital Fund	FW-5437
Public Housing Capital Fund	FW-5438
<i>Passed through New Mexico Department of Finance and Administration</i>	
Community Development Block Grants	19-C-NR-I-01-G-18
Total U.S. Department of Housing and Urban Development	
U.S. Department of Justice Bureau of Justice Assistance	
Edward Byrne Memorial Justice Assistance Grant Program: Bulletproof Vests	8041495
Total U.S. Department of Justice Bureau of Justice Assistance	
U.S. Department of Transportation	
<i>Passed through the New Mexico Department of Transportation</i>	
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	
ENDDWI	02-AL-64-001
ENDDWI	03-AL-64-001
Total U.S. Department of Transportation	
U.S. Department of Treasury	
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	
<i>Passed through New Mexico Development Department</i>	
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	ALAMO-001
Total U.S. Department of Treasury	
National Endowment for the Humanities	
<i>Passed through National Trust for Historic Preservation</i>	
COVID-19 - Promotion of the Humanities Public Programs	ZOR-283411-21
Total National Endowment for the Humanities	
Office of the National Drug Control Policy	
<i>Passed through County of Lea</i>	
High Intensity Drug Trafficking Areas Program	G22SN0017A
Total Office of the National Drug Control Policy	

See accompanying notes to schedule of expenditures of federal awards.

Assistance Listing Number	Federal Expenditures	Program/ Cluster Subtotal	Funds Provided to Subrecipients	Noncash Assistance
14.850	\$ 761,846		\$ -	-
14.872	1,195,542		-	-
14.872	563,967		-	-
14.872	107,619	1,867,128	-	-
14.228	291,428		-	-
	2,920,402		-	-
16.738	2,000		-	-
	2,000		-	-
20.608	525		-	-
20.608	125	650	-	-
	650			
21.027	731,185		-	-
21.027	92,567	823,752	-	-
	823,752			
45.164	25,000		-	-
	25,000			
95.001	5,966		-	-
	5,966		-	-

(Continued)

See accompanying notes to schedule of expenditures of federal awards.

**State of New Mexico
City of Alamogordo
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

Federal Grantor or Pass- Through Grantor / Program Title	Grant/Pass Thru Number
U.S. Department of Health and Human Services	
<i>Passed through the North Central New Mexico Economic District Non-Metro Area Agency</i>	
Aging Cluster	
Special Programs for the Aging: Title III Part B - Supportive Services & Senior Centers	2022-63-64012
COVID-19 - Special Programs for the Aging: Title III Part B - Supportive Services & Senior Center	American Rescue Plan Act (ARPA)
Nutrition Services Incentive Program (NSIP)	64012
<hr/>	
Subtotal Aging Cluster	
<hr/>	
Subtotal - Pass through North Central New Mexico Economic District Non-Metro Agency	
<hr/>	
Total U.S. Department of Health and Human Services	
<hr/>	
Environmental Protection Agency	
<i>Passed through the New Mexico Finance Authority</i>	
Drinking Water State Revolving Fund Cluster	
Capitalization Grants for Drinking Water State Revolving Funds	FS-996925-25DA
<hr/>	
Subtotal - Drinking Water State Revolving Fund Cluster	
<hr/>	
Total Environmental Protection Agency	
<hr/>	
U.S. Department of Homeland Security	
<i>Passed through the New Mexico Department of Homeland Security and Emergency Management</i>	
Hazard Mitigation Grant	FEMA-4199-DR-NM
<hr/>	
Total U.S. Department of Homeland Security	
<hr/>	
Total Federal Financial Assistance	
<hr/>	

See accompanying notes to schedule of expenditures of federal awards.

Assistance Listing Number	Federal Expenditures	Program/ Cluster Subtotal	Funds Provided to Subrecipients	Noncash Assistance
93.044	\$ 125,131		\$ -	\$ -
93.044	38,141		-	-
93.053	57,166		-	-
		220,438	-	-
	220,438		-	-
	220,438		-	-
66.468	201,009		-	-
		201,009	-	-
	201,009		-	-
97.039	272,552		-	-
	272,552		-	-
	\$ 4,471,769		\$ -	\$ -

See accompanying notes to schedule of expenditures of federal awards.

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State of New Mexico
City of Alamogordo
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

Notes to Schedule of Expenditures of Federal Awards

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of the City of Alamogordo (the "City") and is presented on the modified accrual basis of accounting, which is the same basis as was used to prepare the governmental fund financial statements. The information in this Schedule is presented in accordance with the requirements of Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

2. Loans

The City did not expend federal awards related to loans or loan guarantees during the year.

3. 10% de minimus Indirect Cost Rate

The City did not elect to use the allowed 10% indirect cost rate.

4. Federally Funded Insurance

The City has no federally funded insurance.

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

Total federal awards expended per schedule of expenditures of federal awards	\$ 4,471,769
Total expenditures funded by other sources	55,926,544
<hr/>	
Total expenditures	\$ 60,398,313
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**State of New Mexico
City of Alamogordo
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements:

- | | |
|--|------------|
| 1. Type of auditor’s report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | Yes |
| b. Significant deficiencies identified not considered to be material weaknesses? | None Noted |
| c. Noncompliance material to the financial statements? | No |

Federal Awards:

- | | |
|--|------------|
| 1. Type of auditor’s report issued on compliance for major programs | Unmodified |
| 2. Internal control over major programs: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516 (a)? | Yes |

4. Identification of major programs:

Assistance Listing Number	Federal Program
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Fund
14.872	Public Housing Capital Fund

- | | |
|---|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$750,000 |
| 6. Auditee qualified as low-risk auditee? | Yes |

State of New Mexico
City of Alamogordo
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

SECTION II – FINANCIAL STATEMENT FINDINGS

2023-001 – Trial Balances and Financial Close and Reporting – Material Weakness

Condition – During the audit, the Housing Authority provided several versions of the trial balance, each containing significant discrepancies. In addition, several audit adjustments were made to accurately reflect balances for various accounts on the City’s and Housing Authority’s trial balances.

- Housing Authority inventory required an audit adjustment of \$91,467 to agree the balance on the listing to the trial balance at year end.
- An audit adjustment was necessary to properly accrue a Housing Authority accounts payable balance of \$146,143, which also resulted in a construction in progress asset.
- The Housing Authority did not include an accounts receivable and revenue that should have been recorded in the amount of \$146,143.
- An audit adjustment was necessary to properly state revenue in the Leisure Services Fund in the amount of \$40,722.
- An audit adjustment was necessary to properly record unearned revenues in the State Fiscal and Local Recovery Fund in the approximate amount of \$3.2 million.
- An audit adjustment was necessary to properly record unbilled utilities in the amount of \$1,326,407.
- An audit adjustment was necessary to properly record the landfill post closure liability in the amount of \$850,829.
- Adjustments were necessary to properly record the proprietary funds (enterprise and internal service funds) on the full accrual basis of accounting.
- An audit adjustment was necessary to reconcile the accounts payable listing to the trial balance by \$728,019 for the Water and Sewer Fund and Business-Type Activities.
- Audit adjustments amounting to \$1,091,690 in the Water and Sewer Fund and Business-Type Activities, \$801,261 in the Internal Service Fund, and \$5,167,062 in the Governmental Activities was necessary to properly record capital assets at year-end. This caused a restatement of balances.
- The City did not accurately report the lease receivables and deferred inflow of resources-leases for the governmental and internal service fund. Therefore, a restatement of balances was required.

State of New Mexico
City of Alamogordo
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

2023-001 – Trial Balances and Financial Close and Reporting – Material Weakness (Continued)

Criteria – The Committee of Sponsoring Organizations of the Treadway Commission (COSO) internal control framework is recognized as the leading guidance for designing, implementing and conducting internal control and assessing its effectiveness. An “effective” internal control system includes five components: the control environment, risk assessment, control activities, information, and communication and monitoring. These components should be addressed in entity-level controls related to financial reporting and transaction level processes.

Effect – Untimely and/or inaccurate financial reporting could affect federal and state funding. Misstatements due to errors or fraud may go undetected and could affect the City’s ability to accurately estimate budgetary needs. The lack of adequate internal controls may reduce City’s ability to safeguard assets and prevent or detect intentional or unintentional misstatements of accounting information.

Cause – Internal control activities over the financial close and reporting were not effective. The financial close and reporting process did not incorporate control activities and relevant information to assist in accurate financial close and reporting. The financial close and reporting process was not separately evaluated to ascertain whether the internal controls were properly functioning.

Auditor's Recommendation – CRI recommends the City and Housing Authority personnel implement a more rigorous review process for trial balances, including multiple levels of review and approval. In addition, establish regular monitoring and internal audit procedures to ensure ongoing compliance with financial reporting standards and internal control policies.

Views of Responsible Officials and Planned Corrective Action – Prior to the transfer of the Housing Authority to the Eastern Regional Housing Authority (ERHA), the City of Alamogordo did not understand the limitations of the ERHA accounting and financial system. Since this time, the City has had multiple conversations with ERHA leadership about their financials systems. The City has no authority over ERHA and does not expect any changes in their accounting practices. We expect the same challenges to exist in fiscal year 2024 and are planning to have to do additional work to provide financial statements for the Housing Authority. For the City of Alamogordo funds, we are aware of the causes of the deficiencies and have implemented reviews to avoid future errors.

Responsible Person – ERHA Accounting Staff, Finance Director, Accounting Manager

Targeted Date of Completion – Fiscal Year 2025

State of New Mexico
City of Alamogordo
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

2023-002 – Capital Assets Housing Authority – Material Weakness

Condition – The capital asset listing provided by the Housing Authority did not agree to the trial balance. In addition, upon further inspection, it was noted that the assets in-service date included on the listing was July 1, 2023 rather than the original date it was placed into service, which caused significant discrepancies in depreciation and accumulated depreciation. Several audit adjustments (approximately \$1.3 million) were necessary to properly record the balances at year-end, including an audit adjustment of \$815,950 to properly record a capital asset as construction in progress rather than a building and improvement asset.

Criteria – According to GASB and GAAP, financial records should be accurate, complete, and prepared in a timely manner to ensure reliable financial reporting.

Effect – Capital assets not being recorded with accurate data could lead to misstatements and inaccurate financial reporting data.

Cause – The inaccuracies were primarily due to the Housing Authority recording all the capital assets in their financial reporting software on July 1, 2023 instead of the date that the asset was put into service.

Auditor's Recommendation – We recommend that the City work with the Housing Authority to ensure that their capital assets are maintained within their subledger accurately.

Views of Responsible Officials and Planned Corrective Action – Prior to the transfer of the Housing Authority to the Eastern Regional Housing Authority (ERHA), the City of Alamogordo did not understand the limitations of the ERHA accounting and financial system. Since this time, the City has had multiple conversations with ERHA leadership about their financials systems. The City has no authority over ERHA and does not expect any changes in their accounting practices. We expect the same challenges to exist in fiscal year 2024 and are planning to have to do additional work to provide financial statements for the Housing Authority. The limited number of capital asset transactions in FY2024 should allow for a quicker reconciliation process.

Responsible Person – ERHA Accounting Staff, Finance Director

Targeted Date of Completion – Fiscal Year 2025

State of New Mexico
City of Alamogordo
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2023-003 (2022-001) – Procurement Policy and Suspension and Debarment Verification Procedures – Significant Deficiency in Internal Controls over Compliance and Questioned Costs >\$25,000 and Noncompliance

Federal Program Information

Federal Award Title and ALN: 21.027 Coronavirus State and Local Fiscal Recovery Fund
Federal Awarding Agency: Department of the Treasury
Pass-Through Entity: State of New Mexico
Federal Award ID Number: SLFRP0125
Federal Award Year: 2023

Federal Award Title and ALN: 14.872 Public Housing Capital Fund
Federal Awarding Agency: U.S. Department of Housing and Urban Development
Pass-Through Entity: State of New Mexico
Federal Award ID Number: N/A
Federal Award Year: 2023

Condition – The City's procurement policy requires quotes for procurements in excess of \$20,000, whereas the Uniform Guidance sets the threshold at the micro-purchase threshold of \$10,000. \$26,785 in procurements between \$10,000 and \$20,000 were not quoted prior to purchase. The City is not checking vendors for suspension and debarment prior to using.

The City had been working on updating their policies and procedures during fiscal year 2024 to comply with federal procurement requirements. The City is also working on changing their processes to ensure compliance.

Criteria – Per Title 2 US Code of Federal Regulations Part 200.303a, the non-federal entity must establish and maintain effective internal control over Federal awards that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

2 CFR 200.320(a) sets the micro-purchase threshold at \$10,000 and requires purchases over the micro-purchase threshold to use small purchase procedures, whereby price or rate quotations must be obtained.

State of New Mexico
City of Alamogordo
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

2023-003 (2022-001) – Procurement Policy and Suspension and Debarment Verification Procedures – Significant Deficiency in Internal Controls over Compliance and Questioned Costs >\$25,000 and Noncompliance (Continued)

For suspension and debarment, 2 CFR 180 subpart C requires checking SAM exclusions, collecting a certification, or adding a clause or condition to contract documents before entering into a covered transaction with another party.

Questioned Costs – Known and likely questioned costs of \$26,785.

Effect – Engaging vendors without verifying their suspension and debarment status increases the risk of contracting with ineligible vendors, which could lead to financial losses, legal liabilities, and potential disqualification from future federal funding.

Cause – The lack of verification was due to inadequate internal controls and oversight within the procurement department. There was no established procedure or checklist to ensure compliance with suspension and debarment verification requirements.

Auditor's Recommendation – CRI recommends that the City implement a verification process to check the suspension and debarment status of all vendors prior to contract award. This process should include regular training for procurement staff, the use of a standardized checklist, and periodic audits to ensure compliance.

Views of Responsible Officials and Planned Corrective Action – The City of Alamogordo has changed its process when procuring items with federal funds. The Chief Procurement Officer requests a debarment ruling from the Finance Director, who verifies the vendors credentials in the federal SAM system. The CPO will be added to the SAM system to directly verify potential vendors. The City is also in the process of rewriting the procurement ordinance to allow for the lower federal threshold. This new ordinance will be place during Fiscal Year 2025.

Responsible Person – Chief Procurement Officer, Finance Director

Targeted Date of Completion – Fiscal Year 2025

**State of New Mexico
City of Alamogordo
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023**

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS *(Continued)*

2023-004 – Absence of Prevailing Wage Rate Clauses in Contract – Significant Deficiency in Internal Controls over Compliance and Noncompliance

Federal Program Information

Federal Award Title and ALN: 14.872 Public Housing Capital Fund
Federal Awarding Agency: U.S. Department of Housing and Urban Development
Pass-Through Entity: State of New Mexico
Federal Award ID Number: N/A
Federal Award Year: 2023

Condition – During the review of the contract for the Housing Authority’s HVAC project, it was noted that the contract did not include clauses mandating the payment of prevailing wage rates to workers.

Criteria – Per Title 2 US Code of Federal Regulations Part 200.303a, non-federal entities must establish and maintain effective internal control over Federal awards that provides reasonable assurance that the non-Federal entities is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Per Title 2 US Code of Federal Regulations Appendix II to Part 200, contracts for construction funded by Federal awards in excess of \$2,000 must contain provisions incorporating the Davis-Bacon Act, which requires contractors and subcontractors to pay prevailing wages for the work performed under the contract.

Questioned Costs – None.

Effect – The absence of these clauses may result in non-compliance with federal or state labor laws, potentially leading to legal penalties, financial liabilities, and reputational damage for the City. Additionally, workers may not receive fair compensation for their labor.

Cause – The omission of prevailing wage rate clauses appears to be due to an oversight by the Housing Authority personnel during the contract drafting and approval process.

State of New Mexico
City of Alamogordo
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS *(Continued)*

2023-004 – Absence of Prevailing Wage Rate Clauses in Contract – Significant Deficiency in Internal Controls over Compliance and Noncompliance (Continued)

Auditor's Recommendation – CRI recommends that the contract immediately be amended to include the required prevailing wage rate clauses. Furthermore, a review process should be implemented to ensure all future contracts comply with prevailing wage requirements.

Views of Responsible Officials and Planned Corrective Action – Prior to the transfer of the Housing Authority to the Eastern Regional Housing Authority (ERHA), the City of Alamogordo did not understand the limitations of the ERHA accounting and financial system. Since this time, the City has had multiple conversations with ERHA leadership about their financials systems. The City has no authority over ERHA and does not expect any changes in their accounting practices.

Responsible Person – ERHA Accounting Staff

Targeted Date of Completion – Fiscal Year 2025

State of New Mexico
City of Alamogordo
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

SECTION IV — SECTION 12-6-5 NMSA 1978 FINDINGS

2023-005 (2022-002) — Pledged Collateral – Other noncompliance

Condition – Deposits at Wells Fargo Bank were not collateralized in accordance with State of New Mexico Statutes. The required collateral was \$787,493, there was a shortfall of \$216,873.

Progress on prior year finding – While the City fixed the pledged collateral issue noted in the fiscal year 2022 audit, a new collateral issue was noted during fiscal year 2023.

Criteria – Any bank designated a deposit of public money shall deliver pledged collateral with a value equal to one half the amount of the public money in excess of insurance, to a custodial bank and a joint safekeeping receipt issued by the custodial bank to the City (Section 6-10-17 NMSA 1978). Monitoring collateralization of the City's funds is essential in ensuring compliance with State of New Mexico Statutes.

Effect – Lack of proper monitoring of pledged collateral could result in excessive loss of City's funds if the financial institutions encounter financial difficulties.

Cause – The City's banking institution was not accurately applying the official custodian rules and regulations of the State of New Mexico to the City's banking records.

Auditor's Recommendation – As part of a formal policy implemented by the City, an individual should be assigned the responsibilities of reviewing the monthly collateral reports, investigating differences, and resolving discrepancies.

Views of Responsible Officials of Auditee – The City of Alamogordo does monitor the pledged collateral requirements. Wells Fargo was calculating the pledged collateral based on authorized signatories also being official custodians. Since the Fiscal Year 2023 audit, the NM State Treasurer's Office and the State Auditor Office have provided guidance to Wells Fargo deeming this practice incorrect. In response, Wells Fargo has provided the City of Alamogordo with the ability to identify one official custodian. We have completed that paperwork and should have no further issue with the collateralization.

Responsible Person – Finance Director

Targeted Date of Completion – June 30, 2024

State of New Mexico
City of Alamogordo
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

SECTION IV — SECTION 12-6-5 NMSA 1978 FINDINGS (Continued)

2023-006 – (2021-003) — Anti-Donation Clause – Other noncompliance

Condition – During testwork over leases it was noted that several airport hangar leases were entered into at a value well below fair market value.

Progress on prior year finding – Anti-donation items repeated and modified from the prior year. No changes were made during fiscal year 2023 related the airport hangar leases.

Criteria – Anti-Donation Clause of the NM Constitution "neither the state nor any county, school district or municipality, except as otherwise provided in this constitution, shall directly or indirectly lend or pledge its credit or make any donation to or in aid of any person, association, or public or private corporation." NM Const. art, IX, sec. 14.

Effect – Leases made in violation of the NM Anti-Donation Clause raise the risk of inappropriate stewardship of taxpayer funds and can result in waste, fraud, and/or abuse.

Cause – The City was unaware of the violation of the NM Anti-Donation Clause when originally entering into lease agreements.

Auditor's Recommendation – CRI recommends the City review leases for appropriateness with applicable laws and regulations in addition to reviewing steps taken throughout the lease agreement process ensuring compliance with said laws and regulations.

Views of Responsible Officials and Planned Corrective Action – The City self-reported possible anti-donation violations with regards to several leases. Many of these leases were entered into by former staff with no documentation towards testing for fair market value. Once aware of it, the City has been working with the lessees to renegotiate the leases in a way that addresses fair market value. Many of the leases documented in this finding have already been terminated or are in active renegotiations. The City has also been working to develop a standard lease process for all new leases.

Responsible Person – Assistant City Manager, Finance Director

Targeted Date of Completion – Fiscal Year 2025

**State of New Mexico
City of Alamogordo
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023**

SECTION IV — SECTION 12-6-5 NMSA 1978 FINDINGS (Continued)

2023-007 – Unsupported Credit Card Transactions – Other Matter

Condition – During testwork over Housing Authority credit card transactions, it was noted that for 5 of 5 credit card transactions tested, there was a lack of proper supporting documentation, as required by NMSA 1978.

Criteria – According to NMSA 1978, all credit card transactions must be supported by appropriate documentation, such as receipts, invoices, or other relevant records, to ensure the validity and accuracy of the transactions.

Effect – Without proper documentation, there is an increased risk of unauthorized or fraudulent transactions going undetected. This can lead to financial losses and potential non-compliance with statutory requirements.

Cause – The absence of proper support for these transactions appears to be due to inadequate internal controls and oversight within the credit card management process.

Auditor's Recommendation – CRI recommends the Housing Authority implement and enforce internal controls to ensure that all credit card transactions are properly documented and supported. In addition, the City should regularly review credit card transactions to ensure compliance with documentation requirements.

Views of Responsible Officials and Planned Corrective Action – Prior to the transfer of the Housing Authority to the Eastern Regional Housing Authority, the City of Alamogordo did not understand the limitations of the ERHA accounting and financial system. Since this time, the City has had multiple conversations with ERHA leadership about their financials systems. The City has no authority over ERHA and does not expect any changes in their accounting practices.

Responsible Person – ERHA Accounting Staff

Targeted Date of Completion – Fiscal Year 2025

State of New Mexico
City of Alamogordo
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

SECTION IV — SECTION 12-6-5 NMSA 1978 FINDINGS (Continued)

2023-008 – Unsupported Travel and Per Diem – Other Noncompliance

Condition – During testwork over Housing Authority per diem payments, it was noted that the Housing Authority’s transactions were not being reimbursed based upon the City’s policies. For 5 of 5 travel reimbursements tested, a flat rate of \$151/per day was being provided to employees for overnight travel and a partial per diem rate based on State statute. For 3 of 3 mileage reimbursements tested, the reimbursement was reimbursed at \$0.50/per mile instead of the Internal Revenue Service (IRS) standard rate.

Criteria – Based on the City’s policies, lodging expense should be included on the City’s credit card or should not exceed 150% of the maximum allowable lodging per diem rate for any location and meals and incidental expense should be paid by per diem allowance to the maximum allowable rate for the location traveling to, with the departure and day of return being at 75% of the maximum allowable rate. Further, the policy indicates that privately owned vehicles should be reimbursed at the current IRS standard mileage rate.

Effect – The Housing Authority is not reimbursing employees for travel and per diem in accordance with the City’s policies, which could lead to overpayments for the City.

Cause – The Housing Authority is not reimbursing employees based on City’s travel and per diem policy, but their own policy.

Auditor's Recommendation – CRI recommends the Housing Authority implement and enforce stricter internal controls to ensure that all per diem payments are properly documented. In addition, the City should regularly review per diem payments to ensure compliance with documentation requirements.

Views of Responsible Officials and Planned Corrective Action – Prior to the transfer of the Housing Authority to the Eastern Regional Housing Authority (ERHA), the City of Alamogordo did not understand the limitations of the ERHA accounting and financial system. Since this time, the City has had multiple conversations with ERHA leadership about their financials systems. The City has no authority over ERHA and does not expect any changes in their accounting practices.

Responsible Person – ERHA Accounting Staff

Targeted Date of Completion – Fiscal Year 2025

**State of New Mexico
City of Alamogordo
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023**

SECTION IV — SECTION 12-6-5 NMSA 1978 FINDINGS (Continued)

2023-009 – Expired Chief Procurement Officer (CPO) Certification at the Housing Authority – Other Noncompliance

Condition – The Chief Procurement Officer (CPO) certification at the Housing Authority expired on July 31, 2021.

Criteria – Section 13-1-95.2 NMSA requires each local government to have a Chief Procurement Officer.

Effect – Lack of compliance with State requirement and potential for procurement violations due to outdated knowledge.

Cause – Due to delay from COVID restrictions and employee name changes (notification of expiration not received) the required re-certifications did not occur prior to expiration of certification.

Auditor's Recommendation – We recommend that the Housing Authority employ someone who can enroll in the training and obtain the certification as soon as possible.

Views of Responsible Officials and Planned Corrective Action – Prior to the transfer of the Housing Authority to the Eastern Regional Housing Authority (ERHA), the City of Alamogordo did not understand the limitations of the ERHA accounting and financial system. Since this time, the City has had multiple conversations with ERHA leadership about their financials systems. The City has no authority over ERHA and does not expect any changes in their accounting practices.

Responsible Officials – ERHA Procurement Staff

Timeline and Estimated Completion Date – Fiscal Year 2025

State of New Mexico
City of Alamogordo
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

SECTION IV — SECTION 12-6-5 NMSA 1978 FINDINGS (Continued)

2023-010 – Debt Covenants – Other Noncompliance

Condition – The City’s fiscal year 2023 audit was not completed and submitted into the Municipal Securities Rulemaking Board (MSRB) Electronic Market Access System (EMMA) by the due date of March 31, 2024.

Criteria – Continuing disclosures for the City’s bonds are required to be uploaded into EMMA and MSRB by March 31st of each year.

Effect – The City did not comply with the debt covenants.

Cause – As documentation was pending from the Housing Authority related to the trial balance and capital assets, the City’s audit was not completed by the due date, which made the upload not possible by the due date.

Auditor’s Recommendation – We recommend that timelines and benchmarks related to the annual audit are established and monitored by the City.

Views of Responsible Officials and Planned Corrective Action – The City of Alamogordo acknowledges the late audit. We have identified the issues surrounding the late audit and will continue to take steps to prevent future late filings.

Responsible Officials – Finance Director

Timeline and Estimated Completion Date – Fiscal Year 2024

**State of New Mexico
City of Alamogordo
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023**

SECTION IV — SECTION 12-6-5 NMSA 1978 FINDINGS (Continued)

2023-011 – Late Audit Report – Other Noncompliance

Condition – The audited financial statements of the City were not submitted to the New Mexico State Auditor’s Office by December 15, 2023.

Criteria – Per Section 2.2.2.9 A(1)(g) NMAC, the audited financial statements of the City for the year ended June 30, 2023, were due to the New Mexico State Auditor’s Office by December 15, 2023.

Effect – The City is not in compliance with the Report Due Dates prescribed in the New Mexico Administrative Code.

Cause – As documentation was pending from the Housing Authority related to the trial balance and capital assets, the City’s audit was not completed by the due date, which made the upload not possible by the due date.

Auditor’s Recommendation – We recommend that timelines and benchmarks related to the annual audit are established and monitored by the City.

Views of Responsible Officials and Planned Corrective Action – The City of Alamogordo acknowledges the late audit. We have identified the issues surrounding the late audit and will continue to take steps to prevent future late filings.

Responsible Officials – Finance Director

Timeline and Estimated Completion Date – Fiscal Year 2024

**State of New Mexico
City of Alamogordo
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023**

SECTION IV — SECTION 12-6-5 NMSA 1978 FINDINGS (Continued)

2023-012 – Late Data Collection Form (DCF) – Other Noncompliance

Condition – The Data Collection Form of the City was not submitted to the Federal Audit Clearinghouse by March 31, 2024.

Criteria – Per 2 CFR 200.512(a), the auditee’s Data Collection Form must be submitted to the Federal Audit Clearinghouse by 9 months after year-end.

Effect – The City is not in compliance with the above regulation and will not be a low-risk auditee for the subsequent two years.

Cause – As documentation was pending from the Housing Authority related to the trial balance and capital assets, the City’s audit was not completed by the due date, which made the upload not possible by the due date.

Auditor’s Recommendation – We recommend that timelines and benchmarks related to the annual audit are established and monitored by the City.

Views of Responsible Officials and Planned Corrective Action – The City of Alamogordo acknowledges the late audit. We have identified the issues surrounding the late audit and will continue to take steps to prevent future late filings.

Responsible Officials – Finance Director

Timeline and Estimated Completion Date – Fiscal Year 2024

State of New Mexico
City of Alamogordo
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

SECTION IV — SECTION 12-6-5 NMSA 1978 FINDINGS (Continued)

2023-013 – Late Audit Report Submittal for the Real Estate Assessment Center (REAC) – Other Noncompliance

Condition – The audited financial statements of the City were not submitted to the Real Estate Assessment Center (REAC) by March 31, 2024.

Criteria – The REAC requires Public Housing Agencies (PHAs) to submit audited financial data within 9 months after the end of their fiscal year.

Effect – The City is not in compliance with the due date prescribed by the REAC.

Cause – As documentation was pending from the Housing Authority related to the trial balance and capital assets, the City’s audit was not completed by the due date, which made the upload not possible by the due date.

Auditor’s Recommendation – We recommend that timelines and benchmarks related to the annual audit are established and monitored by the City.

Views of Responsible Officials and Planned Corrective Action – The City of Alamogordo acknowledges the late audit. We have identified the issues surrounding the late audit and will continue to take steps to prevent future late filings.

Responsible Officials – Finance Director

Timeline and Estimated Completion Date – Fiscal Year 2024

State of New Mexico
City of Alamogordo
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

SECTION V – SUMMARY OF PRIOR YEAR FINDINGS

2022-001 — *Inadequate Policies and Procedures over Procurement (Other noncompliance) - Repeated and modified*

2022-002 — *Pledged Collateral (Other noncompliance) – Repeated and modified*

2022-003 (2021-003) — *Anti-Donation Clause (Other noncompliance) – Repeated and modified*

**State of New Mexico
City of Alamogordo
Other Disclosures
June 30, 2023**

EXIT CONFERENCE

An exit conference was held on September 27, 2024. In attendance were the following:

Representing the City of Alamogordo:

Susan Payne	Mayor*
Stephanie Hernandez	Acting City Manager
Evelyn Huff	Finance Director

Representing Carr, Riggs & Ingram, LLC:

Alan D. "A.J." Bowers, Jr., CPA, CITP	Partner
Sara Specht, CPA, CFE, CGFM	Senior Manager

*The Mayor is on the Commission and the Board of the Component Unit Otero Greentree Regional Landfill and represented the component unit at the exit conference.

AUDITOR PREPARED FINANCIAL STATEMENTS

Carr, Riggs, & Ingram LLC prepared the GAAP-basis financial statements and footnotes of the City of Alamogordo from the original books and records provided to them by the management of the City. The responsibility for the financial statements remains with the City.