Alamogordo City Commission

NOTICE OF MEETING

Regular Meeting Agenda

February 25, 2020 - 6:00 PM
City Hall, City Commission Chambers
1376 E. Ninth St.

Richard Boss .... Mayor
Nadia Sikes ....Mayor Pro-Tem, District 2
Jason Baldwin .... District 1
Susan Payne ....District 3
Josh Rardin ....District 4
Sharon McDonald .... District 5
Dusty Wright .... District 6

Brian Cesar .... City Manager
Petria Bengoechea ....City Attorney
Rachel Hughs ....City Clerk

MISSION STATEMENT as Adopted by the City Commission on March 24, 1995.

The City of Alamogordo is a Municipal Corporation that exists solely for the purpose of providing the best possible services to our customers, the citizens of Alamogordo. We are committed to providing these services with honesty, integrity, compassion, fairness, and a commitment to excellence.

We are committed to the long-term financial stability and responsible growth of the City and all decisions will be driven by our commitment to provide the best services possible in a financially sound and responsible manner given the economic realities facing the City.

In accordance with Section 10-15-1.D, NMSA 1978 (2010 Cumulative Supplement), this agenda has been posted on the bulletin board located in the east/west lobby of the City Hall and in the glass case located outside a the north entrance of the City Hall, distributed to the appropriate news media, and posted on the City website: http://ci.alamogordo.nm.us within the required time frame. As a courtesy, the entire Agenda Packet has also been posted on the City of Alamogordo website: http://ci.alamogordo.nm.us

The Mayor and City Commission request that all cell phones be turned off or set to vibrate. Members of the audience are requested to step outside the Commission Chambers to respond to or to conduct a phone conversation. The Alamogordo Commission Chambers is wheelchair accessible. Other special assistance for disabled attendees must be requested 48 hours in advance by contacting the City Clerk's Office at 575-439-4100.

CALL TO ORDER & ROLL CALL

Announce the presence of a Quorum.

INVOCATION & PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

PUBLIC COMMENT

Residents must sign up with the City Clerk to address the City Commission. Comments are limited to 3 Minutes, and there will be a maximum of 21 Minutes allowed for Public Comment.

CITY MANAGER'S REPORT

REMARKS AND INQUIRIES BY THE CITY COMMISSION

CONSENT AGENDA (Roll Call Vote Required for an Ordinance or Resolution)

All matters listed under the Consent Agenda are considered to be routine by the City Commission and will be enacted by one motion. There will not be separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.

1. Approve the minutes for the February 11, 2020 Regular meeting. *(Rachel Hughs, City Clerk)*

2. Approve the statements related to the Executive Closed Session held on February 11, 2020. *(Rachel Hughs, City Clerk)*

3. Consider, and act upon, final publication of Ordinance 1607, amending certain sections and adding new sections to Chapter 4 of the Code of Ordinances concerning the Alamogordo - White Sands Regional Airport. *(Jim Talbert, Airport Manager)* **(Roll Call Vote Required)**

4. Consider, and act upon, final publication of Ordinance 1610, an ordinance amending section 2-02-030 meeting days and times of Regular Commission Meetings. *(Rachel Hughs, City Clerk)* **(Roll Call Vote Required)**

5. Approve the Investment Report for the quarter ending December 31, 2019, in accordance with the City of Alamogordo Investment Ordinance. *(Stephanie Hernandez, Acting Finance Director)*

6. Consider, and act upon, a request related to the Alamogordo Fire Department applying for the FY19 Assistance to Firefighters Grant Program (AFG). *(Jim LeClair, Fire Chief)*

7. Consider, and act upon, Resolution 2020-08 requesting written approval from the Local Government Division of the Department of Finance and Administration, State of NM for the revised budget numbers computed as of February 25, 2020. *(Evelyn Huff, Budget Analyst)* **(Roll Call Vote Required)**

8. Consider, and act upon, submission of letter of commitment to support grant application from Otero Soil and Water Conservation District to Paso del Norte Foundation. *(Debbie Osborne, Grant Coordinator)*

ITEMS REMOVED FROM CONSENT AGENDA

NEW BUSINESS

9. Consider, and act upon, Resolution 2020-11 for the acceptance and approval of the FY19 Audit. *(Benjamin Martinez, CRI - Carr, Riggs & Ingram)* **(Roll Call Vote Required)**

10. Appointments to Boards and Committees. *(Richard Boss, Mayor)*

ADJOURNMENT

AGENDA REPORT
CITY OF ALAMOGORDO
CITY COMMISSION

Meeting Date: 2/25/2020 **Report Date:** 2/19/2020 **Report No:** 1.

Submitted By: Rachel Hughs

Subject: Approve the minutes for the February 11, 2020 Regular meeting. *(Rachel Hughs, City Clerk)*

Fiscal Impact:
Amount Budgeted:
Fund:

Additional Fiscal Impact:

Recommendation: Approve the minutes.

Background: This is required by the Open Meetings Act.

CITY OF ALAMOGORDO, NEW MEXICO
CITY COMMISSION REGULAR MEETING MINUTES
6:00 P.M., COMMISSION CHAMBERS
February 11, 2020

RICHARD BOSS, MAYOR
SHARON McDONALD, COMMISSIONER
JOSH RARDIN, COMMISSIONER
DUSTY WRIGHT, COMMISSIONER
SUSAN PAYNE, COMMISSIONER
NADIA SIKES, MAYOR PRO-TEM
JASON BALDWIN, COMMISSIONER
BRIAN CESAR, CITY MANAGER
PETRIA BENGOECHEA, CITY ATTORNEY
RACHEL HUGHS, CITY CLERK

CALL TO ORDER / ROLL CALL / INVOCATION / PLEDGE OF ALLEGIANCE

Mayor Boss called the meeting to order at 6:00 p.m. Roll Call was taken by the City Clerk. City Clerk Hughs announced there was a quorum present. Invocation was given by Commissioner Payne and the Pledge of Allegiance was led by Commissioner Baldwin.

APPROVAL OF AGENDA

Mayor Pro-Tem Sikes moved to approve the agenda.
Commissioner Baldwin seconded the motion. Motion carried with a vote of 7-0-0.

PUBLIC COMMENT

Eugene Downer commented on the following:
He said the City might consider calling Guy Warden, at the landscaping business out by the theater, to trim the chitalpas and consider planters in the median strip of White Sands Blvd. He said he has painted 14 benches within the last two years at Desert Foothills Park, in which he purchased the paint himself. He commented on painting the garbage cans blue, and timber on the pavilions of need of painting. He asked the City to consider having a police officer, on a bike or atv, riding through the park to show some presence there.

CITY MANAGER'S REPORT

City Manager Cesar made the following remarks:
1. He said he was contacted by Representative Rachel Black's Office last week. The Governor has given each of the Representatives an additional $350,000 to go towards roadway projects in their various districts and unless something changes the City will see that $350,000 for the Hubbard Bridge project. This money will not completely fund the project.
2. He said last Thursday, the City signed a letter to go off to the Corp of Engineers requesting that they begin the north channel. He said they are going to have to go back and start from scratch on that because things have changed in the 20 plus years that the south channel has been built.
3. He announced Richard Denton has accepted the position of Chief of Police.

Police Chief Denton said he is humbled; he has devoted almost 20 years to the City and will continue to strive to do his best for the citizens and working close with everyone in the City.

Mayor Boss asked City Manager Cesar when it is feasible to expect the flood control project to start. He answered the City has turned in the request, now the Corp of Engineers for our district will have to request funding into their budget, so that is at least one of their fiscal years out. The first funding that will come in will be for them to do the environmental impact study, then they will start their preliminary design. He said that will more than likely take 3 years. It is all dependent upon funding. The other thing that will happen during this process is the City will sign a new agreement with the Corp of Engineers, then the City will need to look where they will get their match for the project. Then it is all dependent of what is given each year to the Corp of Engineers on their budget, and what the City can actually match.

Mayor Boss said they are looking at 5 years plus. City Manager Cesar said 5 years is a little aggressive, but maybe they'll be breaking ground. Commissioner Rardin asked City Manager Cesar if they are looking at doing something similar to what they showed the City years ago. He answered it would be what they last showed the City. They are looking at a much larger structure with an intake tower and a controlled release into a channel to be determined. Commissioner Rardin said he thought they talked where they would have two directions to release it. City Manager Cesar said they need to do the studies.

REMARKS AND INQUIRIES BY THE CITY COMMISSION

None.

CONSENT AGENDA

1. Approve the minutes for the January 28, 2020 Regular meeting. *(Rachel Hughs, City Clerk)*

Commissioner Rardin moved to approve item 1 of the consent calendar.
Commissioner Wright seconded the motion.
Motion carried with a vote of 7-0-0.

NEW BUSINESS

2. Consider and act upon Resolution 2020, authorizing execution of a gross receipts investment program (GRIP) agreement between the City of Alamogordo and WSCI, LLC. *(Petria Bengoechea, City Attorney*) (Roll Call Vote Required)

City Attorney Bengoechea made a correction and named this Resolution 2020-07. She said this is a GRIP (Gross Receipts Investment Program) agreement with White Sands Construction Industries for Fatwood Barbeque and New Mexico Financial Corporation. On December 3, 2019, the application was approved by the Commission to bring the agreement back before the Commission.

Commissioner Rardin said he does not have any current contracts with White Sands Construction, but he has in the past. He asked the Commission if they would have a problem with him voting on this. The Commission did not have a problem with him voting.

Commissioner Wright said he would abstain from the vote.

Commissioner Baldwin moved to approve.
Commissioner Payne seconded the motion.
Roll Call vote was taken.
Motion carried with a vote of 6-0-1. Commissioner Wright abstained from vote.

3. Consider, and act upon, first publication of Ordinance 1611, repealing certain sections of Article 27 Vehicle for Hire and amending section 17-01A-050 regarding license fees for certain businesses. *(Rachel Hughs, City Clerk)* (Roll Call Vote Required)

City Clerk Hughs said they are requesting to remove the driver's portion and the ambulance portion of the ordinance. She said part of the ambulance portion was removed years ago and there is still some in the ordinance.

Mr. Hardin said he could clarify if they had any questions.

Commissioner Rardin moved to approve.
Mayor Pro-Tem Sikes seconded the motion.
Roll Call vote was taken.

Motion carried with a vote of 7-0-0.

4. Consider, and act upon, first publication of Ordinance 1612, amending Chapter 2, Section 15 of the City of Alamogordo Code of Ordinances regarding the Gross Receipts Investment Program ("GRIP"). *(Petria Bengoechea, City Attorney*) (Roll Call Vote required)

City Attorney Bengoechea said the reason they want to make two adjustments to this ordinance is that today they received, and were told that they would receive, additional GRIP applications for businesses that have been opened for many months. The City has no opportunity to budget for this. This adjustment is going to say that they have to apply before they start the project, so that it gives the City a chance to budget the money or to put it aside. This is really a way for the City to help with the budget process.

Commissioner Baldwin asked if the Commission decides to move forward and change the ordinance, would this affect the applications coming in. City Attorney Bengoechea said the applications would still be presented to the Commission for their approval. It would be just one, if this is passed, moving forward.

Commissioner Baldwin moved to approve.
Mayor Pro-Tem Sikes seconded the motion.
Roll Call vote was taken.
Motion carried with a vote of 7-0-0.

5. Appointments to Boards and Committees. *(Richard Boss, Mayor)*

Mayor Boss read the openings and appointed Richard Warren to the Alamogordo Library Board. No one was opposed.

EXECUTIVE CLOSED SESSION (Roll Call Vote Required)

6. Adjourn into Executive Session in compliance with 10151(h)(7), NMSA 1978 (as amended) to discuss threatened or pending litigation; All lawsuit activity over the past year with the self-insurers fund.

Mayor Pro-Tem Sikes moved to adjourn into Executive Closed Session at 6:24 p.m.
Commissioner Rardin seconded the motion.
Roll Call vote was taken.
Motion carried with a vote of 7-0-0

ADJOURNMENT

Mayor Richard Boss

ATTEST:

City Clerk Rachel Hughs

(Prepared by Eric Barraza, Deputy Clerk)
Approved at the Regular Meeting held on February 25, 2020.

AGENDA REPORT
CITY OF ALAMOGORDO
CITY COMMISSION

Meeting Date: 2/25/2020 **Report Date:** 2/12/2020 **Report No:** 2.

Submitted By: Rachel Hughs

Subject: Approve the statements related to the Executive Closed Session held on February 11, 2020. *(Rachel Hughs, City Clerk)*

Fiscal Impact:
Amount Budgeted:
Fund:

Additional Fiscal Impact:

Recommendation: Approve the following statements authorizing them to be included in the minutes of February 25, 2020: “The Governing Body of the City of Alamogordo, New Mexico, hereby states that on February 11, 2020, a Closed Executive Session was held and matters discussed in the closed meeting were limited only to: Threatened or pending litigation; All lawsuit activity over the past year with the self-insurers fund.

Background: The statement is required per the Open Meetings Act.

AGENDA REPORT
CITY OF ALAMOGORDO
CITY COMMISSION

Meeting Date: 2/25/2020 **Report Date:** 1/29/2020 **Report No:** 3.

Submitted By: Jim Talbert

Subject: Consider, and act upon, final publication of Ordinance 1607, amending certain sections and adding new sections to Chapter 4 of the Code of Ordinances concerning the Alamogordo - White Sands Regional Airport. *(Jim Talbert, Airport Manager)* **(Roll Call Vote Required)**

Fiscal Impact:
Amount Budgeted:
Fund:

Additional Fiscal Impact:

Recommendation: Approve ordinance for final publication.

Background: Commission approved first publication of ordinance 1607 during the Commission meeting of January 27, 2020 with a vote of 7-0.

Information from January 27, 2020 meeting.
Chapter 4 of the Alamogordo Code of Ordinances, describing the operation of the Alamogordo White Sands Regional Airport, was written prior to the 1980's. In the early 2000's then City Manager Pat McCourt, and the chairman of the Airport Board attempted to rewrite the ordinance, but it was never accepted. At that time the ordinance was significantly out of date. The ordinance was supplemented with very minor changes in June of 2007. This action helped, but did not bring Chapter 4 up to date. The ordinance before you is a major update to bring Chapter 4 into the new decade. The intent is to make it enforceable. The current Chapter 4 was constructed before many of the now common flight activities were not in existence or extremely limited. This ordinance will allow a stand- alone document for the users and residents of the Alamogordo-White Sands Regional Airport to refer to for the operation of the airport. This version of Chapter 4 does not require those operators to reference a myriad of other documents that the operators may not have easy access to.

ORDINANCE NO. 1607

AMENDING CERTAIN SECTIONS AND ADDING NEW SECTIONS TO CHAPTER 4 OF THE *CODE OF ORDINANCES* CONCERNING THE ALAMOGORDO-WHITE SANDS REGIONAL AIRPORT

WHEREAS, the City of Alamogordo, created under and pursuant to the Laws of the State of New Mexico, hereinafter referred to as "City" owns the public airport known as Alamogordo-White Sands Regional Airport (KALM) hereinafter referred to as "Airport;" and,

WHEREAS, the City desires to establish Rules and Regulations at the Airport to protect the public's health, safety, and interest; and,

WHEREAS, the City, in recognition of contractual obligations contained in certain contracts between said Airport and the United States of America relative to the expenditure of Federal funds for the development and operation of said Airport, desires to ensure safety and efficiency of aircraft operations and to protect the public using the Airport; and,

WHEREAS, the current Chapter 4 to the Alamogordo Code of Ordinances is unenforceable due to its age and due to the many changes and growth of the aircraft flown from the airport and the City of Alamogordo.

NOW, THEREFORE, the City Commission of the City of Alamogordo, New Mexico, hereby resolves that the following are adopted as the Rules and Regulations applicable to Alamogordo-White Sands Regional Airport, to assure the use of the Airport shall be in a manner that will eliminate hazards to aircraft, and people and structures on the ground. For those purposes the following are adopted as the "Alamogordo Code of Ordinances, Chapter 4."

BE IT THEREFORE ORDAINED by the City Commission of the City of Alamogordo that Chapter 4 be amended to read as follows:

Chapter 4 - AIRCRAFT AND AIRPORT

ARTICLE 4-01-010. DEFINITIONS

Definitions:
The following words, terms and phrases, when used in this chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Aeronautical means anything which involves, makes possible, or is required for the flight of aircraft, or the storage or presence of aircraft on the Airport, or which contributes to, or is required for the safety of aircraft in flight.

Aeronautical Activity means any activity which involves, makes possible, or is required for the operation of aircraft, or which contributes to or is required for the safety of such operations. Examples may be found in the Airport Compliance Handbook.

Aircraft means a device that is used or intended to be used for flight in the air and subject to regulation by the Federal Aviation Administration. Examples include airplanes, helicopters, airships, gliders, and "ultra-lights".

Air carrier movement area means that area of the Airport identified by the FAA as suitable for use by a person who holds or is required to hold an air carrier operating certificate issued under the FARS while operating aircraft having a seating capacity of 9 or more passengers.

Airline means a commercial operator offering Air Transportation and subject to regulations by the FAA in accordance with Federal Aviation Regulations.

Airplane means an engine-driven, heavier-than-air, fixed-wing aircraft that is supported in flight by the dynamic reaction of the air against its wings.

Airport when capitalized means the Alamogordo-White Sands Regional Airport and all of the property, buildings, facilities and improvements within the exterior boundaries of the Airport as depicted in the Airport Layout Plan, or as it may hereinafter be extended, enlarged or modified.

Airport commercial lease means the written agreement between a commercial operator and the Airport Manager in which the City grants a non-exclusive right to conduct commercial activity on City-owned property at the Alamogordo-White Sands Regional Airport.

Airport Manager means the City Manager who appoints the Airport Manager who has direct supervisory and functional responsibility for the operation and maintenance of the Airport.

Airport Operating Certificate means the certificate issued to the City by the FAA authorizing and requiring the City to operate the Airport in accordance with FAR part 139.

Airside means that portion of the Airport meant for taxiing, hover taxiing, air taxiing, takeoff, landing, parking, loading or unloading, or any other aircraft operation, and includes the aircraft parking aprons, taxiways, taxi lanes, runways and safety areas.

Air Transportation means the carriage for compensation of passengers, property, or mail, when any part of the transportation or operation is by aircraft.

ARFF means Airport Rescue and Fire Fighting services for aircraft.

Basing, with respect to aircraft, means the regular or routine use of the Airport for a person's aeronautical activities. Basing occurs at the location where the aircraft is parked more than one-half of the time it is available for a person's aeronautical activity.

Commercial activity means any activity by any person, the purpose of which is to secure earnings, income, compensation, or profit, whether such objective or objectives are accomplished or not. Commercial activity does not include government organizations such as the Forest Service, Fire Fighting Activities and the Holloman Aero Club. .

Commercial aircraft means any aircraft used in the conduct of any commercial activity.

Commercial operator means a person who conducts any commercial activity which uses, however briefly, the Alamogordo-White Sands Regional Airport. This person is required to maintain a current Commercial Permit.

Driver means any person who drives or is in physical control of a motor vehicle.

FAA means the Federal Aviation Administration.

FAR means that portion of the United States Department of Transportation Code, Title 14 of the Federal Regulations (14 CFR), more commonly known as the Federal Aviation Regulations.

FBO or Fixed Base Operator means a person based at the Airport, offering commercial goods or services that are of an aeronautical nature such as aircraft fueling, maintenance, storage, repair, offering flight instruction, who, for 30 days or more out of any continuous 90-day period, maintains on the Airport their primary place of business, or who bases a commercial aircraft on the Airport for more than 30 days out of any continuous 90-day period. The services to be provided by an FBO at the White Sands Regional Airport are described in this Ordinance.

Flying club means nonprofit entities organized for the express purpose of providing its members with any number of aircraft for their personal use and enjoyment only. Aircraft must be vested in the name of the club or owners on a pro-rata share. The club may not derive greater revenue from the use of the aircraft than the cost to operate, maintain, upgrade aircraft items or avionics, and replace aircraft. A flying club qualifies as an individual under the grant assurances and, as such, has the right to fuel and maintain the aircraft with its members.

Landing area means the runway and taxiways for aircraft and the areas between and adjacent to the runways and taxiways.

Line services means the into-plane delivery of fuels, oils, and other lubricants, the providing of ramp assistance, parking, storage, and tie down of aircraft.

Motor vehicle means any vehicle, other than an aircraft, which is self-propelled.

NOTAM means "Notice to Airmen" and is issued by the FAA.

Perimeter fence means the outermost continuous fence of the Airport, including gates and gateways.

Perimeter road means the service road along the perimeter fence.

Person means any individual, firm, partnership, corporation (including registered non-profit corporations), company, association, joint-stock association, or governmental entity. It includes a trustee, receiver, assignee, or similar representative of any of them.

Pre-position means to bring an aircraft to the Airport from another location, in preparation for a prearranged flight. Pre-positioning includes stopovers by aircraft conducting airline operations and by transient commercial aircraft operators for the prearranged pickup of passengers, cargo, students, patients, etc.

Ramp area means the area used for the loading or unloading of aircraft passengers or cargo and the fueling or servicing of aircraft, and parking of aircraft.

Resident means an FBO or SASO, or tenant of the City or subtenant of an FBO performing commercial operations on the Airport.

Safety area means any FAA-designated area abutting the edges of a runway or taxiway intended to reduce the risk of damage to an aircraft inadvertently leaving the runway or taxiway.

Specialized Aviation Service Operations (SASO) means individual commercial aeronautical services or goods. SASO for the purpose of the Alamogordo-White Sands Regional Airport means person(s) engaged in commercial support services. These include, but are not limited to, commercial services such as: Airport taxi service, aircraft washing, detailing, painting, upholstery, engine repair, aircraft welding, sheet metal work, fabric repair, avionics repair, parachute repacking, , and other non-line services that may or may not be offered by an FBO. They may also include aeronautical or aircraft parts manufacturing, repair, sport plane kit construction or repair, ultra-light kit construction and manufacturing of pilot, instructional or navigational items. All SASO activities must conform to business standards and have applicable licenses, as well as conform to city, state, and federal regulations and safety standards. Any SASO authorized to conduct commercial activity will hold a commercial lease.

Through the fence operators means a business or person who does not have a commercial lease, operating agreement, Commercial Permit or specific permission in writing from the city to perform any service on the airport premise.

Total Receipts Fee means a fee paid to the City based on percentage of the gross business activity

Transient commercial aircraft operator means a person who provides on-demand flying services, is based at another Airport, and only pre-positions aircraft at the Alamogordo-White Sands Regional Airport. This status is contingent on conducting operations only with pre-positioned aircraft. Such as freight and document pick up and delivery.

UNICOM means an air/ground radio communication station operated in accordance with the Aeronautical Information Manual on the Common Traffic Advisory Frequency assigned for use at the Airport by the FAA and Federal Communications Commission.

ARTICLE 4-02. - ADMINISTRATION

4-02-010 - Manager.

(a) The Alamogordo-White Sands Regional Airport shall be administered by the city manager. The city manager ~~may~~ shall ~~assume the title of airport manager or~~ delegate the title and responsibilities of the airport manager to any city employee of his/her choosing. The city manager may retain direct supervision of the airport or may, at his/her discretion, assign supervision of the airport to a city department or division of his/her choosing.

(~~b~~a) The airport manager is authorized by the city manager to issue municipal citations, for violations of ordinances and requirements contained in Articles III, IV, V and VI of Chapter 4. Persons cited will be subject to the process of municipal court. Penalties for violations shall be as set forth in section 1-01-100 of the Alamogordo Municipal Code but shall not affect other legal remedies available to the parties.

(c) The airport manager shall monitor compliance by users of the airport with laws, rules and regulations of the City of Alamogordo, State of New Mexico and the United States Government, including the Federal Aviation Administration. The manager shall report infractions that come to his attention to the appropriate agency and may, at his discretion, initiate corrective action through lawful available means.

(d) The Airport Manager shall from time to time review those requirements, standard forms, boilerplate, fees, charges, rules and regulations in effect at the Airport, and recommend those changes identified as desirable in that review to the City Manager. The City Manager shall review those changes recommended by the Airport Manager and consider forwarding them to the City Commission for implementation.

(e) The Airport Manager shall at a minimum demonstrate a working knowledge of Federal Aviation Regulations (FARs), Airport operations, and it is highly desirable to hold an FAA certificate of Airframe and Power Plant Mechanic or Certified Private Pilot or any higher FAA certification.

(f) The Airport Manager shall insure compliance with provisions of the following:

(1) Existing leases, licenses, permits, and other written agreements between the City and persons at the Airport.

(2) This ordinance, and those other policies, rules or regulations established by the authority of the City Commission, which apply at the Airport.

(3) Those temporary restrictions established in accordance with a federal, state, or city mandated activity or plan, or as may be required to safeguard people, aircraft, equipment or property at the Airport.

(4) Those responsibilities levied on the city by the federal or state governments in regards to Airport management.

(5) All other matters to protect and maintain the property of the Alamogordo-White Sands Regional Airport.

(6) The Airport Operating Certificate under FAR Part 139, if required.

4-02-020. - Airport Board—Membership, terms of office.
The airport board shall be composed of five (5) members, to be appointed by the mayor ~~with the advice and approval of a majority of the remaining members of the city commission~~, two (2) of whom shall be licensed certified pilots. Members shall be residents of either the city or the county with a maximum of two (2) members residing in the county who do not own property in the city. The remaining three (3) members shall consist of persons who either reside or own property in the city with a preference being given to city residents. Appointments shall be for two-year overlapping terms.

4-02-030. - Airport Board—Organization.
The airport board shall select from its members a chairman and vice-chairman ~~and secretary,~~. The City shall appoint and provide a recording secretary and the board may adopt any rules and regulations governing its proceedings which are not inconsistent with the ordinances of the city. The manager of the airport shall act as advisor to the board, providing it with all information necessary for performance of its duties. The mayor and city manager shall serve as ex officio members.

4-02-040. - Airport Board—Duties.
The airport board shall, from time to time, make such general studies of airport construction and facilities as may be useful in keeping the airport efficient and adequate to the needs of the city and the air transportation industry. It shall make recommendations to the city commission in respect to expansions, improvements, facilities and policies governing the operation of the airport. It shall, acting in an advisory capacity, work toward the general improvement of the airport, promote the expansion of existing and new business at the airport and shall act in an advisory capacity on budget matters to the airport manager regarding the airport.

ARTICLE 4-03. - RULES AND REGULATIONS GENERALLY

4-03-010. - Application; additional rules.
(a) The rules and regulations contained in, or authorized by, this article apply to all persons on the airport premises. The use of, or entry upon, the airport by any person is conditioned on compliance with this article, and in addition to other available remedies, the city may exclude or remove any violator from the airport premises.

~~(b) In addition to other provisions of this article, the airport manager shall each year promulgate an operations plan for approval by the city manager. This plan shall consist of rules and regulations for the sale and efficient use of the airport. Upon its approval by the Federal Aviation Administration, this plan shall be binding on all users of the airport.~~

(b ~~c~~) The airport manager may~~, with the approval of the city manager,~~ also issue such regulations as may be necessary in an emergency situation, to avoid an immediate and serious hazard to life and property at the airport. Such regulations shall not continue in effect past the next regular meeting of the city commission, unless approved at that time by the city commission.

4-03-020. - Persons allowed in restricted areas of airport.
All areas of the airport except those areas open to the public are restricted and no person shall enter upon the landing areas, ramp areas, aircraft parking and storage areas, or hangars of the airport except:

(1) Persons assigned to duty therein and airport leaseholders;

(2) Authorized representatives of the Federal Aviation Administration;

(3) Persons authorized by the Airport M~~m~~anager;

(4) Passengers under appropriate supervision entering the ramp areas for the purpose of emplaning or deplaning;

(5) Persons engaged, or about to be engaged, or having been engaged, in the operation of any aircraft;

(6) Persons authorized under contractual agreements with the city.

4-03-030. - Traffic areas; use.
(a) No person shall travel on the airport premises other than on the roads, walks or places provided for the use of traffic.

(b) No person shall use the roads or walks in such manner as to hinder or obstruct the proper use by others.

4-03-040. - Animals prohibited; exceptions.
No person shall enter the terminal building or landing area of the airport with a dog or other animal, except that ~~seeing eye dogs may be permitted in the terminal building~~ the animal is on a lease or other restraint. This does not apply where dogs or other animals are being shipped on air carriers ~~and are restrained by leash or~~ and are properly contained.

4-03-050. - Abandoned or lost property.
No person shall abandon any property on the airport. Any person finding lost articles in the public areas shall deposit such articles with or report such articles to the A~~a~~irport M~~m~~anager.

4-03-060. - Sanitary regulations.
No person shall place, dispose or deposit any offal, trash, garbage or refuse in or upon the airport property in any manner, except at such places and under such conditions as the manager may from time to time prescribe.

4-03-070. - Firearms prohibited; exceptions.
No one except duly authorized persons by the Airport Manager, police officers, federal employees authorized to carry firearms in the performance of their duties, or members of the armed forces of the United States on official duty shall carry any firearms on the airport premises except that unloaded, cased ~~sporting~~ guns may be carried as baggage.

4-03-080. - Alcoholic beverages; consumption.
No person shall drink any alcoholic beverages upon any portion of the airport open to the public, except in such restaurant or other place as shall be properly designated and licensed for dispensing alcoholic beverages.

4-03-090. - Construction, alteration work, electrical wiring.
No person shall do any construction, alteration work or electrical wiring in or about any existing hangar or building on the airport premises without first securing written permission from the city building inspector.

4-03-100. - Gasoline and damaging liquids on pavement; removal.
Spilling or dripping of gasoline, except aircraft venting fuel or minor oil leaks, oil, jet fuel, kerosene, grease, or any other material which may be unsightly or detrimental to the pavement in any area at the airport shall be removed immediately. The responsibility for removal shall be assumed by the operator of the equipment causing the spillage or by the tenant or concessionaire responsible for the deposit thereof on the pavement.

4-03-110. - Parking area regulations.
(a) No vehicle shall be parked in the public parking area for more than fourteen (14) days unless prior permission is obtained from the airport manager. No vehicle will be left unattended for more than ten (10) minutes in the passenger loading and unloading zone in front of the terminal building.

(b) No vehicle may be parked on the airside of the terminal unless the operator is readily available to move said vehicle, or has the express permission of the Airport Manager.

4-03-120. - Removal of disabled, abandoned, illegally parked vehicles.
The manager or his authorized representative may remove from any area of the airport any vehicle, aircraft or other property which is disabled, abandoned, parked in violation of these rules and regulations, or which represents an operational problem, at the owner's expense and without liability or damage which may result in the course of such movement.

ARTICLE 4-04. - BUSINESS ACTIVITIES

4-04-010. - Concession, lease or specific permission required~~; regulation of driverless automobiles.~~

(a) Through the fence operators.

It shall be unlawful for any person who does not have a commercial lease, operating agreement Commercial Permit, or specific permission in writing from the city ~~to~~, on the municipal airport, to peddle or sell any goods, wares or services, or furnish taxicab or limousine service to any person who has not called for such service, or rent any automobile or, provide any charter aircraft service, or carry from the airport any passenger for hire in any aircraft, or conduct any student pilot training, or perform aircraft maintenance or any other aeronautical service such as is normally performed on airport property under lease or concession from the city; or to offer to do any act herein is prohibited; or solicit any business herein is prohibited. This prohibition does not apply to limited sales of personal items up to and including privately owned aircraft, aircraft parts and privately owned hangars by leaseholders and/or their representatives.

~~(b) Any person not having a concession, lease or specific permission for engaging at the airport in the business of furnishing driverless automobiles, shall:~~

~~(1) Not use a loudspeaker or public address system for or in connection with the renting or delivery of any driverless automobile; or~~

~~(2) Not post, distribute or display signs, advertisements, circulars or any printed or written matter denoting such business activity.~~

(~~c~~ b)Any person who has a lease or specific permission for engaging at the airport in any ~~the~~ business ~~of furnishing driverless automobiles,~~ or any service, shall conduct such business only at the space designated for the carrying out of such business contained in the contract, or in its absence, at the direction of the Airport Manager.

(c) Persons may be granted limited permission to operate a business on the airport premises during special events authorized by the Airport Manager.

4-04-020. - City's right to concession and sales.

The city shall have the exclusive right of the sale of all concessions and sales of whatever kind, plus the sale of oil, aviation fuel and other petroleum products, from the municipal airport, except, that if the city commission deems it advisable, the right for such sales may be transferred to other parties. Any person who dispenses aviation fuel or any other fuel for the use in aircraft at the municipal airport for private or commercial purposes must pay the city a Fuel Flowage Fee. The Fuel Flowage Fee shall be charged at an amount per gallon of all aviation fuel, or any other fuel intended for the use in aircraft, delivered into storage tanks at the airport or fuel brought onto the airport for servicing private or contractor operated aircraft. The amount of the fee shall be determined from time to time by resolution of the City Commission.

4-04-030. - Sale of aviation petroleum products.

All persons who sell aviation petroleum products to the public pursuant to a lease agreement with the city shall meet the following minimum requirements, which requirements shall be included in the lease and/or contract agreement:

(a) To conduct an operation adequate at all times to meet the demands for such service at the airport.

(b) To store and sell such types of aviation fuel, lubricants and similar petroleum products as are necessary for the aviation public using the airport, and in addition thereto, maintain no less than the following minimum amounts of fuel in storage at the airport:

(1) Commercial turbine fuel (Jet-A) one thousand five hundred (1,500) gallons in storage with a total tank capacity of at least eight thousand (8,000) gallons.

(2) Aviation gasoline (100 octane), two thousand (2,000) gallons in storage with a minimum tank capacity of eight thousand (8,000) gallons.

(3) All fuel tanks shall be installed and maintained in accordance with applicable city, state and federal standards and regulations.

(c) The dispensing unit or units for each specific fuel will be equipped with filter units which are within acceptable National Fire Prevention Association and industry standards and acceptable to the federal aviation administration or its successor organization. Such a dispensing unit or units, both stationary and mobile, will be operated in accordance with published operating instructions.

~~(d) No person shall park any vehicle designated for fueling within fifty (50) feet of any building except as may be necessary for refueling aircraft. Such refueling operations shall meet acceptable safety standards.~~

(d~~e~~) The distributor will furnish the petroleum services on a fair, equal and non-discriminatory basis to all users thereof, and charge fair, reasonable and non-discriminatory prices; provided, however, said distributor will be allowed to make reasonable and non-discriminatory discounts, rebates or other similar types of price reductions to volume or as a part of an authorized airport event.

(e~~f~~) The dispenser shall pay to the city a Fuel Flowage Fee The Fuel Flowage Fee shall be charged at an amount per gallon of all aviation fuel delivered into storage tanks at the airport or fuel brought onto the airport for servicing private or contractor operated aircraft. The amount of the fee shall be determined from time to time by resolution of the City Commission. The terms regarding payments of this charge shall be contained in the lease and/or contract agreement between the city and the dispenser. Aircraft owned and operated by the United States government, any state, any political subdivision of a state, and the City shall not be exempt from the Fuel Flowage Fee.

(f~~g~~) The dispenser will have personnel on duty from 7:00 a.m. until ~~6:00~~ 5:00 p.m. Sunday through Saturday, to service the public in the dispensing of petroleum products.

(g~~h~~) All fuel dispensers will meet the standards set forth in the "Aviation Fuel Standards" of the Alamogordo-White Sands Regional Airport.

(h~~i~~) Reserved.

(i~~j~~) The airport manager is authorized at any time and with or without notice to draw, test and measure fuels available for sale to the public and to determine whether fuel quantity and quality are in compliance with the requirements set forth in this section. In the event of noncompliance, the airport manager is authorized to require the operator to cease operations until compliance is achieved and to take any other action authorized by this chapter.

4-04-040. - Aeronautical advisory station (UNICOM) operation.

(a) The airport manager shall assign operation of the UNICOM system to authorized fixed base operators providing service to local and transient aircraft. Operation shall be assigned on an equal basis with regular rotation, but the airport manager may vary the rotation if he determines it necessary to protect the city's license or for reasons of safety.

(b) Operators authorized by the city to operate the UNICOM system shall be familiar with and abide by all rules and regulations promulgated by the Federal Communications Commission relating to the use and operation of an aeronautical advisory station. Failure to comply with current rules and regulations of the FCC or of the city shall be grounds for the city and/or the airport manager to terminate the operator's authority to operate the UNICOM.

(c) Operators of the UNICOM system shall comply with the following requirements:

(1) Only one transmitter shall communicate at any given time in accordance with FCC regulations.

(2) Non-public service shall be provided to any private aircraft upon request and without discrimination.

(3) Information provided with respect to available ground services shall be complete, accurate and impartial. Aircraft shall not be directed to a specific facility unless the pilot so requests.

(4) Communications on the UNICOM shall be limited to information necessary for safe and expeditious operation of aircraft, such as condition of runways, types of available fuel, wind and weather conditions and response to pilot requests.

(5) UNICOM operators shall not specifically solicit business.

(6) Fixed base operators who do not have control of the UNlCOM at that time may respond to transmissions only when:

a. The transmission is specifically directed to that operator by name;

b. There have been two (2) unanswered calls by the same aircraft; or

c. That operator is the only fixed base operator available who is certified by the National Weather Service to provide data pertaining to ceiling, visibility and altimeter setting during periods when instrument flight rules are in effect.

d. The airport manager shall monitor UNICOM operations from time to time and may take reasonable steps to ensure compliance with these requirements, including initiation of Code violation process and suspension of an operator's authority to operate under the city's UNICOM license.

ARTICLE 4-05. - VEHICULAR TRAFFIC ON LANDING AND RAMP AREAS

4-05-010. – ~~Definitions~~ Reserved.
~~As used in this article:~~

~~Landing area means the runway and taxiways for aircraft and the areas between and adjacent to the runways and taxiways.~~

~~Ramp area means the area used for the loading or unloading of aircraft passengers or cargo and the fueling or servicing of aircraft, and parking of aircraft.~~

4-05-020. - Application of article.
The rules and regulations in this article apply to the operation of vehicles, other than aircraft, on the landing and ramp areas of the municipal airport.

4-05-030. - Speed limit; negligent operation, condition of driver or vehicle.
It shall be unlawful for any person to operate any vehicle on the landing or ramp area negligently, or at any speed greater than twenty (20) miles per hour, or while the operator is under the influence of intoxicating liquor, narcotics or dangerous drugs, or when the vehicle is in an unsafe condition or equipped or loaded so as to endanger persons or property. The speed limit does not apply to Alamogordo Fire Department, Alamogordo Police Department or Airport Personnel.

4-05-040. - Licenses required for vehicle and driver.
It shall be unlawful for any person to operate any vehicle on the landing, taxi or ramp areas unless such person is licensed to operate such vehicle on the public highways of this state, or unless such vehicle is licensed for operation on such highways or is specially authorized for operation on the airport property only.

4-05-050. - Obedience to traffic regulations.
Every person operating a vehicle on the landing, taxi and ramp areas shall obey the lawful order, signal or direction by voice, hand or otherwise of airport personnel.

4-05-060. - Vehicles. transporting explosives, etc.
It shall be unlawful for any person to operate, stop or park on the landing, taxi or ramp areas any vehicle transporting any dynamite, nitroglycerin, black powder, fireworks, blasting caps or other explosives, gasoline, alcohol, ether, liquid shellac, kerosene, turpentine, formaldehyde, or other flammable or combustible liquid, ammonium nitrate, sodium chlorate, wet hemp, powdered metallic magnesium, nitro cellulose film, peroxides, or other flammable solids or oxidizing materials, hydrochloric acid, sulfuric acid or other corrosive liquids, prussic acid, phosgene, arsenic, carbolic acid, potassium cyanide, tear gas, lewisite, or, any other poisonous substance, liquid or gas or any compressed gases, or any radioactive article, substance or materials, at such time or in such manner or condition as to unreasonably endanger persons or property.

4-05-070. - Operations, parking, stopping of vehicles; manager's authority.
(a) It shall be unlawful for any person to operate, park or stop any vehicle on the aircraft ~~parking~~ taxi area or, landing area ~~or ramp area,~~ except as authorized by the airport manager.

(b) All vehicles operated on the airside of the airport will have as a minimum 4 way flashers in operation, flashing yellow lights or a light bar in operation.

(c) In addition to the lights in 4-05-070 (b) above, all vehicles operated on the taxiways or runways will have and monitor a VHF radio set to the UNICOM frequency.

4-05-080. - Right-of-way of aircraft; emergency equipment, emergencies.
All ground self-propelled vehicles except emergency equipment responding to an emergency shall yield the right-of-way to any aircraft in motion. All aircraft shall hold their positions during an emergency unless otherwise directed by airport personnel.

4-05-090. - Right-of-way of pedestrians and aircraft.
Pedestrians and aircraft shall at all times have right-of-way over vehicular traffic. All vehicles shall pass to the rear of taxiing aircraft or aircraft performing an engine run-up. When passengers are boarding or debarking from an aircraft at the terminal, no vehicle shall be driven on the ramp areas between the aircraft and its loading gate.

4-05-100. - Parking in hangars or adjacent paved areas.
It shall be unlawful for any person other than the airport manager in the operation of official duty, to park any vehicle in such a manner as to block other legally parked vehicles or in a manner to block or in any means impede aircraft movement or parking. ~~in a hangar, on the adjacent paved areas which are used by aircraft, and the unpaved areas between the ramp and the hangars, except that an owner or tenant occupying the T-hangar may park his automobile in the hangar while his airplane is not in the hangar.~~

4-05-110. - Exclusion of vehicles by manager.
The manager is authorized, with the approval of the city manager to exclude from the airport, permanently or for a limited time, any vehicle violating this article, and any other vehicle belonging to the same owner or operated by the same owner.

ARTICLE 4-06. - GROUND OPERATION OF AIRCRAFT

4-06-010. – Airport Manager's authority to suspend or restrict aircraft operations.
The airport manager may suspend or restrict~~, with the approval of the city manager~~ any or all aircraft operations on, from or to the airport whenever such action, in his discretion, is deemed necessary in the interest of safety.

4-06-020. - Disabled aircraft.
Aircraft owners and their pilots and agents shall be responsible for the prompt disposal of disabled aircraft and parts thereof unless otherwise directed by proper federal authorities. Should the owners, their pilots or agents, fail to comply, the airport manager is authorized, in order to restore flight services, to remove damaged aircraft and parts from the landing area, ramp and

apron areas, or the airport at the expense of the aircraft owners, their pilots or agents, without liability for damage which may result in the course of such removal.

4-06-030. - Starting or running of aircraft engines.

(a) Aircraft engine run-ups of piston or jet powered aircraft exceeding five (5) minutes duration will be accomplished in the holding area located (hammer head) on the east or west end of the main taxiway.

(b) Propeller driven ~~A~~aircraft in excess of twelve thousand five hundred (12,500) pounds will not perform engine run-ups in excess of two thousand (2,000) revolutions per minute except at the run-up areas (hammer head) at each end of the runway.

(c) Large aircraft will be parked for engine start and run-up in such a manner that jet blast or prop blast toward vehicles, aircraft or buildings will not be caused.

(d) No aircraft engine shall be started or operated in any manner unless a certified ~~licensed~~ pilot or mechanic is at the controls.

(e) Any aircraft not equipped with pilot applied, or locking brakes shall have the wheels adequately blocked, or the aircraft adequately ~~before~~ secured before starting any engine. This does not apply to helicopters.

(f) No aircraft engine shall be operated in any hangar.

4-06-040. - Take-off; landings.

(a) All fixed wing aircraft takeoffs and landings will only be made ~~only~~ on the runways.

~~(b) Aircraft, after landing, shall turn off the runway (speed allowing) at the first taxiway or runway intersection.~~

(b~~c~~) No aircraft shall be operated on the airport while the pilot, or other persons aboard controlling any part of the operation, is under the influence of intoxicating liquor or any narcotic drug or other dangerous drugs.

4-06-050. - Parking of aircraft.

(a) Aircraft shall not be parked in any area other than those so designated by the manager.

(b) Aircraft shall not be parked at the passenger terminal building except for the purpose of loading or unloading passengers, mail air express or air freight.

(c) Upon direction of the airport manager, ~~the~~ operator of any aircraft , parked or stored on the airport premises, in violation of this ordinance, and, after sufficient notice to correct the violation, if not corrected, ~~parked or stored on the airport premises~~ shall move such aircraft from the place where it is parked or stored to any other designated place on or off the airport property at the operator's expense, and without liability to the city for damage which may result in the course of such moving.

(d) Unairworthy aircraft, wrecks, "junkers" or parts thereof shall not be parked at the airport unless awaiting scheduled repairs by authorized maintenance personnel or unless written permission of the airport manager has been obtained.

(e) No fixed wing aircraft shall be left unattended at the airport unless it is adequately tied down, chocked, adequate parking brake applied or is parked within a hangar.

4-06-060. - Fees and conditions.

(a) Fees: All aircraft parked at the airport shall pay parking fees as follows, except where parking and tiedown spaces are specifically provided for in the lease or operating agreement:

(~~1~~b)Monthly rates: All monthly parking fees are payable in advance on the first of each month at the following rates:

1 ~~a~~. Single engine aircraft, twenty dollars ($20.00).

2 ~~b~~. Twin engine aircraft, twenty-five dollars ($25.00).

3 ~~c~~. Aircraft over twelve thousand five hundred (12,500) pounds, thirty dollars ($30.00).

4 ~~d~~. Tiedowns provided by lease to commercial operators, ten dollars ($10.00).

(~~2~~ c) Transient or overnight rates: These fees shall be collected by the fixed base operators, who shall be authorized to retain one-third (1/3) of all of the overnight or transient fees collected to cover administrative costs and shall remit the balance to the airport manager on a monthly basis at the following rates. These fees may be waived by the Airport Manager with the purchase of fuel from an authorized vendor.

1 ~~a~~. Single engine aircraft, three dollars ($3.00) per night.

2 ~~b~~. Light twin engine aircraft, five dollars ($5.00) per night.

3 ~~c~~. Cabin class multi-engine (under twelve thousand five hundred (12,500) pounds), seven dollars ($7.00) per night.

4 ~~d~~. Cabin and larger (over twelve thousand five hundred (12,500) pounds), ten dollars ($10.00) per night.

(~~3~~ d) Airport users' fees: Commercial operators not covered by lease or agreement, shall pay the following airport users fees for landing at the airport:

1 ~~a~~. Aircraft under twelve thousand five hundred (12,500) pounds, three dollars and fifty cents ($3.50) per day.

2 ~~b~~. Aircraft over twelve thousand five hundred (12,500) pounds, twenty cents ($0.20) per thousand pounds per landing.

(e) Landing weight used in providing the basis for the computation of such landing fees shall be the maximum certificated gross landing weight of the airplane involved in accordance with the certification thereof.

(~~b~~ f) Parking permit required: Each owner or operator of an aircraft parking said aircraft at the Alamogordo-White Sands Regional Airport on a permanent basis or desiring to reserve a space for parking shall obtain and execute a parking permit and be subject to all of the terms and conditions thereof.

(~~c~~ g) Delinquent parking and tiedown fees: If an aircraft is parked at the airport for more than thirty (30) days and the fees have not been paid, the airport manager shall give written notice to the person obtaining the parking permit at the last written address provided to the manager. If the fees remain unpaid for a period of fifteen (15) days after written notice is sent, the manager may arrange for removal of the aircraft from the airport premises, at the expense of the permit holder and without liability to the city for any damage which may result from the removal.

(~~d~~ h) Any parties entering into a commercial permit with the city or any other type of permission to provide commercial services at the airport shall pay a minimum of two (2) percent of the gross revenue received from operation of the commercial activities to the city in a fashion and timeline mirroring the requirements for gross receipt payments to the state.

(~~e~~ i) In order to offset the time needed for review a new application and the cost of producing copies of the materials for review, the applicant for an initial commercial permit shall pay an application fee of ~~one~~ two hundred fifty dollars ($~~100~~250.00).

(~~f~~ j) Applications for additional terms or extensions of existing commercial permit agreements that do not involve services substantially different from those approved in the permit to which the additional term or extension is applicable originally applied for, shall pay a processing fee of ten dollars ($10.00).

(~~g~~ k) The fees referenced in paragraphs (d), (e) and (f) above shall take effect for any application filed after July 1, 2006.

4-06-070. - Take-off and landings.

(a) Authority to take off and land within the confines of the city ~~(other than the municipal airport)~~ (other than at the airport) of any ~~contrivance now known or hereafter invented, used or designated for navigation of or flight in the air~~ aircraft that would normally require an airport runway for take-off and/or landing is prohibited without first receiving the written permission of the city commission or their representative.

(b) No person shall operate any aircraft or other device for navigation through the air from the municipal airport without F.A.A. student certificate ~~license~~ or better. This does not apply to

Ultra Lites, trikes or similar flying machines recognized by the FAA that do not require an FAA certificate.
~~(c) Operation of experimental aircraft at the municipal airport shall require advance notice to the airport manager~~.

4-06-080- Airport Safety

(a) Emergency Response Not Limited. No restriction in this chapter shall be construed by any person to prevent assistance by any person to any other person in the event of an emergency.

(b) Public Responsibility for Security and Safety

(1) Any person who learns of or responds to an aircraft or other accident or incident occurring on the Airport shall also immediately report the event to the Local Emergency Dispatch Authority (Dial - 911) or the Airport Manager.

(2) Any person who learns of or suspects an immediate terrorist threat should call 911. All other suspicious and or illegal activity should be reported to the appropriate agency and the Airport Manager.

(3) Each person passing through a gate on the Airport shall close and secure the gate immediately after passing through and immediately report any inoperable gate or damaged fencing to the Airport Manager or Airport maintenance. Waivers to this provision may be approved in writing by the Airport Manager.

(4) No person shall place, tamper with, intentionally damage, or remove any sign, windsock, light, or Airport marker on the airside of the Airport without the written permission of the Airport Manager.

(5) No person shall place or abandon any object or living thing, other than an aircraft operated in accordance with the Federal Aviation Regulations, upon any taxilane, taxiway, runway, public apron, or safety area without the written permission of the Airport Manager.

(6) No person shall place or paint any mark upon any pavement on the Airport without the written permission of the Airport Manager.

(7) The Airport Manager may suspend or restrict, by published NOTAM, any or all aircraft operations on, from, or to the Airport whenever such action, at his discretion, is deemed necessary in the interest of safety. The published NOTAM will also list at that time what conditions must be satisfied in order to resume aircraft operations.

(8) All persons having a gate opening device in their possession will be trained in accordance with FAR part 139 in the event the airport is awarded FAR Part 139 status.

PASSED, APPROVED AND ADOPTED this ___________ day of 2020.

CITY OF ALAMOGORDO, NEW MEXICO
a New Mexico municipal corporation

By: ___________________________________
Richard A. Boss, Mayor

ATTEST:

____
Rachel Hughs, City Clerk

APPROVED AS TO FORM:

____
Petria Bengoechea, City Attorney

AGENDA REPORT
CITY OF ALAMOGORDO
CITY COMMISSION

Meeting Date: 2/25/2020 **Report Date:** 1/29/2020 **Report No:** 4.

Submitted By: Rachel Hughs

Subject: Consider, and act upon, final publication of Ordinance 1610, an ordinance amending section 2-02-030 meeting days and times of Regular Commission Meetings. *(Rachel Hughs, City Clerk)* **(Roll Call Vote Required)**

Fiscal Impact:
Amount Budgeted:
Fund:

Additional Fiscal Impact:

Recommendation: Approve ordinance for final publication.

Background: Commission approved first publication of ordinance 1610 during the Commission meeting of January 27, 2020 with a vote of 7-0.

Information from January 27, 2020 meeting.
It has been over 25 years since the last amendment of the place and time of regular commission meetings. The day and time will be replaced with "at a reasonable dates and times". The days and times can be approved yearly with the approval of the City Commission Meeting Schedule. The revocation of location, days and times will also be removed.

On October 11, 1983, Ordinance 663 was passed by City Commission to include Section 2-18. (a) Meetings, Regular meetings shall be held in the City Commission Chambers, 511 Tenth Street, on the second and fourth Tuesday of each month except where this day falls on a holiday, at 7:30 p.m. The location or time may be changed for a particular meeting by action of the Commission, provided notice of such change is given as provided by law. (b) Special meetings and emergency meetings may be called as specified in the Charter. (ordinance attached)

On July 26, 1994, Ordinance 918 was passed by Commission to temporarily change the place and days of meetings for the City of Alamogordo during the vacation of the Hall located at 511 Tenth Street and the occupancy of the City Hall located at 1376 East Ninth Street, regular City Commission meetings shall be held in the Administrative Complex Board Room of the Alamogordo Public Schools, 1211 Hawaii Avenue, on the second and fourth Monday of each month, except where this day falls on a holiday, at 7:30 p.m. The location or time may be changed for a particular meeting by action of the Commission, provided notice of such change is given as provided by law. (ordinance attached)

On December 4, 2012, Commission approved to change the time of regular commission meetings to 7:00 pm. (minutes attached, item 6)

A note at the bottom of agendas April 12, 2016 and April 26, 2016, was a change of time of regular commission meetings beginning May 10, 2016 to 6:30 pm, without coming before Commission. (agendas attached)

On November 19, 2019, time change of regular commission meetings to 6:00 pm was brought before Commission, the time change was not approved. There was a consensus by the Commission to bring the time change back in two weeks. (minutes attached, item 7)

On December 3, 2019, Resolution 2019-47 was approved by Commission to change the times of commission meetings for a portion of the year beginning in 2020. The portion of the time was 6:30 pm during Daylight savings time and 6:00 pm during the rest of the year. (resolution and minutes attached, item 7)

City Charter

Section 5. - Meetings. A.

Regular meetings shall take place twice monthly at a place, time and day determined by ordinance. Regular meetings shall not occur on legal holidays. (City Charter Section 5 A attached)

New Material ~~Deleted Material~~

ORDINANCE NO. 1610

AN ORDINANCE AMENDING SECTION 2-02-030 REGARDING MEETING DAYS AND TIMES

WHEREAS, the Code of Ordinances of the City of Alamogordo, New Mexico provides for the time and place of meetings of the City Commission; and,

WHEREAS, the time and place of Regular meetings has not been updated for more than 25 years.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF ALAMOGORDO, NEW MEXICO that Section 2-02-030 of the Code of Ordinances is hereby amended to read as follows:

2-02-030. - Meetings.

(a) Regular meetings shall be held in the City Commission chambers, ~~on the second and fourth Tuesday of each month~~ located at 1376 East Ninth Street, at reasonable dates and times, except where this day falls on a holiday~~, at 7:30 p.m~~. The location or time may be changed for a particular meeting by action of the Commission, provided notice of such change is given as provided by law.

(b) Special meetings and emergency meetings may be called as specified in the Charter.

~~(c) During the period of time between the vacation of the City Hall located at 511 Tenth Street and the occupancy of the City Hall located at 1376 East Ninth Street, regular City Commission meetings shall be held in the Administrative Complex Board Room of the Alamogordo Public Schools, 1211 Hawaii Avenue, on the second and fourth Monday of each month, except where this day falls on a holiday, at 7:30 p.m. The location or time may be changed for a particular meeting by action of the Commission, provided notice of such change is given as provided by law.~~

PASSED, APPROVED AND ADOPTED this _________ day of ________________, 2020.

CITY OF ALAMOGORDO, NEW MEXICO
a New Mexico municipal corporation

By: ___________________________________
Richard A. Boss, Mayor

ATTEST:

____
Rachel Hughs, City Clerk

APPROVED AS TO FORM:

____
Petria Bengoechea, City Attorney

AGENDA REPORT
CITY OF ALAMOGORDO
CITY COMMISSION

Meeting Date: 2/25/2020 **Report Date:** 2/11/2020 **Report No:** 5.

Submitted By: Stephanie Hernandez

Subject: Approve the Investment Report for the quarter ending December 31, 2019, in accordance with the City of Alamogordo Investment Ordinance. *(Stephanie Hernandez, Acting Finance Director)*

Fiscal Impact:
Amount Budgeted:
Fund:

Additional Fiscal Impact: N/A

Recommendation: Accept the Quarterly Investment Report for the period ending December 31, 2019

Background:
The City of Alamogordo ended the quarter with an investment portfolio totaling $47,769,635. The portfolio was made up of:

State Investment Pool	$	5,566	or	0.01%
Short Term Investments	$	5,378,201	or	11.26%
US Treasury Notes/Agency Bonds	$	21,241,203	or	44.47%
Certificates of Deposits	$	21,144,665	or	44.26%
Total Investments:	**$**	**47,769,635**		100.00%

Total gains (losses) for the quarter ended December 31, 2019, on maturities and/or called agency notes were $0. Interest earned during the quarter on a cash basis was $243,445.

Interest Income Budget Comparison for all Funds is as follows:

Interest Earned Budget	$	894,361	
Interest Received to Date	$	452,341	50.58% of budget

Note: The investments mature at different times through out the year and 69% of the investments mature within three years. They are reinvested as they mature, so that they continue to roll over to be available for projects when needed. The difference between the above total and of the Investment Summary is accrued interest of $167.

INVESTMENT SUMMARY AS OF **12/31/19**

CITY OF ALAMOGORDO INVESTMENT REPORT

INSTITUTION INVESTED IN	INV TYPE	CUSIP	INVESTMENT AMOUNT BOOK VALUE	MARKET VALUE	MARKET GAIN (LOSS)	RATE OF RETURN	MATURITY DATE	PURCHASE DATE	FY 19 - 20 Y-T-D EARNINGS
ST. INVESTMENT POOL - COA	ST. INVEST POOL-COA		$5,566.35	$5,566.35	0	1.907%	DAILY	N/A	58.13
First Savings Bank (CD# 81186796)	CD		$271,783.56	271,783.56	0	1.250%	02/07/23	02/07/18	-
First Savings Bank (CD# 81186944)	CD		$811,301.11	811,301.11	0	1.250%	03/22/23	03/22/18	-
First Savings Bank (CD# 81187231)	CD		$551,210.15	551,210.15	0	0.800%	02/10/24	02/10/19	-
First Savings Bank (CD# 81187926)	CD		$270,964.28	270,964.28	0	1.250%	03/15/23	03/12/18	1,690.97
First Savings Bank (CD#13312297)	CD		$270,658.14	270,658.14	0	1.000%	02/07/23	02/07/18	9,784.01
First Savings Bank (CD# 13401520)	CD		$1,069,805.90	1,069,805.90	0	1.000%	03/12/23	03/12/18	-
Bank '34 (CD#0101004984)	CD		$250,000.00	250,000.00	0	1.650%	02/08/23	02/08/18	6,702.85
First American Bank (CD#603372527)	CD		-	-	0	1.150%	02/26/23	02/26/18	2,059.80
First American Bank (CD# 603372528)	CD		-	-	0	1.150%	03/22/23	03/22/18	-
Pioneer Bank (CD#30100640)	CD		$270,805.66	270,805.66	0	1.600%	02/12/23	02/12/18	5,012.33
Bank of the West (CD#029771907)	CD		$269,900.46	269,900.46	0	1.600%	03/20/23	03/20/18	2,171.10
Washington Federal (CD# 172-200282-9)	CD		$279,876.76	279,876.76	0	2.050%	03/22/23	03/22/18	2,184.81
Washington Federal (CD# 172-200283-7)	CD		$1,103,524.14	1,103,524.14	0	1.250%	04/09/23	04/09/18	-
Wells Fargo (World Finl Cap Bk)	CD	98146QDJ7	-		0	1.600%	08/26/19	08/24/12	690.41
Wells Fargo (Enerbank USA UT)	CD	29266NS24	-		0	1.500%	10/16/19	10/16/15	1,253.42
Wells Fargo (First Finl Northwest Bk)	CD	32022MAC2	-		0	1.350%	10/16/19	10/16/15	1,128.08
Wells Fargo (HSBC Bk)	CD	40434AC72	$250,000.00	$252,955.00	2,955	1.600%	11/17/20	11/17/15	3,906.85
Moreton (Goldman Sachs Bk USA N Y)	CD	38148PGR2	-		0	1.100%	08/12/19	08/10/16	1,378.77
Moreton (Discover BK)	CD	254672E87	-		0	1.150%	08/12/19	08/10/16	1,441.44
Moreton (Sallie Mae Mk Murray Utah)	CD	795450YQ2	$250,000.00	$249,400.00	(600)	1.350%	08/10/20	08/10/16	1,673.63
Moreton (Capital One Bk)	CD	140420B33	$250,000.00	$249,400.00	(600)	1.350%	08/10/20	08/10/16	1,673.63
Moreton (Ally Bk Midvale Utah)	CD	02006LJ53	-		0	1.200%	08/12/19	08/11/16	1,495.89
Moreton (Comenity Cap Br Utah)	CD	20033ARW8	$250,000.00	$248,982.50	(1,018)	1.500%	09/07/21	09/14/16	1,880.13
Moreton (Everbank Jacksonville Fl)	CD	29976DT42	$250,000.00	$249,380.00	(620)	1.550%	09/15/21	09/16/16	1,953.42
Moreton (Bank Leumi USA New York NY)	CD	063248FY9	-		0	1.250%	09/27/19	09/27/16	1,575.34
Moreton (Iroquois Fed Svgs & Ln Assn)	CD	46355PBY3	-		0	1.250%	09/27/19	09/29/16	1,035.96
Moreton (Synchrony Bk)	CD	87165ELA3	$250,000.00	$250,437.50	438	1.800%	11/18/21	11/18/16	2,268.49
Moreton (State Bk India New York NY)	CD	8562846E9	$250,000.00	$252,715.00	2,715	2.250%	02/09/22	02/09/17	2,789.38
Moreton (Morton Cmnty Bk Ill)	CD	619165HB2	$250,000.00	$250,520.00	520	1.850%	02/26/21	02/27/17	2,318.85
Moreton (Wells Fargo Bank Natl Assn)	CD	949763FX9	$250,000.00	$253,640.00	3,640	2.400%	03/29/22	03/20/17	3,517.81
Moreton (American Express Centurion Bk	CD	02587DN38	$250,000.00	$253,082.50	3,083	2.450%	04/05/22	03/27/17	3,070.89
Moreton (Exchange Bk Gibbon Neb)	CD	301074CL2	$250,000.00	$250,070.00	70	2.050%	04/26/22	04/26/17	2,569.50
Moreton (BMO Harris Bk Natl Assn)	CD	05581WNY7	$250,000.00	$250,097.50	98	2.250%	10/28/22	04/28/17	2,820.21
Moreton (Capital One Natl Assn)	CD	14042RFL0	$250,000.00	$253,155.00	3,155	2.300%	05/10/22	05/10/17	2,898.63
Moreton (Barclays Bk)	CD	06740KKJ5	$250,035.82	$252,642.50	2,607	2.200%	07/19/22	07/21/17	2,727.40
Moreton (KS Statebank Manhattan KS)	CD	50116CAQ2	$249,217.16	$248,865.00	(352)	1.631%	10/29/21	08/21/17	2,001.35
Moreton (Verus Bk Comm Ft Collins Colo	CD	92535LBU7	$248,822.96	$248,862.50	40	1.656%	10/29/21	08/21/17	2,014.46
Moreton (American Express Fed Svgs Bk	CD	02587CFU9	$250,000.00	$252,992.50	2,993	2.400%	08/29/22	08/25/17	3,024.66
Moreton (Celtic Bk Salt Lake City Utah)	CD	15118RNB9	$250,000.00	$250,095.00	95	2.100%	08/31/22	09/01/17	3,078.09

INSTITUTION INVESTED IN	INV TYPE	CUSIP	INVESTMENT AMOUNT BOOK VALUE	MARKET VALUE	MARKET GAIN (LOSS)	RATE OF RETURN	MATURITY DATE	PURCHASE DATE	FY 19 - 20 Y-T-D EARNINGS
Moreton (Bank Baroda NY)	CD	06062QWG5	$249,889.21	$249,190.00	(699)	1.450%	10/30/20	08/31/17	1,883.25
Moreton (East Boston Svgs Bk MA)	CD	27113PCC3	$250,000.00	$251,692.50	1,693	2.050%	09/28/22	09/28/17	2,569.50
Moreton (Third Fed Svgs & Ln Assn)	CD	88413QBQ0	$250,000.00	$250,437.50	438	1.900%	09/15/20	09/29/17	2,394.52
Moreton (South Ottumwa Svgs Bk Iowa)	CD	839145AA7	$250,000.00	$251,692.50	1,693	2.050%	09/29/22	09/29/17	3,004.77
Moreton (Stearns Bk NA St Cloud MN)	CD	857894UN7	$250,000.00	$251,692.50	1,693	2.050%	09/29/22	09/29/17	3,004.77
Moreton (TBK Bk SSB Dallas Tex)	CD	87219RBQ6	-		0	2.200%	09/29/22	10/02/17	3,224.63
Moreton (First KY Bk Inc Mayfield)	CD	32065TAW1	$250,000.00	$252,025.00	2,025	2.100%	10/06/22	10/06/17	2,632.20
Moreton (Marlin Business Bk Salt Lake)	CD	57116APV4	$250,000.00	$251,317.50	1,318	2.000%	10/13/21	10/13/17	2,506.86
Moreton (Beneficial BK Philadelphia PA)	CD	08173QBX3	$250,000.00	$252,355.00	2,355	2.150%	10/18/22	10/18/17	2,694.86
Moreton (Continental Bk Utah)	CD	211163GS3	$250,000.00	$250,657.50	658	1.850%	10/20/21	10/20/17	2,354.66
Moreton (Morgan Stanley Bk)	CD	61747MF63	$250,000.00	$256,035.00	6,035	2.650%	01/11/23	01/11/18	3,335.86
Moreton (BMW Bk North Amer Salt Lake	CD	05580ANM2	$250,000.00	$262,072.50	12,073	3.250%	07/13/23	07/13/18	4,029.11
Moreton (Community Finl Svcs Bk Bentor	CD	20364ACF0	-		0	3.250%	07/25/23	07/25/18	667.81
Moreton (Morgan Stanley Bk)	CD	061760AH51	$247,483.96	$249,662.35	2,178	2.400%	06/20/23	06/28/19	2,527.28
Moreton (Synchrony Bk)	CD	87164WZD3	$247,409.00	$248,444.70	1,036	2.350%	06/14/22	08/14/19	1,545.33
Moreton (Goldman Sachs Bk USA N Y)	CD	38149MEQ2	$250,000.00	$250,132.50	133	2.200%	08/14/24	08/14/19	-
Moreton (EnerBank USA Salt Lake City)	CD	29278TKP4	$250,000.00	$250,462.50	463	1.950%	08/15/24	08/15/19	1,629.44
Moreton (Cit Bank NA)	CD	12556LBA3	$250,000.00	$250,735.00	735	1.900%	08/23/22	08/23/19	-
Moreton (Merrick BK South Jordan UT)	CD	59013KCG9	$250,000.00	$250,177.50	178	2.000%	02/28/25	08/30/19	1,671.24
Moreton (First UTD BK & TR Company)	CD	33742CAM9	$250,000.00	$250,222.50	223	2.100%	08/30/24	08/30/19	1,754.80
Moreton (Citibank NA N Y)	CD	17294XVK9	$246,349.95	$243,946.50	(2,403)	2.050%	02/16/22	08/16/19	-
Moreton (Ally Bk Midvale Utah)	CD	02007GLF8	$250,000.00	$250,735.00	735	1.900%	08/22/22	08/22/19	-
Moreton (Webster Five Cents Svgs BK)	CD	94789PCC6	$250,000.00	$249,692.50	(308)	1.800%	09/13/23	09/13/19	1,121.91
Moreton (First Bk McComb Miss)	CD	319234BC3	$250,000.00	$249,250.00	(750)	1.800%	09/19/24	09/16/19	1,153.09
Moreton (Bridgewater Bk Bloomington)	CD	108622HZ7	$250,000.00	$249,807.50	(193)	1.900%	09/18/24	06/18/19	1,184.24
Moreton (Two Rivs St Bk Blair Neb)	CD	90206UBR6	$250,000.00	$249,237.50	(763)	1.750%	09/20/23	09/20/19	1,090.76
Moreton (Bankers Bk Okla City)	CD	06610QEB3	$250,000.00	$249,775.00	(225)	1.900%	09/27/24	09/27/19	1,184.24
Moreton (FNB Oxford Bk Oxford MS)	CD	30259XAD4	$250,000.00	$249,232.50	(768)	1.750%	09/27/23	09/27/19	1,090.76
Moreton (JPMorgan Chase Bk NA Colum	CD	48128LCA5	$245,626.37	$245,830.55	204	2.100%	09/30/24	10/04/19	-
Moreton (SilverGate BK La Jolla Cailf)	CD	828373HF0	$250,000.00	$250,107.50	108	2.000%	10/08/24	10/08/19	835.62
Moreton (Bank Pontiac (Illinois))	CD	064455AR9	$250,000.00	$250,185.00	185	1.900%	10/23/23	10/15/19	793.83
Moreton (First Cap BK Bennettsville SC)	CD	31944ABJ9	$250,000.00	$250,037.50	38	1.950%	10/18/24	10/18/19	814.72
Moreton (Encore BK Little Rock ARK)	CD	29260MAN5	$250,000.00	$249,202.50	(798)	1.750%	10/23/23	10/23/19	731.17
Moreton (Border ST BK Greenbush Minn)	CD	099703FX3	$250,000.00	$249,682.50	(318)	1.900%	10/23/24	10/23/19	793.83
Moreton (Anchor D BK Texhoma OKLA)	CD	033034AK5	$250,000.00	$250,057.50	58	2.000%	10/24/24	10/24/19	835.62
Moreton (Treynor ST BK Iowa)	CD	89531WBT6	$250,000.00	$249,707.50	(293)	1.900%	10/16/24	10/16/19	793.83
Moreton (First Natl BK Amer East)	CD	32110YNB7	$250,000.00	$249,187.50	(813)	1.850%	09/30/24	10/18/19	925.01
Moreton (EnerBank USA Salt Lake City)	CD	29278TME7	-		0	1.850%	10/25/24	10/25/19	582.88
Moreton (Parkside Finl BK & Tr Clayton)	CD	70147ADE1	$250,000.00	$249,397.50	(603)	1.900%	04/04/25	11/29/19	65.07
Moreton (M Y Safra Bank FSB New York)	CD	55406JBF8	$250,000.00	$249,655.00	(345)	1.800%	11/20/23	11/29/19	-
Moreton (Bankers BK Kans N A Wichita)	CD	06610PCB7	$250,000.00	$250,137.50	138	1.850%	08/07/23	12/06/19	-
Moreton (SpiritBank N A Tulsa Okla)	CD	848608DQ5	$250,000.00	$249,325.00	(675)	1.750%	06/06/23	12/06/19	-
Moreton (Old Dominion Natl BK North)	CD	679585AM1	$250,000.00	$249,852.50	(148)	1.750%	12/13/22	12/13/19	-
Moreton (Medallion BK Salt Lake City)	CD	58404DFV8	$245,000.00	$244,732.95	(267)	1.650%	12/06/21	12/06/19	-

INSTITUTION INVESTED IN	INV TYPE	CUSIP	INVESTMENT AMOUNT BOOK VALUE	MARKET VALUE	MARKET GAIN (LOSS)	RATE OF RETURN	MATURITY DATE	PURCHASE DATE	FY 19 - 20 Y-T-D EARNINGS
Moreton (Live Oak BKG CO NC)	CD	538036HE7	$245,000.00	$244,960.80	(39)	1.700%	12/13/21	12/11/19	-
Moreton (Texas SEC BK Dallas, TX)	CD	88269AAT5	$250,000.00	$250,117.50	118	1.850%	12/20/23	12/20/19	-
Moreton (Live Oak BKG CO NC)	CD	538036HC1	$250,000.00	$249,635.00	(365)	1.800%	12/11/23	12/11/19	-
Moreton (Signature BK of ARK)	CD	82669LJM6	$250,000.00	$248,665.00	(1,335)	1.700%	12/27/23	12/27/19	-
Moreton (Federal Farm Credit Bank)	Fed Farm Credit Ba	3133EGFP5	2,001,030.57	$1,993,360.00	(7,671)	1.776%	06/15/22	07/27/16	-
Moreton (Federal Natl Mtg Assn)	Fed Natl Mtg Assn	3136G3W35	1,501,435.56	$1,497,195.00	(4,241)	1.550%	08/17/21	08/17/16	-
Moreton (Federal Natl Mtg Assn)	Fed Natl Mtg Assn	3136G3V85	999,442.81	$999,480.00	37	1.250%	02/24/20	08/24/16	-
Moreton (Federal Natl Mtg Assn)	Fed Natl Mtg Assn	3136G3Y82	1,100,150.35	$1,095,567.00	(4,583)	1.200%	11/24/20	08/24/16	-
Moreton (Federal Natl Mtg Assn)	Fed Natl Mtg Assn	3136G3U94	1,501,145.32	$1,495,605.00	(5,540)	1.400%	05/25/21	08/25/16	-
Moreton (Federal Natl Mtg Assn)	Fed Natl Mtg Assn	3136G32A2	$0.00		0	1.100%	08/23/19	08/30/16	113,614.16
Moreton (Federal Natl Mtg Assn)	Fed Natl Mtg Assn	3136G32E4	999,556.16	$999,400.00	(156)	1.111%	02/25/20	09/12/16	16,767.19
Moreton (Federal Natl Mtg Assn)	Fed Natl Mtg Assn	3136G35L5	1,000,000.00	$995,980.00	(4,020)	1.250%	12/23/20	09/23/16	9,386.01
Moreton (Federal Natl Mtg Assn)	Fed Natl Mtg Assn	3136G35U5	1,501,407.94	$1,497,435.00	(3,973)	1.419%	12/28/21	09/28/16	4,622.86
Moreton (Federal Natl Mtg Assn)	Fed Natl Mtg Assn	3136G4BG7	560,628.10	$552,490.40	(8,138)	1.750%	12/30/22	10/05/16	5,640.21
Moreton (Federal Farm Credit Bank)	Fed Farm Credit Ba	3133EGXX8	999,965.30	$998,670.00	(1,295)	1.340%	10/13/20	10/13/16	8,153.85
Moreton (Federal Natl Mtg Assn)	Fed Natl Mtg Assn	3136G4DC4	999,627.22	$999,210.14	(417)	1.300%	06/30/20	10/20/16	5,105.03
Moreton (Federal Natl Mtg Assn)	Fed Natl Mtg Assn	3136G4EU3	1,000,686.76	$998,330.00	(2,357)	1.600%	10/28/21	10/28/16	4,696.99
Moreton (Federal Natl Mtg Assn)	Fed Natl Mtg Assn	3136G4DC4	499,812.50	$499,784.86	(28)	1.300%	06/30/20	10/31/16	6,250.00
Moreton (Federal Natl Mtg Assn)	Fed Natl Mtg Assn	3136G4GG2	799,871.42	$797,200.00	(2,671)	1.500%	05/25/21	11/23/16	9,554.28
Moreton (Federal Home Loan Mtg Corp)	Fed Home Loan Mt	3134GAVN1	$0.00		0	1.250%	11/27/20	11/30/16	9,171.91
Moreton (Federal National Mtg Assn)	Fed Natl Mtg Assn	3136G4JU8	$0.00		0	1.459%	12/30/19	01/09/17	5,579.59
Moreton (Federal National Mtg Assn)	Fed Natl Mtg Assn	3136G4JN4	$0.00		0	1.581%	06/29/20	01/09/17	11,511.40
Moreton (Federal Farm Credit Bank)	Fed Farm Credit Ba	3133EF4D6	523,496.10	$523,476.00	(20)	1.833%	04/20/21	01/09/17	6,961.35
Moreton (Federal Home Loan Bank)	Fed Home Loan Ba	3130AAB56	$0.00		0	2.101%	05/25/22	01/09/17	5,753.61
Moreton (Federal Home Loan Mtg Corp)	Fed Home Loan Mt	3134GA4F8	$0.00		0	2.000%	02/28/22	03/10/17	6,398.06
Moreton (Federal Farm Credit Bank)	Fed Farm Credit Ba	3133EF2K2	499,146.67	$500,000.00	853	1.968%	04/12/22	04/07/17	7,500.00
Moreton (Federal Farm Credit Bank)	Fed Farm Credit Ba	3133EHPV9	499,335.50	$499,665.00	330	1.641%	12/29/20	06/29/17	21,870.33
Moreton (Federal Home Loan Mtg Corp)	Fed Home Loan Mt	3134GBWH1	$0.00		0	1.372%	09/27/19	06/30/17	9,764.12
Moreton (Federal Farm Credit Bank)	Fed Farm Credit Ba	3133EHGS6	$0.00		0	1.942%	04/25/22	06/30/17	5,852.81
Moreton (Federal Farm Credit Bank)	Fed Farm Credit Ba	3133EHPD9	499,693.64	$500,005.00	311	1.549%	06/22/20	06/30/17	14,380.91
Moreton (Federal Home Loan Banks)	Fed Home Loan Ba	3130ABHV1	$0.00		0	2.411%	06/22/22	06/30/17	9,068.32
Moreton (Federal Home Loan Banks)	Fed Home Loan Ba	3130AA5Y0	$0.00		0	2.829%	11/25/22	06/30/17	5,353.14
Moreton (Federal Natl Mtg Assn)	Fed Natl Mtg Assn	3136G33W3	999,001.39	$995,980.00	(3,021)	1.709%	05/28/21	10/03/17	7,795.20
Moreton (Federal Home Loan Banks)	Fed Home Loan Ba	3130A7RB3	749,769.76	$749,235.00	(535)	1.800%	10/25/21	10/17/17	4,319.34
Moreton (Federal Home Loan Mtg Corp)	Fed Home Loan Mt	3134GBE99	$0.00		0	2.000%	09/28/22	10/25/17	4,711.36
Moreton (Federal Farm Credit Bank)	Fed Farm Credit Ba	3133EFYK7	$0.00		0	2.290%	02/08/23	12/11/17	3,294.39
Moreton (Federal Home Loan Bank)	Fed Home Loan Ba	3130ADFH0	$0.00		0	2.586%	01/23/23	02/13/18	3,628.14
Moreton (Federal Home Loan Banks)	Fed Home Loan Ba	3134GSCQ6	$0.00		0	2.750%	02/23/23	02/28/18	4,375.00
Moreton (Freddie Mac)	FreddieMac	3134GUSW1	1,002,750.00	$999,990.00	(2,760)	1.750%	11/27/24	11/27/19	10,523.45
Moreton (Federal Farm Credit Bank)	Fed Farm Credit Ba	3133ELBF0	1,003,250.00	$1,000,380.00	(2,870)	1.890%	11/27/24	11/27/19	7,100.13

INSTITUTION INVESTED IN	INV TYPE	CUSIP	INVESTMENT AMOUNT BOOK VALUE	MARKET VALUE	MARKET GAIN (LOSS)	RATE OF RETURN	MATURITY DATE	PURCHASE DATE	FY 19 - 20 Y-T-D EARNINGS
Wells Fargo BS securities transferred to Moreton Capital Markets May 20, 2016									
Moreton Capital Markets Money Market and Cash			$5,170,567.85	$5,170,567.85	0	varies	N/A	N/A	15,284.58
Wells Fargo ST Money Market 6810881786			-	$0.00	0	varies	N/A	N/A	-
Wells Fargo - PHA account			207,632.89	$207,632.89	0	varies	N/A	N/A	31.40
TOTAL			**47,769,635**	**47,760,486**	**(9,148.75)**				**507,297.28**
US Treasury Notes/Agency Bonds - WF / RBC			21,241,203.07	44.47%					
State Investment Pool			$5,566.35	0.01%					
Certificate of Deposits			$21,144,664.59	44.26%					
Money Market Accounts			5,378,200.74	11.26%					
			$47,769,634.75	100.00%					

Investment Abbreviations

CD = Certificate of Deposit

FHLMC = Federal Home Loan Mortgage Corporation (Freddie Mac)

FNMA = Federal National Mortgage Association (Fannie Mae)

FHLB = Federal Home Loan Banks

CITY OF ALAMOGORDO

COLLATERALIZATION SUMMARY REPORT

MONTH CLOSING: **December 31, 2019**

	Financial Institution	Amount of City Funds	FDIC Amount	Amount Uninsured	Required Collateral per NMSA 1978 6-10-17	Amount to be Collateralized	Collateral Pledged by Financial Institutions	Over/(Under) Pledged	At Risk
1)	State Treasurer's Pool - COA	$ 5,566	n/a			-			-
	Wells Fargo	$ 2,347,619							
	Wells Fargo - PHA	$ 207,633	207,632.89	$ -					
		$ 2,555,252	250,000	$ 2,305,252	50.00%	1,152,626	210,920	(941,705)	2,094,331
2)	Moreton Capital Markets								
a.	Cash and Money Market	$ 5,170,568	5,170,568						
	Certificates of Deposit	$ 15,724,834	15,724,834	$ -					
b.	Securities	$ 21,241,203	n/a						
		$ 42,136,605.35							
	First National - Alamogordo	$ 10,658,386	250,000	$ 10,408,386	50.00%	5,204,193	3,870,571	(1,333,622)	6,537,815
	First National - Alamogordo - PHA	$ 1,646,464	-	$ 1,646,464	50.00%	823,232	1,765,308	942,075	(118,843)
	First Savings Bank	$ 3,245,723	250,000	$ 2,995,723	50.00%	1,497,862	1,542,221	44,359	1,453,502
	Bank '34	$ 250,000	250,000	$ -	50.00%	-	0	-	-
	First American Bank	$ -	250,000	$ (250,000)	50.00%	(125,000)	0	125,000	(250,000)
	Pioneer Bank	$ 270,806	250,000	$ 20,806	50.00%	10,403	20,682	10,279	124
	Bank of the West	$ 269,900	250,000	$ 19,900	50.00%	9,950	13,127	3,177	6,773
	Washington Federal	$ 1,383,401	250,000	$ 1,133,401	50.00%	566,700	1,237,200	670,500	(103,799)
3)	New Mexico Finance Authority	$ 3,955,977	n/a						
	TOTAL	**$ 66,378,081**		**$ 18,279,932**		**$ 9,139,966**	**$ 8,660,029**	**$ (479,937)**	**$ 9,619,903**

1) These funds are invested in 7-day and 14 day Tresury bills and fully-collaterized bank deposits; per NM STO correspondence Feb. 27, 2009. Per State Treasurer's Investment Policy authorized investments are U.S. Govt. Obligations, Investment Grade commercial paper, AA rated or better Corporate bonds, asset-backed obligations, and etc. (pages 4-8). - Per LGIP statements - New MexiGROW LGIP deposits are not guaranteed or insured by any bank, the State of New Mexico, the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other agency. New MexiGROW LGIP deposits involve certain investment risks. Yield and total return may fluctuate and are not guaranteed.

2) Moreton Capital Markets - transferred on May 2016 from WFBS, which included RBC
a. Securities and cash are protected up to $500,000 (including a $250,000 limit for cash only
b. Federal Home Loan Notes, Freddie Mac, Fannie Mae, etc. are backed by the full faith and credit of the U.S. government.

3) NMFA is a governmental agency which must itself comply with state investment policies

CITY OF ALAMOGORDO
ANALYSIS OF INVESTMENT AND YIELDS
TWELVE MONTHS ENDED

MONTH	(1) TOTAL INVESTMENTS	(2) RETURN ON INVESTMENTS	(3) YIELDS ON INVESTMENTS	TOTAL RETURN ON INVESTMENTS
JANUARY 2019	53,086,620	40,171	0.908%	40,171
FEBRUARY 2019	53,188,019	101,399	2.288%	101,399
MARCH 2019	53,254,564	66,545	1.499%	66,545
April 2019	53,075,246	70,683	1.598%	70,683
May 2019	50,442,187	66,941	1.592%	66,941
June 2019	49,469,569	65,585	1.591%	65,585
July 2019	47,223,401	65,822	1.673%	65,822
August 2019	47,306,944	83,542	2.119%	83,542
September 2019	48,865,441	59,533	1.462%	59,533
October 2019	48,926,528	61,093	1.498%	61,093
November 2019	48,999,714	73,181	1.792%	73,181
December 2019	47,769,797	109,171	2.742%	109,171
ANNUAL AVERAGE	**50,134,003**	**71,972**	**1.7303%**	**$71,972**
12 MONTH TOTALS		**863,665**	**1.7227%**	**863,665**
			This Quarter	**243,445**

(1) AVERAGE TOTAL INVESTMENTS (BOOK VALUE)
(2) ALL RETURNS AND YIELDS ARE CALCULATED ON A CASH BASIS
(3) AVERAGE YIELD ON INVESTMENTS

CITY OF ALAMOGORDO
INVESTMENT SUMMARY
BY FUND
December 31, 2019

FUND NO.	FUND DESCRIPTION	PER FUND INVESTMENT
11	GENERAL OPERATING	4,217,593.68
16	LODGER'S TAX-PROMOTIONS	168,711.67
20	LODGER'S TAX-CITY SHARE	61,882.68
21	D.A.R.E. DONATIONS	15,930.04
28	POLICE CONTINGENCY	53,014.72
31	CEMETERY-PERPETUAL CARE	785,144.51
33	FIRE PROTECTION FUND	165,552.48
37	ST HIGHWAY CLEANUP	112,695.48
38	TRAFFIC SAFETY	47,432.72
49	86 GRT	4,036,455.52
61	91 GRT INFRASTRUCTURE	528,030.42
69	94 GROSS RECEIPTS TAX	2,510,481.13
74	SENIOR GIFT FUND	87,958.03
81	WATER/SEWER OPERATIONS	8,577,829.21
82	1998 JT. WATER/SEWER BOND P&I	39,127.13
86	SOLID WASTE	424,248.38
88	BONITO LAKE	337,753.66
89	ESGRT .0625%	2,639,557.54
94	LANDFILL OPERATIONS	4,022,727.61
96	FLEET COLLISION	443,619.62
104	UTILITY DEPOSITS	658,181.76
105	ECONOMIC DEVELOPMENT GRT	3,334,959.82
107	LIABILITY/DEDUCTABLE INSURANCE	657,061.42
109	2004 CAPITAL OUTLAY GRT	12,762,629.01
114	SIDEWALK REVOLVING LOANS	140,235.52
119	11 GRT REF/IMP REV BOND	474,067.98
121	2015 GO BONDS-FUN CENTER	88,254.35
122	2015 GO BONDS - STREETS	171,033.11
901	HOUSING LOW RENT OPER	96,543.62
903	HOUSING HOMEOWNERSHIP OPR	111,089.27
	TOTAL:	**47,769,802.09**

AGENDA REPORT
CITY OF ALAMOGORDO
CITY COMMISSION

Meeting Date: 2/25/2020 **Report Date:** 2/13/2020 **Report No:** 6.

Submitted By: Jim LeClair

Subject: Consider, and act upon, a request related to the Alamogordo Fire Department applying for the FY19 Assistance to Firefighters Grant Program (AFG). *(Jim LeClair, Fire Chief)*

Fiscal Impact:
Amount Budgeted:
Fund:

Additional Fiscal Impact: The Alamogordo Fire Department will be require to contribute a 10% match based off our population.

Recommendation: Staff recommends approval.

Background: The Fiscal Year (FY) 2019 Assistance to Firefighters Grant (AFG) Program is one of three grant programs that constitute the Department of Homeland Security (DHS), Federal Emergency Management Agency's (FEMA) focus on enhancing the safety of the public and firefighters with respect to fire and fire-related hazards. The AFG Program accomplishes this by providing financial assistance directly to eligible fire departments. This grant is a competitive grant, and currently there is a total of $315,000,000.00 in grant funding along with a total of 2500 projected number of awards.

The Department of Homeland Security (DHS)
Notice of Funding Opportunity (NOFO)
Fiscal Year 2019 Assistance to Firefighters Grant Program (AFG)

NOTE: If you are going to apply for this funding opportunity and have not obtained a Data Universal Numbering System (DUNS) number and/or are not currently registered in the System for Award Management (SAM), please take immediate action to obtain a DUNS Number, if applicable, and then to register immediately in SAM. It may take four weeks or more after you submit your SAM registration before your registration is active in SAM, then an additional 24 hours for Grants.gov to recognize your information. Information on obtaining a DUNS number and registering in SAM is available from Grants.gov at: http://www.grants.gov/web/grants/register.html. Detailed information regarding DUNS and SAM is also provided in Section D – Application and Submission Information of this NOFO, subsection, Content and Form of Application Submission. An active registration is required in order to apply for funding.

A. Program Description

Issued By
Department of Homeland Security (DHS), Federal Emergency Management Agency (FEMA), Grant Programs Directorate (GPD)

Assistance Listings Number (formerly Catalog of Federal Domestic Assistance Number)
97.044

Assistance Listings Title (formerly CFDA Title)
Assistance to Firefighters Grants (AFG)

Notice of Funding Opportunity Title
FY 2019 Assistance to Firefighters Grants

Notice of Funding Opportunity Number
DHS-19-GPD-044-00-99

Authorizing Authority for Program
Section 33 of the *Federal Fire Prevention and Control Act of 1974*, Pub. L. No. 93-498, as amended (15 U.S.C § 2229)
https://www.govinfo.gov/content/pkg/USCODE-2018-title15/pdf/USCODE-2018-title15-chap49-sec2229.pdf

Appropriation Authority for Program
Department of Homeland Security Appropriations Act, 2019 (Pub. L. No. 116-6)
https://www.govinfo.gov/content/pkg/PLAW-116publ6/pdf/PLAW-116publ6.pdf
Program Type
New

Program Overview, Objectives, and Priorities

Overview

The Fiscal Year (FY) 2019 Assistance to Firefighters Grant (AFG) Program is one of three grant programs that constitute the Department of Homeland Security (DHS), Federal Emergency Management Agency's (FEMA) focus on enhancing the safety of the public and firefighters with respect to fire and fire-related hazards. The AFG Program accomplishes this by providing financial assistance directly to eligible fire departments, nonaffiliated emergency medical service (EMS) organizations, and State Fire Training Academies (SFTA) for critical training and equipment. The AFG Program represents one part of a comprehensive set of measures authorized by Congress and implemented by DHS. Among the five basic homeland security missions noted in the DHS Quadrennial Homeland Security Review, the AFG Program supports the goal to Strengthen National Preparedness and Resilience. In awarding grants, the Administrator of FEMA is required to consider the following:

- The findings and recommendations of the Technical Evaluation Panel (TEP);
- The degree to which an award will reduce deaths, injuries, and property damage by reducing the risks associated with fire related and other hazards;
- The extent of an applicant's need for an AFG grant and the need to protect the United States as a whole; and
- The number of calls requesting or requiring a firefighting or emergency medical response received by an applicant.

The 2018-2022 FEMA Strategic Plan creates a shared vision for the field of emergency management and sets an ambitious, yet achievable, path forward to unify and further professionalize emergency management across the country. The AFG Program supports the goal of Readying the Nation for Catastrophic Disasters. We invite all of our stakeholders and partners to also adopt these priorities and join us in building a stronger Agency and a more prepared and resilient Nation.

Objectives

The objectives of the AFG program are to provide critically needed resources that equip and train emergency personnel to recognized standards, enhance operational efficiencies, foster interoperability, and support community resilience.

Priorities

Information on program priorities and objectives for the FY 2019 AFG can be found in Appendix B, FY 2019 AFG Programmatic Information and Priorities.

Performance Metrics

Performance metrics for this program are as follows:

- Percentage of AFG PPE recipients who equipped 100 percent of on-duty active members with PPE in compliance with applicable NFPA and OSHA standards
- Percentage of AFG equipment recipients who reported that the AFG grant brought them into compliance with either state, local, NFPA, or OSHA standards
- Percentage of AFG award recipients who reported having successfully replaced their fire vehicles 25 years old or older in accordance with industry standards

B. Federal Award Information

Award Amounts, Important Dates, and Extensions

Available Funding for the NOFO: $315,000,000[1]

Projected number of Awards: *2,500*

Period of Performance: Twelve months from the date of award. For additional information on period of performance extensions, refer to Section H.

Projected Period of Performance Start Date(s): May 1, 2020

Projected Period of Performance End Date(s): April 30, 2021

Funding Instrument: Grant

C. Eligibility Information

Eligible Applicants

Fire Departments: Fire departments operating in any of the 50 states, as well as fire departments in the District of Columbia, the Commonwealth of the Northern Mariana Islands, the U.S. Virgin Islands, Guam, American Samoa, the Commonwealth of Puerto Rico,[2] or any federally recognized Indian tribe or tribal organization. A fire department is an agency or organization having a formally recognized arrangement with a state, local, tribal or territorial authority (city, county, parish, fire district, township, town or other governing body) to provide fire suppression to a population within a

[1] Note that this figure differs from the total amount appropriated under the *Department of Homeland Security Appropriations Act*, 2019, Pub. L. No. 116-6. In this FY 2019 AFG NOFO, percentages of "*available grant funds*" refers to the total amount appropriated—$350,000,000—by Pub. L. No. 116-6 to meet the statutory requirements of § 33 of the *Federal Fire Prevention and Control Act of 1974*, as amended (codified at 15 U.S.C. § 2229). A portion of these "available grant funds" will be allocated to the Fire Prevention & Safety (FP&S) program, which will have a separate NOFO and application period. $35,000,000 will be allocated to FP&S for FY 2019.

[2] The District of Columbia, the Commonwealth of the Northern Mariana Islands, the U.S. Virgin Islands, Guam, American Samoa, the Commonwealth of Puerto Rico are all defined as "States" in the Federal Fire Prevention and Control Act of 1974. *See* 15 U.S.C. § 2203(10).

geographically fixed primary first due response area.

Nonaffiliated EMS organizations: Nonaffiliated EMS organizations operating in any of the 50 states, as well as, the District of Columbia, the Commonwealth of the Northern Mariana Islands, the U.S. Virgin Islands, Guam, American Samoa, the Commonwealth of Puerto Rico,[2] or any federally recognized Indian tribe or tribal organization. A nonaffiliated EMS organization is an agency or organization that is a public or private nonprofit emergency medical service entity providing medical transport that is not affiliated with a hospital and does not serve a geographic area in which emergency medical services are adequately provided by a fire department. FEMA considers the following as hospitals under the AFG Program:

- Clinics
- Medical centers
- Medical college or university
- Infirmary
- Surgery centers
- Any other institution, association, or foundation providing medical, surgical, or psychiatric care and/or treatment for the sick or injured.

State Fire Training Academies: A State Fire Training Academy (SFTA) operates in any of the 50 states, as well as the District of Columbia, the Commonwealth of the Northern Mariana Islands, the U.S. Virgin Islands, Guam, American Samoa and the Commonwealth of Puerto Rico.[2] Applicants must be designated either by legislation or by a Governor's declaration as the sole fire service training agency within a state, territory, or the District of Columbia. The designated SFTA shall be the only agency/bureau/division, or entity within that state, territory or the District of Columbia, to be an eligible AFG SFTA applicant.

Eligible Activities

AFG has three activities:

- Operations and Safety
- Vehicle Acquisition
- Regional Projects

Each activity has its own eligibility requirements. These requirements are outlined in Appendix B: Programmatic Information and Priorities.

Other Eligibility Criteria

National Fire Incident Reporting System (NFIRS)
NFIRS reporting is not a requirement to apply for any AFG Program; however, fire departments that receive funding under this program must agree to provide information to the NFIRS for the period covered by the assistance. If a recipient does not currently

participate in the incident reporting system and does not have the capacity to report at the time of the award, that recipient must agree to provide information to the system for a twelve-month period commencing as soon as possible after they develop the capacity to report. Capacity to report to the NFIRS must be established prior to the termination of the one-year performance period. The recipient may be asked by FEMA to provide proof of compliance in reporting to NFIRS. Any recipient that stops reporting to NFIRS during their grant's period of performance may be subject to the remedies for noncompliance at 2 C.F.R. § 200.338, unless it has yet to develop the capacity to report to NFIRS, as described above. There is no NFIRS reporting requirement for nonaffiliated EMS organizations or SFTAs.

Note: Although data collection is an important tool for understanding and justifying assistance, participation in other data sources, (e.g., National Fire Operations Reporting System [NFORS] does not satisfy the requirement for reporting to NFIRS).

National Incident Management System (NIMS) Implementation
AFG applicants are not required to be in compliance with NIMS to apply for AFG funding or to receive an AFG award. Any applicant who receives an FY 2019 AFG award must achieve the level of NIMS compliance required by the Authority Having Jurisdiction (AHJ) over the applicant's emergency service operations (e.g., a local government), prior to the end of the grant's period of performance.

Maintenance of Effort

Pursuant to 15 U.S.C. § 2229(k)(3), an applicant seeking an AFG grant shall agree to maintain, during the term of the grant, the applicant's aggregate expenditures relating to activities allowable under this NOFO, at not less than 80 percent of the average amount of such expenditures in the two fiscal years prior to the fiscal year an AFG grant is awarded.

In other words, an applicant agrees that, if it receives a grant award, the applicant agrees to keep its overall expenditures during the award's period of performance (including those funded with non-Federal funding) for activities that could be allowable costs under this AFG NOFO at a level that is at least 80 percent or more of the average of what the applicant spent on such costs for those activities in fiscal years 17 and 18.

Cost Share or Match

Recipient cost sharing is generally required as described below and pursuant to 15 U.S.C. § 2229(k)(1). In general, eligible applicants shall agree to make available non-federal funds to carry out an AFG award in an amount equal to and not less than 15 percent of the grant awarded. Exceptions to this general requirement apply to entities serving smaller communities as follows:

- When serving a jurisdiction of 20,000 residents or fewer, the applicant shall agree to make available non-federal funds in an amount equal to not less than 5 percent

of the grant awarded;
- When serving a jurisdiction of more than 20,000 residents, but not more than 1 million residents, the applicant shall agree to make available non-federal funds in an amount equal to not less than 10 percent of the grant awarded;
- When serving a jurisdiction of more than 1 million residents, the applicant shall agree to make available non-federal funds in an amount equal to not less than 15 percent of the grant awarded.

The cost share for SFTAs will apply the requirements above based on the total population of the state. The cost share for a Regional application will apply the requirements above based on the aggregate population of the primary first due response areas of the Host and participating partner organizations that execute a Memorandum of Understanding (MOU) as described in Appendix B, Section J, Regional projects.

FEMA has developed a cost share calculator tool in order to assist applicants with determining their cost share. The cost share tool is available at: https://www.fema.gov/media-library/assets/documents/153366

Types of Cost Share

i. ***Cash (Hard Match):*** Cost share of non-federal cash is the only allowable recipient contribution for AFG activity (Vehicle Acquisition, Operations and Safety, and Regional).

ii. ***Trade-In Allowance/Credit:*** On a case-by-case basis, FEMA may allow recipients already owning assets acquired with non-federal cash, to use the trade-in allowance/credit value of those assets as cash for the purpose of meeting their cost share obligation. For FEMA to consider a trade-in allowance/credit value as cash, the allowance amount must be reasonable, and the allowance amount must be a separate entry clearly identified in the acquisition documents.

iii. ***In-kind (Soft Match):*** In-kind cost share is not allowable for AFG.

The award budget will not account for any voluntary committed cost sharing or overmatch. The use of an overmatch is not given additional consideration when scoring applications.

Economic Hardship Waivers

The Administrator of FEMA may waive or reduce recipient cost share or maintenance of effort requirements in cases of demonstrated economic hardship. Please see Appendix C: Award Administration Information for additional information.

D. Application and Submission Information

Key Dates and Times

Date Posted to Grants.gov:	January 27, 2020
Application Start Date:	February 3, 2020 at 8:00 AM ET

Application Submission Deadline: March 13, 2020 at 5:00 PM ET
Anticipated Funding Selection Date: April 30, 2020
Anticipated Award Date: April 30, 2020

In general, DHS/FEMA will not review applications received after the deadline or consider them for funding. DHS/FEMA may, however, extend the application deadline on request for any applicant who can demonstrate that good cause exists to justify extending the deadline. Good cause for an extension may include technical problems outside of the applicant's control that prevent submission of the application by the deadline, or other exigent or emergency circumstances. If applicants experience technical issues, they must notify the AFG Help Desk as soon as possible. The AFG Help Desk can be reached at 1-866-274-0960 or by e-mail: firegrants@fema.dhs.gov. The AFG Help Desk is open Monday – Friday, 8:00am – 4:00pm Eastern Time.

Other Key Dates

Event	Suggested Deadline for Completion
Obtaining DUNS Number	Four weeks before actual submission deadline
Obtaining a valid EIN	Eight weeks before actual submission deadline
Updating SAM registration	Four weeks before actual submission deadline
Register Organization in FEMA GO	Prior to beginning application
Submitting complete application in FEMA GO	One week before actual submission deadline

Agreeing to Terms and Conditions of the Award

By submitting an application, the applicant agrees to comply with the requirements of this NOFO and the terms and conditions of its award, should the applicant receive an award.

Address to Request Application Package

The online FY 2019 AFG application is only available via the Assistance to Firefighters Grant Program's FEMA GO (FEMA Grants Outcomes) application portal, at https://go.fema.gov.

Note: Hard copies of the application are not available. However, the Telephone Device for the Deaf (TDD) and/or Federal Information Relay Service (FIRS) number available for this Notice is: (800) 462-7585.

FEMA will process applications through FEMA GO. Application tutorials and Frequently Asked Questions (FAQs) explain the current AFG grant program, assist with the online grant application, and highlight lessons learned and changes for FY 2019. For more details, please visit the AFGP website at http://www.fema.gov/firegrants.

Content and Form of Application Submission

DHS makes all funding opportunities available on the internet, accessible at http://www.grants.gov. If applicants experience difficulties accessing information or have any questions, please call the Grants.gov Contact Center at (800) 518-4726.

The Grants.gov website will direct applicants to FEMA GO, at https://go.fema.gov, which contains the online AFG application. The online AFG application incorporates all required forms.

FEMA GO will allow the applicant's authorized representative(s) to log in and create their own account. This account is specific to the authorized user and must not be shared with other personnel. The FEMA GO account is separate from any previous accounts created in the eGrants system. Applicants can save, retrieve, update and revise their work through the end of the application period. The automated system does not allow applicants to submit incomplete applications. The system alerts applicants when required information has not been entered. Prior to final submission, an online application may be saved, retrieved, or edited up to the application deadline.

Technological Note: FEMA GO is compatible with Internet Explorer (version 11 or higher), Firefox (version 63 or higher), or Chrome (version 70 or higher). Users who attempt to use tablet type devices or other browsers may encounter issues with using FEMA GO.

NO APPLICATIONS WILL BE RELEASED BACK TO THE APPLICANT AFTER FINAL SUBMISSION

After an application has been completed and submitted, no changes can be made. There is no appeal process for inaccurate or incomplete information retained by the system due to improper or multiple browser usage by applicants.

Unique Entity Identifier and System for Award Management (SAM)

All applicants for this award must:

1. ***Be registered and active in SAM in order to apply;***
2. ***Provide a valid DUNS number in its application; and***
3. ***Continue to maintain an active SAM registration with current information at all times during which it has an active federal award or an application or plan under consideration by a DHS FAO.***

DHS/FEMA may not make a federal award to an applicant until the applicant has complied with all applicable DUNS and SAM requirements and, if an applicant has not fully complied with the requirements by the time DHS/FEMA is ready to make a federal award, DHS/FEMA may determine that the applicant is not qualified to receive a federal award and use that determination as a basis for making the federal award to another applicant.

Electronic Delivery
DHS is participating in the Grants.gov initiative that provides the grant communities a single site to find grant funding opportunities. Before applying for a DHS Grant, applicants must have a Data Universal Number System, or DUNS number, and must be registered and active in SAM.

DUNS Number
All entities applying for funding, including renewal funding, must have a Data Universal Numbering System (DUNS) number from Dun & Bradstreet (D&B). Applicants must enter the DUNS number in the data entry field labeled "Organizational DUNS" on the SF-424 form. Instructions for obtaining a DUNS number can be found at the following website: http://www.grants.gov/web/grants/applicants/organization-registration/step-1-obtain-duns- number.html.

System for Award Management (SAM)
Applicant registration in SAM is free. All applicants must be registered and active in order to apply online. Step-by-step instructions for registering with SAM can be found here: SAM Registration Home Page. Please remember that SAM registration is only active for one year and must be renewed annually.

Existing SAM.gov account holders should check their account to make sure it is **"ACTIVE."** SAM registration should be completed at the very beginning of the application period and renewed annually to avoid becoming **"INACTIVE."**

Please allow plenty of time before the grant application submission deadline to obtain a DUNS number and then to register in SAM. It may take four weeks or more after the applicant submits the SAM registration before the registration is active in SAM, then an additional 24 hours for Grants.gov to recognize the information.

FEMA may not make a federal award to an applicant until the applicant has complied with all applicable DUNS and SAM requirements and, if an applicant has not fully complied with the requirements by the time DHS is ready to make a federal award. DHS may determine that the applicant is not qualified to receive a federal award and use that determination as a basis for making a federal award to another applicant.

IMPORTANT: The SAM registration process must be completed by the applicant. It is imperative that the information provided by the applicant is correct and current. Please ensure that your organization's name, address, DUNS number, and Employer Identification Number, or EIN, are up to date in SAM and that the DUNS number used in SAM is the same one used to apply for all other FEMA awards. The organization's name on the SF 1199A Direct Deposit Form must be entered as it appears in SAM. Payment under any FEMA award is contingent on the recipient's having a current SAM registration.

Help with SAM

The SAM quick start guide for new recipient registration and SAM video tutorial for new applicants are tools created by the General Services Administration (GSA) to assist those registering with SAM. If applicants have questions or concerns about a SAM registration, please contact the Federal Support Desk at https://www.fsd.gov/fsd-gov/home.do or call toll free (866) 606-8220.

How to Get a Commercial and Government Entity (CAGE) Code

To get a CAGE code, applicants must first be registered in SAM, which is a requirement for doing business with the Federal Government. Applicants will be assigned a CAGE code as part of the SAM validation process, and as soon as the registration is active, applicants may view the CAGE code online by logging in to the SAM account.

Timely Receipt Requirements and Proof of Timely Submission

All applications must be received by March 13, 2020 at 5 p.m. Eastern Time. FEMA GO automatically records proof of timely submission and the system generates an electronic date/time stamp when FEMA GO successfully receives the application. The individual with the Authorized Organization Representative (AOR) role that submitted the application will also receive the official date/time stamp and a FEMA GO tracking number in an email serving as proof of their timely submission on the date and time that FEMA GO received the application. Applications received by FEMA GO after the established due date for applications will be considered late and will not be considered for funding.

Applicants using slow internet connections, such as dial-up connections, should be aware that transmission can take some time before FEMA GO receives your application. FEMA GO will provide either an error message or a successfully received transmission in the form of an email sent to the AOR that submitted the application. The FEMA GO Support Center reports that some applicants end the transmission because they think that nothing is occurring during the transmission process. Do not do this – it may cause your application to fail to be submitted and consequently not be considered for funding. Please be patient and give the system time to process the application.

Intergovernmental Review

An intergovernmental review may be required. Applicants must contact their State's Single Point of Contact (SPOC) to comply with the State's process under Executive Order 12372 (see https://www.archives.gov/federal-register/codification/executive-order/12372.html; https://www.whitehouse.gov/wp-content/uploads/2019/02/SPOC-February-2019.pdf).

Funding Restrictions

Federal funds made available through this award may only be used for the purposes set forth in this award and must be consistent with the statutory authority for the award. Award funds may not be used for matching funds for any other federal grants/cooperative agreements, lobbying, or intervention in federal regulatory or adjudicatory proceedings. In addition, federal funds may not be used to sue the Federal Government or any other government entity. Failure to adhere to the award conditions will cause the recipient to be considered in default of the grant agreement and may require the return of all federal funds disbursed under the grant.

Federal employees are prohibited from serving in any capacity (paid or unpaid) on the development of any proposal submitted under this program.

Construction

Construction costs are *not eligible* under the AFG grants. Construction includes major alterations to a building that changes the profile or footprint of the structure. Modifications to facilities activities described in Appendix A *Funding Priorities*, are not considered construction costs and may be eligible.

Pre-award Costs

Generally, grant funds cannot be used to pay for products and services contracted for or obligated prior to the effective date of the award. Fees for grant writers are considered an exception and may be included as a pre-award expenditure. Further, other costs incurred after the application deadline, but prior to an offer of award, may be eligible for reimbursement only if the following conditions are met:

- The recipient must submit a written request to FEMA to incur such pre-award costs by providing notification (containing the application number and a justification narrative) to FEMA via email to the AFG Help Desk at FireGrants@fema.dhs.gov. The notification to FEMA should be concurrent with the recipient's acquisition activity and must be submitted prior to the effective date of the award.
- The recipient must receive confirmation from FEMA that the expenses have been reviewed and that FEMA has determined the costs to be justified, unavoidable, and consistent with the grant's scope of work.

Fire Departments and Nonaffiliated EMS organizations

The total amount of funding a fire department or nonaffiliated EMS organization recipient may receive under an AFG award is limited to maximum amounts set by §33(c)(2) of the Federal Fire Prevention and Control Act of 1974, as amended (15 U.S.C. § 2229(c)(2)). These award limits are based on two factors: population served and a one percent aggregate amount of available grant funds.

The population of the jurisdiction served by the recipient will determine the maximum amount of AFG funding a recipient is eligible to receive but no recipient may receive an award that exceeds one (1) percent of available grant funds in FY 2019, or $3,500,000. FEMA may waive this aggregate cap of $3.5 million in individual cases where FEMA determines that a recipient has an extraordinary need for a grant that exceeds the aggregate cap. FEMA may not waive the statutory funding caps based on population se

The following table explains the maximum funding that a recipient may receive in FY

2019:

Population of jurisdiction served by the recipient	Maximum award in FY 2019	Statutory waiver available subject to extraordinary need?
100,000 or fewer people	No more than $1 million	None available
100,001 – 500,000 people	No more than $2 million	None available
500,001 – 1,000,000 people	No more than $3 million	None available
1,000,001 – 2,500,000 people	No more than $3.5 million	Yes, but no more than $6 million
More than 2,500,000 people	No more than $3.5 million	Yes, but no more than $9 million

Regional applicants will be subject to the funding limitations based on the total population served by the host and participating partners. Additionally, Regional grants awarded are included in the host organization's funding limitations. For example: if a recipient serves a population of 100,000 or fewer and is the recipient of a Regional award for $1 million, they have met their cap and are no longer eligible for additional funds through the Operations & Safety or Vehicle activity.

Allocations and Restrictions of Available Grant Funds by Organization Type

- **Nonaffiliated EMS Organizations:** Not more than 2 percent of available grant funds shall be collectively awarded to all nonaffiliated EMS organization recipients.
- **Emergency Medical Services Providers:** Not less than 3.5 percent of available grant funds shall fund emergency medical services provided by fire departments and nonaffiliated EMS organizations.
- **State Fire Training Academy:** Not more than 3 percent of available grant funds shall be collectively awarded to all State Fire Training Academy recipients. Further, not more than $500,000 of available grant funds are eligible per applicant.
- **Vehicles:** Not more than 25 percent of available grant funds may be used by recipients for the purchase of vehicles. Of that amount, based on stakeholder recommendations, FEMA intends to allocate 10 percent of the total vehicle funds for ambulances.
- **Micro Grants:** The selection of the voluntary Micro Grant option (cumulative federal funding of $50,000) for eligible Operations and Safety activities does not impact an applicant's request or federal participation under the Vehicle Acquisition or Regional projects. Applicants who select Micro Grants under Operations and Safety as a funding opportunity choice may still apply for a Vehicle(s) Acquisition or Regional project.

Management and Administration (M&A) Costs
Management and administrative expenses should be based only on actual expenses or known contractual costs; requests that are simple percentages of the award, without supporting justification, will not be allowed or considered for reimbursement. No more than 3 percent of the federal share of AFG funds awarded may be expended by the recipient for management and administration (M&A) for purposes associated with the AFG award.

Indirect Facilities & Administrative (F&A) Costs
Indirect costs are allowable under this program as described in 2 C.F.R. pt. 200, including 2 C.F.R. § 200.414. Applicants with a negotiated indirect cost rate agreement that desire to charge indirect costs to an award must provide a copy of their negotiated indirect cost rate agreement at the time of application. Applicants that are not required by 2 C.F.R. pt. 200 to have a negotiated indirect cost rate agreement but are required by 2 C.F.R. pt. 200 to develop an indirect cost rate proposal must provide a copy of their proposal at the time of application. Copies of the indirect cost rate agreements or proposals, along with the AFG application number, must be submitted electronically to FireGrants@fema.dhs.gov. Post-award requests to charge indirect costs will be considered on a case-by-case basis and based upon the submission of an agreement or proposal as discussed above.

Environmental and Historical Preservation (EHP)
As a federal agency, DHS/FEMA is required to consider the effects of its actions on the environment and historic properties to ensure that all activities and programs funded by the agency, including grant-funded projects, comply with Federal EHP regulations, laws, and Executive Orders as applicable.

Recipients proposing projects that have the potential to impact the environment, including but not limited to modification or renovation of existing buildings, structures, and facilities, must participate in the DHS/FEMA EHP review process. The EHP review process involves the submission of a screening form that includes a detailed project description that explains the goals and objectives of the proposed project along with supporting documentation, so that DHS/FEMA may determine whether the proposed project has the potential to impact environmental resources and/or historic properties. In some cases, DHS/FEMA may also be required to consult with other regulatory agencies and the public in order to complete the review process. The EHP review process must be completed before funds are released to carry out the proposed project. DHS/FEMA will not fund projects that are initiated without the required EHP Review.

Applicants will be notified via email if EHP review is required and will be provided instructions on how to comply.

Additionally, all recipients are required to comply with FEMA EHP Policy Guidance. EHP Policy Guidance can be found in FP 108-023-1, Environmental Planning and Historic Preservation Policy Guidance.

All modifications to Facility activities, and any renovation to facilities that would qualify as a modification to facilities supporting activities under Training, Equipment, PPE, or Wellness and Fitness, will require an EHP review. Some Equipment activities will require an EHP review as well. Such activities include but are not limited to the installation of:

- Air compressor/fill station/cascade system (fixed) for filling SCBA
- Air quality systems
- Fire/smoke/carbon monoxide alarm systems for the facility (life safety)
- Generators (fixed)
- Sprinklers
- Vehicle exhaust systems (fixed)
- Washer/dryer/extractor

The following activities would not require the submission of the FEMA EHP Screening Form:

- Planning and development of policies or processes
- Management, administrative or personnel actions
- Classroom-based training
- Acquisition of mobile and portable equipment (not involving installation) on or in a building

E. Application Review Information

Funding priorities and criteria for evaluating AFG applications are established by FEMA based on the recommendations from the Criteria Development Panel (CDP). Each year, FEMA convenes a panel of fire service professionals to develop funding priorities for the AFG grant program. The panel makes recommendations about funding priorities as well as developing criteria for awarding grants.

The **nine major fire service organizations** represented on the panel are:

- International Association of Fire Chiefs
- International Association of Fire Fighters
- National Volunteer Fire Council
- National Fire Protection Association
- National Association of State Fire Marshals
- International Association of Arson Investigators
- International Society of Fire Service Instructors
- North American Fire Training Directors

- Congressional Fire Service Institute

The CDP is charged with making recommendations to FEMA regarding the creation or modification of previously established funding priorities as well as developing criteria for awarding grants. The content of this NOFO reflects implementation of the CDP's recommendations with respect to the priorities, direction, and criteria for awards.

FEMA will rank all complete and submitted applications based on how well they match the program priorities for the type of jurisdiction(s) served. Answers to the application's activity specific questions provide information used to determine each application's ranking relative to the stated program priorities.

Application Evaluation Criteria

Prior to making a federal award, the federal-awarding agency is required by 31 U.S.C. § 3321 note, 41 U.S.C. § 2313, and 2 C.F.R. § 200.205 to review information available through any OMB- designated repositories of government-wide eligibility qualification or financial integrity information. Therefore, application evaluation criteria may include the following risk based considerations of the applicant: (1) financial stability; (2) quality of management systems and ability to meet management standards; (3) history of performance in managing federal award (s); (4) reports and findings from audits; and (5) ability to effectively implement statutory, regulatory, or other requirements.

All investments selected for recommendation will also undergo an additional risk review conducted by the DHS/FEMA Grants Management Specialist to evaluate the risk for noncompliance in carrying out the federal award. Using their subject matter expertise, the questions the DHS/FEMA Grants Management Specialist may assess include, but are not limited to:

- Is the applicant on any exclusion lists as identified in the System for Award Management (SAM.gov)?
- If the applicant has received federal funding in the past, has the applicant performed all audits required by the Single Audit requirements under 2 C.F.R. Part 200, Subpart F?
- Has the applicant provided sufficient budget information and justification as required by the NOFO?
- Are the costs proposed by the applicant in the budget information and justification allowable and reasonable based on the criteria set forth in this Manual and the applicable appendix, NOFO, and regulations?
- Is the budget representative of the total cost of performance of the projects?
- If indirect costs are included, has the applicant provided an approved Indirect Cost Rate agreement?
- Is the applicant delinquent on any federal debt?
- Has the applicant had substandard performance in a prior award?
- Is the applicant on the Do Not Pay List?

Based on the outcome of this review, DHS/FEMA may determine that it will not make an award to an applicant that poses a risk of noncompliance. DHS/FEMA may also determine that it will make an award to an at-risk applicant, subject to additional terms and conditions as described in 2 C.F.R. § 200.207.

Supplemental Financial Integrity Review

Prior to making a federal award where the anticipated federal share of a federal award will be greater than the simplified acquisition threshold, currently $250,000 (see Section 805 of the National Defense Authorization Act for Fiscal Year 2018, Pub. L. No. 115-91, OMB Memorandum M-18-18 at https://www.whitehouse.gov/wp-content/uploads/2018/06/M-18-18.pdf; see also FEMA Information Bulletin No. 434, *Increases and Changes to the Micro-Purchase and Simplified Acquisition Thresholds*):

- DHS/FEMA is required to review and consider any information about the applicant in the designated integrity and performance system accessible through the System for Award Management (SAM), which is currently the Federal Awardee Performance and Integrity Information System (FAPIIS) and is also accessible through the SAM website.
- An applicant, at its option, may review information in FAPIIS and comment on any information about itself that a federal awarding agency previously entered.
- DHS/FEMA will consider any comments by the applicant, in addition to the other information in FAPIIS, in making a judgment about the applicant's integrity, business ethics, and record of performance under federal awards when completing the review of risk posed by applicants, as described in 2 C.F.R. § 200.205.

Review and Selection Process
AFG applications are reviewed through a multi-phase process. All applications are electronically pre-scored and ranked based on how well they align with the funding priorities outlined in this NOFO.

Applications with the highest pre-score rankings are then scored competitively by (no less than three) members of a Peer Reviewer Panel. Applications will also be evaluated through a series of internal FEMA review processes for completeness, adherence to programmatic guidelines, technical feasibility, and anticipated effectiveness of the proposed project(s). Below is the process by which applications will be reviewed:

i. **Pre-Scoring Process**
The application undergoes an electronic pre-scoring process based on established program priorities listed in Appendix B and answers to activity specific questions within the online application. Application Narratives are not reviewed during pre-score process. "Request Details" and "Budget" information

should comply with program guidance and statutory funding limitations. The pre-score is 50 percent of the total application score.

ii. **Peer Review Panel Process**
Applications with the highest rankings from the pre-score process will undergo a peer review process. A panel of peer reviewers is comprised of fire service representatives recommended by the national organizations from the CDP. Peer reviewers will assess each application's merits based on the narrative statement on the requested activity. The evaluation elements listed in the "Narrative Evaluation Criteria" below will be used to calculate the narrative's score for each activity requested. Panelists will independently score each requested activity within the application, discuss the merits and/or shortcomings of the application with his or her peers, and document the findings. A consensus is not required. The panel score is 50 percent of the total application score.

iii. **Technical Evaluation Process (TEP)**
The highest ranked applications will be considered within the fundable range. Applications that are in the fundable range will undergo both a Technical Review by a Subject-Matter Expert (SME) as well as a FEMA Program Office review prior to being recommended for award. The FEMA Program Office will assess the request with respect to costs, quantities, feasibility, eligibility, and recipient responsibility prior to recommending any application for award.

Once the TEP is complete, each application's cumulative score will be determined and a final ranking of applications will be created. FEMA will award grants based on this final ranking and the ability to meet statutorily required funding limitations outlined in Appendix B, V. Restrictions on Use of Award Funds.

Narrative Evaluation Criteria

1. **Financial Need (25 percent)**
Applicants should describe their financial need and how consistent it is with the intent of the AFG Program. The Financial Need statement should include details describing the applicant's financial distress such as summarizing budget constraints, unsuccessful attempts to secure other funding, and proving the financial distress is out of their control.

2. **Project Description and Budget (25 percent)**
The Project Description and Budget statement should clearly explain the applicant's project objectives and its relationship to the applicant's budget and risk analysis. The applicant should describe various activities, including program priorities or facility modifications, ensuring consistency with project objectives, the applicant's mission and national, state, and/or local requirements. Applicants should link the proposed expenses to operations and safety, as well as to the completion of the project's goals.

3. **Cost Benefit (25 percent)**
   Applicants should describe how they plan to address the operations and personal safety needs of their organization, including cost effectiveness and sharing assets. The Operations and Safety/Cost Benefit statement should also include details about gaining the maximum benefits from grant funding by citing reasonable or required costs, such as specific overhead and administrative costs. The applicant's request should also be consistent with their mission and identify how funding will benefit their organization and affected personnel.

4. **Statement of Effect on Operations (25 percent)**
   The Statement of Effect on Operations statement should explain how this funding request will enhance an organization's overall effectiveness. It should address how an award will improve daily operations and reduce an organization's risk(s). Applicants should include how frequently the requested item(s) will be used and in what capacity. Applicants should also indicate how the requested item(s) will help the community and increase an organization's ability to save additional lives and property. Jurisdictions that demonstrate their commitment and proactive posture to reducing fire risk, by explaining their code enforcement (to include Wildland Urban Interface code enforcement) and mitigation strategies (including whether or not the jurisdiction has a FEMA-approved mitigation strategy) may receive stronger consideration under this criterion.

F. Federal Award Administration Information

Notice of Award

Once FEMA has approved and recorded an award in the system, FEMA GO sends an award package to the grant official authorized by the recipient. FEMA GO will provide the award package and email notification. The authorized grant official should follow the directions in the notification to accept the award documents. The authorized grant official should read the award package carefully for instructions on administering the grant, to determine whether there has been an adjustment to the award, and to become familiar with the terms, conditions and responsibilities of federal award recipients.

The offered award will remain on hold and be available for a maximum of 30 days until the recipient either accepts or declines the award via FEMA GO online or unless FEMA grants additional time to accept the award. The recipient should follow the directions in the notification to confirm acceptance of the award. Failure to accept the grant award within 30 days of an offer of award may result in a loss of funds. Recipients may request additional time to accept the award if needed.

Differences Between Application Request and Award

During the review process for an AFG award, FEMA may have modified the application request(s). These modifications will be identified in the award package provided upon the offer of an award. If the awarded activities, scope of work, or requested dollar amount(s) do not match the application as submitted, the recipient shall only be responsible for completing the activities actually funded by FEMA. The recipient is under no obligation to start, modify, or complete any activities requested by but not funded by the award. The award package will identify any differences under the Approved scope of work section.

Turndown Notifications

FEMA GO will provide all applicants who do not receive an FY 2019 AFG award with a turndown notification.

Administrative and National Policy Requirements

All successful applicants for all DHS grant and cooperative agreements are required to comply with DHS Standard Terms and Conditions, which are available online at: DHS Standard Terms and Conditions. The applicable DHS Standard Terms and Conditions will be those in effect at the time in which the award was made.

Before accepting the award, the Authorized Organizational Representative (AOR) should carefully read the award package for instructions on administering the grant award and the terms and conditions associated with responsibilities under Federal Awards. Recipients must accept all conditions in this NOFO as well as any special terms and conditions in the Notice of Award to receive an award under this program. By submitting an application, applicants are deemed to have accepted all of the conditions in this NOFO as well.

Reporting

Recipients are required to submit various financial and programmatic reports as a condition of their award acceptance. Future awards and funds drawdown may be withheld if these reports are delinquent. Recipients should keep detailed records of all transactions involving the grant. FEMA may at any time request copies of purchasing documentation along with copies of cancelled checks or other proof of payment documentation for verification.

Record Retention

Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for at least three years from the date the final FFR is submitted or longer if the award or entity is under audit or other circumstances necessitate longer retention of records. See, e.g., 2 C.F.R. § 200.333. If the recipient does not submit a final FFR and the award is administratively closed, FEMA uses the date of administrative closeout as the start of the three-year retention period.

FEMA requires that recipients maintain the following documentation for federally funded purchases:

- Specifications
- Solicitations

- Competitive quotes or proposals
- Basis for selection decisions
- Purchase orders
- Contracts
- Invoices
- Cancelled checks

Recipients should keep detailed records of all transactions involving the grant. FEMA may at any time request copies of purchasing documentation along with copies of cancelled checks for verification. See, e.g., 2 C.F.R. §§ 200.318(i), 200.333, 200.336.

Recipients who fail to fully document all purchases may find their expenditures questioned and subsequently disallowed.

Federal Financial Reporting Requirements

Federal Financial Reports (FFR)

Recipients of AFG grants are required to submit a Federal Financial Report (SF-425) on a semi-annual basis. The FFR is to be submitted using the online FEMA GO based on the calendar year beginning with the period after the award is made. Grant recipients are required to submit an FFR throughout the entire period of performance of the grant. Reports are due:

- No later than July 30 (for the period January 1 – June 30)
- No later than January 30 (for the period July 1 – December 31)
- Within 90 days after the end of the Period of Performance

The Federal Financial Report Form (SF-425) and instructions are available at the following sites: SF-425 *OMB #4040-0014*.

Financial and Compliance Audit Report

For audits of fiscal years beginning on or after December 26, 2014, recipients that expend $750,000 or more from all federal funding sources during their fiscal year are required to submit an organization-wide financial and compliance audit report. The audit must be performed in accordance with the requirements of GAO's Government Auditing Standards, located at http://www.gao.gov/govaud/ybk01.htm, and the requirements of Subpart F of 2 C.F.R. Part 200, located at: https://www.ecfr.gov/cgi-bin/text-idx?SID=6f12725a5b5811eb8f2ed19f6dde0417&mc=true&node=pt2.1.200&rgn=div5.

Program Performance Reporting Requirements

The recipient is responsible for completing and submitting a Programmatic Performance Report (PPR) using FEMA GO. The programmatic Performance Report is due every six months after the grant's award date, and thereafter until the period of performance ends.

The PPR should include the following:

- A brief narrative of overall project(s) status
- A summary of project expenditures
- A description of any potential issues that may affect project completion

Program Performance Reporting Periods and Due Dates

The following reporting periods and due dates apply for the PPR:

- **No later than July 30** (for the period January 1 – June 30)
- **No later than January 30** (for the period July 1 – December 31)

Monitoring

Grant recipients will be monitored periodically by FEMA staff, both programmatically and financially, to ensure that the project goals, objectives, performance requirements, timelines, milestones, budgets, and other related program criteria are being met. Monitoring may be accomplished through either a desk-based review or on-site monitoring visits, or both. Monitoring will involve the review and analysis of the financial, programmatic, performance, compliance, and administrative processes and policies, activities, and other attributes of each federal assistance award and will identify areas where technical assistance, corrective actions, and other support may be needed. Recipients should keep detailed records of all transactions involving the grant. FEMA may at any time request copies of purchasing documentation along with copies of cancelled checks or other adequate payment documentation for verification. Recipients have the opportunity to participate in a Post Award Orientation (PAO) offered by the FEMA Regional Fire Program Specialist (FPS) to have their questions answered, receive technical assistance, or to review the terms and conditions of the grant. The PAO is optional.

Closeout

Within 90 days after the end of the period of performance, recipients must submit a final Federal Financial Report Form (SF-425) and a final performance report (within the closeout module in FEMA GO) detailing all accomplishments and a qualitative summary of the impact of those accomplishments throughout the period of performance. The closeout tutorial may be found at: https://www.fema.gov/closeout-report-tutorial-introduction.

In addition, any recipient that issues subawards to any subrecipient is responsible for closing out those subawards as described in 2 C.F.R. § 200.343. Recipients must ensure that they complete the closeout of their subawards in time to submit all necessary documentation and information to DHS/FEMA during the closeout of their prime grant award.

After the final SF-425 and final performance reports have been reviewed and approved by FEMA, a Closeout Notice will be completed to close out the grant. The notice will indicate the period of performance as closed, list any remaining funds that will be

deobligated, and address the requirement of maintaining the grant records for a minimum of three years from the date of the final Federal Financial Report Form (SF-425). The recipient is responsible for returning any federal funds that they have liquidated but remain unobligated by the recipient. Information on how to return funds to FEMA is available at:
http://www.fema.gov/media-library/assets/documents/31261?id=7080.

Administrative Closeout

Administrative closeout is a unilateral mechanism for FEMA to move forward with closeout of a grant award using available grant award information in lieu of final reports from the recipient. It is a last resort and recipients should always submit their final reports instead of relying on this mechanism. This mechanism can also require FEMA to make cash or cost adjustments and ineligible cost determinations based on the information it has, which may result in identifying a debt owed to FEMA by the recipient.

FEMA may use the administrative closeout process when a recipient is not responsive to FEMA's reasonable efforts to collect required reports needed to complete the standard closeout process. FEMA will make three written attempts to collect required reports before initiating administrative closeout.

If FEMA administratively closes an award where no final FFR has been submitted, FEMA uses that administrative closeout date in lieu of the final FFR submission date as the start of the three-year record retention period under 2 C.F.R. § 200.333.

In addition, if an award is administratively closed, FEMA may decide to impose remedies for noncompliance per 2 C.F.R. § 200.338, consider this information in reviewing future award applications, or apply special conditions to existing or future awards.

Disclosing Information per 2 C.F.R. § 180.335

This reporting requirement pertains to disclosing information related to government-wide suspension and debarment requirements. Before a recipient enters into a grant award with FEMA, the recipient must notify FEMA if it knows if it or any of the recipient's principals under the award fall under one or more of the four criteria listed at 2 C.F.R. § 180.335:

- Are presently excluded or disqualified;
- Have been convicted within the preceding three years of any of the offenses listed in 2 C.F.R. § 180.800(a) or had a civil judgment rendered against it or any of the recipient's principals for one of those offenses within that time period;
- Are presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses listed in 2 C.F.R. § 180.800(a); or

- Have had one or more public transactions (federal, state, or local) terminated within the preceding three years for cause or default.

At any time after accepting the award, if the recipient learns that it or any of its principals falls under one or more of the criteria listed at 2 C.F.R. § 180.335, the recipient must provide immediate written notice to FEMA in accordance with 2 C.F.R. § 180.350.

G. DHS Awarding Agency Contact Information Contact and Resource Information

AFG Help Desk

The AFG Help Desk provides technical assistance to applicants for the online completion and submission of applications into FEMA GO, answers questions concerning applicant eligibility and recipient responsibilities, and helps in the programmatic administration of awards. The AFG Help Desk can be contacted at (866) 274-0960 or by email at FireGrants@fema.dhs.gov. Normal hours of operation are from 8:00 a.m. to 4:30 p.m., Monday through Friday. All times listed are Eastern Time.

FEMA Regional Fire Program Specialists

Each FEMA region has Fire Program Specialists who can assist applicants with application information, award administration, and technical assistance. Contact information for a Regional Fire Program Specialist can be located on the AFG website at https://www.fema.gov/fire-grant-contact-information.

FEMA GO System Information

For technical assistance with FEMA GO, please contact the Enterprise Service Desk at (877) 611-4700. Regular hours of operation are also from 8:00 a.m. to 4:30 p.m. ET, Monday through Friday.

H. Additional Information

Extensions to the Grant Period of Performance

Extensions to the period of performance under this grant program are allowed. An award's period of performance must be active for a recipient to submit a proposed extension request to FEMA. Recipients should request extensions sparingly and only under exceptional circumstances***. Approval is not guaranteed.***

Extensions to the initial period of performance identified in the award will only be considered through formal amendment requests, via FEMA GO, and must contain specific and compelling justifications as to why an extension is required.

All extension requests must contain:

- Grant Program, fiscal year, and award number
- Reason for delay—this must include details of the legal, policy, or operational challenges being experienced that prevent the final outlay of awarded funds by the

applicable deadline

- Current status of the activity/activities
- Approved period of performance termination date and new project completion date
- Amount of funds drawn down to date
- Remaining available funds, both federal and non-federal
- Budget outlining how remaining federal and non-federal funds will be expended
- Plan for completion, including milestones and timeframes for achieving each milestone and the position/person responsible for implementing the plan for completion
- Certification that the activity/activities will be completed within the extended period of performance without any modification to the original Statement of Work approved by FEMA

Requirements for Extension Consideration

To be eligible for consideration, recipients must submit extension requests via FEMA GO. Recipients generally can submit requests no later than 60 days prior to the end of the award's period of performance. In accordance with FEMA policy, FEMA reviews extensions on a case-by-case basis and typically grants them for no more than a six-month period. FEMA will grant extension requests only due to compelling legal, policy, or operational challenges. The review process can take up to 30 days or longer. Applicants should factor this review period in to the timing of when to submit a request for an extension.

Example: Recipients may request an extension, for example, when an equipment order was placed during the period of performance but factors beyond the recipients' control have resulted in a delay in the expected delivery and receipt of the equipment outside of the existing period of performance; or where a specific statute or regulation mandates an environmental review that cannot be completed within this timeframe or where other extenuating circumstances warrant a brief extension.

Appendix A – FY 2019 AFG Program Updates

Appendix A contains a brief list of changes between FY 2018 and FY 2019 to the AFG Program.

New for FY 2019

The FY 2019 AFG NOFO contains some changes to definitions, descriptions and priority categories. Changes to the FY 2019 AFG NOFO include:

- Under Micro Grants:
  - Wellness and Fitness is now eligible as a micro and regional grant.
  - Modifications to Facilities activities are now eligible as a micro grant.
- Under Equipment category:
  - Training 'props' are limited to $50,000 except for a State Fire Training Academy request.
  - Learning Management Systems (LMS) to include software and computer programs for local departments and states to track training and certifications were added as high priority.
- Under Operation and Safety and Regional category:
  - Immediately Dangerous to Life or Health (IDLH), Protection for Fire Investigators (single-use respiratory protection) is added as high priority.
  - Definition of Primary First Due Response Area is updated to be consistent with NFPA 1710 Current Edition. The geographic area surrounding a fire station in which a company from that station is projected to be the first to arrive on the scene of an incident.
  - Application will include data/statistics on fire departments implementation of National Fire Protection Association (NFPA) 1582 physicals. This information is not included in the peer review determination.
- Under Vehicle Acquisition
  - Brush vehicles are now a high priority for urban, suburban and rural communities. The only exception is for urban communities, a brush truck may not exceed Type III in specifications. This does not preclude a department from applying for a Type I urban interface pumper. Type I pumpers should be requested as a pumper and specified in the request as Type I.

Appendix B –Programmatic Information and Priorities

Appendix B contains details on AFG Program information and priorities. Reviewing this information may help applicants make their application(s) more competitive.

A. Ineligible Applications and/or Organizations

FEMA considers two or more separate fire departments or nonaffiliated EMS organizations with different funding streams, personnel rosters, and EINs but sharing the same facilities as being separate organizations for the purposes of AFG eligibility. If two or more organizations share facilities and each submits an application in the same program area (i.e., Equipment, Modify Facilities, Personal Protective Equipment, Training, and Wellness and Fitness Programs), FEMA reserves the right to review all of those program area applications for eligibility. This determination is designed to avoid the duplication of benefits.

Examples of ineligible applications and/or organizations include:

- Although fire departments and nonaffiliated EMS organizations may share some common program priorities, there are some restricted activities for nonaffiliated EMS organizations; nonaffiliated EMS organizations are not eligible to request any activity that is specific or unique to structural/proximity/wildland firefighting gear.
- Fire departments that are a Federal Government entity, or contracted by the Federal Government, and are solely responsible under a formally recognized agreement for suppression of fires on federal installations or land.
- Fire departments or nonaffiliated EMS organizations that are not independent entities but are part of, controlled by, or under the day-to-day operational command and control of a larger department, agency or Authority Having Jurisdiction (AHJ).
- Fire-based EMS organizations are not eligible to apply as a nonaffiliated EMS organization.
- Auxiliaries, hospitals or fire service associations or interest organizations that are not the AHJ over the applicant.
- State or local agencies, or subsets of any governmental entity, or any authority that do not meet the requirements as defined by 15 U.S.C. § 2229(a), (c).
- If an applicant submits two or more applications for the same equipment or other eligible activity (for example, if an applicant submits two or more applications, one under the Regional activity, and one under the Operations and Safety activity for SCBA), both applications may be disqualified. If an applicant submits two separate applications for the same activity (i.e., two separate vehicle applications for exactly the same type of vehicle) during the same application period, both applications may be disqualified.
- Eligible applicants may submit only one application for each activity (Operations and Safety or Regional) but may submit for multiple projects within each activity. Under the Vehicle Activity, applicants may submit one application for vehicles for their department and one separate application for a

Regional vehicle (the same vehicle may not be requested for both purposes). All submissions of duplicate applications may be disqualified.

- Dive teams, search and rescue squads, or similar organizations that do not provide medical transport.
- Fire departments, regional, or nonaffiliated EMS organizations that are for profit.

B. Supporting Definitions for this NOFO

Authority Having Jurisdiction (AHJ) is that person or office charged with enforcing the NFPA codes (Per NFPA101-2015 Edition: Life Safety Code).

Automatic Aid is a plan developed between two or more fire departments for immediate joint response on first alarms, (Per NFPA 1710 – 2016 edition and NFPA 1720 – 2014).

Career Fire Department, as defined in 15 U.S.C. §2229, means a fire department that has an all-paid force of firefighting personnel other than paid-on-call firefighters.

Combination Fire Department, as defined in 15 U.S.C. §2229, means a fire department that has paid firefighting personnel and volunteer firefighting personnel

Mutual Aid is a written intergovernmental agreement between agencies and/or jurisdictions stating that they will assist one another on request by furnishing personnel, equipment, and/or expertise in a specified manner (NFPA 1710 Standard for the Organization and Deployment of Fire Suppression Operations, Emergency Medical Operations, and Special Operations to the Public by Career Fire Departments, 2016 edition and NFPA 1720 Standard for the Organization and Deployment of Fire Suppression Operations, Emergency Medical Operations, and Special Operations to the Public by Volunteer Fire Departments, 2014 Edition).

Metro Department is a metropolitan fire department that has minimum staffing of 350 career firefighters as defined by the International Association of Fire Chiefs (IAFC). AFG collects information on metro departments for statistical purposes only. Status as a metro department is not a factor in scoring or funding.

Primary First Due is a geographic area surrounding a fire station in which a company from that station is projected to be first to arrive on the scene of an incident. NFPA 1710; 3.3.28. https://www.nfpa.org/Codes-and-Standards/All-Codes-and-Standards/Free-access

Volunteer fire department, as defined in 15 U.S.C. § 2229, means a fire department that has an all-volunteer force of firefighting personnel.

C. Community Classifications

The information the applicant organization supplies in Department Characteristics I and II of the AFG application determines whether the jurisdiction is identified by FEMA as urban, suburban, or rural. The community classification will determine the funding priority.

The US Census Bureau's urban-rural classifications are fundamentally a delineation of geographical areas. For more information, please visit: http://www.census.gov/geo/www/ua/urbanruralclass.html.

FY 2019 demographics for determining urban, suburban, or rural include:

Community	Urban	Suburban	Rural
Population of primary first due response area	>3,000 sq. mi. or 50,000 + population	1,000-2,999/sq. mi. or 25,000-50,000 population	0-999/sq. mi. or <25,000 population
Water Supply (percentage of primary first due response area covered by hydrant service)	75-100% hydrants (municipal water)	50-74% hydrants	<50% hydrant
Land Use within Primary first due response area	<25% for agriculture (based on zoning) industrial and commercial combined >50%	25-49% used for agriculture (based on zoning) industrial and commercial combined >25%-49%	50% used for agriculture (based on zoning) industrial and commercial combined <25%
Square miles within primary first due response area per station	<3 sq. mi. per station	3-9 sq. mi. per station	>10 sq. mi. per station

D. Application Tips

The following information may be useful when preparing a competitive application:

- National Fire Protection Association (NFPA) – "FREE ACCESS" - As part of its commitment to enhancing public safety and supporting the emergency responder, the NFPA makes its codes and standards available online for free. Please visit: http://www.nfpa.org/freeaccess
- Regional Applicants are eligible to only apply for Training, Equipment, and/or PPE within Operations and Safety, and Vehicle Acquisition, and Wellness & Fitness.
- SFTA Applicants are only eligible to apply for Equipment, and/or PPE within

Operations and Safety, and Vehicle Acquisition.

- Successful Regional applicants will be subject to the funding limitations based on the total population served by the host and participating partners. Any Regional award made will not impact or be included in the host organization's funding limitations.
- Applications differ based on the applicant type. For example, the SFTA application for a vehicle will be different from the fire department application for a vehicle. Be sure to select the appropriate applicant type when applying.
-

E. <u>Restrictions on Use of Award Funds</u>

- No AFG funds may be used to support hiring (part-time or full-time), salaries, benefits, or fringe benefits (including but not limited to contributions for social security, insurance, workman's compensation, pension, or retirement plans) for any personnel.
- Documented back fill and/or overtime/lost wages costs to support awarded training activities are allowable personnel expenses.
- Instructor's rates/base rates should be provided as part of the application narrative, as well as the market researched competitive rate for delivering the requested training.
- If the instruction provided for an awarded training activity is delivered by an existing member(s) of the recipient's organization, only the established base rate of compensation, without benefits or overtime, may be eligible for reimbursement.
- Recipients are encouraged to allow other organizations to benefit from an awarded activity; e.g., filling another organization's SCBA cylinders using a grant funded compressor, or cleaning another organization's turnout gear, or offering excess capacity training opportunities (if recipients choose to include costs associated with shared benefit [e.g., backfill, overtime, tuition] for members outside of their department, they must apply as a Regional application).
- Under the Operations and Safety Activity, when requesting additional funding in the request detail section of an application, items being requested may only be from that same Activity's area. Furthermore, improperly requesting a grant award for an activity that is not an Operations and Safety Activity may disqualify the request, for example:
  - Do not request cascade system under Personal Protective Equipment, or PPE (cascade systems are classified as equipment)
  - Do not request Rapid Intervention Team (RIT) packs under PPE (RIT packs are classified as equipment)
  - Do not request a Personal Safety/Rescue Bailout System under equipment (a Personal Safety/Rescue Bailout System is classified as PPE)

F. Funding Priorities

I. Operations and Safety – Training Overview

FEMA has determined that hands on, instructor-led training that meets a national, state, or DHS adopted standard and results in a national or state certification provides the greatest training benefit.

All of the following are considerations in pre-scoring and peer review determinations: (HIGH (H), MEDIUM (M), LOW (L))

Fire Department, Regional, and State Fire Training Academy Training Priorities by Purpose	
H	• Training evaluated using national or state standards
H	• Training that brings a department into compliance with recommended NFPA or other national standards
H	• Instructor led training that requires student testing to demonstrate academic competence or practical proficiency
H	• Training that benefits the highest percentage of applicable personnel, such as the hazardous materials training within a fire department or training that will be open to other eligible organizations
M	• Training that does not result in certification
M	• Training that is self-directed/validated
L	• Training that will address an identified risk however it is not associated with compliance to any standards

Fire Department and Regional Training Priorities by Course Type

Training	NFPA #	Urban	Suburban	Rural
NFPA 1001 (firefighter I, II)	1001	H	H	H
NFPA (instructor)	1041	H	H	H
NFPA 472 (Hazmat operations)	472/1072	H	H	H
NFPA 1581(infection control)	1581	H	H	H
Confined space (awareness)	1670	H	H	H
Wildland firefighting (basic)	1143	H	H	H
Wildland firefighting certification (red card)	1051/1143	H	H	H
Wildland Fire Officer	1051	H	H	H
Rapid intervention training	1407	H	H	H
NFPA (officer)	1021	H	H	H
Emergency Medical Responder		H	H	H
Firefighter safety and survival	1407	H	H	H
Safety officer	1521	H	H	H
Driver/operator	1002	H	H	H

Fire Department and Regional Training Priorities

Training	NFPA #	Urban	Suburban	Rural
Fire prevention	1037/1730	H	H	H
Fire inspector	1031	H	H	H
Fire investigator	1033	H	H	H
Fire educator	1035	H	H	H
NIMS/ICS	1561	H	H	H
Emergency scene rehab	1584	H	H	H
Critical Incident debriefing/Crisis Intervention	1500/1583	H	H	H
Any training to a National/State or NFPA standards		H	H	H

Fire Department and Regional Training Priorities by Course Type				
Compliance with federal/state-mandated program		H	H	H
Rescue Technician	1006/1670	H	H	H
Emergency Medical Technician		H	H	H
Advanced Emergency Medical to Paramedic		H	H	H
Paramedic to Community Paramedic		H	H	H
Vehicle rescue	1670	H	H	H
Another officer	1021	H	H	M
NFPA (ARFF)	1003/402	H	H	M
Weapons of Mass Destruction	472/1072	H	H	H
Mass casualty		H	H	H
Hazmat (technician)	472/1072	H	H	H
Training to address a local risk not elevated to a national or state		M	M	M
Specialized Training		M	M	M
Maritime Firefighting	1405/1925/1005	L	L	L
Instructor-led training that does not lead to certification		L	L	L
Self-taught courses		L	L	L
Training not elevated to a national or state standard		L	L	L

Funding Priorities for Fire Departments and Nonaffiliated EMS Organizations Training

AFG provides training grants to meet the educational and performance requirements of fire departments and nonaffiliated EMS personnel. Training should align with the U.S. National Highway Traffic Safety Administration (NHTSA), which designs and specifies a National Standard Curriculum for EMT training and the National Registry of Emergency Medical Technicians (NREMT), a private, central certifying entity whose primary purpose is to maintain a national standard (NREMT also provides certification information for paramedics who relocate to another state).

A higher priority is assigned to the following due to time and cost of upgrading an organization's response level:

- Organizations seeking to elevate the response level from Emergency Medical Responder (EMR) to Emergency Medical Technician (EMT).
- Organizations seeking to elevate the response level from Advanced EMT (AEMT) to Paramedic.
- Organizations seeking to train Community Paramedics: Organizations seeking to train a high percentage of the active EMRs will receive additional consideration when applying under the Training activity.

Eligible Training Activities for Fire Departments and Regional Applications include but are not limited to:	
• Train-the-trainer courses • Alternative fuel firefighting • Response to natural disasters • Minor interior alterations (requested under Additional Funding and limited to $10,000 total expenditure) to support the awarded Training activities (e.g., removal/construction of a non-weight bearing wall) • Overtime expenses paid to career firefighters to attend training or to backfill positions for colleagues who are in training • Rental of facilities to conduct training	• Tuition, exam/course fees, and certifications/certification expenses • Purchase of training curricula and training services (instructors) • Chemical Biological Radiological Nuclear and Explosive (CBRNE) awareness, performance, planning, and management • Travel expenses associated with Type 3 Incident Management Teams (IMT) attending position development/mentoring assignment with national Type 2 or Type 1 IMTs
• Travel expenses associated with attendance at a formal training course or conference (mileage, hotel, and lodging expenses). • Compensation to volunteers (Fire and nonaffiliated EMS) for wages lost to attend training; there is no overtime or backfill for volunteers	• Those supplies or expendables for one time-use items essential for an award's scope of work, such as foam, breaching materials (e.g., wood or sheetrock) for ventilation or rescue props, or the amount of fuel required to sustain an awarded live fire training activity, or per NFPA1403 Standard on Live Fire Training Evolutions, reasonable safety mitigations to a structure acquired for training • Props (single-use or permanent) for training programs cannot exceed $50,000 for Operation and Safety requests. This does not apply to State Fire Training Academy requests.

Ineligible Training Activities for Fire Departments and Regional Applications include but are not limited to:	
• Construction of facilities (buildings, towers, sheds, etc.) • Firefighting equipment or PPE, such as SCBA, used exclusively for training • Remodeling not directly related to grant activities • Any costs associated with planning and/or participating in formal or planned special event exercises to identify user needs, evaluate an organization's performance capabilities, validate existing capabilities, or to facilitate coordination and asset sharing	• Site preparation to accommodate or modify any training activity, facility, or prop that is a permanent or semi-permanent improvement, including but not limited to: landscaping, cutting or grading an access road, trenching, paving a training area, exterior stairs or sidewalks, or the installation of utilities is an ineligible and non-reimbursable Training activity • Purchase or lease of real estate (this does not preclude departments from securing necessary training facilities such as classrooms, use of towers, training props, etc.) • Purchase of Unmanned Aerial Vehicles (UAVs) and Drones • Food and beverages

Eligible Nonaffiliated EMS Training Activities include but are not limited to:	
• Emergency Medical Responder (EMR) • Emergency Medical Technician (EMT) • Advanced EMT (AEMT) • AEMT to Paramedic • Paramedic (Applicant must clearly demonstrate plan to accomplish paramedic training within the period of performance). • Community Paramedics (Paramedics with Primary Care certification) • Travel expenses associated with attendance at a formal training course or conference (air/rail transportation, mileage, hotel/lodging expenses), Note: Food and beverages are ineligible travel expenses.	• Attendance at formal training forums or conferences providing continuing education credits, etc. • Overtime expenses paid to career nonaffiliated EMS responders to attend training or to backfill positions for colleagues who are in training • Compensation to volunteers (Fire and nonaffiliated EMS) for wages lost to attend training; there is no overtime or backfill for volunteers • Supplies or expendables or one-time use items essential to complete the training activity of a nonaffiliated EMS award's scope of work. Examples include bandages, splints, expendable respiratory supplies,etc.

II. Operations and Safety - Equipment Overview

AFG grants fund equipment for effective response, firefighting, rescue, and emergency medical operations to enhance the public safety.

Requests to replace obsolete or damaged equipment should enable the applicant to meet a consensus standard (e.g., a personal SCBA face piece for every operational member of an organization).

Reminder: When requesting training for any items in this section, enter the request under “Other” within “Additional Funding” in the “Request Details” section of the application. Make sure to identify the type and scope of training, time frame, etc. in the explanation section of additional funds. Training must be specific to the use of the equipment (i.e., vendor training) and not duplicative of courses listed under the Training activity.

NOTE:

- Accountability systems are located under equipment activity.
- All simulators, tow vehicles, and all mobile or fixed fire/evolution props (e.g., burn trailers, forcible entry, or rescue/smoke mazes) are located under the equipment activity.

All of the following are considerations in pre-scoring and peer review determinations:

NOTE: Equipment product lifecycles are assigned an age category of Short (5- 7 years), Intermediate (8-14 years), or Long (15-20 years). These age categories are used to compare like types of equipment of a similar age category. Under this system, an item that should have a useful life of 10 years is only compared against other items that have a similar lifecycle. An application does not score higher or lower based on the product lifecycle of an item. It only serves to ensure a more even scoring of equipment based on type.

Priority	Age Category	Fire and Fire Regional	SFTA
BASIC EQUIPMENT			
H	Intermediate	Air Compressor/Fill Station/Cascade System (Fixed or Mobile) for filling SCBA	Air Compressor/Fill Station/Cascade System (Fixed or Mobile) for filling SCBA
H	Long	Appliance(s)/Nozzle(s)/ Foam Eductors	Appliance(s)/Nozzle(s)/ Foam Eductors
H	Long	Basic Hand Tools (Structural/Wildland)	Basic Hand Tools (Structural/Wildland)
H	Intermediate	Electric/Gas Powered Saws/Tools	Electric/Gas Powered Saws/Tools
H	Short	Fit Tester	Fit Tester

Priority	Age Category	Fire and Fire Regional	SFTA
H	Intermediate	Hose (Attack/Supply)	Hose (Attack/Supply)
H	Short	IDLH Monitoring Equipment	IDLH Monitoring Equipment
H	Immediate	IDLH Protection for Investigators (This is single-use respiratory protection)	
H	Long	Ladders	Ladders
H	Short	Personal Accountability Systems	Personal Accountability Systems
H	Intermediate	PPE Washer/Extractor/Dryer	PPE Washer/Extractor/Dryer
H M	Intermediate	Props – For Fire Department applicants: M For Regional Applicants: H	Props - H
H	Intermediate	RIT Pack/Cylinder	RIT Pack/Cylinder
M	Intermediate	Generator – Portable	Generator – Portable
H	Intermediate	Ropes, Harnesses, Carabiners, Pulleys, etc.	Ropes, Harnesses, Carabiners, Pulleys, etc.
H M	Short	Simulators - M	Simulators - H
H	Short	Thermal Imaging Camera (Must be NFPA 1801 compliant)	Thermal Imaging Camera (Must be NFPA 1801 compliant)
H	Short	Software and LMS to support training	Software and LMS to support training
M	Short	Computers used in support of training	Computers used in support of training
M	Short	Vehicle Mounted Exhaust Systems	Vehicle Mounted Exhaust Systems
M	Short	Mobile computing devices intended to be used on scene (Tablets)	Mobile computing devices intended to be used on scene (Tablets)
COMMUNICATIONS			
H	Intermediate	Base Station (must be P-25 Compliant)	Base Station (must be P-25 Compliant)
H	Intermediate	Headsets	Headsets
H	Intermediate	Mobile Radios (must be P-25 Compliant)	Mobile Radios (must be P-25 Compliant)
H	Intermediate	Mobile Repeaters (must be P- 25 compliant)	Mobile Repeaters (must be P-25 compliant)
H Rural	Intermediate	Pagers (limited to number of active members)	Pagers (limited to number of active members)

Priority	Age Category	Fire and Fire Regional	SFTA
H	Intermediate	Portable Radios (must be P-25 compliant, limited to number of AFG approved seated positions)	Portable Radios (must be P-25 compliant, limited to number of AFG approved seated positions)
M	Intermediate	Mobile Data Terminal (MDT)	Mobile Data Terminal (MDT)
M Urban/Sub-urban	Intermediate	Pagers (limited to number of active members)	Pagers (limited to number of active members)
EMS EQUIPMENT			
H	Short	Airway Equipment (Non-Disposable)	Airway Equipment (Non-Disposable)
H	Short	Automated External Defibrillators (AEDs) BLS Level	Automated External Defibrillators (AEDs) BLS Level
H	Short	Automatic Chest Compression Device (CPR)	Automatic Chest Compression Device (CPR)
H	Short	EMS Training Aids	EMS Training Aids
H	Short	EMS/Rescue Equipment	EMS/Rescue Equipment
H	Short	Monitor/Defibrillator – 15 leads	Monitor/Defibrillator – 15 leads
H	Intermediate	Power Lift Cot	Power Lift Cot
H	Intermediate	Power Lift System	Power Lift System
H	Short	Pulse Oximeters	Pulse Oximeters
H	Short	Responder Rehab Equipment	Responder Rehab Equipment
L	Short	Portable Lift System (i.e., devices, hydraulic or electrical, used to assist with the lifting of patients that are not associated with cots)	Portable Lift System (i.e., devices, hydraulic or electrical, used to assist with the lifting of patients that are not associated with cots)
EXTRICATION			
H	Intermediate	Cutter/Spreader	Cutter/Spreader
H	Intermediate	Vehicle Extrication Equipment	Vehicle Extrication Equipment
HAZ-MAT			
M	Intermediate	Basic Haz-Mat Response Equipment	Basic Haz-Mat Response Equipment
M	Intermediate	Decon, Clean-Up, Containment and Packaging Equipment	Decon, Clean-Up, Containment and Packaging Equipment
M	Short	Sampling Devices (Haz-Mat)	Sampling Devices (Haz-Mat)
SPECIALIZED			
H	Intermediate	Skid Unit	Skid Unit
M	Intermediate	Air Quality Device	Air Quality Device
M	Intermediate	Boats	Boats

Priority	Age Category	Fire and Fire Regional	SFTA
M	Short	Marine equipment (NFPA 1925: Standard on Marine Fire-Fighting Vessels)	Marine equipment (NFPA 1925: Standard on Marine Fire-Fighting Vessels)
M	Intermediate	Mobile Generator	Mobile Generator
M	Intermediate	Portable Pump	Portable Pump
L	Short	Specialized Equipment (Other)	Specialized Equipment (Other)
CBRNE EQUIPMENT			
L	Short	CBRNE-related Equipment	CBRNE-related Equipment
L	Short	Non-Disposable Biological Detection	Non-Disposable Biological Detection

Priority	Age Category	Tow Vehicles	Applicant Type
Note: Tow vehicles may be applied for under different application types with differing priority levels. Please reference the chart below when applying for tow vehicles.			
H	Long	Tow Vehicle	SFTA
H	Long	Tow Vehicle	Regional
L	Long	Tow Vehicle	Fire Department

Priority	Age Category	EMS	EMS Regional
		COMMUNICATIONS	
H	Intermediate	Base Station (must be P-25 Compliant)	Base Station (must be P-25 Compliant)
H	Intermediate	Mobile Radios (must be P-25 Compliant)	Mobile Radios (must be P-25 Compliant)
H	Intermediate	Mobile Repeaters (must be P-25 Compliant)	Mobile Repeaters (must be P-25 Compliant)
H	Intermediate	Pagers (limited to number of active members)	Pagers (limited to number of active members)
H	Intermediate	Portable Radios (must be P-25 Compliant, limited to number of AFG approved seated positions)	Portable Radios (must be P-25 Compliant, limited to number of AFG approved seated positions)
M	Intermediate	Mobile Data Terminal (MDT)	Mobile Data Terminal (MDT)
M	Intermediate	Headsets	Headsets
		EMS EQUIPMENT	
H	Short	ALS/BLS Equipment	ALS/BLS Equipment
H	Short	Airway Equipment (Non- Disposable)	Airway Equipment (Non-Disposable)
H	Short	Automated External Defibrillators (AEDs) BLS Level	Automated External Defibrillators (AEDs) BLS Level
H	Short	Automatic Chest Compression Device (CPR)	Automatic Chest Compression Device (CPR)
H	Short	EMS Training Aids	EMS Training Aids
H	Short	Monitor/Defibrillator - 15 leads	Monitor/Defibrillator - 15 leads
H	Intermediate	Power Lift Cot	Power Lift Cot
H	Intermediate	Power Lift System	Power Lift System
H	Short	Responder Rehab Equipment	Responder Rehab Equipment
H	Short	Suction	Suction
M	Short	Computers used in support of training	Computers used in support of training
M	Short	Mobile computing devices intended to be used on scene (tablets)	Mobile computing devices intended to be used on scene (tablets)

Priority	Age Category	EMS	EMS Regional
L	Short	Portable Lift System (i.e., devices, hydraulic or electrical, used to assist with the lifting of patients that are not associated with cots)	Portable Lift System (i.e., devices, hydraulic or electrical, used to assist with the lifting of patients that are not associated with cots)
HAZ-MAT			
M	Intermediate	Basic Haz-mat Response Equipment	Basic Haz-mat Response Equipment
M	Intermediate	Decon, Clean-Up, Containment and Packaging Equipment	Decon, Clean-Up, Containment and Packaging Equipment
M	Short	Sampling Devices (Haz-Mat)	Sampling Devices (Haz-Mat)

Fire Department, Nonaffiliated EMS, Regional, and State Fire Training Academy Equipment Priorities		
Priority		**Definition**
H	Obtain equipment to achieve minimum operational and deployment standards for existing missions	Applies to requests for equipment needed, and not currently owned, to achieve minimum operational and deployment standard for a department's existing mission requirements. AFG will only fund basic equipment not listed in NFPA 1901/1906 chapters 1 to 28.
H	Replace unusable/unrepairable equipment to meet current standard	Applies to equipment that is no longer usable because it is broken and/or damaged beyond repair. Replacement equipment requested under a grant must meet the most current and appropriate standards for that type of equipment.
H	Replace non-compliant equipment to current standard	Applies to equipment that is deemed obsolete and/or is out of compliance with current standards for that type of equipment. Equipment requested under this reason for purchase has not been deemed inoperable, and while it may not be in compliance with current standards it is not broken, damaged, or otherwise unusable.

Fire Department, Nonaffiliated EMS, Regional, and State Fire Training Academy Equipment Priorities		
M	Obtain equipment for new mission	Applies to requests for equipment supplies or inventories that are intended to fulfill minimum services requirements associated with new missions that a department is taking on and building the capability for but has not been previously fulfilled. For example, this may include, but is not limited to, establishing a new Hazardous Materials (HazMat) capability or Swift Water Rescue capability.
L	Upgrade technology to current standard	Applies to requests for equipment that may or may not be owned, but newer technology is available.

Additional Considerations for Fire Department, Nonaffiliated EMS, Regional, and State Fire Training Academy Equipment Priorities
• Equipment that has a direct effect on firefighters' health and safety • Age of equipment considered for replacement • Equipment that operationally benefits other jurisdictions • Equipment that brings the department into compliance with a national recommended standard, (e.g., NFPA or statutory compliance like Occupational Safety and Health Administration [OSHA])

Eligible Fire Department, Nonaffiliated EMS, Regional, and State Fire Training Academy Equipment Activities include but are not limited to:	
• Shipping, taxes, assembly and installation of the requested equipment • Extended warranties and service agreements if acquired concurrent with initial acquisition • Minor interior alterations (requested under Additional Funding and limited to $10,000 total expenditure) to support the awarded Equipment activities (e.g., removal /construction of a non-weight bearing wall)	• Equipment for response to incidents involving CBRNE/WMD • Training specific to the requested equipment • Requested support activities for Equipment requiring supplies or expendables or "onetime" use items essential for an award's scope of work, such as foam, breaching materials (e.g., wood or sheetrock) for ventilation or rescue props, or the amount of fuel required to sustain an awarded live fire training activity, or per NFPA1403 Standard on Live Fire Training Evolutions, reasonable safety mitigations to a structure acquired for training

Ineligible Fire Department, Nonaffiliated EMS, Regional, and State Fire Training Academy Equipment Activities include but are not limited to:	
• Construction of facilities, such as buildings, towers, sheds to house communications, or • All fixed non-mobile repeaters or fixed site amplifiers • Sirens or other outdoor warning devices • Signage of any kind • Phones (telephone/satellite/cell) • Investments in emergency communications systems and equipment must meet applicable SAFECOM Guidance. • Personal Safety/Rescue Bailout System (PPE) • Computer assisted dispatch (CAD) systems and software, geographic information systems (GIS), dispatch consoles, workstations and office furniture	• Nonaffiliated EMS expendable supplies (including, but not limited to medications) • Utility Vehicles and All-Terrain Vehicles (UTV/ATV) • Unmanned Aerial Vehicles (UAVs) and Drones • Bomb disposal equipment and robots • Mobile radios for personally owned vehicles (except Chief Fire Officer's personal vehicle if justified) • Those supplies or expendables or common one-time use items such as foam, soaps, disinfectant wipes, medical gowns/gloves, bandages, any drug, intravenous bags/fluids, defibrillator pads/electrodes, syringes, cervical collars, batteries, exhaust system filters and splints • Flashover or other simulators/props that do not meet NFPA 1402 or 1403 standard (homemade or aftermarket simulators) • Subscriptions, memberships, equipment rental or lease to purchase

IMPORTANT: The only eligible AFG activity for interoperable communications equipment is the acquisition of P-25 compliant equipment.

- P-25 compliant interoperable communications equipment has a digital platform that is programmable, scalable, and can communicate in analog mode with legacy radios, and in both analog and digital mode with other P-25 equipment. P-25 compliance enhances interoperability, allowing first responders to communicate with each other to coordinate their response to and mitigate all hazards.
- The procurement of interoperable communications equipment that does not meet P-25 compliance is unallowable.
- There are no waivers for P-25 waivers compliance. All recipients awarded activities with emergency communication equipment and its related activities must comply with the SAFECOM Guidance for Emergency Communication Grants, including provisions on technical standards that ensure and enhance interoperable communications.
- The technical specifications for FY 2018 SAFECOM Guidance on Emergency Communications Grants is available at: https://www.dhs.gov/safecom/blog/2018/05/16/release-fy-2018-safecom-guidance-emergency-communications-grants
  It is the recipient's responsibility to obtain documented evidence that the equipment to be acquired has been tested and passed all the applicable P- 25

requirements and the recipient shall be able to produce such documentation to FEMA upon request.

- AFG applicants are not required to identify a specific P-25-compliant product in their application narrative, but they must affirm that the interoperable communications equipment requested or acquired will be P-25 compliant.

Note: Recipients using FY2019 AFG funds to support emergency communications activities should review and comply with the SAFECOM Guidance for Emergency Communication Grants, including provisions on technical standards that ensure and enhance interoperable communications. Communication equipment (e.g., portable radios) would be included in this standard. Recipients investing in emergency communications must ensure their projects support the Statewide Communications Interoperability Plan (SCIP) for their state.

III. Operations and Safety - Personal Protective Equipment (PPE) Overview

AFG funds used to acquire PPE may only be used to acquire compliant PPE for firefighting and nonaffiliated EMS personnel. Only the acquisition of PPE compliant with the most current edition of NFPA 1971, 1976, 1977, 1981, and 1999, are eligible activities. The acquisition of used, refurbished or updated PPE will be ineligible for reimbursement.

PPE requested should have the goal of increasing firefighter safety. When requesting to replace noncompliant or inoperable/unusable/unrepairable PPE (e.g., Turnout Gear and SCBA), applicants will be asked to provide the age of the items being replaced. All PPE items in the current inventory must be accurately described and accounted for in the application narrative.

Based in part on NFPA 1851, Standard on Selection, Care, and Maintenance of Protective Ensembles for Structural Fire Fighting and Proximity Fire Fighting, in order for PPE (to include SCBA) to be considered noncompliant, the items must be a minimum of 2 NFPA cycles and 10 years of age or older from the date they were manufactured.

Training for requested PPE
• Applicants must certify that all grant-funded PPE will only be used by sufficiently trained personnel (failure to meet this requirement will result in the request for funding deemed ineligible). • If applicants are requesting training to support a PPE activity, it must be entered in the "Additional Funding" section within the "Request Details" section of the application.

- Acquiring or replacing an individual SCBA face piece for each operational member of an organization is High H Priority. To the extent a request for additional face pieces exceeds any face pieces requested as part of an SCBA unit, that request should be entered as a separate request line item, and will not be considered a request "to increase supplies" (e.g., the applicant has the need for 35 Face Pieces, and requested 25 SCBA Units, applicants should separately request 10 additional Face Pieces).

- FEMA considers a complete set of Structural/Proximity PPE Turnout Gear to be comprised of these NFPA 1971 or 1976 compliant components: one pair pants, one coat, one helmet, two hoods, one pair boots, two pairs gloves, and one pair suspenders, one pair goggles. In the AHJ where additional PPE such as a Personal Safety/Rescue Bailout System is statutorily required, FEMA will consider all statutorily required items to be part of a complete PPE set.
- FEMA considers a complete set of EMS PPE Turnout Gear to be comprised of these NFPA 1999 compliant components: one pair pants, one coat, one helmet, one pair boots, one pair gloves, one pair suspenders and one pair goggles.
- FEMA considers a complete set of Wildland PPE Turnout Gear to be comprised of these NFPA 1977 compliant components: one pair pants, one coat, one jumpsuit, one helmet, one pair boots, one pair gloves, one pair suspenders, one pair goggles, one fire shelter, web gear, backpack and canteen/hydration system. (**Note: funding is limited to (1) set of PPE Turnout Gear per person.**)
- FEMA considers a complete SCBA unit to be comprised of a harness/backpack, one face piece and two cylinders. The following are considerations in pre-scoring and peer review determinations:

Fire Department, Nonaffiliated EMS, Joint/Regional, and State Fire Training Academy Personal Protective Equipment (PPE) Priorities		
Priority	**Activity**	**Definitions**
H	Replace unusable/unrepairable PPE to meet current standard	Applies to PPE-Turnout Gear that is no longer usable because it is broken and/or damaged beyond repair. (This turnout gear is out-of-service and not being worn by emergency responders). All PPE-Turnout gear requested under a grant must meet the appropriate standards for PPE-Turnout Gear. Departments requesting entire inventory replacement under this purpose will be required to provide documentation to validate inventory condition.
H	Increase supply for new hires and/or existing firefighters that do not have one set of turnout gear (PPE) or allocated seated positions (SCBA)	Applies to PPE-Turnout Gear for new firefighters (i.e. new hires or volunteer recruits) and/or existing firefighters that do not currently have one set of PPE-Turnout Gear.

Fire Department, Nonaffiliated EMS, Joint/Regional, and State Fire Training Academy Personal Protective Equipment (PPE) Priorities		
M	Replace noncompliant PPE to current standard	Applies to PPE-Turnout Gear that is deemed obsolete and/or is out of compliance with current standards for PPE-Turnout Gear. PPE-Turnout Gear to be replaced, it has not been deemed inoperable, and while it may not be in compliance with current standards it is not broken, damaged, or otherwise unusable.

Fire Department, Nonaffiliated EMS, Regional, and State Fire Training Academy Self-Contained Breathing Apparatus (SCBA) Priorities	
H	**Note:** FEMA considers SCBA (PPE) noncompliant if it is a minimum of two NFPA cycles and 10 years of age or older, from the date of manufacture. • Replace unusable or unrepairable equipment to current standard, NFPA 1981, 2002 Edition or prior. (These SCBA(S) are out-of-service and not being used by emergency responders). • Increase supply for new hires and/or existing firefighters that do not have one set of SCBA for allocated seated positions. • Funding every operational member with their own individual face piece.
M	• Replace noncompliant PPE to upgrade technology.

Additional Considerations for Fire Department, Nonaffiliated EMS, Regional, and State Fire Training Academy Self-Contained Breathing Apparatus (SCBA) Priorities
• Applicants will be required to provide the age of the PPE being replaced. • Priority of the requested PPE is a factor. • Call volume can contribute to the justification for new risk. • Applicants with the oldest PPE and/or trying to bring the department into 100 percent NFPA compliance or the number of active members who will have compliant gear.

Personal Protective Equipment List	
Structural/Proximity	
• ANSI Traffic Vests • Boots • Coats • Complete Set of Turnout Gear • Gloves • Goggles	• Helmets • Hoods • Pants • Pass Devices • Personal Safety/Rescue Bailout System • Suspenders

Personal Protective Equipment List	
Respiratory - H	
• Air-Line Unit • Face Pieces • Respirators	• SCBA Spare Cylinders • SCBA (SCBA Unit includes: Harness/Backpack, Face Piece, and 2 cylinders)
Wildland - H	
• Jumpsuits/Coveralls • Boots • Coats • Pants • Suspenders	• Goggles • Shelters • Web Gear/Backpacks • Canteens/Hydration Systems • Helmets
Specialized PPE - M	
• Ballistic Protective Equipment (BPE), which includes one vest, one helmet, one triage bag, one pair of goggles • Chemical/Biological Suits (Must conform to NFPA 2012 edition) • Encapsulated Suites	• Extrication Clothing/Rescue Clothing • Proximity Suits • Splash Suits • Wet and Dry Suits

Eligible Fire Department, Nonaffiliated EMS, Joint/Regional and State Fire Training Academy PPE Activities include but are not limited to:	
• American National Standards Institute (ANSI) approved retro-reflective highway apparel • Training for requested PPE	• Customized helmet shields • Level C suits • Personal Safety/Rescue Bailout System

Ineligible Fire Department, Nonaffiliated EMS, Regional and State Fire Training Academy PPE Activities include but are not limited to:	
• Three-quarter length rubber boots • Uniforms (formal/parade or station/duty) and uniform items (hats, badges, etc.) • Rapid Intervention Packs • Gear Bags • Personal Safety/Rescue Bailout System for nonaffiliated EMS organizations. • Food and beverages **Note:** Where bailout system is statutorily required, FEMA will consider all statutorily required items to be part of a complete PPE set.	• Bomb disposal suits • Any communications equipment (e.g., radios and pagers) in the PPE section • Structural, proximity, wildland firefighting gear, or rescue and extrication gear for nonaffiliated EMS organizations • Any decals, embroidery, engraving, flags, graphics, logos, vehicles, and PPE Turnout lettering that customizes awarded items beyond the normal expectation (except customized helmet shields). • Funding is limited to (1) set of PPE Turnout Gear per person. • Equipment rental or lease to purchase

IV. Operations and Safety - Wellness and Fitness Overview

Wellness and Fitness activities are intended to strengthen emergency responders so that their mental, physical, and emotional capabilities are resilient enough to withstand the demands of all hazardous operations. In order to be eligible for funding, applicants must offer, or plan to offer, all five of the following Priority 1 activities as discussed in the table below.

Note: AFG has added cancer screening programs as an eligible item.

Fire Department and Nonaffiliated EMS Wellness and Fitness Priorities
Priority 1 - Below are the five activities required for a complete Wellness and Fitness program. • Initial medical exams • Job-related immunization • Annual medical and fitness evaluation • Behavioral health • Cancer Screening Program to meet NFPA 1582 NOTE: Applicants are encouraged to review NFPA 1583 for guidance on the minimum requirements for the development, implementation and management of a health-related fitness program. **Priority 2 -** Applicants may only apply for Priority 2 Items if the applicant offers or is requesting a combination of the five activities required under Priority 1.

Fire Department and Nonaffiliated EMS Wellness and Fitness Priorities

- Candidate physical ability evaluation.
- Injury/illness rehab.
- Formal fitness, injury prevention.
- IAFF or IAFC peer fitness trainer program, (including transportation, travel, overtime/backfill, and reasonable expenses associated with member participation in Train-the-Trainer for IAFC/IAFF and implementation of a peer fitness trainer programs). Core components included in a firefighter fitness assessment include:
  - Aerobic Capacity
  - Body Composition
  - Muscular Strength
  - Muscular Endurance, and
  - Flexibility

Departments that have some of the Priority 1 programs in place must apply for funds to implement the missing Priority 1 programs before applying for funds for any additional program or equipment within this activity. In addition, for all AFG Programs, all grant-funded physicals (except those for explorers) must meet NFPA 1582 standards (Chapter 6, Medical Evaluations of Candidates 6.1 and Chapter 9, Essential Job Tasks — Specific Evaluation of Medical Conditions in Members). The cost of physicals should be based on local physician or health center prices. Detailed information on implementing NFPA 1582 physicals can be found at https://www.fstaresearch.org/roadmap.

NOTE: Simultaneous requests for Priority 1 and Priority 2 activities will receive a lower funding consideration than requests that complete the bundle of the five Priority 1 activities. Applicants should review Health Related Fitness Programs as outlined in NFPA 1583 which is summarized below.

NFPA 1583 Standards on Health-Related Fitness Programs for Fire Department Members

Scope. This standard establishes the minimum requirements for the development, implementation, and management of a health-related fitness program (HRFP) for members of the fire department involved in emergency operations.

Purpose.

The purpose of this standard is to provide the minimum requirements for a health-related fitness program for fire department members that enhances the members' ability to perform occupational activities efficiently and safely and reduces the risk of injury, disease, and premature death.

This document is intended to help fire departments develop a health-related fitness program for fire department members that requires mandatory participation but is not punitive.

This document is not intended to establish physical performance criteria.

Eligible Fire Department and Nonaffiliated EMS Wellness and Fitness activities include but are not limited to:	
• The five Priority 1 items, initial medical exams, job-related immunization, annual medical and fitness evaluation, behavioral health and cancer screening. • Behavioral health programs to include, but not limited to: Critical Incident Stress Management Programs or Employee Assistance Programs. • Transportation expenses related to a member's participation in offered Wellness and Fitness activities.	• Contractual costs (non-hiring) for personnel (such as nutritional counseling), physical fitness equipment (including shipping charges and sales tax, as applicable), and supplies directly related to physical fitness activities. • Minor interior alterations (requested under Additional Funding and limited to $10,000 total expenditure) to support the awarded Wellness and Fitness activities (e.g., removal/ construction of a non-weight bearing wall), will require EHP review.

Ineligible Fre Department and Nonaffiliated EMS Wellness and Fitness activities include but are not limited to:	
• Fitness club memberships for participants or their families. • Non-cash incentives, (e.g., t-shirts or hats of nominal value and vouchers to local businesses or time-off). • Purchase of real estate. • Cash incentives. • Food and beverages	• Purchase of medical equipment that is not used as part of the Wellness and Fitness program. • Contractual services with anyone other than medical professionals (e.g., health care consultants, trainers, and nutritionists) for programs such as smoking cessation. • Subscriptions and memberships.

V. <u>Operations and Safety - Modifications to Facilities Overview</u>

AFG grant funds may be used to modify fire stations and other facilities. New fire station construction is not eligible.

Eligible activities include source capturing exhaust, sprinkler, carbon monoxide alarms or smoke/fire detection systems.

The benchmark for eligibility does not apply to minor interior alterations (requested under Additional Funding and limited to $10,000 total expenditure) to support Training, or Wellness and Fitness activities (e.g., removal/construction of a non-weight bearing wall). However, the eligibility of certain minor interior alterations does not release the recipient from their EHP responsibilities resulting from those alterations.

In recognition of the risks posed by exposure to diesel fumes, Source Capture Exhaust Extraction Systems (SCES) are an AFG High H Priority item for vehicle exhaust mitigation under Modification to Facilities.

An SCES is a system where exhaust gases from a vehicle are captured directly, via a conduit that attaches to/over the end of the vehicle's exhaust system at the tailpipe. The captured exhaust gases are expelled through the attached conduit via mechanical/pneumatic means to the exterior of the building.

No modification may change the structure's footprint or profile. If requesting multiple items, such as a sprinkler system and exhaust system, the funding for any projects or activities cannot cumulatively exceed $100,000 (Total Project Cost(s)) for any individual station. Eligible projects under this activity must have a direct effect on the health and safety of firefighters.

Note: Vehicle Mounted Exhaust Systems are now listed as a "medium" priority in the equipment activity.

All of the following are considerations in pre-scoring and peer review determinations:

Eligible Fire Department and Nonaffiliated EMS Modifications to Facilities Priorities include but are not limited to:	
H	• Departments requesting source capture exhaust systems, sprinkler systems, carbon monoxide, or smoke/fire detection systems
M	• Emergency generators, Air Quality Systems (AQSs) **Note:** AQSs are fixed equipment that are air purifying, scrubbing, and/or air exchange systems

Ineligible Fire Department and Nonaffiliated EMS Modifications to Facilities activities include but are not limited to:	
• Station maintenance • Resurfacing bay floors	• Interior remodeling not pertaining to the requested project(s) • Food and beverages

Facility Considerations
H Staffed
H Facilities with sleeping quarters
M Facilities without sleeping quarters M Part-time or selected coverage
L Not on a regular basis
L Training facilities and marine fire facilities

G. Regional Applications

Overview

A Regional application is an opportunity for a Fire Department or a Non-Affiliated EMS (NAEMS) organization to act as a host and apply for funding on behalf of itself and any number of other participating AFG eligible organizations (a NAEMS organization who is a host regional applicant can only host other NAEMS organizations). Fire Department that serve as host regional applicants can apply on behalf of other eligible fire departments and NAEMS organizations within the same application. SFTAs are not eligible to apply under the Regional activity. Eligible Regional activities are Vehicle Acquisition and Operations and Safety (but only for Training, Equipment, Wellness and Fitness, and PPE activities). Regional activities should achieve cost effectiveness, support regional efficiency and resilience, and benefit more than one local jurisdiction (county, parish, town, township, city or village) directly from the activities implemented with the grant funds.

The community identification characteristic (e.g., Rural, Urban, or Suburban) and the organizational status of the host applicant (e.g., Career, Combination, or Volunteer) will be entered and used for the regional application, regardless of the composition of the participating partners.

Regional populations served are the aggregate of the geographically fixed primary first due response areas of the host and participating partner organizations.

Neither the regional host nor any participating partner is prevented from also applying on behalf of their own organization for any AFG activity (Vehicle Acquisition or Operations and Safety) however, it cannot be for the same item. For example, a department cannot apply for PPE under its own organization and participate in a regional PPE application.

In the application narrative, a Regional host must include a list of all the AFG eligible participating organizations benefitting from a proposed Regional project, including validated points of contact, each organization's Employee Identification Number (EIN), and clear and detailed information on the regional activities requested.

Host organizations should provide specific details, fully explaining the distribution of any grant-funded acquisitions or grant-funded contracted services, as well as the responsibilities between the host and the partner organizations.

In order to apply for a regional project, the host organization must agree, if awarded, to be responsible for all aspects of the grant. This includes, but is not limited to, cost share, accountability for the assets, and all reporting requirements in the regional application.

The host will be required to enter information that captures the macro demographics (e.g., total square miles) and master listings of information (e.g., combined SCBA inventories) of the partners that serve the region.

All participants of a Regional applicant must be compliant with AFG requirements, including being current with past grants, closeouts, and other reporting requirements. Upon notification by the AFG Program Office, the host agency shall not distribute grant funded assets or provide grant-funded contractual services to non-compliant partner organizations. The host and the delinquent partners will be notified by the AFG Program Office of their specific deficiency.

Regional host applicants and participating partner agencies must execute a Memorandum of Understanding (MOU) or equivalent document signed by the host and all participating organizations. The agreement should specify the individual and mutual responsibilities of the participating partners, the participant's level of involvement in the project(s), and the proposed distribution of all grant funded assets and/or contracted services. Copies of the MOU will be requested during the technical evaluation of the application.

The MOU must specify the individual and mutual responsibilities of the host and participating partners, the host's and participant's level of involvement in the project(s), the participating partner's EIN numbers, and the proposed distribution of all grant funded assets or contracted services. Any entity named in the application as benefiting from the award must be an eligible AFG organization and must be a party to the MOU or equivalent document.

H. Vehicle Acquisition

Overview

Vehicles purchased with AFG funds must be compliant with NFPA 1901 (Standard for Automotive Fire Apparatus), NFPA 1906 (Standard for Wildland Fire Apparatus), or NFPA 1917 or equivalent (Standard for Automotive Ambulances). Leases, loan payments, or installment plans to obtain a vehicle are not eligible acquisition activities under the AFG Program and will not be reimbursed.

Community Paramedic vehicles are non-transport vehicles and are not intended to have a dual role (e.g., as utility or support vehicles). There is nothing inherent in the delivery of community paramedic services that requires any emergency response packages (e.g., lights, sirens) or operational equipment (e.g., rescue tools, structural/wildland firefighting equipment); consequently, such activities are ineligible.

Applicants may apply for more than one vehicle. Requests cannot exceed the financial cap based on population listed in the application. If a department submits multiple types of applications, and more than one of those requests are approved, the department will be held to the same financial cap based on the population listed in the application.

When requesting more than one vehicle, applicants will be asked to fill out a separate line item and answer all the questions including a separate narrative for each vehicle. For example, if applicants are requesting to replace three ambulances, the applicant must fill out the age and vehicle identification number (VIN) of each vehicle being replaced. Applicants cannot use the same VIN in each line item.

In the case(s) when an applicant is not replacing a vehicle but only changing the service status of a vehicle(s), such as from first due to reserve, a VIN number is still required for the narrative and for the vehicle being reassigned.

Applicants requesting fire vehicles that do not have drivers or operators trained to NFPA 1002 or equivalent and are not planning to have a training program in place by the time the awarded vehicle(s) is delivered, will not receive a vehicle award.

Applicants requesting nonaffiliated EMS vehicles that do not have drivers or operators trained to the National Standard Emergency Vehicle Operator Curriculum (EVOC) developed by the United States Department of Transportation (DOT), or equivalent, and are not planning to have a training program in place by the time the awarded vehicle(s) is delivered, will not receive a vehicle award.

All applicants may request funding for a driver training program within the "Vehicle Acquisition" section but must add the request in the "Additional Funding" area in the "Request Details" section of the Vehicle Application.

All driver training program(s) must be in place prior to the delivery of the awarded vehicle(s) or the recipient will be considered to be in violation of the grant agreement.

The pre-score evaluation criteria consider the department's need for the vehicle based on the age/condition of current vehicles and/or the demands on the organization. ***All of the following are considerations in pre-scoring and peer review determinations:***

Eligible Fire Department, and State Fire Training Academy Vehicle activities include but are not limited to the following Vehicle Priorities:			
Priority	**Urban Communities**	**Suburban Communities**	**Rural Communities**
H	• Aerial • Ambulance • Pumper • Rescue Vehicle Light, Medium, or Heavy • Non-Transport EMS (Community Paramedic/Healthcare) • Quint • Brush Type III or larger	• Aerial • Ambulance • Pumper • Tanker/Tender • Rescue Vehicle Light, Medium or Heavy • Non-Transport EMS (Community Paramedic/Healthcare) • Quint • Brush	• Aerial • Ambulance • Brush/Attack • Pumper • Tanker/Tender • Non-Transport EMS (Community Paramedic/Healthcare) • Quint

Eligible Fire Department, and State Fire Training Academy Vehicle activities include but are not limited to the following Vehicle Priorities:			
M	• Command/Mobile Communications Vehicle • Hazardous Materials Unit • Air/Light Unit • Rehab Unit	• Command/Mobile Communications Vehicle • Hazardous Materials Unit • Air/Light Unit • Rehab Unit	• Command/Mobile Communications Vehicle • Hazardous Materials Unit • Air/Light Unit • Rescue Vehicle Light, Medium, or Heavy
L	• ARFF (Aircraft Rescue Firefighting) • Foam Truck • Fire Rescue/Boat • Highway Safety Unit • Hybrid (i.e. Transport Engine) • Tanker/Tender	• ARFF • Foam Truck • Highway Safety Unit • Hybrid (i.e. Transport Engine) • Fire Rescue/Boat	• ARFF • Foam Truck • Highway Safety Unit • Hybrid (i.e. Transport Engine) • Fire Rescue/Boat • Rehab Unit

Eligible Regional Vehicle activities for Fire Departments (ALL Community Types)	
H	• Aerial • Air/Light Unit • Bariatric Ambulance • Command/Mobile Communications Vehicle • Non-Transport EMS (Community Paramedic/Healthcare) • Rehab Unit • Rescue Vehicle Light, Medium or Heavy • Tow Vehicle (Applied for underequipment)
M	• Highway Safety Unit
L	• Hazardous Materials Unit • Foam Truck

Eligible Nonaffiliated EMS and Nonaffiliated Regional Vehicle activities	
	• Ambulances • Bariatric Ambulance • Non-Transport EMS (Community Paramedic/Healthcare)

Compliance with Standards

- Ambulances must comply with NFPA 1917, Edition 2016, or GSA Federal Standard KKK-A-1822F
- Applicants must certify that unsafe vehicles will be permanently removed from service if awarded a grant. Acceptable uses of unsafe vehicles include farm, nursery, scrap metal, salvage, construction, or donation to a foreign entity
- Applicants should consider adopting the principles of Traffic Incident Management Systems. The USFA report on TIMS can be found at: https://www.usfa.fema.gov/downloads/pdf/publications/fa_330.pdf
- New fire apparatus must be compliant with NFPA 1901 or 1906 for the year ordered/manufactured

Additional Considerations (to include, but not limited to)

- Age and mileage of the vehicle being replaced; older equipment receives higher consideration
- Age of the newest vehicle in the department's fleet that is like the vehicle to be replaced
- Average age of the fleet; older equipment within the same class
- Call volume of primary first due response area or region
- Converted vehicles (with an emphasis on tanker/brush trucks) not designed or intended for use in the fire service departments that have automatic aid agreements, mutual aid agreements, or both. A converted vehicle is any vehicle that is not engineered to an NFPA standard, or not being used for its original design, or over its gross vehicle weight (GVW)
- Vehicles on loan to the organization in the application narrative but not in the organization's inventory
- Damaged vehicles and out of service vehicles in the organization's inventory
- Replacement of open cab/jump seat configurations

IMPORTANT

Upon accepting an offer of an award for Vehicle Acquisition under AFG activity, grant recipients must submit a copy of their vehicle purchase contract to the designated Regional Fire Program Specialist. To locate Regional Fire Program Specialists, please visit: https://www.fema.gov/fire-grant-contact-information

Applicants will be asked to scan document(s) into a PDF format and email them to the Regional Fire Programs Specialist for inclusion in the grant file. Submitting a vehicle purchase contract will assist in the programmatic monitoring of an award and help ensure programmatic compliance with the Improper Payments Eliminations and Recovery Act of 2012 (Pub. L. No. 112-248). If recipients do not submit a vehicle purchase contract, they will be unable to:

- Submit for an advance of federal funds for partial vehicle payment or chassis payment.
- Submit an amendment requesting a Period of Performance extension for the project.

Performance Bond Strongly Recommended: Performance bonds are strongly recommended but not required by the AFG Program. This is for any organization that is going to advance its own funds to their vendor prior to receipt of the vehicle. The bond may be obtained through the vendor or bank. The concept behind this is to ensure the applicant's funds are not lost in the event of a vendor's failure to perform, e.g., not finishing or delivering the vehicle or going out of business.

Prepayment Bond Required: AFG vehicle awardees are required to obtain a prepayment bond if the recipient plans to advance federal funds to their vendor for a down payment. This is to safeguard the federal funds against loss if the vendor goes out of business or fails to deliver the vehicle. Prepayment bonds may be obtained through the vendor or bank. The cost of a Prepayment Bond is a reimbursable activity under a vehicle acquisition award.

Penalty Clause Required: All contracts for any AFG-funded vehicle must contain a penalty clause. Non-delivery by the contract's specified date, or other vendor nonperformance, will require a penalty that is no less than $100 per day until such time that the vehicle, compliant with the terms of the contract, has been accepted by the recipient.

Down Payment: A down payment for the purchase of a vehicle is allowable if required in the vehicle purchase contract, but FEMA will only allow up to 25 percent of the federal share to be drawn for this purpose.

Any costs over-and-above the 25 percent limit, such as the cost of a chassis or any other fees or services, must be borne by the recipient or deferred until final payment is drawn.

Federal funds may not be requested for any other payments to include, but not limited to: periodic or progress vehicle payments, loan payments, or the acquisition of NFPA 1901 compliant equipment for the awarded vehicle if they are being supplied under the vehicle contract. Purchases outside of the vehicle contract can be requested for payment, i.e. driver/operator training, physical exams for driver/operator, and NFPA 1901/1906 compliant equipment specific to the type of apparatus awarded.

Final Payment: To expedite the acquisition process, and prior to the vehicle being received, inspected, and accepted, the recipient may request the final vehicle payment as an advance payment request.
However, the recipient shall not disburse or satisfy the vehicle obligation until after the

vehicle is received, inspected, and accepted by the recipient.

Vehicle Loans: Pursuant to 2 C.F.R. § 200.313 (a)(2), recipients may not encumber AFG-funded equipment unless approved by FEMA. For example, recipients may not use a vehicle funded with AFG funds as collateral for any type of financial loan unless approved by FEMA.

Eligible Fire Department, Nonaffiliated EMS Organizations, Regional, and State Fire Training Academy Vehicle activities include but are not limited to:	
• Cost of vehicle • Physicals to meet current NFPA 1582/US Department of Transportation 649 F • Cost of associated equipment that is eligible under current NFPA 1901/1906	• Driver/operator training programs that meet applicable standards, current NFPA 1002 or Emergency Vehicle Operator Curriculum (EVOC), or equivalent • Travel expenses (air/rail transportation, mileage, hotel/lodging) to inspect a requested vehicle during production (if justified in the Vehicles narrative) **Note: Food and beverages are ineligible travel expenses.**

Ineligible Fire Department, Nonaffiliated EMS Organizations, Joint/Regional, and State Fire Training Academy Vehicle activities include but are not limited to:	
• Leasing, rental, or installment purchase of any grant funded vehicle • Aircraft, bulldozers, and construction-related equipment • Using the vehicle being awarded as collateral for any financial loan • Food and beverages.	• Utility Vehicles (UTVs) and All-Terrain Vehicles (ATVs) are not eligible • Unmanned Aerial Vehicles (UAVs) and Drones • Used or refurbished apparatus are ineligible activities under Vehicle Acquisition. • Converted vehicles not originally designed for firefighting are not eligible for refurbishment.

Example of vehicles types

- Pumper (an apparatus that carries a minimum of 300 gallons of water and has a pump with the capacity to pump a minimum of 750 gallons per minute)
- Urban interface vehicles (Type I) pumper (300 gallons of water and 750 GPM)
- Ambulance (vehicle used for transporting patients)

- Tanker/Tender (an apparatus that has water capacity in excess of 1,000 gallons of water
- Quint Aerial (an aerial ladder, elevating platform, or water tower that is designed to position personnel, handle materials, provide continuous egress, or discharge water)
- Quint (Fire apparatus with a permanently mounted fire pump, a water tank, a hose storage area, an aerial ladder or elevating platform with a permanently mounted waterway, and a complement of ground ladders)
- Aerial Ladder: Elevating platform, or water tower that is designed to position personnel, handle materials, provide continuous egress, or discharge water.

Unsafe Vehicles

If applicants specify the vehicle(s) to be replaced are unsafe, they must certify that if awarded, the unsafe vehicle to be replaced will be permanently removed from emergency service response. Permanently removed from emergency service response means the recipient cannot use the vehicle being replaced for any emergency service response, nor can the recipient sell or otherwise transfer title to any individual or emergency service response organization that will use the unsafe vehicle for emergency service response.

A recipient who certifies it will remove an unsafe vehicle from service but then sells/transfers the unsafe vehicle to another emergency service response organization, or otherwise does not remove the unsafe vehicle from emergency service response, is considered to be in violation of the grant agreement.

Acceptable dispositions (donation or sale) of unsafe vehicles include but are not limited to: a training facility (NO emergency response off the training grounds), farm use, construction or nursery use, sale to a non-emergency service response entity for refurbishment, scrap metal, salvage or foreign donation.

Appendix C: Award Administration Information

Appendix C contains detailed information on AFG Award Administration. Reviewing this information may help recipients in the programmatic and financial administration of their award(s).

Help FEMA Prevent Fraud, Waste, and Abuse

If applicants or recipients have information about instances of fraud, waste, abuse, or mismanagement involving FEMA programs or operations, they should contact the DHS OIG Hotline at (800) 323-8603, by fax at (202) 254-4297, or email DHSOIGHOTLINE@dhs.gov.

I. Economic Hardship Waivers of Cost Share and Maintenance of Effort

In cases of demonstrated economic hardship, and upon the request of the recipient, the Administrator may waive or reduce an AFG cost share or maintenance of effort requirement for certain recipients. (15 U.S.C. § 2229(k)(4)(A)) As required by statute, the Administrator of FEMA established guidelines for determining what constitutes economic hardship and published these guidelines at FEMA's website https://www.fema.gov/.../Eco_Hardship_Waiver_FPS_SAFER_AFG_IB_FINAL.pdf. An award must be accepted before a hardship waiver for cost share or maintenance of effort can be submitted as an amendment request via the online FEMA GO.

II. Grant Writer/Preparation Fees

Fees for grant writers may be included as a pre-award expenditure. Fees payable on a contingency basis are not an eligible expense. For grant writer fees to be eligible as a pre-award expenditure, the fees must be specifically identified and listed within the "Request Details" section of the application. FEMA will only consider reimbursements for application preparation, not administration, up to, but not more than $1,500. Pursuant to 2 C.F.R. Part 180, recipients may not use federal grant funds to reimburse any entity, including a grant writer or preparer, if that entity is presently suspended or debarred by the Federal Government from receiving funding under federally-funded grants or contracts. Recipients must verify that the contractor is not suspended or debarred from participating in specified federal procurement or non-procurement transactions pursuant to 2 C.F.R. § 180.300.

By submitting the application, applicants are certifying all of the information contained therein is true and an accurate reflection of the organization, and that regardless of the applicant's intent, the submission of information that is false or misleading may result in actions by FEMA. These actions include but are not limited to the submitted application not being considered for award, temporary withholding of funding under the existing award pending investigation, or referral to the DHS Office of the Inspector General (OIG).

Prior to submission of the application, please review all work produced by grant writers or other third parties for accuracy. In addition, in order to charge grant writer fees to the grant award, the fees must have been paid no later than 30 days after the end of the application period. The following documentation shall be provided to FEMA upon request:

i. A copy of the grant writer's contract for services
ii. A copy of the invoice or purchase order
iii. A copy of the canceled check (front and back)

Failure to provide the requested documentation may result in the grant writer fee being deemed ineligible and the grant reduced accordingly.

NOTE: FEMA requires that all applicants identify any individual or organization that assisted with the development, preparation, or review of the application to include drafting or writing the narrative and budget, whether that person, entity, or agent is compensated or not and whether the assistance took place prior to submitting the application.

III. Maintenance and Sustainment for AFG Programs

The use of FEMA preparedness grant funds for the costs of repairs or replacement, as well as maintenance contracts, warranties, and user fees may be allowable.

The intent of eligible Maintenance and Sustainment activities is to provide direct support to the critical capabilities developed using FEMA and other DHS Grants and support activities. Routine upkeep and the supplies, expendables, or one-time use items that support routine upkeep (e.g., gasoline, tire replacement, routine oil changes, monthly inspections or grounds and facility maintenance) are the responsibility of the recipient and may not be funded with AFG funding.

Generally, when purchasing a maintenance agreement, service contract, or extended warranty for systems or equipment, the period of coverage provided under such a plan may not extend beyond the period of performance of the grant with which the agreement, warranty or contract is purchased.

The duration of an extended warranty purchased incidental to the original purchase of the equipment may exceed the period of performance as long as the coverage purchased is consistent with that which is typically provided for, or available through, these types of agreements, warranties, or contracts. When purchasing a stand-alone warranty or extending an existing maintenance contract on an already-owned piece of equipment or system, coverage purchased may not exceed the period of performance of the award used to purchase the maintenance agreement or warranty. As with warranties and maintenance agreements, this policy extends to licenses and user fees as well.

Even if purchased incidental to the original purchase of the equipment, the duration of an extended maintenance agreement or warranty must also be reasonable for the type of equipment or system being purchased. For example, if a vendor offers a 10-year extended warranty incidental to the purchase of a piece of equipment, but the useful life of that equipment being purchased is five years, the purchase of a 10-year extended warranty would not be a reasonable cost and may not be charged to the grant.

IV. Taxes, Fees, Levies, and Assessments

Taxes, fees, levies, or assessments that the recipient is legally required to pay and is directly related to any eligible AFG Program acquisition activity may be charged to an AFG award pursuant to 2 C.F.R. §200.470. These charges shall be identified and enumerated in the AFG application narrative, as well as the "Request Details" section of the acquisition activity.

Any avoidable and unreasonable costs that result from the action or inaction of a recipient (or recipient's agent) or that prevent that recipient from enjoying any lawful exemption, waiver, or reduction of any tax, fee, levy, or assessment directly related to any eligible AFG Program acquisition activity, are not chargeable to any AFG award.

Example: Governmental entities and Public Safety Agencies are exempt from some Federal Communications Commission (FCC) fees*, but only if the eligible organization submits an exemption or waiver request to the FCC.

**Government entities are not required to pay FCC regulatory fees. Non-profit entities (exempt under Section 501 of the Internal Revenue Code) may also be exempt. The FCC requires that any entity claiming exempt status submit, or have on file with the FCC, a valid IRS Determination Letter documenting its nonprofit status or certification from a governmental authority attesting to its exempt status. For more information, please visit http://www.fcc.gov.*

V. Excess Funds

After completing the initial projects proposed in the recipient's application, some recipients may have unexpended funds remaining in their budget. These excess funds may result from any combination of under-budget acquisition activities or competitive procurement processes.

These cost-shared excess funds may be utilized to address an organization's local needs or to mitigate identified capability gaps. FEMA expects excess funds to be obligated concurrent with an award's period of performance to address a known or critical need.

Excess Funds Restrictions

In general, excess funds are limited to no more than $10,000 for any award. If you have any questions, contact our help desk at 866-274-0960 or e-mail us at firegrants@dhs.gov.

The $10,000 maximum is cumulative for any grant, regardless of the number of activities within the award, and will require no amendment except when the use of excess funds is for any eligible activity that would normally require an EHP review.

- Excess funds cannot be used to support Fire Prevention and Safety activities.
- The opportunity for excess funds is limited when the original uncompleted Scope of Work is changed via an Amendment.

Example: An award has a single activity (i.e., the acquisition of 50 SCBAs) that is reduced via Amendment. The federal participation and the recipient cost obligation are both reduced and any remaining unliquidated federal funds resulting from the reduction in quantity is *not allowable* as excess funds.

- Excess funds cannot be used for grant writer/preparer fees.
- Excess funds may only be used for allowable activities identified in the program guidance for that fiscal year's grant cycle.

Exceptions to the $10,000 use may be considered by FEMA if urgent and compelling need that can be directly related to a demonstrated event impacting the health and safety of the firefighters within the department can be identified. This request must be submitted in writing via an amendment.

VI. Procurement Integrity

Through audits conducted by DHS Office of Inspector General (OIG) and FEMA grant monitoring, findings have shown that some FEMA recipients have not fully adhered to the proper procurement requirements when spending grant funds. Anything less than full compliance with Federal procurement policies jeopardizes the integrity of the grant as well as the grant program. Noncompliance with the Federal procurement rules may result in FEMA imposing specific conditions as described in 2 C.F.R. § 200.207 or other remedies for noncompliance under 2 C.F.R. § 200.338.

The below highlights the Federal procurement requirements for FEMA recipients when procuring goods and services with Federal grant funds. DHS will include a review of recipients' procurement practices as part of the normal monitoring activities. ***All procurement activity must be conducted in accordance with Federal Procurement Standards at 2 C.F.R. §§ 200.317 – 200.326.*** Select requirements under these standards are listed below. The recipient must comply with all requirements, even if they are not listed below.

Under 2 C.F.R. § 200.317, when procuring property and services under a Federal award, states must follow the same policies and procedures they use for procurements from their non-Federal funds; additionally, states must follow 2 C.F.R. § 200.322 regarding procurement of recovered materials, and 2 C.F.R. § 200.326 regarding required contract provisions.

All other non-Federal entities, such as tribes, must use their own documented procurement procedures which reflect applicable state, local, territorial and tribal laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in 2 C.F.R. Part 200. These standards include, but are not limited to, providing for full and open competition consistent with the standards of 2 C.F.R. § 200.319.

Competition and Conflicts of Interest

Among the requirements of 2 C.F.R. § 200.319(a) applicable to all non-Federal entities other than States, in order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements. ***FEMA considers this an organizational conflict of interest and interprets this restriction as applying to contractors that help a recipient develop its grant application, project plans, or project budget. This prohibition also applies to the use of former employees to manage the grant or carry out a contract when such former employees worked on such activities while they were employees of the non-Federal entity.***

Under this prohibition, unless the non-Federal entity solicits for and awards a contract covering both development and execution of specifications (or similar elements as described above), and this contract was procured in compliance with 2 C.F.R. §§ 200.317 – 200.326, Federal funds cannot be used to pay a contractor to carry out the work if that contractor also worked on the development of such specifications. This rule applies to all contracts funded with Federal grant funds, including pre-award costs, such as grant writer fees, as well as post-award costs, such as grant management fees. For more information on grant writer and grant management costs, see Section D.

Additionally, some of the situations considered to be restrictive of competition include, but are not limited to:

- Placing unreasonable requirements on firms in order for them to qualify to do business.
- Requiring unnecessary experience and excessive bonding.
- Noncompetitive pricing practices between firms or between affiliated companies.
- Noncompetitive contracts to consultants that are on retainer contracts.
- Organizational conflicts of interest.
- Specifying only a "brand name" product instead of allowing "an equal" product to be offered and describing the performance or other relevant requirements of the procurement.
- Any arbitrary action in the procurement process.

Pursuant to 2 C.F.R. § 200.319(b), non-Federal entities other than states must conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state, local, territorial or tribal geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. Nothing in this section preempts state licensing laws. When contracting for architectural and engineering services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

Pursuant to 2 C.F.R. § 200.318(c)(1), non-Federal entities other than states are required to maintain written standards of conduct covering conflicts of interest and governing the actions of their employees engaged in the selection, award, and administration of contracts. ***No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest.*** Such conflicts of interest would arise when the employee, officer or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.

The officers, employees, and agents of the non-Federal entity may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, non-Federal entities may set standards for situations in which the financial interest is not substantial, or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees or agents of the non-Federal entity.

If the recipient or subrecipient (other than states) has a parent, affiliate, or subsidiary organization that is not a state, local government, or Indian tribe, the non-Federal entity must also maintain written standards of conduct covering organizational conflicts of interest. In this context, organizational conflict of interest means that because of a relationship with a parent company, affiliate, or subsidiary organization, the non-Federal entity is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization. The non-Federal entity must disclose in writing any potential conflicts of interest to FEMA or the pass-through entity in accordance with applicable FEMA policy.

Supply Schedules

Generally, a non-Federal entity may seek to procure goods or services from a Federal supply schedule, state supply schedule, or group purchasing agreement. State and local governments may procure goods and services from a General Services Administration (GSA) schedule. Information about GSA programs for state and local governments can be found at https://www.gsa.gov/resources-for/programs-for-state-and-local-governments. For local governments that purchase off a GSA schedule, this will satisfy the Federal requirements for full and open competition provided that the recipient follows the GSA ordering procedures; however, local governments will still need to follow the other rules under 2 C.F.R. §§ 200.317 – 200.326, such as contract cost and price (§ 200.323) and solicitation of minority, women-owned, or small businesses (§ 200.321).

For non-Federal entities other than states, such as tribes, that want to procure goods or services from a state supply schedule, cooperative purchasing program, or other similar program, in order for such procurements by to be permissible, the following must be true:

- The procurement of the original contract or purchasing schedule and its use by the recipient complies with state and local law, regulations, and written procurement procedures.
- The state or other entity that originally procured the original contract or purchasing schedule entered into the contract or schedule with the express purpose of making it available to the recipient and other similar types of entities.
- The contract or purchasing schedule specifically allows for such use, and the work to be performed for the non-Federal entity falls within the scope of work under the contract as to type, amount, and geography.
- The procurement of the original contract or purchasing schedule complied with all of the procurement standards applicable to a non-Federal entity other than states under at 2 C.F.R. §§ 200.317 – 200.326.
- With respect to the use of a purchasing schedule, the recipient must follow ordering procedures that adhere to state and local laws and regulations and the minimum requirements of full and open competition under 2 C.F.R. Part 200.

If a non-Federal entity other than a state seeks to use such a state supply schedule, cooperative purchasing program, or other similar type of arrangement, it is recommended that recipients discuss their procurement plans with the FEMA Grant Programs Directorate.

Documentation
Non-Federal entities are required to maintain and retain the following:

- Backup documentation, such as bids and quotes.
- Cost/price analyses on file for review by Federal personnel, if applicable.
- Other documents required by Federal regulations applicable at the time a grant is awarded to a recipient.

FEMA requires that non-Federal entities maintain the following documentation for Federally funded purchases:

- Specifications
- Solicitations

- Competitive quotes or proposals
- Basis for selection decisions
- Purchase orders
- Contracts
- Invoices
- Canceled checks

Non-Federal entities should keep detailed records of all transactions involving the grant. FEMA may at any time request copies of purchasing documentation along with copies of cancelled checks for verification. *See, e.g.,* 2 C.F.R. §§ 200.318(i), 200.333, 200.336.

Non-Federal entities who fail to fully document all purchases will find their expenditures questioned and subsequently disallowed.

VII. Payments and Amendments

AFG payment/drawdown Requests are generated using FEMA GO. AFG payment/drawdown requests from state or local government entities will be governed by applicable federal regulations in effect at the time a grant is awarded to the recipient and may be either advances or reimbursements. Recipients should not expend funds until all special conditions listed on the grant award document have been met and the request for payment in FEMA GO has been approved. Recipients should draw down funds based upon immediate disbursement requirements, however, FEMA strongly encourages recipients to draw down funds as close to disbursement or expenditure as possible to avoid accruing interest.

Advances

Recipients shall be paid in advance, provided they maintain, or demonstrate the willingness and ability to maintain procedures to minimize the time elapsing between the transfer of funds and its disbursement by the recipient (not to exceed 30 days), and the financial management systems that meet the standards for fund control and accountability as established in 2 C.F.R. Part 200.

Although advance drawdown requests are permissible, recipients remain subject to applicable federal laws in effect at the time a grant is awarded to the recipient. Governing interest requirements include the *Uniform Administrative Requirements Cost Principles, and Audit Requirements for Federal Awards* at 2 C.F.R. Part 200 and the *Cash Management Improvement Act* (CMIA) and its implementing regulations at 31 C.F.R. Part 205. Interest under CMIA will accrue from the time federal funds are credited to a recipient's account until the time the recipient pays out the funds for program purposes. For the rate to use in calculating interest, please visit Treasury Current Value rate at https://www.fiscal.treasury.gov/fsreports/rpt/cvfr/cvfr_home.htm.

Reimbursement
Payment by reimbursement is the preferred method when the requirements to be paid in advance, pursuant to 2 C.F.R. § 200.305, cannot be met. In accordance with US Department of Treasury regulations at 31 C.F.R. Part 205, if applicable, the recipient shall maintain procedures to minimize the time elapsing between the transfer of funds and the disbursement of said funds.

Rebates
Recipients shall disburse program income, rebates, refunds, contract settlements, audit recoveries, and interest earned on such funds before requesting additional cash payments, in accordance with 2 C.F.R. § 200.305. The reduction of federal financial participation via rebates/refunds *may* generate excess funds for the recipient if the recipient previously obligated their Cost Share match based upon the original award figures. If the recipient previously obligated their original Cost Share *prior* to the rebate, then the recipient *may* have minimum excess funds equal to the difference between the original Cost Share less the rebate adjusted Cost Share.

Payment Requests During Closeout
A recipient may only submit reimbursement payment requests up to 90 days after the expiration of the period of performance, during an award's closeout reconciliation. Reimbursement payments are the only eligible type of requests to be submitted after a grant's period of performance has expired. The expenditure must have been obligated and received during the period of performance of the award. The recipient's request should contain clear and specific information certifying that the liquidation of federal funds is reimbursement for an obligation properly incurred during the active period of performance; FEMA may request documentation supporting the reimbursement for review at any time.

Amendments
FEMA may approve AFG award amendments on a case-by-case basis, for the following reasons:

- Extension of the period of performance in order to complete the scope of work.
- Changes to the activity, mission, retroactive approval [pre-award], closeout issues, some excess funds requests, requests for economic hardship Cost Share waiver, and requests for maintenance of expenditure waivers.
- Budget changes (adding funds to award/non-closeout deobligation of funds)
- Economic Hardship Waiver.

FEMA will only consider amendments submitted via FEMA GO. These requests must contain specific and compelling justifications for the requested change. FEMA strongly encourages recipients to expend grant funds in a timely manner, to be consistent with AFG Grant Program's goals and objectives.

NOTE: A recipient may deobligate (i.e., return) unused funds (i.e., those remaining funds previously drawn down via payment request and/or remaining award funding

that was never requested) to DHS/FEMA prior to the end of an award's period of performance. To exercise this option, a recipient must submit an amendment via FEMA GO and state in the amendment that the unliquidated funds (i.e., the funds to be returned) are not necessary for the fulfillment or success of the grant's obligations or mission. The recipient must also indicate in the amendment that it understands that the returned funds will be deobligated and unavailable for any future award expenses. Deobligation of funds will decrease the federal portion of the grant and the amount of the recipient's Cost Share obligation. FEMA will confirm deobligation amendments with all points of contact; after confirmation of the recipient's intent to deobligate, FEMA will hold the approved deobligation request for 14 calendar days as a period for recipient reconsideration before FEMA processes the deobligation request.

VIII. Disposition of Grant Funded Equipment

A recipient must use, manage, and dispose of AFG-funded equipment in accordance with the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* at 2 C.F.R. § 200.313. With the exception of state governments, when original or replacement equipment acquired under an AFG award is no longer needed for the original project, program, or other activities currently or previously supported by a federal awarding agency, the recipient must request disposition instructions from FEMA. FEMA strongly recommends contacting a Regional Fire Program Specialist or the AFG Help Desk prior to the disposition of AFG-funded equipment, to include vehicles.

AGENDA REPORT
CITY OF ALAMOGORDO
CITY COMMISSION

Meeting Date: 2/25/2020 **Report Date:** 2/18/2020 **Report No:** 7.

Submitted By: Evelyn Huff

Subject: Consider, and act upon, Resolution 2020-08 requesting written approval from the Local Government Division of the Department of Finance and Administration, State of NM for the revised budget numbers computed as of February 25, 2020. *(Evelyn Huff, Budget Analyst)* **(Roll Call Vote Required)**

Fiscal Impact:
Amount Budgeted:
Fund:

Additional Fiscal Impact:

Beginning Cash Balances $0

Revenues 97,233 (Increase)
Expenditures 97,233 (Increase)
Transfers In 0
Transfers Out 0

Net Impact 0

Recommendation: Approve the Resolution

Background: The City Commission adopted the FY 2019-2020 budget on May 14, 2019. The Department of Finance & Administration granted approval of the City of Alamogordo's Fiscal Year FY 2019-2020 Final Budget on August 2, 2019. Resolution 2020-08 amends the Budget to reflect a more true and accurate projection of the actual revenues and expenditures. A summary and explanation of revisions are attached for your review.

1/12TH REQ RSRV
1,226,032
1/12TH REQ RSRV
1,226,032
Fund Reserve Policy
487,127
Bal. Remaining
194,077

ALL FUNDS SUMMARY
BUDGET 2019-2020

FY20 BUDGET - RESOLUTION 2020-08 (#8) FEBRUARY 25, 2020

FUND NO.	FY 2019-2020 FUND DESCRIPTION	UNAUDITED BEGINNING CASH BALANCE	ESTIMATED REVENUES	TRANSFERS IN	TRANSFERS OUT	NET CASH TRANSFERS	BUDGETED EXPENDITURES	ESTIMATED ENDING CASH BALANCE	LOCAL RESERVE REQUIREMENTS UNAVAILABLE FOR BUDGETING	ADJUSTED ENDING CASH BALANCE
11	GENERAL OPERATING FUND	6,853,189	17,753,410	293,708	7,054,660	(6,760,952)	14,712,380	3,133,267	2,939,190	194,077
12	INTERNAL SERVICE FUND	82,565	414,533	2,774,784	40,826	2,733,958	3,229,092	1,964		$1,964
15	CORRECTIONS-JAIL	10,663	81,827	104,000	259	103,741	193,850	2,381		$2,381
16	LODGER'S TAX-PROMOTIONAL FUND	181,723	255,431	6,695	1,749	4,946	279,219	162,881		$162,881
17	POLICE COURT BOND	10,438	0	0	0	0	0	10,438		$10,438
19	COURT AUTOMATION FUND	5,867	81,566	0	24,311	(24,311)	63,118	4		$4
20	LODGER'S TAX-CITY	98,458	453,292	0	57,702	(57,702)	493,995	53		$53
21	D.A.R.E. DONATIONS FUND	23,639	6,224	0	0	0	13,258	16,605		$16,605
24	GRANT CAPITAL IMPROVEMENT	0	1,275,501	0	0	0	1,162,148	113,353		$113,353
27	MUNICIPAL COURT OPERATIONS	8,775	10,000	426,141	14,058	412,083	430,848	10		$10
28	POLICE CONTINGENCY	62,595	3,836	0	0	0	10,000	56,431		$56,431
31	CEMETERY-PERPETUAL CARE	770,756	25,843	0	0	0	0	796,599		$796,599
32	COMMUNITY SERVICES	124,369	538,864	4,009,000	623,914	3,385,086	4,047,302	1,017		$1,017
33	FIRE PROTECTION	400,617	747,739	0	0	0	937,605	210,751	23,204	$187,547
35	HIDTA GRANT FUND	(0)	28,239	0	0	0	28,239	(0)		($0)
36	LAW ENFORCEMENT FUND	(0)	63,000	0	0	0	63,000	(0)		($0)
37	STATE HIGHWAY FUND	127,401	36,289	0	0	0	26,823	136,867		$136,867
38	TRAFFIC SAFETY FUND	69,142	23,684	0	0	0	44,146	48,680		$48,680
39	STATE JUDICIAL	3,416	75,500	0	0	0	75,500	3,416		$3,416
42	1984 GROSS RECEIPTS TAX	245,032	1,693,023	0	1,546,149	(1,546,149)	28,262	363,644	262,110	$101,534
44	TRANSPORTATION FUND	0	2,189,862	1,370,159	153,157	1,217,002	3,261,233	145,631		$145,631
48	NEW MEXICO C.D.B.G.	0	0	0	0	0	0	0		$0
49	1986 GROSS RECEIPTS TAX	4,373,647	1,753,562	0	2,777,234	(2,777,234)	1,065,529	2,284,446	269,728	$2,014,718
50	PROPERTY ACQUISITION	84,410	0	0	0	0	0	84,410		$84,410
53	GENERAL OBLIGATION	872,135	1,049,847	0	0	0	1,021,018	900,964	510,509	$390,455
54	REVERSE OSMOSIS PROJECT RSV	21,967	0	174,046	0	174,046	174,046	21,967		$21,967
56	99 GRT FLOOD CONTROL BOND PROJ	1,650,690	30,981	3,971,608	176	3,971,432	3,916,221	1,736,882		$1,736,882
59	REVENUE BOND P & I FUND	149,984	7,250	2,678,368	0	2,678,368	2,678,368	157,234		$157,234
61	MUNICIPAL INFRASTRUCTURE .0625%	818,034	423,329	0	820,164	(820,164)	7,066	414,133		$414,133
63	COMMUNITY DEVELOPMENT	33,500	0	444,242	42,663	401,579	434,935	144		$144
69	1994 GROSS RECEIPTS	2,219,834	1,689,544	0	2,633,874	(2,633,874)	28,262	1,247,242	553,279	$693,963
71	ALAMO SENIOR CENTER	21,630	788,939	588,400	2,379	586,021	1,390,635	5,955		$5,955
74	ALAMO SENIOR CENTER GIFT	141,812	21,642	0	0	0	81,473	81,981		$81,981
75	RETIRED & SENIOR VOL. PROGRAM	100	232,414	56,500	17,068	39,432	271,564	382		$382
81	WATER/SEWER OPERATING	10,264,053	17,856,920	1,911,578	2,071,120	(159,542)	26,255,613	1,705,818	946,315	$759,503
82	98 JT WATER/SEWER BOND P&I	1,253,517	3,226,821	1,933,872	0	1,933,872	5,132,296	1,281,914		$1,281,914
86	SOLID WASTE COLLECTION SYS.	458,723	2,288,155	0	136,255	(136,255)	2,178,902	431,721	158,023	$273,698
88	BONITO CAMPGROUND	385,257	5,518	0	0	0	0	390,775		$390,775
89	ESGRT .0625%	2,537,187	443,151	0	215,475	(215,475)	307,600	2,457,263		$2,457,263
90	GOLF COURSE	11,600	1,593,648	218,450	82,406	136,044	1,740,732	560		$560

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BUDGET 2019-2020

FY20 BUDGET - RESOLUTION 2020-08 (#8) FEBRUARY 25, 2020

FUND NO.	FY 2019-2020 FUND DESCRIPTION	UNAUDITED BEGINNING CASH BALANCE	ESTIMATED REVENUES	TRANSFERS IN	TRANSFERS OUT	NET CASH TRANSFERS	BUDGETED EXPENDITURES	ESTIMATED ENDING CASH BALANCE	LOCAL RESERVE REQUIREMENTS UNAVAILABLE FOR BUDGETING	ADJUSTED ENDING CASH BALANCE
91	AIRPORT	12,569	385,817	284,500	47,933	236,567	433,215	201,738		$201,738
94	OTERO GREENTREE REG LANDFILL	4,698,915	1,401,009	0	2,972	(2,972)	3,732,197	2,364,755		$2,364,755
96	SELF-INSURED FUND	494,406	66,439	0	8,000	(8,000)	50,239	502,606		$502,606
98	PAYROLL CLEARING	210,809	0	0	0	0	0	210,809		$210,809
104	UTILITY DEPOSITS	660,682	0	0	0	0	0	660,682		$660,682
105	ECONOMIC DEVELOPMENT	3,184,151	947,836	0	0	0	891,559	3,240,428		$3,240,428
107	SELF INSURED/LIABILITY	682,061	11,694	330,000	0	330,000	452,169	571,586		$571,586
109	2004 GRT CAPITAL OUTLAY	11,931,219	3,518,163	0	3,201,438	(3,201,438)	9,907,077	2,340,867	534,720	$1,806,147
114	SIDEWALKS REVOLVING LOANS	138,887	2,095	0	0	0	32,360	108,622		$108,622
115	CORP ESCROW ACCOUNT RESERVE	0	0	0	0	0	0	0		$0
119	2012 GRT REF/IMP REVBD	1,202,310	24,232	0	0	0	903,817	322,725		$322,725
121	2015 GO BONDS-FUN CENTER	87,476	1,441	0	0	0	0	88,917		$88,917
122	2015 GO BONDS-STREETS	169,501	3,003	0	0	0	0	172,504		$172,504
901	HOUSING LOW RENT OPERATING	897,099	822,791	0	109	(109)	1,055,348	664,433	78,002	$586,431
903	HOUSING HOMEOWNERSHIP OPER	746,039	1,705	0	0	0	28,145	719,599		$719,599
904	HOUSING CAPITAL FUND PROJECTS	0	851,194	0	0	0	851,194	0		$0
	TOTALS FY2020	**59,492,852**	**65,206,803**	**21,576,051**	**21,576,051**	**0**	**94,121,598**	**30,578,057**	**6,275,080**	**24,302,976**

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FY20 RECAP

1/12TH REQ RSRV
1,226,032
1/12TH REQ RSRV
1,226,032
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ALL FUNDS SUMMARY

BUDGET 2019-2020

FY20 BUDGET - RESOLUTION 2020-08 (#8) FEBRUARY 25, 2020

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11	GENERAL OPERATING FUND	6,853,189	17,753,410	293,708	7,054,660	(6,760,952)	14,712,380	3,133,267	2,939,190	194,077
	Total Revised Fund 11	**6,853,189**	**17,753,410**	**293,708**	**7,054,660**	**(6,760,952)**	**14,712,380**	**3,133,267**	**2,939,190**	**194,077**
12	INTERNAL SERVICE FUND	82,565	414,533	2,774,784	40,826	2,733,958	3,229,092	1,964		$1,964
	Total Revised Fund 12	**82,565**	**414,533**	**2,774,784**	**40,826**	**2,733,958**	**3,229,092**	**1,964**		**1,964**
15	CORRECTIONS-JAIL	10,663	81,827	104,000	259	103,741	193,850	2,381		$2,381
	Total Revised Fund 15	**10,663**	**81,827**	**104,000**	**259**	**103,741**	**193,850**	**2,381**		**2,381**
16	LODGER'S TAX-PROMOTIONAL FUND	181,723	255,431	6,695	1,749	4,946	279,219	162,881		$162,881
	Total Revised Fund 16	**181,723**	**255,431**	**6,695**	**1,749**	**4,946**	**279,219**	**162,881**		**162,881**
17	POLICE COURT BOND	10,438	0	0	0	0	0	10,438		$10,438
	Total Revised Fund 17	**10,438**	**0**	**0**	**0**	**0**	**0**	**10,438**		**10,438**
19	COURT AUTOMATION FUND	5,867	81,566	0	24,311	(24,311)	63,118	4		$4
	Total Revised Fund 19	**5,867**	**81,566**	**0**	**24,311**	**(24,311)**	**63,118**	**4**		**4**
20	LODGER'S TAX-CITY	98,458	439,292	0	57,702	(57,702)	479,995	53		$53
	Revision #1		14,000			0	14,000	0		$0
	Total Revised Fund 20	**98,458**	**453,292**	**0**	**57,702**	**(57,702)**	**493,995**	**53**		**53**
21	D.A.R.E. DONATIONS FUND	23,639	6,224	0	0	0	13,258	16,605		$16,605
	Total Revised Fund 21	**23,639**	**6,224**	**0**	**0**	**0**	**13,258**	**16,605**		**16,605**
24	GRANT CAPITAL IMPROVEMENT	0	1,275,501	0	0	0	1,162,148	113,353		$113,353
	Total Revised Fund 24	**0**	**1,275,501**	**0**	**0**	**0**	**1,162,148**	**113,353**		**113,353**
27	MUNICIPAL COURT OPERATIONS	8,775	10,000	426,141	14,058	412,083	430,848	10		$10
	Total Revised Fund 27	**8,775**	**10,000**	**426,141**	**14,058**	**412,083**	**430,848**	**10**		**10**
28	POLICE CONTINGENCY	62,595	3,836	0	0	0	10,000	56,431		$56,431
	Total Revised Fund 28	**62,595**	**3,836**	**0**	**0**	**0**	**10,000**	**56,431**		**56,431**
31	CEMETERY-PERPETUAL CARE	770,756	25,843	0	0	0	0	796,599		$796,599
	Total Revised Fund 31	**770,756**	**25,843**	**0**	**0**	**0**	**0**	**796,599**		**796,599**
32	COMMUNITY SERVICES	124,369	538,864	4,009,000	623,914	3,385,086	4,047,302	1,017		$1,017
	Total Revised Fund 32	**124,369**	**538,864**	**4,009,000**	**623,914**	**3,385,086**	**4,047,302**	**1,017**		**1,017**
33	FIRE PROTECTION	400,617	659,726	0	0	0	849,592	210,751	23,204	$187,547
	Revision #2		88,013			0	88,013	0		$0
	Total Revised Fund 33	**400,617**	**747,739**	**0**	**0**	**0**	**937,605**	**210,751**	**23,204**	**187,547**
35	HIDTA GRANT FUND	0	28,239	0	0	0	28,239	0		$0

	Total Revised Fund 35	**(0)**	**28,239**	**0**	**0**	**0**	**28,239**	**(0)**		**(0)**
36	LAW ENFORCEMENT FUND	(0)	63,000	0	0	0	63,000	(0)		($0)
	Total Revised Fund 36	**(0)**	**63,000**	**0**	**0**	**0**	**63,000**	**(0)**		**(0)**
37	STATE HIGHWAY FUND	127,401	36,289	0	0	0	26,823	136,867		$136,867
	Total Revised Fund 37	**127,401**	**36,289**	**0**	**0**	**0**	**26,823**	**136,867**		**136,867**
38	TRAFFIC SAFETY FUND	69,142	23,684	0	0	0	44,146	48,680		$48,680
	Total Revised Fund 38	**69,142**	**23,684**	**0**	**0**	**0**	**44,146**	**48,680**		**48,680**
39	STATE JUDICIAL	3,416	75,500	0	0	0	75,500	3,416		$3,416
	Total Revised Fund 39	**3,416**	**75,500**	**0**	**0**	**0**	**75,500**	**3,416**		**3,416**
42	1984 GROSS RECEIPTS TAX	245,032	1,693,023	0	1,546,149	(1,546,149)	28,262	363,644	262,110	$101,534
	Total Revised Fund 42	**245,032**	**1,693,023**	**0**	**1,546,149**	**(1,546,149)**	**28,262**	**363,644**	**262,110**	**101,534**
44	TRANSPORTATION FUND	0	2,189,862	1,370,159	153,157	1,217,002	3,261,233	145,631		$145,631
	Total Revised Fund 44	**0**	**2,189,862**	**1,370,159**	**153,157**	**1,217,002**	**3,261,233**	**145,631**		**145,631**
48	NEW MEXICO C.D.B.G.	0	0	0	0	0	0	0		$0
	Total Revised Fund 48	**0**	**0**	**0**	**0**	**0**	**0**	**0**		**0**
49	1986 GROSS RECEIPTS TAX	4,373,647	1,753,562	0	2,777,234	(2,777,234)	1,065,529	2,284,446	269,728	$2,014,718
	Total Revised Fund 49	**4,373,647**	**1,753,562**	**0**	**2,777,234**	**(2,777,234)**	**1,065,529**	**2,284,446**	**269,728**	**2,014,718**
50	PROPERTY ACQUISITION	84,410	0	0	0	0	0	84,410		$84,410
	Total Revised Fund 50	**84,410**	**0**	**0**	**0**	**0**	**0**	**84,410**		**84,410**
53	GENERAL OBLIGATION	872,135	1,049,847	0	0	0	1,021,018	900,964	510,509	$390,455
	Total Revised Fund 53	**872,135**	**1,049,847**	**0**	**0**	**0**	**1,021,018**	**900,964**	**510,509**	**390,455**
54	REVERSE OSMOSIS PROJECT RSV	21,967	0	174,046	0	174,046	174,046	21,967		$21,967
	Total Revised Fund 54	**21,967**	**0**	**174,046**	**0**	**174,046**	**174,046**	**21,967**		**21,967**
56	99 GRT FLOOD CONTROL BOND PROJ	1,650,690	30,981	3,971,608	176	3,971,432	3,916,221	1,736,882		$1,736,882
	Total Revised Fund 56	**1,650,690**	**30,981**	**3,971,608**	**176**	**3,971,432**	**3,916,221**	**1,736,882**		**1,736,882**
59	REVENUE BOND P & I FUND	149,984	7,250	2,678,368	0	2,678,368	2,678,368	157,234		$157,234
	Total Revised Fund 59	**149,984**	**7,250**	**2,678,368**	**0**	**2,678,368**	**2,678,368**	**157,234**		**157,234**
61	MUNICIPAL INFRASTRUCTURE .0625%	818,034	423,329	0	820,164	(820,164)	7,066	414,133		$414,133
	Total Revised Fund 61	**818,034**	**423,329**	**0**	**820,164**	**(820,164)**	**7,066**	**414,133**		**414,133**
63	COMMUNITY DEVELOPMENT	33,500	0	444,242	42,663	401,579	434,935	144		$144
	Total Revised Fund 63	**33,500**	**0**	**444,242**	**42,663**	**401,579**	**434,935**	**144**		**144**
69	1994 GROSS RECEIPTS	2,219,834	1,689,544	0	2,633,874	(2,633,874)	28,262	1,247,242	553,279	$693,963
	Total Revised Fund 69	**2,219,834**	**1,689,544**	**0**	**2,633,874**	**(2,633,874)**	**28,262**	**1,247,242**	**553,279**	**693,963**
71	ALAMO SENIOR CENTER	21,630	793,719	588,400	2,379	586,021	1,395,415	5,955		$5,955
	Revision #3		(4,780)			0	(4,780)	0		$0
	Total Revised Fund 71	**21,630**	**788,939**	**588,400**	**2,379**	**586,021**	**1,390,635**	**5,955**		**5,955**
74	ALAMO SENIOR CENTER GIFT	141,812	21,642	0	0	0	81,473	81,981		$81,981
	Total Revised Fund 74	**141,812**	**21,642**	**0**	**0**	**0**	**81,473**	**81,981**		**81,981**
75	RETIRED & SENIOR VOL. PROGRAM	100	232,414	56,500	17,068	39,432	271,564	382		$382
	Total Revised Fund 75	**100**	**232,414**	**56,500**	**17,068**	**39,432**	**271,564**	**382**		**382**
81	WATER/SEWER OPERATING	10,264,053	17,856,920	1,911,578	2,071,120	(159,542)	26,255,613	1,705,818	946,315	$759,503

	Total Revised Fund 81	**10,264,053**	**17,856,920**	**1,911,578**	**2,071,120**	**(159,542)**	**26,255,613**	**1,705,818**	**946,315**	**759,503**
82	98 JT WATER/SEWER BOND P&I	1,253,517	3,226,821	1,933,872	0	1,933,872	5,132,296	1,281,914	0	$1,281,914
	Total Revised Fund 82	**1,253,517**	**3,226,821**	**1,933,872**	**0**	**1,933,872**	**5,132,296**	**1,281,914**	**0**	**1,281,914**
86	SOLID WASTE COLLECTION SYS.	458,723	2,288,155	0	136,255	(136,255)	2,178,902	431,721	158,023	$273,698
	Total Revised Fund 86	**458,723**	**2,288,155**	**0**	**136,255**	**(136,255)**	**2,178,902**	**431,721**	**158,023**	**273,698**
88	BONITO CAMPGROUND	385,257	5,518	0	0	0	0	390,775		$390,775
	Total Revised Fund 88	**385,257**	**5,518**	**0**	**0**	**0**	**0**	**390,775**		**390,775**
89	ESGRT .0625%	2,537,187	443,151	0	215,475	(215,475)	307,600	2,457,263		$2,457,263
	Total Revised Fund 89	**2,537,187**	**443,151**	**0**	**215,475**	**(215,475)**	**307,600**	**2,457,263**	**0**	**2,457,263**
90	GOLF COURSE	11,600	1,593,648	218,450	82,406	136,044	1,740,732	560		$560
	Total Revised Fund 90	**11,600**	**1,593,648**	**218,450**	**82,406**	**136,044**	**1,740,732**	**560**	**0**	**560**
91	AIRPORT	12,569	385,817	284,500	47,933	236,567	433,215	201,738	0	$201,738
	Total Revised Fund 91	**12,569**	**385,817**	**284,500**	**47,933**	**236,567**	**433,215**	**201,738**	**0**	**201,738**
94	OTERO GREENTREE REG LANDFILL	4,698,915	1,401,009	0	2,972	(2,972)	3,732,197	2,364,755		$2,364,755
	Total Revised Fund 94	**4,698,915**	**1,401,009**	**0**	**2,972**	**(2,972)**	**3,732,197**	**2,364,755**	**0**	**2,364,755**
96	SELF-INSURED FUND	494,406	66,439	0	8,000	(8,000)	50,239	502,606		$502,606
	Total Revised Fund 96	**494,406**	**66,439**	**0**	**8,000**	**(8,000)**	**50,239**	**502,606**	**0**	**502,606**
98	PAYROLL CLEARING	210,809	0	0	0	0	0	210,809		$210,809
	Total Revised Fund 98	**210,809**	**0**	**0**	**0**	**0**	**0**	**210,809**	**0**	**210,809**
104	UTILITY DEPOSITS	660,682	0	0	0	0	0	660,682		$660,682
	Total Revised Fund 104	**660,682**	**0**	**0**	**0**	**0**	**0**	**660,682**	**0**	**660,682**
105	ECONOMIC DEVELOPMENT	3,184,151	947,836	0	0	0	891,559	3,240,428		$3,240,428
	Total Revised Fund 105	**3,184,151**	**947,836**	**0**	**0**	**0**	**891,559**	**3,240,428**		**3,240,428**
107	SELF INSURED/LIABILITY	682,061	11,694	330,000	0	330,000	452,169	571,586		$571,586
	Total Revised Fund 107	**682,061**	**11,694**	**330,000**	**0**	**330,000**	**452,169**	**571,586**	**0**	**571,586**
109	2004 GRT CAPITAL OUTLAY	11,931,219	3,518,163	0	3,201,438	(3,201,438)	9,907,077	2,340,867	534,720	$1,806,147
	Total Revised Fund 109	**11,931,219**	**3,518,163**	**0**	**3,201,438**	**(3,201,438)**	**9,907,077**	**2,340,867**	**534,720**	**1,806,147**
114	SIDEWALKS REVOLVING LOANS	138,887	2,095	0	0	0	32,360	108,622		$108,622
	Total Revised Fund 114	**138,887**	**2,095**	**0**	**0**	**0**	**32,360**	**108,622**	**0**	**108,622**
115	CORP ESCROW ACCOUNT RESERVE	0	0	0	0	0	0	0		$0
	Total Revised Fund 114	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
119	2012 GRT REF/IMP REVBD	1,202,310	24,232	0	0	0	903,817	322,725		$322,725
	Total Revised Fund 119	**1,202,310**	**24,232**	**0**	**0**	**0**	**903,817**	**322,725**		**322,725**
121	2015 GO BONDS-FUN CENTER	87,476	1,441	0	0	0	0	88,917		$88,917
	Total Revised Fund 121	**87,476**	**1,441**	**0**	**0**	**0**	**0**	**88,917**		**88,917**
122	2015 GO BONDS-STREETS	169,501	3,003	0	0	0	0	172,504		$172,504
	Total Revised Fund 122	**169,501**	**3,003**	**0**	**0**	**0**	**0**	**172,504**		**172,504**
901	HOUSING LOW RENT OPERATING	897,099	822,791	0	109	(109)	1,055,348	664,433	78,002	$586,431
	Total Revised Fund 901	**897,099**	**822,791**	**0**	**109**	**(109)**	**1,055,348**	**664,433**	**78,002**	**586,431**
903	HOUSING HOMEOWNERSHIP OPER	746,039	1,705	0	0	0	28,145	719,599		$719,599
	Total Revised Fund 903	**746,039**	**1,705**	**0**	**0**	**0**	**28,145**	**719,599**	**0**	**719,599**
904	HOUSING CAPITAL FUND PROJECTS	0	851,194	0	0	0	851,194	0		$0
	Total Revised Fund 904	**0**	**851,194**	**0**	**0**	**0**	**851,194**	**0**		**0**
	TOTALS FY2020	**59,492,852**	**65,206,803**	**21,576,051**	**21,576,051**	**0**	**94,121,598**	**30,578,057**	**6,275,080**	**24,302,976**

Resolution # 2020-08   February 25, 2020

RECURRING/ NON-RECURRING	FUND NO.	LINE ITEM NO.	LINE ITEM DESCRIPTION	ORIGINAL BUDGET AMOUNT	INCREASE (DECREASE)	REVISED BUDGET AMOUNT

REVISION #1

This budget revision is to add the revenue from sponsorship MOU's Secured for Sounds of Freedom and 4th Fridays. Expenses are being increased to account for additional revenue.

	20	**LODGER'S TAX-CITY**				
		Revenues				
		020-0000-316.15-28	Special Events	2,000	**3,000**	5,000
		020-0000-316.15-28	Special Events	2,000	**10,000**	12,000
		020-0000-316.15-28	Special Events	2,000	**1,000**	3,000
			Total Revenues	6,000	**14,000**	20,000
		Expenditures				
		020-0006-454.57-93	Special Events	44,681	**3,000**	47,681
	CSMD20	020-0006-454.57-93	Special Events	20,000	**11,000**	31,000
			Total Expenditures	64,681	**14,000**	78,681

REVISION #2

This budget revision is to add the revenue and expenses for the FY20 Fire Protection Grant received by the Fire Department

	33	**FIRE PROTECTION**				
		Revenues				
	FD2003	033-0000-317.16-13	Grants/State Grants	0	**88,013**	88,013
			Total Revenues	0	**88,013**	88,013
	FD2003	033-0000-421.50-50	Equipment - Non- Capital	0	**88,013**	88,013
			Total Expenditures	0	**88,013**	88,013

REVISION #3

This budget revision is to reconile the revenue and expenses for the Evidence Based Federal Program grant to the actual award amount

	71	**SENIOR CENTER**				
		Revenues				
		071-8031-317.16-30	EB Federal Grant	25,556	**(4,780)**	20,776
			Total Revenues	25,556	**(4,780)**	20,776
		071-8031-445.32.75	EB Program Supplies	18,556	**(4,780)**	13,776
			Total Expenditures	18,556	**(4,780)**	13,776

RESOLUTION NO. 2020-08

A RESOLUTION REQUESTING THE DEPARTMENT OF FINANCE AND ADMINISTRATION, STATE OF NEW MEXICO, APPROVE REVISED BUDGET FIGURES FOR CERTAIN LINE ITEMS IN THE CITY'S BUDGET FOR FISCAL YEAR 2019-20.

WHEREAS, the City of Alamogordo, New Mexico wishes approval to change some of the budget line item figures of various funds; and

WHEREAS, the Department of Finance and Administration, State of New Mexico, gave its written certification to the City of Alamogordo, New Mexico's annual budget on August 2, 2019, for fiscal year 2019-2020; and

WHEREAS, the City of Alamogordo, New Mexico, has tabulated on the following pages the additional resources and expenditures for fiscal year 2019-2020.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF ALAMOGORDO, NEW MEXICO, that the City's annual budget for fiscal year 2020 be and hereby is revised as of February 25, 2020 to reflect a more true and accurate projection of the actual revenues and expenditures for fiscal year 2019-2020 as shown on the following pages.

NOW, BE IT FURTHER RESOLVED BY THE GOVERNING BODY OF THE CITY OF ALAMOGORDO, NEW MEXICO, that the Department of Finance and Administration, State of New Mexico, be requested to give its written approval to the revised budget figures computed on February 25, 2020 as a more true and accurate projection of the actual revenues and expenditures for fiscal year 2019-2020.

PASSED, APPROVED AND ADOPTED by the Governing Body of the City of Alamogordo, New Mexico, at a Regular Meeting held this 25th day of February 2020.

CITY OF ALAMOGORDO, NEW MEXICO,
A NEW MEXICO MUNICIPAL CORPORATION

By: ______________________________
Richard A. Boss, Mayor

ATTEST:

____
Rachel Hughs, City Clerk

APPROVED AS TO FORM:

____
Petria Bengoechea, City Attorney

AGENDA REPORT
CITY OF ALAMOGORDO
CITY COMMISSION

Meeting Date: 2/25/2020 **Report Date:** 2/18/2020 **Report No:** 8.

Submitted By: Diane Malone

Subject: Consider, and act upon, submission of letter of commitment to support grant application from Otero Soil and Water Conservation District to Paso del Norte Foundation. *(Debbie Osborne, Grant Coordinator)*

Fiscal Impact:
Amount Budgeted:
Fund:

Additional Fiscal Impact:

Recommendation: Recommend approval to submit letter.

Background: Otero Soil and Water Conservation District (OSWD), in conjunction with Otero Healthy Eating Active Living (HEAL), is submitting a grant application to Paso del Norte Foundation. The purpose of the grant is to come up with a project that would increase physical activity and enhance an existing greenspace in Alamogordo, increasing use by families. HEAL has worked with OSWD to come up with the idea of a Desert Critter Trail in Alamogordo. It will be a scavenger hunt type trail with signage of desert animals native to this region, strategically spaced to encourage additional walking.

OSWD and HEAL asked if the City could submit a letter of support for the project. We are committing support of the project and permitting the installation of the signs at a city-owned park or trail to be determined. The project would be carried on at no cost to the City. Grant funds would be used for the purchase and installation of the signs. The installation procedure and the location of each sign would have to be coordinated with the Community Services, Parks Department, to make sure that all policies and ordinances are being followed. The signs would have to be made out of material that could withstand wear and weather conditions and not require maintenance. We discussed possible materials so that future maintenance would not be an issue. There will be about 10-12 signs with pictures of different desert critters. The size of each would be about 4”x4”, on an 8” post that will be cemented into the ground or on a concrete type monument stone. Additionally, there will be 1 larger sign at the beginning of the trail, or possibly 2 larger signs if trail/park can be accessed from a second location, that would show a picture of each critter to search for and a little about the critter.

Re: Letter of Commitment for the development of Desert Critters Trail in the City of Alamogordo, New Mexico

Dear Ms. Renner and Paso del Norte Health Foundation:

The City of Alamogordo is pleased to support Otero Soil and Water Conservation District's grant application to develop a Desert Critters Trail in the City. Furthermore, the City commits to partner with Otero Soil and Water Conservation District (OSWCD) in conjunction with Otero Healthy Eating Active Living (HEAL) to permit the use of land in one of the City's parks to develop the Desert Critters Trail.

The City, OSWCD and HEAL have met and tentatively identified Washington Park as an ideal location for the Trail. Washington Park is in an easily accessible location within the City and has ample space for 10-12 desert animal signs within a 1 to 1 ½ mile walking distance. All material and installation costs will be grant funded. OSWCD and HEAL would provide details of sign construction material, installation plans and proposed locations to the City's Community Service Director and Park Manager for review to ensure that they fall within specifications of any City Polices or Ordinances.

We look forward to working with OSWCD and HEAL to provide an additional opportunity for our citizens to enjoy the outdoors, increase their physical activity and learn about desert critters.

Sincerely,

Brian Cesar
City Manager
City of Alamogordo

AGENDA REPORT
CITY OF ALAMOGORDO
CITY COMMISSION

Meeting Date: 2/25/2020 **Report Date:** 2/18/2020 **Report No:** 9.

Submitted By: Stephanie Hernandez

Subject: Consider, and act upon, Resolution 2020-11 for the acceptance and approval of the FY19 Audit. *(Benjamin Martinez, CRI - Carr, Riggs & Ingram)* **(Roll Call Vote Required)**

Fiscal Impact:
Amount Budgeted:
Fund:

Additional Fiscal Impact:

Recommendation: Approval of Resolution 2020-11

Background: Consider and Act Upon Resolution 2020-11 Acceptance of FY 2019 Audit Summary, Benjamin Martinez from CRI will present an overview of the final statements for the FY2019 audit. The New Mexico Department of Finance and Administration requires the Annual Audit Report to be accepted by Resolution.

State of New Mexico

City of Alamogordo

FINANCIAL STATEMENTS

For the Year Ended June 30, 2019

CRI CARR RIGGS & INGRAM
CPAs and Advisors
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Introductory Section

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City Commission

Name	Title
Richard Boss	Mayor-At-Large
Jason Baldwin	Mayor Pro-Tem/Commissioner
Nadia Sikes	Commissioner
Susan Payne	Commissioner
Alfonso "Al" Hernandez	Commissioner
Dusty Wright	Commissioner
Josh Rardin	Commissioner

Administration

Brian Cesar	Interim City Manager
Petria Bengoechea	City Attorney
Stephanie Hernandez	Finance Director
Rachel Hughs	City Clerk

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Financial Section

CRI CARR RIGGS & INGRAM
CPAs and Advisors

Carr, Riggs & Ingram, LLC
2424 Louisiana Boulevard NE
Suite 300
Albuquerque, NM 87110

(505) 883-2727
(505) 884-6719 (fax)
CRIcpa.com

INDEPENDENT AUDITORS' REPORT

Brian S. Colón, Esq.
New Mexico State Auditor and
The Office of Management and Budget
To the City Commission
City of Alamogordo
Alamogordo, New Mexico

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparison for the general fund of the City of Alamogordo (the "City"), as of and for the year ended June 30, 2019, 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 Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2019, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparison for the general fund of the City, as of June 30, 2019, 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 of the City, as of June 30, 2019, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Restatement of Net Position

As described in note 17 to the financial statements, the prior year financial statements have been restated in the amount of $1,000,344 and ($555,057) in the business type activities relating to an accrual for unbilled utilities and capital assets that were incorrectly restated in the prior year. In addition, the amount of $485,018 was restated in the component unit activities relating to construction in progress that was unidentified during the prior year. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Management has omitted the *Management's Discussion and Analysis* that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considered it be an essential part of the financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the GASB required pension schedules, OPEB schedules, and notes to the required supplementary information on pages 90 through 104 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, the combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and supporting schedules required by Section 2.2.2 NMAC, as identified in the table of contents, and other disclosures 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.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2019, 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
December 16, 2019

Basic Financial Statements

City of Alamogordo, New Mexico
Statement of Net Position
June 30, 2019

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Unit
Assets				
Current assets				
Cash and cash equivalents	$ 4,714,924	$ 1,844,507	$ 6,559,431	$ 730,550
Investments	35,250,551	12,659,284	47,909,835	3,041,945
Receivables:				
Taxes receivable	4,416,118	-	4,416,118	-
Due from other governments	132,012	243,337	375,349	-
Customer receivable, net	-	1,709,217	1,709,217	367,691
Other receivables, net	242,245	-	242,245	-
Inventory	151,052	430,521	581,573	-
Prepaid expenses	79,335	35,816	115,151	-
Internal balances	3,430	(3,430)	-	-
Total current assets	44,989,667	16,919,252	61,908,919	4,140,186
Noncurrent assets				
Restricted cash and cash equivalents	-	67,676	67,676	-
Restricted investments	-	74,551	74,551	911,581
Bond discounts, net of accumulated amortization of $26,955 and $153,133	178,327	-	178,327	-
Assets held for sale	-	88,338	88,338	-
Capital assets, not being depreciated	19,678,381	32,898,484	52,576,865	2,742,655
Capital assets, being depreciated	252,578,771	141,475,671	394,054,442	5,030,736
Less: accumulated depreciation	(193,273,953)	(60,548,520)	(253,822,473)	(3,451,128)
Total noncurrent assets	79,161,526	114,056,200	193,217,726	5,233,844
Total assets	124,151,193	130,975,452	255,126,645	9,374,030
Deferred outflows of resources				
Deferred outflows - pension	6,554,650	1,289,010	7,843,660	103,976
Deferred outflows - OPEB	674,816	145,759	820,575	11,678
Deferred outflows - extinguishment of debt	594,310	221,265	815,575	-
Total deferred outflows of resources	7,823,776	1,656,034	9,479,810	115,654
Total assets and deferred outflows of resources	$ 131,974,969	$ 132,631,486	$ 264,606,455	$ 9,489,684

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

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Unit
Liabilities				
Current liabilities				
Accounts payable	$ 530,645	$ 1,094,501	$ 1,625,146	$ 57,338
Accrued payroll	766,437	133,516	899,953	10,839
Accrued compensated absences	940,016	238,092	1,178,108	12,201
Customer deposits	22,479	594,336	616,815	8,067
Unearned revenue	22,826	1,855,743	1,878,569	7,141
Accrued interest	210,354	109,388	319,742	-
Current portion of long-term debt	2,493,677	1,443,939	3,937,616	-
Total current liabilities	4,986,434	5,469,515	10,455,949	95,586
Noncurrent liabilities				
Accrued landfill closure costs	-	-	-	1,508,632
Bond premiums, net of accumulated amortization of $40,859 and $134,216	212,016	106,819	318,835	-
Long-term debt	30,071,462	21,743,148	51,814,610	-
Net pension liability	23,391,729	4,092,836	27,484,565	347,740
Net OPEB liability	10,690,353	1,886,735	12,577,088	161,852
Total noncurrent liabilities	64,365,560	27,829,538	92,195,098	2,018,224
Total liabilities	69,351,994	33,299,053	102,651,047	2,113,810
Deferred inflows of resources				
Deferred inflows - pension	1,823,451	340,946	2,164,397	27,028
Deferred inflows - OPEB	2,746,242	502,703	3,248,945	42,566
Total deferred inflows of resources	4,569,693	843,649	5,413,342	69,594
Net position				
Net investment in capital assets	49,331,200	90,752,994	140,084,194	4,322,263
Restricted for:				
Debt service	3,609,340	-	3,609,340	-
Capital projects	20,700,370	-	20,700,370	-
Special revenue	3,857,769	-	3,857,769	-
Permanent fund	767,887	-	767,887	-
Unrestricted	(20,213,284)	7,735,790	(12,477,494)	2,984,017
Total net position	58,053,282	98,488,784	156,542,066	7,306,280
Total liabilities, deferred inflows of resources, and net position	$ 131,974,969	$ 132,631,486	$ 264,606,455	$ 9,489,684

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

City of Alamogordo, New Mexico
Statement of Activities
For the Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental activities				
General government	$ 9,863,172	$ 2,795,990	$ 866,888	47,622
Public safety	10,860,131	468,121	822,345	-
Public works	6,062,644	24,430	8,173	2,978
Culture and recreation	7,990,779	675,343	624,834	150,000
Health and welfare	243,875	-	213,688	-
Interest on long-term debt	1,187,064	-	-	-
Total governmental activities	36,207,665	3,963,884	2,535,928	200,600
Business-type activities				
Water and sewer	9,791,898	9,714,579	-	2,115,216
Solid waste	2,060,638	2,195,440	-	-
Bonito lake	5,266	-	-	-
Golf course	1,932,722	1,557,019	-	-
Airport	570,528	172,952	34,883	464,712
Low rent public housing	1,261,193	260,871	731,638	14,052
Home ownership	18,480	-	-	-
Total business-type activities	15,640,725	13,900,861	766,521	2,593,980
Total primary government	$ 51,848,390	$ 17,864,745	$ 3,302,449	$ 2,794,580
Component Unit:				
Otero - Greentree Regional Landfill	$ 1,495,893	$ 2,260,068	$ -	$ -

General revenues and transfers

Taxes:

Property taxes

Gross receipts taxes

Gasoline and motor vehicle taxes

Other taxes

Investment income

Miscellaneous

Proceeds from sale of assets

Transfers

Total general revenues and transfers

Change in net position

Net position, beginning, as originally stated

Net position, restatement (note 17)

Net position, beginning as restated

Net position, ending

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

Net (Expense) Revenue and Changes in Net Position – Primary Government: Governmental Activities	Business-type Activities	Total	Component Unit
$ (6,152,672)	$ -	$ (6,152,672)	$ -
(9,569,665)	-	(9,569,665)	-
(6,027,063)	-	(6,027,063)	-
(6,540,602)	-	(6,540,602)	-
(30,187)	-	(30,187)	-
(1,187,064)	-	(1,187,064)	-
(29,507,253)	-	(29,507,253)	-
-	2,037,897	2,037,897	-
-	134,802	134,802	-
-	(5,266)	(5,266)	-
-	(375,703)	(375,703)	-
-	102,019	102,019	-
-	(254,632)	(254,632)	-
-	(18,480)	(18,480)	-
-	1,620,637	1,620,637	-
(29,507,253)	1,620,637	(27,886,616)	-
-	-	-	764,175
4,266,463	-	4,266,463	-
22,191,751	-	22,191,751	-
651,455	-	651,455	-
590,150	-	590,150	-
1,476,502	536,012	2,012,514	140,934
733,056	67,544	800,600	10,753
11,013	-	11,013	-
(10,864,701)	10,866,719	2,018	(2,018)
19,055,689	11,470,275	30,525,964	149,669
(10,451,564)	13,090,912	2,639,348	913,844
68,504,846	84,952,585	153,457,431	5,907,418
-	445,287	445,287	485,018
68,504,846	85,397,872	153,902,718	6,392,436
$ 58,053,282	$ 98,488,784	$ 156,542,066	$ 7,306,280

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

City of Alamogordo, New Mexico
Balance Sheet
Governmental Funds
June 30, 2019

	General Fund	Economic Development Fund	2004 Capital Outlay GRT Fund
Assets			
Cash and cash equivalents	$ 769,955	$ 166,627	$ 266,151
Investments	6,270,505	3,006,240	11,621,448
Receivables:			
Taxes receivable	2,329,653	152,712	610,847
Due from other governments	-	-	-
Other receivables, net	194,912	6,000	-
Inventory	-	-	-
Prepaid expense	11,245	-	-
Due from other funds	1,715,433	-	-
Total assets	$ 11,291,703	$ 3,331,579	$ 12,498,446
Liabilities			
Accounts payable	$ 90,472	$ 69,847	$ 6,779
Accrued payroll	538,307	-	-
Customer deposits	2,403	-	-
Unearned revenue	6,945	-	-
Due to other funds	-	-	-
Total liabilities	638,127	69,847	6,779
Deferred inflows of resources			
Unearned revenue - property taxes	133,124	-	-
Total deferred inflows of resources	133,124	-	-
Fund balances			
Nonspendable:			
Prepaid assets	11,245	-	-
Restricted for:			
Government operations			
Public safety	-	-	-
Public works	-	-	-
Culture and recreation	-	-	-
Health and welfare	-	-	-
Capital projects	-	3,261,732	12,491,667
Debt service	-	-	-
Permanent fund	-	-	-
Unassigned (deficit)	10,509,207	-	-
Total fund balances	10,520,452	3,261,732	12,491,667
Total liabilities, deferred inflows of resources, and fund balances	$ 11,291,703	$ 3,331,579	$ 12,498,446

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

Nonmajor Governmental Funds	Total Governmental Funds
$ 3,358,837	$ 4,561,570
13,250,814	34,149,007
1,322,906	4,416,118
132,012	132,012
23,720	224,632
-	-
-	11,245
-	1,715,433
$ 18,088,289	$ 45,210,017
$ 306,361	$ 473,459
174,898	713,205
20,076	22,479
15,881	22,826
1,712,003	1,712,003
2,229,219	2,943,972
44,063	177,187
44,063	177,187
-	11,245
761,138	761,138
483,486	483,486
2,731,161	2,731,161
271,123	271,123
15,187	15,187
7,395,235	23,148,634
3,565,277	3,565,277
767,887	767,887
(175,487)	10,333,720
15,815,007	42,088,858
$ 18,088,289	$ 45,210,017

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

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City of Alamogordo, New Mexico
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2019

Amounts reported for governmental activities in the statement of net position are different because:

Fund balances - total governmental funds	$ 42,088,858
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds	78,983,199
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	1,381,235
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	177,187
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	594,310
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 (Note 11)	6,554,650
Deferred inflows - pension (Note 11)	(1,823,451)
Deferred outflows - OPEB (Note 12)	674,816
Deferred inflows - OPEB (Note 12)	(2,746,242)
Liabilities, including bonds payable, and net pension liability are not due and payable in the current period and, therefore, are not reported in the funds:	
Accrued interest	(210,354)
Current portion of accrued compensated absences	(940,016)
Bond discounts	178,327
Bond premiums	(212,016)
Current portion of long term debt payable	(2,493,677)
Long-term debt payable	(30,071,462)
Net pension liability	(23,391,729)
Net OPEB Liability	(10,690,353)
Net position of governmental activities	$ 58,053,282

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

City of Alamogordo, New Mexico
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2019

	General Fund	Economic Development Fund	2004 Capital Outlay GRT Fund
Revenues			
Taxes:			
Property	$ 3,198,331	$ -	$ -
Gross receipts	11,644,340	843,793	3,375,172
Other taxes	-	-	-
Intergovernmental:			
Federal operating grants	-	-	-
Federal capital grants	-	-	-
State operating grants	-	-	-
State capital grants	-	150,000	-
Charges for services	2,753,230	8,000	-
Investment income	216,071	204,175	419,093
Miscellaneous	482,892	1,076	14,725
Total revenues	18,294,864	1,207,044	3,808,990
Expenditures			
Current:			
General government	3,280,343	-	-
Public safety	8,878,518	-	14,446
Public works	182,975	-	134,824
Culture and recreation	-	2,997,352	-
Health and welfare	-	-	-
Capital outlay	447,440	1,164,769	2,805,494
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	12,789,276	4,162,121	2,954,764
Excess (deficiency) of revenues over expenditures	5,505,588	(2,955,077)	854,226
Other financing sources (uses)			
Proceeds from sale of assets	1,875	-	-
Transfers in	233,800	-	-
Transfers (out)	(6,427,442)	-	(1,213,910)
Total other financing sources (uses)	(6,191,767)	-	(1,213,910)
Net change in fund balance	(686,179)	(2,955,077)	(359,684)
Fund balance - beginning of year	11,159,409	6,216,809	12,851,351
Fund balance - reclassification (note 17)	47,222	-	-
Fund balance - as reclassified	11,206,631	6,216,809	12,851,351
Fund balance - end of year	$ 10,520,452	$ 3,261,732	$ 12,491,667

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

Nonmajor Governmental Funds	Total Governmental Funds
$ 1,061,474	$ 4,259,805
6,328,446	22,191,751
1,241,605	1,241,605
1,025,384	1,025,384
4,192	4,192
1,510,544	1,510,544
46,408	196,408
918,473	3,679,703
593,913	1,433,252
87,865	586,558
12,818,304	36,129,202
2,352,953	5,633,296
1,141,534	10,034,498
2,104,479	2,422,278
3,839,653	6,837,005
249,571	249,571
8,269,537	12,687,240
2,613,503	2,613,503
1,121,239	1,121,239
21,692,469	41,598,630
(8,874,165)	(5,469,428)
9,138	11,013
15,925,622	16,159,422
(10,979,674)	(18,621,026)
4,955,086	(2,450,591)
(3,919,079)	(7,920,019)
19,781,308	50,008,877
(47,222)	-
19,734,086	50,008,877
$ 15,815,007	$ 42,088,858

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

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City of Alamogordo, New Mexico
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2019

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

Net change in fund balances - total governmental funds	$	(7,920,019)
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		(235,847)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:		
Capital expenditures		12,687,240
Loss on disposition of capital assets		(143,131)
Depreciation expense		(5,719,402)
Transfer of capital assets to business-type activities		(10,497,835)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds:		
Change in unavailable revenue related to property taxes receivable		(6,658)
Governmental funds report city pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense:		
City pension contribution		1,189,552
Pension expense		(2,443,558)
City OPEB contribution		211,850
OPEB expense		(65,729)
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:		
Increase in accrued interest		2,306
Decrease in accrued compensated absences		(55,705)
Principal payments on debt payable		2,613,503
Amortization of bond discounts		(8,732)
Amortization of deferred loss on extinguishment of debt		(62,559)
Amortization of bond premiums		3,160
Change in net position of governmental activities	$	(10,451,564)

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

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City of Alamogordo, New Mexico
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2019

	Budgeted Amounts			Variances Favorable (Unfavorable)
	Original	Final	Actual	Final to Actual
Revenues				
Taxes:				
Property	$ 3,147,356	$ 3,147,356	$ 3,037,865	$ (109,491)
Gross receipts	11,690,719	11,456,354	11,511,746	55,392
Charges for services	2,693,637	2,774,552	2,798,669	24,117
Investment income	74,951	85,494	101,202	15,708
Miscellaneous	84,028	497,115	472,649	(24,466)
Total revenues	17,690,691	17,960,871	17,922,131	(38,740)
Expenditures				
Current:				
General government	3,046,300	3,795,382	3,168,211	627,171
Public safety	9,715,716	10,168,012	8,878,518	1,289,494
Public works	338,380	479,759	182,975	296,784
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	272,828	546,729	447,440	99,289
Total expenditures	13,373,224	14,989,882	12,677,144	2,312,738
Excess (deficiency) of revenues over expenditures	4,317,467	2,970,989	5,244,987	2,273,998
Other financing sources (uses)				
Designated cash (budgeted cash increase)	2,613,784	3,458,198	-	(3,458,198)
Proceeds from sale of assets	-	1,875	1,875	-
Transfers in	257,828	947,457	233,800	(713,657)
Transfers (out)	(7,189,079)	(7,378,519)	(6,427,442)	951,077
Total other financing sources (uses)	(4,317,467)	(2,970,989)	(6,191,767)	(3,220,778)
Net change in fund balances	-	-	(946,780)	(946,780)
Fund balances - beginning of year	-	-	9,702,673	9,702,673
Fund balances - end of year	$ -	$ -	$ 8,755,893	$ 8,755,893

Net change in fund balance (non-GAAP budgetary basis)	$ (946,780)
Adjustments to revenues for taxes, grant revenues and charges for services	372,733
Adjustments to expenditures for salaries and other expenses.	(112,132)
Net change in fund balance (GAAP)	$ (686,179)

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

City of Alamogordo, New Mexico
Statement of Net Position
Proprietary Funds
June 30, 2019

	Enterprise Funds		
	Water & Sewer Fund	Nonmajor Enterprise Funds	Total
Assets			
Current assets			
Cash and cash equivalents	$ 379,975	$ 1,464,532	$ 1,844,507
Investments	11,757,639	901,645	12,659,284
Receivables:			
Due from other governments	-	243,337	243,337
Customer receivable, net	1,541,744	167,473	1,709,217
Other receivables	-	-	-
Inventory	419,294	11,227	430,521
Prepaid expenses	8,721	27,095	35,816
Due from other funds	-	11	11
Total current assets	14,107,373	2,815,320	16,922,693
Noncurrent assets			
Restricted cash and cash equivalents	-	67,676	67,676
Restricted investments	-	74,551	74,551
Other assets	-	88,338	88,338
Capital assets, not being depreciated	26,523,014	6,375,470	32,898,484
Capital assets, being depreciated	108,993,216	32,482,455	141,475,671
Less: accumulated depreciation	(40,833,854)	(19,714,666)	(60,548,520)
Total noncurrent assets	94,682,376	19,373,824	114,056,200
Total assets	108,789,749	22,189,144	130,978,893
Deferred outflows of resources			
Deferred outflow - pension	869,168	419,842	1,289,010
Deferred outflow - OPEB	105,763	39,996	145,759
Deferred outflows - extinguishment of debt	221,265	-	221,265
Total deferred outflows of resources	1,196,196	459,838	1,656,034
Total assets and deferred outflows of resources	$ 109,985,945	$ 22,648,982	$ 132,634,927

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

Governmental Activity
Total Internal Service Funds
$ 153,354
1,101,544
-
-
17,613
151,052
68,090
-
1,491,653
-
-
-
-
-
-
-
1,491,653
-
-
-
-
$ 1,491,653

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

City of Alamogordo, New Mexico
Statement of Net Position
Proprietary Funds
June 30, 2019

	Enterprise Funds		
	Water & Sewer Fund	Nonmajor Enterprise Funds	Total
Liabilities			
Current liabilities			
Accounts payable	$ 926,063	$ 168,438	$ 1,094,501
Accrued payroll	97,470	36,046	133,516
Accrued compensated absences	193,198	44,894	238,092
Customer deposits	539,971	54,365	594,336
Unearned revenue	1,824,016	31,727	1,855,743
Due to other funds	-	3,441	3,441
Accrued interest	109,388	-	109,388
Current portion of notes payable	1,443,939	-	1,443,939
Total current liabilities	5,134,045	338,911	5,472,956
Noncurrent liabilities			
Bond premiums, net of accumulated amortization	106,819	-	106,819
Bonds payable	5,370,000	-	5,370,000
Notes payable	16,373,148	-	16,373,148
Net pension liability	2,921,931	1,170,905	4,092,836
Net OPEB liability	1,326,016	560,719	1,886,735
Total noncurrent liabilities	26,097,914	1,731,624	27,829,538
Total liabilities	31,231,959	2,070,535	33,302,494
Deferred inflows of resources			
Deferred inflows - pension	222,738	118,208	340,946
Deferred inflows - OPEB	355,549	147,154	502,703
Total deferred inflows of resources	578,287	265,362	843,649
Net position			
Net investment in capital assets	71,609,735	19,143,259	90,752,994
Unrestricted	6,565,964	1,169,826	7,735,790
Total net position	78,175,699	20,313,085	98,488,784
Total liabilities, deferred inflows of resources, and net position	$ 109,985,945	$ 22,648,982	$ 132,634,927

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

Governmental Activity
Total Internal Service Funds
$ 57,186
53,232
-
-
-
-
-
-
110,418
-
-
-
-
-
-
110,418
-
-
-
-
1,381,235
1,381,235
$ 1,491,653

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

City of Alamogordo, New Mexico
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2019

	Enterprise Funds		
	Water & Sewer Fund	Nonmajor Enterprise Funds	Total
Operating revenues			
Charges for services	$ 9,714,579	$ 4,186,282	$ 13,900,861
Operating grants	-	766,521	766,521
Total operating revenues	9,714,579	4,952,803	14,667,382
Operating expenses			
Personnel services	2,783,986	957,487	3,741,473
Utilities	750,495	66,003	816,498
Contractual Services	18,220	1,836,534	1,854,754
Supplies and purchased power	789,433	263,125	1,052,558
Repairs and maintenance	374,155	295,859	670,014
Depreciation expense	3,242,868	960,525	4,203,393
Miscellaneous expense	1,350,908	1,429,994	2,780,902
Total operating expenses	9,310,065	5,809,527	15,119,592
Operating income (loss)	404,514	(856,724)	(452,210)
Non-operating revenues (expenses)			
Interest expense	(481,833)	-	(481,833)
Investment income	504,251	31,761	536,012
Loss on disposal of assets	-	(39,300)	(39,300)
Miscellaneous	57,704	9,840	67,544
Total non-operating revenues (expenses)	80,122	2,301	82,423
Income (loss) before contributions and transfers	484,636	(854,423)	(369,787)
Capital grants	2,115,216	478,764	2,593,980
Transfers in	11,192,030	371,000	11,563,030
Transfers (out)	(439,148)	(257,163)	(696,311)
Change in net position	13,352,734	(261,822)	13,090,912
Net position, beginning, as originally stated	63,822,621	21,129,964	84,952,585
Net position, restatement (note 17)	1,000,344	(555,057)	445,287
Net position, beginning, as restated	64,822,965	20,574,907	85,397,872
Net position, ending	$ 78,175,699	$ 20,313,085	$ 98,488,784

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

Governmental Activity
Total Internal Service Funds
$ 284,181
-
284,181
1,473,900
34,030
359,918
170,175
523,563
-
241,860
2,803,446
(2,519,265)
-
43,250
-
146,498
189,748
(2,329,517)
-
2,600,882
(507,212)
(235,847)
1,617,082
-
1,617,082
$ 1,381,235

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

City of Alamogordo, New Mexico
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2019

	Enterprise Funds		
	Water & Sewer Fund	Nonmajor Enterprise Funds	Total
Cash flows from operating activities			
Cash received from user charges	$ 9,724,932	$ 4,193,486	$ 13,918,418
Cash received from subsidy grants	-	609,153	609,153
Cash payments to employees for services	(2,636,365)	(920,003)	(3,556,368)
Cash payments to suppliers for goods and services	(2,870,096)	(3,902,589)	(6,772,685)
Net cash provided by operating activities	4,218,471	(19,953)	4,198,518
Cash flows from noncapital financing activities			
Miscellaneous income	57,704	9,840	67,544
Transfers and interfund balances	256,047	114,146	370,193
Net cash provided by noncapital financing activities	313,751	123,986	437,737
Cash flows from investing activities			
(Purchases) sales of investments	(1,296,930)	26,780	(1,270,150)
Interest on investments	504,251	31,761	536,012
Net cash provided (used) by investing activities	(792,679)	58,541	(734,138)
Cash flows from capital and related financing activities			
Acquisition of capital assets	(8,607,499)	(756,801)	(9,364,300)
Capital grants	3,889,354	397,127	4,286,481
Interest paid	(518,091)	-	(518,091)
Principal payments on bonds, loans, and notes payable	(1,501,981)	-	(1,501,981)
Net cash (used) by capital and related financing activities	(6,738,217)	(359,674)	(7,097,891)
Net increase/(decrease) in cash and cash equivalents	(2,998,674)	(197,100)	(3,195,774)
Cash and cash equivalents - beginning of year	3,378,649	1,729,308	5,107,957
Cash and cash equivalents - end of year	$ 379,975	$ 1,532,208	$ 1,912,183

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

Governmental Activity
Total Internal Service Funds
$ 266,938
-
(1,423,673)
(1,284,171)
(2,440,906)
146,498
2,093,670
2,240,168
247,590
43,250
290,840
-
-
-
-
-
90,102
63,252
$ 153,354

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

City of Alamogordo, New Mexico
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2019

	Enterprise Funds		
	Water & Sewer Fund	Nonmajor Enterprise Funds	Total
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	$ 404,514	$ (856,724)	$ (452,210)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	3,242,868	960,525	4,203,393
Noncash pension expense	171,196	52,308	223,504
Noncash OPEB benefit	(19,776)	(10,695)	(30,471)
Changes in assets, liabilities and deferred outflows of resources:			
Receivables	49,098	(175,135)	(126,037)
Inventory	(5,227)	(4,527)	(9,754)
Prepaid expenses	(8,721)	(4,217)	(12,938)
Subsequent contributions-pension	3,389	1,035	4,424
Subsequent contributions-OPEB	(164)	3,449	3,285
Accounts payable	482,268	(372)	481,896
Accrued payroll expenses	(11,217)	(3,298)	(14,515)
Other accrued expenses	(55,205)	(1,958)	(57,163)
Accrued compensated absences	4,193	(5,315)	(1,122)
Unearned revenue	-	26,311	26,311
Customer deposits	(38,745)	(1,340)	(40,085)
Net cash provided by operating activities	$ 4,218,471	$ (19,953)	$ 4,198,518

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

Governmental Activity
Total Internal Service Funds
$ (2,519,265)
-
-
-
(17,243)
90,939
(19,885)
-
-
(25,679)
50,227
-
-
-
-
$ (2,440,906)

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

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City of Alamogordo, New Mexico
Statement of Fiduciary Assets and Liabilities
Agency Fund
June 30, 2019

Assets		
Cash	$	13,854
Total assets	$	13,854
Liabilities		
Acounts payable	$	11,541
Deposits held for others		2,313
Total liabilities	$	13,854

The accompanying notes are an integral part of these 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. The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units.

During the year ended June 30, 2019, the City adopted GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, and GASB Statement No. 83, *Certain Capital Asset Retirement Obligations*. These statements are required to be implemented as of June 30, 2019, if applicable. These statements did not have a significant impact on the City.

A. Financial Reporting Entity

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Financial Report 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, and GASB Statement No. 80. Blended component units, although legally separate entities, are in substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

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

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

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

Based upon the application of these criteria, the City has one component unit, 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 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Financial Reporting Entity (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, was amended on June 2, 1995.

B. Government-wide and Fund Financial Statements

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-wide and Fund Financial Statements (Continued)

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

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

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

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

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting.* Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

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

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

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

The City reports the following major governmental funds:

The G*eneral 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 *Economic Development Fund* is used to account for projects that are not funded from specific revenue dedications. This fund was authorized by the City Commission.

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

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

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

Additionally, the government reports the following agency fund:

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

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

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

Accrued Expenses: Accrued expenses are comprised of the payroll expenditures based on amounts earned by the employees through June 30, 2019, along with applicable FICA and Medicare liabilities.

Deferred Outflows of Resources: In addition to assets, the balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a use of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until that time. The City has one type of item that appears in the governmental and business type activities, which is the loss on extinguishment of debt in the amount of $815,575. The City has five other types of items presented on the statement of net position which arise due to the implementation of GASB Statement No. 68 and the related net pension liability. Accordingly, the items, changes in proportion $1,144,569, changes of assumptions $2,570,793, difference between expected and actual experience $906,728, net difference between projected and actual investment earnings on pension plan investments $1,865,543, and employer contributions subsequent to measurement date in the amount of $1,462,038 are reported on the statement of net position. In addition, the City has two types of this item present on the statement of net position which arises due to the implementation of GASB Statement No. 75 and the related OPEB liability. Accordingly, the items, changes in proportion in the amount of $579,783 and employer contributions subsequent to measurement date in the amount of $252,470 are reported on the statement of net position. These amounts will be deferred and recognized as outflows of resources in the appropriate subsequent periods.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Deferred Inflow of Resources: In addition to liabilities, the balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Revenue must be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period) to be recognized. If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding liability for deferred inflows of resources. The City has one item which arises under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue - property taxes is reported only in the governmental funds balance sheet. The City has recorded $177,187 related to property taxes considered "unavailable". For the business-type activities and the component unit, unavailable revenues are reported on the full accrual basis of accounting. These amounts, for both governmental and proprietary funds, as well as the component unit, are deferred and recognized as inflows of resources in the period that the amounts become available. In addition, the City has three types of items present on the statement of net position which arise due to the implementation of GASB Statement No. 68 and the related net pension liability. Accordingly, the items, changes in proportion $560,607, differences between expected and actuarial experience $1,478,489, and changes of assumption of $154,364, are reported on the statement of net position. In addition, the City has three types of items present on the statement of net position which arise due to the implementation of GASB Statement No. 75 and the related OPEB liability. Accordingly, the items, differences between expected and actuarial experience $754,229, change in assumption $2,378,304, and net difference between projected and actual investment earnings $158,978 are reported on the statement of net position. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

Unearned Revenues: Unearned revenues are comprised of payments made in advance by customers for various services (i.e. prepaid rent, golf pro shop gift cards, etc.) provided by the city as of June 30, 2019.

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

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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

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

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, 2019, the nonspendable fund balance of the City is comprised of prepaid expenses in the general fund in the amount of $11,245 which is not in spendable form.

Restricted and Committed Fund Balance: At June 30, 2019, the restricted fund balance on the governmental funds balance sheet totals $31,743,893. The details of these fund balance items are located on the governmental funds balance sheet as detailed on pages 18-19.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 $1,056,429 and the City's self-imposed reserve of $211,286 for the year ended June 30, 2019. As these amounts are an accumulation of resources and not a true restriction or commitment of expenditures, they are reflected within the unassigned fund balance of the general fund.

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

a. Net investment in capital assets: Consists of capital assets, net of net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The City includes unspent debt proceeds in the amounts of $2,352,519 in the calculation of net investment in capital assets in the governmental activities

b. Restricted net position: Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. Descriptions for the related restrictions for net position restricted for "special revenue, debt service, and capital projects" are described on pages 45 and 106-109.

c. Unrestricted Net Position: All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

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

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

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

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

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

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

	Excess (deficiency) of revenues over expenditures	
	Original Budget	Final Budget
Budgeted governmental funds:		
General Fund	$ 4,317,467	$ 2,970,989
Economic Development	781,902	3,967,236
2004 Capital Outlay GRT Fund Capital Projects Fund	1,646,924	6,458,502
Other governmental funds	5,168,782	16,589,595
Budgeted proprietary funds:		
Water & Sewer Fund	4,586,732	13,052,417
Nonmajor proprietary funds	5,142,653	13,733,416
Internal Service Fund	2,870,372	2,888,736
Component unit:		
Otero - Greentree Regional Landfill	199,529	1,345,972

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

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP), a reconciliation of resultant basis, perspective, equity and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2019 is presented. Reconciliations between the Non-GAAP budgetary basis amounts and the financial statements on the GAAP basis by fund can be found on each individual budgetary statement.

NOTE 3: DEPOSITS AND INVESTMENTS

State statutes authorize the investment of City funds in a wide variety of instruments including certificates of deposit and other similar obligations, the state investment pool, money market accounts, and United States Government obligations. All invested funds of the City properly followed State investment requirements as of June 30, 2019.

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

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

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

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

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

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2019, $11,249,017 of the City's bank balance of $22,765,521 was subject to custodial credit risk. Of this amount, $8,372,347 was uninsured and collateralized by collateral held by the pledging bank's trust department, not in the City's name and $2,876,670 of the City's deposits was uninsured and uncollateralized at June 30, 2019.

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

	Bank '34	Bank of the West	First American Bank	First National Bank	First National Bank Housing Authority**	Moreton Capital Markets*
Amount of deposits	$ 250,000	$ 267,715	$ 1,333,484	$ 4,171,374	$ 1,436,165	$ 8,995,155
FDIC coverage	(250,000)	(250,000)	(250,000)	(250,000)	(271,349)	(8,995,155)
Total uninsured public funds	-	17,715	1,083,484	3,921,374	1,164,816	-
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the City's name	-	11,152	780,501	3,265,112	1,164,816	-
Uninsured and uncollateralized	$ -	$ 6,563	$ 302,983	$ 656,262	$ -	$ -
Collateral requirement (50%)	$ -	$ 8,858	$ 541,742	$ 1,960,687	$ 582,408	$ -
Pledged securities	-	11,152	780,501	3,265,112	1,491,124	-
Over (under) collateralized	$ -	$ 2,294	$ 238,759	$ 1,304,425	$ 908,716	$ -

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

	First Savings/ Western Bank	Pioneer Bank	Washington Federal Bank	Wells Fargo Bank	Total
Amount of deposits	$ 3,229,236	$ 268,635	$ 1,368,931	$ 1,444,826	$ 22,765,521
FDIC coverage	(250,000)	(250,000)	(250,000)	(500,000)	(11,516,504)
Total uninsured public funds	2,979,236	18,635	1,118,931	944,826	11,249,017
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the City's name	1,526,908	18,635	1,118,931	486,292	8,372,347
Uninsured and uncollateralized	$ 1,452,328	$ -	$ -	$ 458,534	$ 2,876,670
Collateral requirement (50%)	$ 1,489,618	$ 9,318	$ 559,465	$ 472,413	$ 5,624,509
Pledged securities	1,526,908	22,969	1,312,072	486,292	8,896,130
Over (under) collateralized	$ 37,290	$ 13,651	$ 752,607	$ 13,879	$ 3,271,621

*In addition to the regular FDIC coverage of $250,000 per bank, the deposits at Moreton Capital Markets also include CDs (and related FDIC Insurance) of $250,000 spread across thirty-six (36) separate financial institutions, all invested as part of the Moreton Capital Markets account, in order to not exceed FDIC insurance coverage per institution.

** 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 152-154 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.

Investments

The City’s investments at June 30, 2019, include the following:

Investment Type	Weighted Average Maturities	Fair Value	Rating**
New Mexi*GROW* LGIP	77 days	$ 5,508	AAAm
Federal Home Loan Bank Bond	1 to 10 years	32,107,423	A-1+
U.S. Treasury Money Market	0 to 5 years	2,860,562	AA+
Moreton Capital Money Market Mutual Funds*	<1 year	1,251,263	AA+
		$ 36,224,756	

* Moreton Capital Money Market Mutual Fund Account is composed of US Government Securities

** Based off Standard & Poor's rating

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

The City has presented certificates of deposit in the amount of $15,713,156 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 $36,224,754. 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, 2019:

		Investment Maturities			
Investment Type	**Fair Value**	**Not subject to Interest Rate Risk**	**Less than 1 Year**	**1-5 Years**	**5+ Years**
New Mexi*GROW* LGIP	$ 5,508	$ -	$ 5,508	$ -	$ -
Federal Home Loan Bank Bond	32,107,423	-	8,642,728	23,464,695	-
Moreton Capital Money Market Mutual Fund	1,251,263	1,251,263	-	-	-
U.S. Treasury Money Market Mutual Fund	2,860,562		2,860,562		
Total investments	$ 36,224,756	$ 1,251,263	$ 11,508,798	$ 23,464,695	$ -

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 Federal Home Loan Bank bonds represent 88.63% of the investment portfolio and the U.S. Treasury Money Market Mutual Funds represent 7.90%. 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).

Reconciliation to the Statement of Net Position

Cash and cash equivalents per statement of net position	$ 6,559,431
Investments per statement of net position	47,909,835
Restricted cash and cash equivalents per statement of net position	67,676
Restricted investments per statement of net position	74,551
Component unit cash and cash equivalents per statement of net position	730,550
Component unit investments per statement of net position	3,041,945
Component unit restricted investments per statement of net position	911,581
Agency funds cash and cash equivalents per statement of net position	13,854
Total cash, cash equivalents and investments	59,309,423
Plus: outstanding checks	602,750
Less: outstanding deposits	(78,172)
Less: investments at Moreton Capital Markets	(33,358,686)
Plus: NMFA investment	(3,697,081)
Less: New Mexi*GROW* LGIP	(5,508)
Less: petty cash	(7,205)
Bank balance of deposits	$ 22,765,521

NOTE 4: FAIR VALUE MEASUREMENTS

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

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

Level 2 Inputs to the valuation methodology include:

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

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

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

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

The City's investment of $5,508 with the New MexiGROW LGIP is valued at amortized cost and is not subject to fair market valuation.

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

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

NOTE 4: FAIR VALUE MEASUREMENTS (Continued)

The City maintained a balance of $36,219,246 in investments at June 30, 2019 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, 2019:

	Level 1	Level 2	Level 3	Total
Federal Home Loan Bank Bond	$ -	$ 32,107,423	$ -	$ 32,107,423
U.S. Treasury Money Market				
Mutual Fund	2,860,562	-	-	2,860,562
Moreton Capital Money Market Mutual Funds	1,251,263	-	-	1,251,263
Total investments	$ 4,111,825	$ 32,107,423	$ -	$ 36,219,248

NOTE 5: RECEIVABLES

Receivables as of June 30, 2019, are as follows for the governmental activities:

	General Fund	Economic Development	2004 Capital Outlay GRT Fund Capital Projects Fund	Other Governmental Funds	Total
Taxes:					
Property	$ 218,625	$ -	$ -	$ 69,741	$ 288,366
Gross receipts taxes	2,111,028	152,712	610,847	1,145,393	4,019,980
Gasoline and oil taxes	-	-	-	107,772	107,772
Due from other governments:					
Federal	-	-	-	132,012	132,012
Other:					
Charges for services	1,688,126	6,000	-	288,284	1,982,410
Allowance - uncollectable					
other	(1,493,214)	-	-	(264,564)	(1,757,778)
Totals	$ 2,524,565	$ 158,712	$ 610,847	$ 1,478,638	$ 4,772,762

In accordance with GASB Statement No. 33, property tax revenues in the amount of $177,187 that were not collected within the period of availability have been reclassified as deferred inflows of resources in the governmental fund financial statements.

NOTE 5: RECEIVABLES (Continued)

Receivables as of June 30, 2019, are as follows for the business-type activities:

	Water & Sewer Fund	Nonmajor Funds	Total	Internal Service Fund
Due from other governments	$ -	$ 243,337	$ 243,337	$ -
Customer receivables:				
Charges for services	1,906,350	198,867	2,105,217	-
Other receivables	-	-	-	17,613
Allowance - uncollectable				
charges for services	(364,606)	(31,394)	(396,000)	-
Totals	$ 1,541,744	$ 410,810	$ 1,952,554	$ 17,613

Receivables as of June 30, 2019, are as follows for the component unit:

	Component Unit
Customer receivables:	
Charges for services	$ 369,021
Other receivables	13,030
Allowance - uncollectable	
charges for services	(14,360)
Totals	$ 367,691

NOTE 6: TRANSFERS AND INTERFUND RECEIVABLES (Continued)

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

Fund	Transfers Out	Transfers In
Government Wide Fixed Assets	$ 10,496,767	$ -
General	6,427,442	233,800
Internal Service	30,233	2,270,882
Corrections-Jail	1,097	33,737
Lodger's Tax - Promotional	2,164	-
Court Automation	20,738	-
Lodger's Tax- City	45,889	40,031
Court Administration	12,765	405,646
Cemetary Perpetual Care	86,857	-
Leisure Services	568,694	3,978,856
1984 Gross Receipts Tax	4,493,239	125,500
Transportation Fund	139,125	1,062,844
1986 Gross Receipt Tax	3,231,213	-
General Obligation Fund	85,000	-
Reverse Osmosis PRJ RSV	-	2,692,325
99 GRT Flood Control	-	3,701,948
1994 & 1996 GRT Principle and Interest Fund	-	2,621,649
Municipal Infrastructure 0.625	179,100	-
Community Development/Infrastructure Acquisition	40,572	390,314
1994 Gross Receipts Tax	2,019,625	-
Alamo Senior Center	4,758	374,411
Alamo Senior Center Gift	630	-
Retired and Senior Volunteer Program	15,931	49,877
Water & Sewer	439,148	10,708,675
1977 JT W/S Principle and Interest	-	483,355
Solid Waste	141,428	-
Golf Course	78,149	279,919
Airport	37,369	91,081

(Continued)

NOTE 6: TRANSFERS AND INTERFUND RECEIVABLES (Continued)

Fund		Transfers Out	Transfers In
Otero Greentree Regional Landfill		2,018	-
Self Insured		28,495	-
Liability Deductible		448,484	330,000
2004 Capital Outlay GRT		1,213,910	-
2012 GRT Refunding & Improvement Revenue Bond		32,277	448,484
Low Rent Public Housing		217	-
	Total Transfers	$ 30,323,334	$ 30,323,334

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, 2019 is as follows:

	Due from Other Funds	Due to Other Funds
General fund	$ 1,715,433	$ -
Capital Improvement	-	23,566
Transportation	-	166,811
99 GRT Flood Control		1,512,587
Retired and Senior Volunteer Program	-	9,039
Low Rent Public Housing Fund		3,419
Housing Home Ownership	11	22
	$ 1,715,444	$ 1,715,444

NOTE 7: CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2019 follows. Land and construction in progress are not subject to depreciation.

Governmental activities:	Balance June 30, 2018	Additions	Transfers	Deletions	Balance June 30, 2019
Capital assets not being depreciated:					
Land	$ 10,317,197	$ 27,955	$ -	$ -	$ 10,345,152
Construction in progress	15,607,005	11,981,086	(18,122,654)	(132,208)	9,333,229
Total capital assets not being depreciated	25,924,202	12,009,041	(18,122,654)	(132,208)	19,678,381
Capital assets being depreciated:					
Buildings and improvements	30,189,002	55,603	1,142,814	(9,000)	31,378,419
Mechanized equipment	13,869,366	488,876	76,680	(679,205)	13,755,717
Unscheduled property	4,387,159	133,720	274,383	(28,235)	4,767,027
Infrastructure	196,545,598	-	6,132,010	-	202,677,608
Total capital assets being depreciated	244,991,125	678,199	7,625,887	(716,440)	252,578,771
Total capital assets	270,915,327	12,687,240	(10,496,767)	(848,648)	272,257,152
Accumulated depreciation:					
Buildings and improvements	17,099,647	992,210	-	(9,000)	18,082,857
Mechanized equipment	8,008,725	875,822	-	(679,205)	8,205,342
Unscheduled property	3,101,286	347,167	-	(17,312)	3,431,141
Infrastructure	160,050,410	3,504,203	-	-	163,554,613
Total accumulated depreciation	188,260,068	5,719,402	-	(705,517)	193,273,953
Net capital assets	$ 82,655,259	$ 6,967,838	$ (10,496,767)	$ (143,131)	$ 78,983,199

Depreciation expense for the year ended June 30, 2019 was charged to governmental activities as follows:

General government	$ 1,164,075
Public safety	9,476
Public works	3,590,571
Culture and recreation	955,280
Total	$ 5,719,402

During the year ended June 30, 2019, the governmental activities transferred $10,496,767 of construction in progress to the business-type activities for capital projects.

NOTE 7: CAPITAL ASSETS (Continued)

Business-type activities:	Balance June 30, 2018	Restatement	Additions	Transfers	Deletions	Balance June 30, 2019
Capital assets not being depreciated:						
Land	$ 7,003,434	$ -	$ -	$ -	$ -	$ 7,003,434
Construction in progress	9,750,405	-	5,647,878	10,496,767	-	25,895,050
Total capital assets not being depreciated	16,753,839	-	5,647,878	10,496,767	-	32,898,484
Capital assets being depreciated:						
Buildings and improvements	31,263,598	(555,057)	1,707,098	-	(20,000)	32,395,639
Mechanized equipment	9,109,096	-	756,356	-	(259,394)	9,606,058
Unscheduled property	1,928,932	-	238,229	-	(6,841)	2,160,320
Infrastructure	96,392,184	-	921,470	-	-	97,313,654
Total capital assets being depreciated	138,693,810	(555,057)	3,623,153	-	(286,235)	141,475,671
Total capital assets	155,447,649	(555,057)	9,271,031	10,496,767	(286,235)	174,374,155
Accumulated depreciation:						
Buildings and improvements	18,842,724	-	850,567	-	(20,000)	19,673,291
Mechanized equipment	2,051,509	-	721,304	-	(220,094)	2,552,719
Unscheduled property	5,327,808	-	100,561	-	(6,841)	5,421,528
Infrastructure	30,370,021	-	2,530,961	-	-	32,900,982
Total accumulated depreciation	56,592,062	-	4,203,393	-	(246,935)	60,548,520
Net capital assets	$ 98,855,587	$ (555,057)	$ 5,067,638	$ 10,496,767	$ (39,300)	$ 113,825,635

Depreciation expense for the year ended June 30, 2019 was charged to business-type activities as follows:

Water & Sewer Fund	$ 3,242,868
Solid Waste Fund	39,361
Bonito Lake Fund	5,266
Golf Course Fund	189,745
Airport Fund	374,973
Low Rent Public Housing Fund	351,180
Total	$ 4,203,393

NOTE 7: CAPITAL ASSETS (Continued)

Component unit:	Balance June 30, 2018	Restatement	Additions	Deletions	Balance June 30, 2019
Capital assets not being depreciated:					
Land	$ 1,526,005	$ -	$ -	$ -	$ 1,526,005
Construction in progress	166,597	485,018	565,035	-	1,216,650
Total capital assets not being depreciated	1,692,602	485,018	565,035	-	2,742,655
Capital assets being depreciated:					
Buildings and improvements	280,004	-	-	-	280,004
Mechanized equipment	3,371,498	-	-	(7,900)	3,363,598
Unscheduled property	133,285	-	-	(10,000)	123,285
Infrastructure	1,263,849	-	-	-	1,263,849
Total capital assets being depreciated	5,048,636	-	-	(17,900)	5,030,736
Total capital assets	6,741,238	485,018	565,035	(17,900)	7,773,391
Accumulated depreciation:					
Buildings and improvements	138,307	-	5,907	-	144,214
Mechanized equipment	2,149,073	-	271,999	(7,900)	2,413,172
Unscheduled property	102,174	-	2,074	(10,000)	94,248
Infrastructure	759,762	-	39,732	-	799,494
Total accumulated depreciation	3,149,316	-	319,712	(17,900)	3,451,128
Net capital assets	$ 3,591,922	$ 485,018	$ 245,323	$ -	$ 4,322,263

Depreciation expense for the year ended June 30, 2019 was charged to the component unit as follows:

Otero - Greentree Regional Landfill	$ 319,712
Total	$ 319,712

NOTE 8: LONG-TERM DEBT

Governmental Activities

During the year ended June 30, 2019, the following changes occurred in the liabilities reported in the government-wide statement of net position:

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019	Due Within One Year
General obligation bonds	$ 10,888,400	$ -	$ 431,800	$ 10,456,600	$ 277,800
NMFA loans	24,290,242	-	2,181,703	22,108,539	2,215,877
Compensated absences	995,721	1,156,504	1,100,799	940,016	940,016
Total long-term debt	$ 36,174,363	$ 1,156,504	$ 3,714,302	$ 33,505,155	$ 3,433,693

General Obligation Bonds

At June 30, 2019, the City had four general revenue bond outstanding which have been approved by the voters and issued for various municipal improvements. These bonds are liquidated by property tax revenues and paid out of the debt service fund. The general obligation bonds are as follows:

Description	Date of Issue	Due Date	Interest Rate	Original Amount of Issue	Outstanding June 30, 2019
Series 2011 GO Bond	8/1/2011	8/1/2020	0.50-3.35%	$ 1,350,000	$ 281,600
Series 2014A GO Bond	12/24/2014	8/1/2034	4.00-4.50%	6,000,000	5,670,000
Series 2014B GO Bond	12/24/2014	8/1/2034	2.00-4.00%	4,500,000	4,305,000
Unrefunded Series 2009 GO Bond	11/30/2017	8/1/2019	4.00%	380,000	200,000

The annual requirements to amortize the general obligation bonds as of June 30, 2019, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2020	$ 277,800	$ 393,147	$ 670,947
2021	308,800	384,261	693,061
2022	165,000	374,144	539,144
2023	185,000	369,144	554,144
2024	215,000	362,744	577,744
2025-2029	1,515,000	1,675,670	3,190,670
2030-2034	5,960,000	1,057,455	7,017,455
2035	1,830,000	35,188	1,865,188
	$ 10,456,600	$ 4,651,753	$ 15,108,353

NOTE 8: LONG-TERM DEBT (Continued)

Governmental Activities (Continued)

NMFA Loans

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

Description	Date of Issue	Due Date	Interest Rate	Original Amount of Issue	Outstanding June 30, 2019
NMFA Fire Station	11/1/2000	5/1/2020	0.00%	$ 572,223	$ 43,827
NMFA Flood Control 53	6/1/2011	6/1/2021	0.50-3.64%	2,735,456	494,712
NMFA Various Street Projects	6/1/2012	6/1/2031	0.27-3.96%	7,640,000	5,115,000
NMFA GRT Ref/Imp	6/1/2012	6/1/2027	0.200-3.520%	8,130,000	4,685,000
NMFA Ref/Flood/Nat	12/1/2016	6/1/2029	0.700-2.510%	6,870,000	4,880,000
NMFA Adv Ref & Defease	12/1/2016	6/1/2028	0.670-2.130%	5,150,000	4,445,000
NMFA Adv Ref & Defease	12/1/2016	6/1/2028	0.670-2.130%	2,770,000	2,445,000

The annual requirements to amortize the NMFA loan as of June 30, 2019, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2020	$ 2,215,877	$ 505,285	$ 2,721,162
2021	2,209,662	466,540	2,676,202
2022	2,250,000	425,741	2,675,741
2023	2,110,000	385,648	2,495,648
2024	2,100,000	343,517	2,443,517
2025-2029	8,895,000	877,208	9,772,208
2030-2031	2,328,000	138,072	2,466,072
	$ 22,108,539	$ 3,142,011	$ 25,250,550

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, 2019, compensated absences increased $55,705 from the prior year accrual. Compensated absences are liquidated by the respective funds in which they are accrued.

NOTE 8: LONG-TERM DEBT (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, 2019:

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019	Due Within One Year
General obligation bonds	$ 5,455,000	$ -	$ 85,000	$ 5,370,000	$ -
Revenue bonds	6,983,670	-	454,703	6,528,967	463,568
NMFA loans	12,250,398	-	962,278	11,288,120	980,371
Compensated absences	239,214	270,302	271,424	238,092	238,092
Total long-term debt	$ 24,928,282	$ 270,302	$ 1,773,405	$ 23,425,179	$ 1,682,031

General Obligation Bonds

At June 30, 2019, 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, 2019
Series 2017 GO Bond (2009 Escrow)	11/30/2017	8/1/2029	2.375-3.00%	$ 5,455,000	$ 5,370,000

The annual requirements to amortize the general obligation bond as of June 30, 2019, including interest payments, is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2020	$ -	$ 147,650	$ 147,650
2021	245,000	143,975	388,975
2022	440,000	133,700	573,700
2023	470,000	120,050	590,050
2024	500,000	105,500	605,500
2025-2029	3,010,000	284,934	3,294,934
2030	705,000	8,372	713,372
	$ 5,370,000	$ 944,181	$ 6,314,181

NOTE 8: LONG-TERM DEBT (Continued)

Business-Type Activities (Continued)

Revenue Bonds

At June 30, 2019, the City had one revenue bond outstanding. For the NMFA Refund Bond 1998 Bond, the City pledged gross receipt tax revenues in order to service the bonds. The revenue bonds are as follows:

Description	Date of Issue	Due Date	Interest Rate	Original Amount of Issue	Outstanding June 30, 2019
NMFA Refund Bond 1998	6/1/2012	6/1/2031	0.26-3.80%	$ 9,812,674	$ 6,528,967

The annual requirements to amortize the revenue bonds as of June 30, 2019, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2020	$ 463,568	$ 209,569	$ 673,137
2021	473,767	199,371	673,138
2022	485,137	188,000	673,137
2023	498,478	174,659	673,137
2024	512,885	160,253	673,138
2025-2029	2,821,582	544,105	3,365,687
2030-2031	1,273,550	72,725	1,346,275
	$ 6,528,967	$ 1,548,682	$ 8,077,649

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, 2019
NMFA Drinking Water	5/1/2013	5/1/2032	1.75%	$ 4,805,293	$ 3,416,356
NMFA Westside	11/1/2006	5/1/2026	3.28-4.18%	730,453	328,922
NMFA Water-Wastewater	6/18/2009	6/1/2029	2.00-5.00%	5,340,000	3,220,000
NMFA WTB	6/1/2011	6/1/2030	0.00%	1,127,000	626,807
NMFA Drinking Water	5/1/2014	5/1/2025	2.00%	855,320	792,152
NMFA Desalination	5/1/2014	5/1/2035	2.00%	1,136,250	1,073,883
NMFA Refunding & Projects	12/1/2016	6/1/2025	0.670-1.350%	2,715,000	1,830,000

NOTE 8: LONG-TERM DEBT (Continued)

Business-Type Activities (Continued)

The annual requirements to amortize the loan payable as of June 30, 2019, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2020	$ 980,371	$ 260,719	$ 1,241,090
2021	1,007,675	240,331	1,248,006
2022	1,025,195	218,811	1,244,006
2023	1,047,934	196,250	1,244,184
2024	1,069,906	172,762	1,242,668
2025-2029	4,319,380	503,284	4,822,664
2030-2034	1,479,173	91,403	1,570,576
2035	358,486	12,646	371,132
	$ 11,288,120	$ 1,696,206	$ 12,984,326

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, 2019, compensated absences increased $53,005 in business-type funds from the prior year. Compensated absences are liquidated by the respective funds in which they are accrued.

Component Unit Activities

During the year ended June 30, 2019, the following changes occurred in the liabilities reported in the government-wide statement of net position:

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019	Due Within One Year
Compensated absences	$ 19,728	$ 20,127	$ 27,654	$ 12,201	$ 12,201
Total long-term debt	$ 19,728	$ 20,127	$ 27,654	$ 12,201	$ 12,201

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, 2019, compensated absences decreased $7,527 in the component unit from the prior year.

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.

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, 2019, 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.

NOTE 10: OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

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

A. Deficit fund balance of individual funds.

Governmental Funds		
Nonmajor Funds		
Corrections Fund	$	(23,619)
Court Administration Fund		(10,197)
Police Contengency Fund		(38,308)
Leisure Service Fund		(23,635)
Transportation Fund		(56,162)
Grant Capital Improvement		(23,566)
Total governmental funds	$	(175,487)

There were no business type funds with a deficit fund balance as of June 30, 2019.

B. Actual expenditures in excess of amount budgeted at the budgetary authority level. Budgetary legal level of control is at the fund level. The following funds had expenditures in excess of budgetary authority for the year ended June 30, 2019.

Nonmajor funds		
1984 Gross Receipts Tax	$	31
Municipal Infrastructure 0.0625		7
1994 Gross Receipts Tax		30
Total funds	$	68

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, 2019.

NOTE 11: PENSION PLAN- PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

General Information about the Pension Plan

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

Benefits provided. For a description of the benefits provided and recent changes to the benefits see Note 1 in the PERA audited financial statements for the fiscal year ended June 30, 2018 available at http://www.nmpera.org/financial-overview/comprehensive-annual-financial-report.

Contributions. The contribution requirements of defined benefit plan members and the City are established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature. For the employer and employee contribution rates in effect for FY19 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures on page 40 of the PERA FY18 annual audit report at http://www.nmpera.org/financial-overview/comprehensive-annual-financial-report. 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 $1,462,038 for the year ended June 30, 2019.

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, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2018 using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2018. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2018. 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.

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

For PERA Fund Municipal General Division, at June 30, 2019, City of Alamogordo reported a liability of $16,122,270 for its proportionate share of the net pension liability. At June 30, 2018, Alamogordo's proportion was 1.01125 percent, which was increased from its proportion measured as of June 30, 2017, by 0.0920 percent.

For the year ended June 30, 2019, City of Alamogordo recognized PERA Fund Municipal General Division pension expense of $1,990,460. At June 30, 2019, City of Alamogordo reported PERA Fund Municipal General Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

		Deferred Outflows of Resources		Deferred Inflows of Resources
Differences between expected and actual experience	$	465,966	$	423,285
Net difference between projected and actual earnings on pension plan investments		1,195,709		-
Changes of assumption		1,461,712		92,697
Changes in proportion and differences between the City's contributions and proportionate share of contributions		848,416		155,894
The City's contributions subsequent to the measurement date		804,165		-
Total	$	4,775,968	$	671,876

$804,165 reported as deferred outflows of resources related to pensions resulting from City of Alamogordo's contributions subsequent to the measurement date June 30, 2017 will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. 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:		
2018	$	(1,858,129)
2019		(939,823)
2020		(439,823)
2021		(62,152)
Thereafter		-

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

For PERA Fund Municipal Police Division, at June 30, 2019, City of Alamogordo reported a liability of $7,680,700 for its proportionate share of the net pension liability. At June 30, 2018, City of Alamogordo's proportion was 1.1257 percent, which was decreased from its proportion measured as of June 30, 2017, by 0.0641 percent.

For the year ended June 30, 2019, City of Alamogordo recognized PERA Fund Municipal Police Division pension expense of $520,640. At June 30, 2019, City of Alamogordo reported PERA Fund Municipal Police Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 376,012	$ 761,356
Net difference between projected and actual earnings on pension plan investments	528,541	-
Changes of assumption	876,378	46,955
Changes in proportion and differences between the City's contributions and proportionate share of contributions	20,285	400,492
The City's contributions subsequent to the measurement date	475,381	-
Total	$ 2,276,597	$ 1,208,803

$475,381 reported as deferred outflows of resources related to pensions resulting from City of Alamogordo's contributions subsequent to the measurement date June 30, 2018 will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. 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:	
2018	(424,274)
2019	(51,890)
2020	(89,511)
2021	(26,738)
Thereafter	-

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

For PERA Fund Municipal Fire Division, at June 30, 2019, City of Alamogordo reported a liability of $4,029,195 for its proportionate share of the net pension liability. At June 30, 2018, City of Alamogordo's proportion was 0.6295 percent, which increased from its proportion measured as of June 30, 2017, by 0.0601 percent.

For the year ended June 30, 2019, City of Alamogordo recognized PERA Fund Municipal Fire Division pension expense of $491,204. At June 30, 2019, City of Alamogordo reported PERA Fund Municipal Fire Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 64,750	$ 293,848
Net difference between projected and actual earnings on pension plan investments	141,293	-
Changes of assumptions	232,703	14,712
Changes in proportion and differences between the City's contributions and proportionate share of contributions	275,868	4,221
The City's contributions subsequent to the measurement date	182,492	-
Total	$ 897,106	$ 312,781

$182,492 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date June 30, 2018 will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2018	$ (211,451)
2019	(64,203)
2020	(118,193)
2021	(7,986)
Thereafter	-

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

Actuarial assumptions. As described above, the PERA Fund member group pension liabilities and net pension liabilities are based on actuarial valuations performed as of June 30, 2017 for each of the membership groups. Then each PERA Fund member group pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2019 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2019. These actuarial methods and assumptions were adopted by the PERA's Board of Trustees for use in the June 30, 2017, actuarial valuation.

Actuarial valuation date	June 30, 2017
Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Pay
Amortization period	Solved for based on statutory rates
Asset valuation method	4 Year smoothed Market Value
Actuarial assumptions:	
Investment rate of return	7.25% annual rate, net of investement expense
Projected benefit payment	100 years
Payroll growth	2.75% for the first 9 years, then 3.25% annual rate
Projected salary increases	3.25% to 13.50% annual rate
Includes inflation at	2.50% annual rate first 9 years, 2.75% all other years
Mortality assumption	RP-2000 Mortality Tables (Combined table for healthy post-retirement, Employee table for active members, and Disabled table for disabled retirees before retirement age) with projection to 2018 using Scale AA.
Experience study dates	July 1, 2008 to June 30, 2017 (demographic) and July 1, 2010 through June 30, 2018 (economic)

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

The target asset allocation and most recent best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

ALL FUNDS - Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	43.50%	7.39%
Risk Reduction & Mitigation	21.50	1.79
Credit Oriented Fixed Income	15.00	5.77
Real Assets	20.00	7.35
Total	100.00%	

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

Discount rate: The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that future contributions will be made in accordance with statutory rates. On this basis, the pension plan's fiduciary net position together with the expected future contributions are sufficient to provide all projected future benefit payments of current plan members as determined in accordance with GASBS 67. Therefore, the 7.25% assumed long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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.

The discount rate used to measure the total pension liability of 7.25 percent was changed from the prior valuation where the discount rate used was 7.51 percent.

Sensitivity of the Employer's proportionate share of the net pension liability to changes in the discount rate. The following tables show the sensitivity of the net pension liability to changes in the discount rate. In particular, the tables present the City's net pension liability in each PERA Fund Division that the City participates in, under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.25%) or one percentage point higher (8.25%) than the single discount rate.

PERA Fund Municipal General Division	**1% Decrease (6.25%)**	**Current Discount Rate (7.25%)**	**1% Increase (8.25%)**
City of Alamogordo's proportionate share of the net pension liability	$ 24,843,339	$ 16,122,270	$ 8,912,913

PERA Fund Municipal Police Division	**1% Decrease (6.25%)**	**Current Discount Rate (7.25%)**	**1% Increase (8.25%)**
City of Alamogordo's proportionate share of the net pension liability	$ 11,809,764	$ 7,680,700	$ 4,314,534

PERA Fund Municipal Fire Division	**1% Decrease (6.25%)**	**Current Discount Rate (7.25%)**	**1% Increase (8.25%)**
City of Alamogordo's proportionate share of the net pension liability	$ 5,378,669	$ 4,029,335	$ 2,923,695

NOTE 11: PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued FY18 PERA financial report. The report is available at http://www.pera.state.nm.us/publications.html.

Payables to the pension plan. At June 30, 2019 there were no contributions due and payable to PERA for the City.

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

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.

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

Employees covered by benefit terms. At June 30, 2018, the Fund's measurement date, the following employees were covered by the benefit terms:

Plan Membership	
Current retirees and surviving spouses	51,205
Inactive and eligible for deferred benefit	11,471
Current active members	93,349
	156,025
Active membership	
State general	19,593
State police and corrections	1,886
Municipal general	17,004
Municipal police	3,820
Municipal FTRE	2,290
Educational Retirement Board	48,756
	93,349

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 $252,470 for the year ended June 30, 2019.

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

At June 30, 2019, the City reported a liability of $12,738,940 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017. The City's proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2018. At June 30, 2019, the City's proportion was 0.29296 percent.

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

For the year ended June 30, 2019, the recognized OPEB expense of $105.902. At June 30, 2019 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	$ -	$ 2,378,304
Net difference between projected and actual earnings on pension plan investments	-	158,978
Changes in proportion and differences between contributions and proportionate share of contributions	579,783	-
District's contributions subsequent to the measurement date	252,470	-
Difference between expected and actual experience		754,229
Total	$ 832,253	$ 3,291,511

Deferred outflows of resources totaling $252,470 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, 2020. 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:	
2019	$ (713,466)
2020	(713,466)
2021	(713,446)
2022	(523,001)
2023	(48,349)
Total	$ (2,711,728)

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

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation using the following actuarial assumptions:

Actuarial valuation date	June 30, 2017
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	2.50% for ERB; 2.25% for PERA
Projected payroll increases	3.50% to 12.50% based on years of service, including inflation
Investment rate of return	7.25%, 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 for Medicare medical plan costs
Mortality	ERB members: RP-2000 Combined Healthy MortalityTable with White Collar Adjustment (males) andGRS Southwest Region Teacher Mortality Table (females)PERA members: RP-2000 Combined Healthy Mortality

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.

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

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	2.1%
U.S. equity - large cap	7.1
Non U.S. - emerging markets	10.2
Non U.S. - developed equities	7.8
Private equity	11.8
Credit and structured finance	5.3
Real estate	4.9
Absolute return	4.1
U.S. equity - small/mid cap	7.1

Discount Rate. The discount rate used to measure the Fund's total OPEB liability is 4.08% as of June 30, 2018. 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, 2029. Thus, the 7.25% discount rate was used to calculate the net OPEB liability through 2029. Beyond 2029, the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher (3.87%) was applied. Thus, 4.08% is the blended discount rate.

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 (3.08 percent) or 1-percentage-point higher (5.08 percent) than the current discount rate:

1% Decrease (3.08%)	Current Discount Rate (4.08%)	1% Increase (5.08%)
$ 10,768,871	$ 12,738,940	$ 14,283,519

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

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
$ 10,768,871	$ 12,738,940	$ 14,283,519

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, 2019.

Payable Changes in the Net OPEB Liability. At June 30, 2019, 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, 2019 for any open claims and lawsuits.

NOTE 14: FEDERAL AND STATE GRANTS

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

NOTE 15: OTERO – GREENTREE REGIONAL LANDFILL

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

NOTE 15: OTERO – GREENTREE REGIONAL LANDFILL (Continued)

The estimate of closure and post-closure costs was updated during the year ended June 30, 2019, and has increased by $310,057, for a balance of $1,508,632. The effect of this change in accounting estimate is that net position and the change in net position have increased by $247,601, as of and for the year ended June 30, 2019.

The landfill current 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 23.5 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 poste closure care. The City sets aside approximately $20,000 to $40,000 annually in investment. To date, the City has restricted $911,581 in investments for this purpose.

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

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

NOTE 16: CONCENTRATIONS

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

NOTE 17: RESTATEMENT OF NET POSITION AND RECLASSIFICATION OF FUND BALANCE

The objective of a net position restatement is to accurately reflect prior period's net position and improve the relevancy and usefulness of financial information. The City restated net position in relation to capital outlay (see FS 2019-001) within the component unit and for capital asset balances and unbilled receivables within the proprietary type funds. The effect of those restatements is as follows:

	Proprietary Activities		
	Water & Sewer Fund	Low Rent Housing Fund	Component Unit Activites
Net position - beginning as originally stated	63,822,621	4,829,457	$ 5,907,996
Restatement for unbilled utility receivables	1,000,344	-	-
Restatement for public housing capital assets	-	(555,057)	-
Restatement for component unit capital assets	-	-	485,018
Net position - beginning, as restated	$ 63,822,621	$ 4,274,400	$ 6,393,014

In addition to the restatements above, the City had reclassifications of fund balance. This reclassification was due to the movement of two funds out from within the general fund. The leisure services, special revenue fund, containing a fund balance of $47,612 and the community development special revenue fund, containing $390 in fund balance were previously combined into the general fund. In the current year the City determined that it was appropriate to report these two funds as individual Nonmajor governmental funds.

NOTE 18: COMMITMENTS

The City's commitments as of June 30, 2019 are as follows:

Contract	Project	Year Ending	Amount
Flood Control	EN0226	2021	$ 3,563,543
Utility Relocation Corps PH 8	EN1609	2021	2,062,442
SMP 2017 (Street Maintenance Project	EN1701	2020	1,799,600
SMP 2017 (Street Maintenance Project	EN1701	2020	29,340
SMP 2018	EN1803	2022	1,696,267
Park Picnic Pavilions	NB1811	2020	34,985
Cell Development	PW1405	2020	798,803
1MG Desal - Capital Outlay	PW1406	2020	284,947
Bonito Lake Restoration	PW1501	2020	5,272,549
DR4199 - Bonito Lake	PW1605	2020	632,602
Scenic Dr Ext - WSB to RR	PW1606	2020	3,907,473
Fire Radio Voting System	PW1714	2020	4,588
APD Generator	PW1719	2020	23,386
Rehab Upper Heights GST	PW1802	2020	33,924
Wash Rack Building	PW1904	2020	27,249
Radio Read Program	UB2006	2020	96,644
Total commitments			$ 20,268,341

NOTE 19: SUBSEQUENT EVENTS

The date to which events occurring after June 30, 2019, the date of the most recent statement of net position, have been evaluated for possible adjustment to the financial statements or disclosure is December 16, 2019, which is the date on which the financial statements were issued.

NOTE 20: RESTRICTED NET POSITION

The government-wide statement of net position reports $28,935,366 of restricted net position for governmental activities, all of which is restricted by enabling legislation. For descriptions of the related enabling legislation for special revenue, capital projects, and debt service funds, see pages 45, 51 and 106-109.

NOTE 21: TAX ABATEMENTS

The City of Alamogordo had no tax abatements during the year ended June 30, 2019. The City is not subject to any tax abatement agreements entered into by other governmental entities.

NOTE 22: SUBSEQUENT PRONOUNCEMENTS

In January 2017, GASB Statement No. 84, *Fiduciary Activities,* was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The City is still evaluating how this pronouncement will affect the financial statements.

In June 2017, GASB Statement No. 87, *Leases,* was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The City is still evaluating how this pronouncement will affect the financial statements.

In June 2018, GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period,* was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier Application is encouraged. The City is still evaluating how this pronouncement will affect the financial statements.

In June 2018, GASB Statement No. 90, *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61,* was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier Application is encouraged. The City is still evaluating how this pronouncement will affect the financial statements.

In May 2019, GASB Statement No. 91, *Conduit Debt Obligations,* was issued. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged. The City is still evaluating how this pronouncement will affect the financial statements.

Required Supplementary Information

City of Alamogordo, New Mexico
Schedule of Proportionate Share of the Net Pension Liability
Public Employees Retirement Association (PERA) Plan
Municipal General
Last 10 Fiscal Years*

	2019 Measurement Date As of and for the Year Ended June 30, 2018	2018 Measurement Date As of and for the Year Ended June 30, 2017
City of Alamogordo's proportion of the net pension liability	1.0112%	0.9192%
City of Alamogordo's proportionate share of the net pension liability	$ 16,122,270	$ 12,630,586
City of Alamogordo's covered payroll	$ 8,436,676	$ 8,072,412
City of Alamogordo's proportionate share of the net pension liability as a percentage of its covered-employee payroll	191.10%	156.47%
Plan fiduciary net position as a percentage of the total pension liability	71.13%	73.74%

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

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

2017 Measurement Date As of and for the Year Ended June 30, 2016	2016 Measurement Date As of and for the Year Ended June 30, 2015	2015 Measurement Date As of and for the Year Ended June 30, 2014
0.9228%	0.9651%	0.9957%
$ 14,743,243	$ 9,840,030	$ 7,767,529
$ 8,519,979	$ 8,002,462	$ 8,370,704
173.04%	122.96%	92.79%
69.18%	76.99%	81.29%

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

City of Alamogordo, New Mexico
Schedule of Proportionate Share of the Net Pension Liability
Public Employees Retirement Association (PERA) Plan
Municipal Police
Last 10 Fiscal Years*

	2019 Measurement Date As of and for the Year Ended June 30, 2018	2018 Measurement Date As of and for the Year Ended June 30, 2017
City of Alamogordo's proportion of the net pension liability	1.1257%	1.1898%
City of Alamogordo's proportionate share of the net pension liability	$ 7,680,700	$ 6,610,256
City of Alamogordo's covered payroll	$ 2,515,241	$ 2,452,647
City of Alamogordo's proportionate share of the net pension liability as a percentage of its covered-employee payroll	305.37%	269.52%
Plan fiduciary net position as a percentage of the total pension liability	71.13%	73.74%

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

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

2017 Measurement Date As of and for the Year Ended June 30, 2016	2016 Measurement Date As of and for the Year Ended June 30, 2015	2015 Measurement Date As of and for the Year Ended June 30, 2014
1.1819%	1.2572%	1.3996%
$ 8,720,409	$ 6,045,322	$ 4,562,544
$ 2,350,723	$ 2,460,929	$ 2,789,369
370.97%	245.65%	163.57%
69.18%	76.99%	81.29%

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

Schedule of Proportionate Share of the Net Pension Liability
Public Employees Retirement Association (PERA) Plan
Municipal Fire
Last 10 Fiscal Years*

	2019 Measurement Date As of and for the Year Ended June 30, 2018	2018 Measurement Date As of and for the Year Ended June 30, 2017
City of Alamogordo's proportion of the net pension liability	0.6295%	0.5694%
City of Alamogordo's proportionate share of the net pension liability	$ 4,029,335	$ 3,257,791
City of Alamogordo's covered payroll	$ 842,919	$ 690,057
City of Alamogordo's proportionate share of the net pension liability as a percentage of its covered-employee payroll	478.02%	472.10%
Plan fiduciary net position as a percentage of the total pension liability	71.13%	73.74%

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

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

2017 Measurement Date As of and for the Year Ended June 30, 2016	2016 Measurement Date As of and for the Year Ended June 30, 2015	2015 Measurement Date As of and for the Year Ended June 30, 2014
0.5710%	0.5622%	0.5592%
$ 3,809,151	$ 2,901,616	$ 2,334,097
$ 665,639	$ 637,580	$ 646,276
572.25%	455.10%	361.16%
69.18%	76.99%	81.29%

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

City of Alamogordo, New Mexico
Schedule of Contributions
Public Employees Retirement Association (PERA) Plan
Municipal General
Last 10 Fiscal Years*

	As of and for the Year Ended June 30, 2019	As of and for the Year Ended June 30, 2018
Contractually required contributions	$ 804,165	$ 846,350
Contributions in relation to the contractually required contribution	804,165	846,350
Contribution deficiency (excess)	$ -	$ -
City of Alamogordo's covered payroll	$ 8,420,579	$ 8,862,307
Contributions as a percentage of covered payroll	9.55%	9.55%

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

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

As of and for the Year Ended June 30, 2017	As of and for the Year Ended June 30, 2016	As of and for the Year Ended June 30, 2015
$ 770,915	$ 813,658	$ 764,235
770,915	813,658	764,235
$ -	$ -	$ -
$ 8,072,412	$ 8,519,979	$ 8,002,462
9.55%	9.55%	9.55%

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

City of Alamogordo, New Mexico
Schedule of Contributions
Public Employees Retirement Association (PERA) Plan
Municipal Police
Last 10 Fiscal Years*

	As of and for the Year Ended June 30, 2019	As of and for the Year Ended June 30, 2018
Contractually required contributions	$ 475,381	$ 466,652
Contributions in relation to the contractually required contribution	475,381	466,652
Contribution deficiency (excess)	$ -	$ -
City of Alamogordo's covered payroll	$ 2,515,241	$ 2,469,059
Contributions as a percentage of covered payroll	18.90%	18.90%

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

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

As of and for the Year Ended June 30, 2017	As of and for the Year Ended June 30, 2016	As of and for the Year Ended June 30, 2015
$ 463,550	$ 444,287	$ 465,116
463,550	444,287	465,116
$ -	$ -	$ -
$ 2,452,647	$ 2,350,723	$ 2,460,929
18.90%	18.90%	18.90%

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

City of Alamogordo, New Mexico
Schedule of Contributions
Public Employees Retirement Association (PERA) Plan
Municipal Fire
Last 10 Fiscal Years*

	As of and for the Year Ended June 30, 2019	As of and for the Year Ended June 30, 2018
Contractually required contributions	$ 182,492	$ 180,022
Contributions in relation to the contractually required contribution	182,492	180,022
Contribution deficiency (excess)	$ -	$ -
City of Alamogordo's covered payroll	$ 842,919	$ 831,512
Contributions as a percentage of covered payroll	21.65%	21.65%

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

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

As of and for the Year Ended June 30, 2017	As of and for the Year Ended June 30, 2016	As of and for the Year Ended June 30, 2015
$ 149,397	$ 144,111	$ 138,036
149,397	144,111	138,036
$ -	$ -	$ -
$ 690,057	$ 665,639	$ 637,580
21.65%	21.65%	21.65%

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

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

	2019 Measurement Date (As of and for the Year Ended June 30, 2018)	2018 Measurement Date (As of and for the Year Ended June 30, 2017)
City of Alamogordo's proportion of the net OPEB liability	0.29296%	0.28033%
City of Alamogordo's proportionate share of the net OPEB liability	$ 12,738,940	$ 12,703,639
City of Alamogordo's covered-employee payroll	$ 11,775,275	$ 11,677,559
City of Alamogordo's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	108.18%	108.79%
Plan fiduciary net position as a percentage of the total OPEB liability	11.34%	11.34%

* 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 of Alamogordo will present information for those years for which information is available.

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

City of Alamogordo, New Mexico
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, 2019	As of and for the Year Ended June 30, 2018
Contractually required contributions	$ 252,470	$ 250,375
Contributions in relation to the contractually required contribution	(252,470)	(250,375)
Contribution deficiency (excess)	$ -	$ -
City of Alamogordo's covered-employee payroll	$ 11,775,275	$ 11,677,559
Contributions as a percentage of covered-employee payroll	2.14%	2.14%

* 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 of Alamogordo will present information for those years for which information is available.

See independent auditors' report.
See 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 FY18 audit available at: http://www.nmpera.org/assets/uploads/downloads/comprehensive-annual-financial-reports/CAFR-2018-Final.pdf.

Changes of assumptions. The Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation as of June 30, 2017 report is available at: http://www.nmpera.org/assets/uploads/downloads/retirement-fund-valuation-reports/6-30-2017-PERA-Valuation-Report-FINAL.pdf. See the notes to the financial statements on page 57 which summarizes actuarial assumptions and methods effective with the June 30, 2017 valuation.

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 FY18 audit available at http://nmrhca.org/financial-documents.aspx.

Changes of assumptions. The New Mexico Retiree Healthcare Authority (NMRHCA) Actuarial Valuation as of June 30, 2017 report is available at http://nmrhca.org/financial-documents.aspx. See the notes to the financial statements beginning on page 24 which summarizes actuarial assumptions and methods effective with the June 30, 2017 valuation.

Supplementary Information

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.

Leisure Services Fund (032) – This fund accounts for services and admission fees received by the various Community Services departments for the administration, maintenance, and improvements of facilities.

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.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.

SPECIAL REVENUE FUNDS (Continued)

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.

1984 Gross Receipts Tax (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 0.625% (089) – To account for the Environmental Gross Receipts Tax that is used for the activities for the Convenience Center. NMSA 7019D-10.

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 (059) – This fund accounts 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.

CAPITAL PROJECTS FUNDS

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

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.

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

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.

City of Alamogordo, New Mexico
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

	Special Revenue		
	Corrections Fund	Lodgers Tax-Promotional	Court Automation Fund
Assets			
Cash and cash equivalents	$ 10,663	$ 15,291	$ 5,867
Investments	-	165,810	-
Receivables:			
Taxes receivable	-	-	-
Due from other governments	-	-	3,357
Other receivables, net	-	-	-
Total assets	$ 10,663	$ 181,101	$ 9,224
Liabilities			
Accounts payable	$ 34,282	$ 32	$ 325
Accrued payroll	-	747	326
Customer deposits	-	-	-
Unearned revenue	-	-	-
Due to other funds	-	-	-
Total liabilities	34,282	779	651
Deferred inflows of resources			
Unearned revenue - property taxes	-	-	-
Total deferred inflows of resources	-	-	-
Fund balances			
Restricted for:			
Government operations	-	180,322	8,573
Public safety	-	-	-
Public works	-	-	-
Culture and recreation	-		-
Health and welfare	-	-	-
Capital projects	-	-	-
Debt service	-	-	-
Permanent fund	-	-	-
Unassigned (deficit)	(23,619)	-	-
Total fund balances	(23,619)	180,322	8,573
Total liabilities, deferred inflows of resources, and fund balances	$ 10,663	$ 181,101	$ 9,224

See independent auditor's report.

Special Revenue					
Lodger's Tax-City Fund	D.A.R.E Donations Fund	Court Administration Fund	Police Contingency Fund	Leisure Services Fund	Fire Protection Fund
$ 7,579	$ 7,924	$ 8,775	$ 10,296	$ 124,369	$ 199,466
90,539	15,656	-	52,102	-	200,540
-	-	-	-	-	-
-	-	-	-	-	-
1,400	-	-	-	21,183	-
$ 99,518	$ 23,580	$ 8,775	$ 62,398	$ 145,552	$ 400,006
$ 50,092	$ -	$ 2,321	$ 100,706	$ 41,060	$ 9,872
5,208	-	12,614	-	96,270	-
-	-	-	-	20,013	-
-	-	4,037	-	11,844	-
-	-	-	-		
55,300	-	18,972	100,706	169,187	9,872
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	23,580	-	-	-	390,134
-	-	-	-	-	-
44,218	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(10,197)	(38,308)	(23,635)	-
44,218	23,580	(10,197)	(38,308)	(23,635)	390,134
$ 99,518	$ 23,580	$ 8,775	$ 62,398	$ 145,552	$ 400,006

See independent auditor's report.

City of Alamogordo, New Mexico
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

	Special Revenue		
	H.I.D.A Fund	Law Enforcement Fund	State Highway Fund
Assets			
Cash and cash equivalents	$ -	$ -	$ 16,228
Investments	-	-	110,757
Receivables:			
Taxes receivable	-	-	-
Due from other governments	-	1,224	-
Other receivables, net	-	-	-
Total assets	$ -	$ 1,224	$ 126,985
Liabilities			
Accounts payable	$ -	$ -	$ -
Accrued payroll	-	419	-
Customer deposits	-	-	-
Unearned revenue	-	-	-
Due to other funds	-	-	-
Total liabilities	-	419	-
Deferred inflows of resources			
Unearned revenue - property taxes	-	-	-
Total deferred inflows of resources	-	-	-
Fund balances			
Restricted for:			
Government operations	-	-	-
Public safety	-	805	-
Public works	-	-	126,985
Culture and recreation	-	-	-
Health and welfare	-	-	-
Capital projects	-	-	-
Debt service	-	-	-
Permanent fund	-	-	-
Unassigned (deficit)	-	-	-
Total fund balances	-	805	126,985
Total liabilities, deferred inflows of resources, and fund balances	$ -	$ 1,224	$ 126,985

See independent auditor's report.

	Special Revenue				
Traffic Safety Fund	1984 Gross Receipts Fund	Transportation Fund	Community Development/ Infrastructure Acquisition Fund	Alamo Senior Center Fund	Alamo Senior Center Gift Fund
$ 22,350	$ 245,032	$ -	$ 33,500	$ 21,630	$ 55,043
46,617	-	-	-	-	86,446
-	305,423	184,184	-	-	-
-	-	-	-	98,103	-
-	-	537	-	-	-
$ 68,967	$ 550,455	$ 184,721	$ 33,500	$ 119,733	$ 141,489
$ -	$ -	$ 53,670	$ 786	$ 9,921	$ 244
-	-	20,402	10,863	24,152	-
-	-	-	63	-	-
-	-	-	-	-	-
-	-	166,811	-	-	-
-	-	240,883	11,712	34,073	244
-	-	-	-	-	-
-	-	-	-	-	-
-	550,455	-	21,788	-	-
68,967	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	85,660	141,245
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(56,162)	-	-	-
68,967	550,455	(56,162)	21,788	85,660	141,245
$ 68,967	$ 550,455	$ 184,721	$ 33,500	$ 119,733	$ 141,489

See independent auditor's report.

	Special Revenue				Debt Service	
		Retired and Senior Volunteer Program Fund		ESGRT .0625% Fund		General Obligation Fund
Assets						
Cash and cash equivalents	$	100	$	32,169	$	872,135
Investments		-		2,495,651		-
Receivables:						
Taxes receivable		-		76,356		69,741
Due from other governments		29,328		-		-
Other receivables, net		-		-		-
Total assets	$	29,428	$	2,604,176	$	941,876
Liabilities						
Accounts payable	$	1,305	$	-	$	-
Accrued payroll		3,897		-		-
Customer deposits		-		-		-
Unearned revenue		-		-		-
Due to other funds		9,039		-		-
Total liabilities		14,241		-		-
Deferred inflows of resources						
Unearned revenue - property taxes		-		-		44,063
Total deferred inflows of resources		-		-		44,063
Fund balances						
Restricted for:						
Government operations		-		-		-
Public safety		-		-		-
Public works		-		2,604,176		-
Culture and recreation		-		-		-
Health and welfare		15,187		-		-
Capital projects		-		-		-
Debt service		-		-		897,813
Permanent fund		-		-		-
Unassigned (deficit)		-		-		-
Total fund balances		15,187		2,604,176		897,813
Total liabilities, deferred inflows of resources, and fund balances	$	29,428	$	2,604,176	$	941,876

See independent auditor's report.

Debt Service		Capital Projects			
1994 & 1996 GRT Principal Fund	1994 Gross Receipts Tax Fund	Grant Capital Improvements Fund	1986 Gross Receipt Tax Fund	Property Acquisition Fund	Reverse Osmosis Project Fund
$ 54,357	$ 139,949	$ -	$ 490,609	$ 84,410	$ 21,967
95,627	2,072,108	-	3,868,518	-	-
-	305,423	-	305,423	-	-
-	-	-	-	-	-
-	-	-	-	600	-
$ 149,984	$ 2,517,480	$ -	$ 4,664,550	$ 85,010	$ 21,967
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	23,566	-	-	-
-	-	23,566	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	4,664,550	85,010	21,967
149,984	2,517,480	-	-	-	-
-	-	-	-	-	-
-	-	(23,566)	-	-	-
149,984	2,517,480	(23,566)	4,664,550	85,010	21,967
$ 149,984	$ 2,517,480	$ -	$ 4,664,550	$ 85,010	$ 21,967

See independent auditor's report.

City of Alamogordo, New Mexico
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

	Capital Projects		
	99 GRT Flood Control Fund	Municipal Infrastructure Fund	Sidewalk Revolving Loans
Assets			
Cash and cash equivalents	$ 373,493	$ 297,139	$ -
Investments	1,277,197	518,947	138,371
Receivables:			
Taxes receivable	-	76,356	-
Due from other governments	-	-	-
Other receivables, net	-	-	-
Total assets	$ 1,650,690	$ 892,442	$ 138,371
Liabilities			
Accounts payable	$ 1,745	$ -	$ -
Accrued payroll	-	-	-
Customer deposits	-	-	-
Unearned revenue	-	-	-
Due to other funds	1,512,587	-	-
Total liabilities	1,514,332	-	-
Deferred inflows of resources			
Unearned revenue - property taxes	-	-	-
Total deferred inflows of resources	-	-	-
Fund balances			
Restricted for:			
Government operations	-	-	-
Public safety	-	-	-
Public works	-	-	-
Culture and recreation	-	-	-
Health and welfare	-	-	-
Capital projects	136,358	892,442	138,371
Debt service	-	-	-
Permanent fund	-	-	-
Unassigned (deficit)	-	-	-
Total fund balances	136,358	892,442	138,371
Total liabilities, deferred inflows of resources, and fund balances	$ 1,650,690	$ 892,442	$ 138,371

See independent auditor's report.

Capital Projects			Permanent Fund	
2012 GRT Refunding & Improvement Revenue Bond Fund	2014A Go Bond Fund	2014B GO Bond- Streets Fund	Cemetery Perpetual Fund	Total Nonmajor Governmental Funds
$ 203,772	$ 415	$ 780	$ 3,529	$ 3,358,837
996,744	86,735	168,091	764,358	13,250,814
-	-	-	-	1,322,906
-	-	-	-	132,012
-	-	-	-	23,720
$ 1,200,516	$ 87,150	$ 168,871	$ 767,887	$ 18,088,289
$ -	$ -	$ -	$ -	$ 306,361
-	-	-	-	174,898
-	-	-	-	20,076
-	-	-	-	15,881
-	-	-	-	1,712,003
-	-	-	-	2,229,219
-	-	-	-	44,063
-	-	-	-	44,063
-	-	-	-	761,138
-	-	-	-	483,486
-	-	-	-	2,731,161
-	-	-	-	271,123
-	-	-	-	15,187
1,200,516	87,150	168,871	-	7,395,235
	-	-	-	3,565,277
-	-	-	767,887	767,887
-	-	-	-	(175,487)
1,200,516	87,150	168,871	767,887	15,815,007
$ 1,200,516	$ 87,150	$ 168,871	$ 767,887	$ 18,088,289

See independent auditor's report.

City of Alamogordo, New Mexico
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2019

	Special Revenue		
	Corrections Fund	Lodgers Tax-Promotional	Court Automation Fund
Revenues			
Taxes:			
Property	$ -	$ -	$ -
Gross receipts	-	-	-
Other taxes	-	236,060	-
Intergovernmental:			
Federal operating grants	-	-	-
Federal capital grants	-	-	-
State operating grants	-	5,500	22,313
State capital grants	-	-	-
Charges for services	112,680	-	47,221
Investment income	-	5,407	242
Miscellaneous	-	-	-
Total revenues	112,680	246,967	69,776
Expenditures			
Current:			
General government	-	235,390	44,248
Public safety	156,487	-	14,154
Public works	-	-	-
Culture and recreation	-	-	-
Health and welfare	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	156,487	235,390	58,402
Excess (deficiency) of revenues over expenditures	(43,807)	11,577	11,374
Other financing sources (uses)			
Proceeds from sale of assets	-	-	-
Transfers in	33,737	-	-
Transfers (out)	(1,097)	(2,164)	(20,738)
Total other financing sources (uses)	32,640	(2,164)	(20,738)
Net change in fund balances	(11,167)	9,413	(9,364)
Fund balances - beginning of year	(12,452)	170,909	17,937
Fund balances - reclassification (note 17)	-	-	-
Fund balances - as reclassified	(12,452)	170,909	17,937
Fund balances - end of year	$ (23,619)	$ 180,322	$ 8,573

See independent auditor's report.

Special Revenue					
Lodger's Tax-City Fund	D.A.R.E Donations Fund	Court Administration Fund	Police Contingency Fund	Leisure Services Fund	Fire Protection Fund
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
354,090	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	57,510	724,060
-	-	-	-	-	-
71,673	6,770	16,018	2,025	431,257	-
4,582	510	-	1,700	-	17,924
18,936	-	-	2,844	24,532	5
449,281	7,280	16,018	6,569	513,299	741,989
-	-	343,752	-	1,344,400	-
-	7,664	49,534	8,311	3,925	595,951
-	-	11,617	-	238,755	-
525,605	-	-	-	2,213,482	-
-	-	-	-	-	-
-	-	-	-	98,922	-
-	-	-	-	-	43,715
-	-	-	-	-	5,142
525,605	7,664	404,903	8,311	3,899,484	644,808
(76,324)	(384)	(388,885)	(1,742)	(3,386,185)	97,181
-	-	-	-	-	-
40,031	-	405,646	-	3,978,856	-
(45,889)	-	(12,765)	-	(568,694)	-
(5,858)	-	392,881	-	3,410,162	-
(82,182)	(384)	3,996	(1,742)	23,977	97,181
126,400	23,964	(14,193)	(36,566)	-	292,953
-	-	-	-	(47,612)	-
126,400	23,964	(14,193)	(36,566)	(47,612)	292,953
$ 44,218	$ 23,580	$ (10,197)	$ (38,308)	$ (23,635)	$ 390,134

See independent auditor's report.

City of Alamogordo, New Mexico
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2019

	Special Revenue		
	H.I.D.A Fund	Law Enforcement Fund	State Highway Fund
Revenues			
Taxes:			
Property	$ -	$ -	$ -
Gross receipts	-	-	-
Other taxes	-	-	-
Intergovernmental:			
Federal operating grants	-	-	-
Federal capital grants	2,978	-	-
State operating grants	-	75,972	8,173
State capital grants	-	-	-
Charges for services	-	-	23,185
Investment income	-	-	3,612
Miscellaneous	-	-	-
Total revenues	2,978	75,972	34,970
Expenditures			
Current:			
General government	-	-	-
Public safety	2,978	80,111	3,909
Public works	-	-	30,096
Culture and recreation	-	-	-
Health and welfare	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	2,978	80,111	34,005
Excess (deficiency) of revenues over expenditures	-	(4,139)	965
Other financing sources (uses)			
Proceeds from sale of assets	-	-	-
Transfers in	-	-	-
Transfers (out)	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	-	(4,139)	965
Fund balances - beginning of year	-	4,944	126,020
Fund balances - reclassification (note 17)	-	-	-
Fund balances - as reclassified	-	4,944	126,020
Fund balances - end of year	$ -	$ 805	$ 126,985

See independent auditor's report.

Special Revenue					
Traffic Safety Fund	1984 Gross Receipts Fund	Transportation Fund	Community Development/Infrustructure Acquisitions Fund	Alamo Senior Center Fund	Alamo Senior Center Gift Fund
$ -	$ -	$ -	$ -	$ -	$ -
-	1,687,586	421,896	-	-	-
-	-	651,455	-	-	-
-	-	861,388	-	121,082	-
-	-	-	-	-	-
-	-	-	-	446,242	-
-	-	36,627	-	-	-
29,135	-	6,322	80	120,173	51,934
1,520	80,331	-	-	-	2,819
-	-	15,424	-	11,672	-
30,655	1,767,917	1,993,112	80	699,169	54,753
-	28,470	-	319,610	-	-
22,460	-	141,719	8,814	-	-
-	-	1,309,077	-	-	-
-	-	-	-	1,089,116	11,450
-	-	-	-	-	-
-	-	1,635,547	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
22,460	28,470	3,086,343	328,424	1,089,116	11,450
8,195	1,739,447	(1,093,231)	(328,344)	(389,947)	43,303
-	-	-	-	-	-
-	125,500	1,062,844	390,314	374,411	-
-	(4,493,239)	(139,125)	(40,572)	(4,758)	(630)
-	(4,367,739)	923,719	349,742	369,653	(630)
8,195	(2,628,292)	(169,512)	21,398	(20,294)	42,673
60,772	3,178,747	113,350	-	105,954	98,572
-	-	-	390	-	-
60,772	3,178,747	113,350	390	105,954	98,572
$ 68,967	$ 550,455	$ (56,162)	$ 21,788	$ 85,660	$ 141,245

See independent auditor's report.

City of Alamogordo, New Mexico
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2019

	Special Revenue		Debt Service
	Retired and Senior Volunteer Program Fund	ESGRT .0625% Fund	General Obligation Fund
Revenues			
Taxes:			
Property	$ -	$ -	$ 1,061,474
Gross receipts	-	421,896	-
Other taxes	-	-	-
Intergovernmental:			
Federal operating grants	42,914	-	-
Federal capital grants	-	-	-
State operating grants	170,774	-	-
State capital grants	-	-	-
Charges for services	-	-	-
Investment income	-	66,607	16,630
Miscellaneous	6,000	-	-
Total revenues	219,688	488,503	1,078,104
Expenditures			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	20,275	-
Culture and recreation	-	-	-
Health and welfare	249,571	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	431,800
Interest	-	-	585,944
Total expenditures	249,571	20,275	1,017,744
Excess (deficiency) of revenues over expenditures	(29,883)	468,228	60,360
Other financing sources (uses)			
Proceeds from sale of assets	-	-	-
Transfers in	49,877	-	-
Transfers (out)	(15,931)	-	(85,000)
Total other financing sources (uses)	33,946	-	(85,000)
Net change in fund balances	4,063	468,228	(24,640)
Fund balances - beginning of year	11,124	2,135,948	922,453
Fund balances - reclassification (note 17)	-	-	-
Fund balances - as reclassified	11,124	2,135,948	922,453
Fund balances - end of year	$ 15,187	$ 2,604,176	$ 897,813

See independent auditor's report.

Debt Service		Capital Projects			
1994 & 1996 GRT Principal Fund	**1994 Gross Receipts Tax Fund**	**Grant Capital Improvement Fund**	**1986 Gross Receipt Tax Fund**	**Property Acquisition Fund**	**Reverse Osmosis Project Fund**
$ -	$ -	$ -	$ -	$ -	$ -
-	1,687,586	-	1,687,586	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1,214	-	-	-
-	-	-	-	-	-
-	-	9,781	-	-	-
-	-	-	-	-	-
11,647	64,511	-	194,546	-	-
-	-	-	-	8,452	-
11,647	1,752,097	10,995	1,882,132	8,452	-
-	28,469	1,497	-	-	-
3,344	-	6,600	35,573	-	-
-	-	96,377	83,750	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	2,131,283
2,137,988	-	-	-	-	-
530,153	-	-	-	-	-
2,671,485	28,469	104,474	119,323	-	2,131,283
(2,659,838)	1,723,628	(93,479)	1,762,809	8,452	(2,131,283)
-	-	-	-	-	-
2,621,649	-	-	-	-	2,692,325
-	(2,019,625)	-	(3,231,213)	-	-
2,621,649	(2,019,625)	-	(3,231,213)	-	2,692,325
(38,189)	(295,997)	(93,479)	(1,468,404)	8,452	561,042
188,173	2,813,477	69,913	6,132,954	76,558	(539,075)
-	-	-	-	-	-
188,173	2,813,477	69,913	6,132,954	76,558	(539,075)
$ 149,984	$ 2,517,480	$ (23,566)	$ 4,664,550	$ 85,010	$ 21,967

See independent auditor's report.

City of Alamogordo, New Mexico
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2019

	Capital Projects		
	99 GRT Flood Control Fund	Municipal Infrastructure Fund	Sidewalk Revolving Loans
Revenues			
Taxes:			
Property	$ -	$ -	$ -
Gross receipts	-	421,896	-
Other taxes	-	-	-
Intergovernmental:			
Federal operating grants	-	-	-
Federal capital grants	-	-	-
State operating grants	-	-	-
State capital grants	-	-	-
Charges for services	-	-	-
Investment income	36,153	16,923	4,492
Miscellaneous	-	-	-
Total revenues	36,153	438,819	4,492
Expenditures			
Current:			
General government	-	7,117	-
Public safety	-	-	-
Public works	113,957	-	-
Culture and recreation	-	-	-
Health and welfare	-	-	-
Capital outlay	3,700,025	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	3,813,982	7,117	-
Excess (deficiency) of revenues over expenditures	(3,777,829)	431,702	4,492
Other financing sources (uses)			
Proceeds from sale of assets	-	-	-
Transfers in	3,701,948	-	-
Transfers (out)	-	(179,100)	-
Total other financing sources (uses)	3,701,948	(179,100)	-
Net change in fund balances	(75,881)	252,602	4,492
Fund balances - beginning of year	212,239	639,840	133,879
Fund balances - reclassification (note 17)	-	-	-
Fund balances - as reclassified	212,239	639,840	133,879
Fund balances - end of year	$ 136,358	$ 892,442	$ 138,371

See independent auditor's report.

Capital Projects			Permanent Fund	
2012 GRT Refunding & Improvement Revenue Bond Fund	2014A Go Bond Fund	2014B Go Bond-Streets Fund	Cemetery Perpetual Fund	Total Nonmajor Governmental Funds
$ -	$ -	$ -	$ -	$ 1,061,474
-	-	-	-	6,328,446
-	-	-	-	1,241,605
-	-	-	-	1,025,384
-	-	-	-	4,192
-	-	-	-	1,510,544
-	-	-	-	46,408
-	-	-	-	918,473
27,337	2,828	6,176	27,416	593,913
-	-	-	-	87,865
27,337	2,828	6,176	27,416	12,818,304
-	-	-	-	2,352,953
-	-	-	-	1,141,534
172,788	-	27,787	-	2,104,479
-	-	-	-	3,839,653
-	-	-	-	249,571
703,760	-	-	-	8,269,537
-	-	-	-	2,613,503
-	-	-	-	1,121,239
876,548	-	27,787	-	21,692,469
(849,211)	2,828	(21,611)	27,416	(8,874,165)
-	-	-	9,138	9,138
448,484	-	-	-	15,925,622
(32,277)	-	-	(86,857)	(10,979,674)
416,207	-	-	(77,719)	4,955,086
(433,004)	2,828	(21,611)	(50,303)	(3,919,079)
1,633,520	84,322	190,482	818,190	19,781,308
-	-	-	-	(47,222)
1,633,520	84,322	190,482	818,190	19,734,086
$ 1,200,516	$ 87,150	$ 168,871	$ 767,887	$ 15,815,007

See independent auditor's report.

City of Alamogordo, New Mexico
Combining Statement of Net Position
Proprietary Funds
June 30, 2019

	Nonmajor Enterprise Funds		
	Solid Waste Fund	Bonito Lake Fund	Golf Course Fund
Assets			
Current assets			
Cash and cash equivalents	$ 20,434	$ 52,068	$ 11,600
Investments	436,650	257,393	-
Receivables:			
Due from other governments	-	-	-
Customer receivable, net	109,835	-	-
Inventory	-	-	-
Prepaid expenses	-	-	-
Due from other funds	-	-	-
Total current assets	566,919	309,461	11,600
Noncurrent assets			
Restricted cash and cash equivalents	-	-	-
Restricted investments	-	74,551	-
Other assets	-	-	-
Capital assets, not being depreciated	16,000	1,740,180	2,528,794
Capital assets, being depreciated	1,056,441	255,855	4,594,743
Less: accumulated depreciation	(711,720)	(232,245)	(2,537,948)
Total noncurrent assets	360,721	1,838,341	4,585,589
Total assets	927,640	2,147,802	4,597,189
Deferred outflows of resources			
Deferred outflow- pension	50,527	-	97,328
Deferred outflow- OPEB	5,393	-	11,590
Total deferred outflows of resources	55,920	-	108,918
Total assets and deferred outflows of resources	$ 983,560	$ 2,147,802	$ 4,706,107

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Nonmajor Enterprise Funds			
Airport Fund	Low Rent Public Housing Fund	Home Ownership Fund	Total
$ 12,569	$ 754,246	$ 613,615	$ 1,464,532
-	96,521	111,081	901,645
85,969	157,368	-	243,337
50,188	7,450	-	167,473
-	11,227	-	11,227
-	27,095	-	27,095
-	-	11	11
148,726	1,053,907	724,707	2,815,320
-	46,327	21,349	67,676
-	-	-	74,551
-	-	88,338	88,338
765,788	1,324,708	-	6,375,470
12,673,612	13,898,069	3,735	32,482,455
(4,774,304)	(11,454,714)	(3,735)	(19,714,666)
8,665,096	3,814,390	109,687	19,373,824
8,813,822	4,868,297	834,394	22,189,144
33,386	233,011	5,590	419,842
4,060	18,384	569	39,996
37,446	251,395	6,159	459,838
$ 8,851,268	$ 5,119,692	$ 840,553	$ 22,648,982

See independent auditors' report.

	Nonmajor Enterprise Funds		
	Solid Waste Fund	Bonito Lake Fund	Golf Course Fund
Liabilities			
Current liabilities			
Accounts payable	$ 154,383	$ -	$ 6,416
Accrued payroll	6,079	-	11,830
Accrued compensated absences	9,546	-	14,297
Customer deposits	-	-	-
Unearned revenue	-	-	-
Due to other funds	-	-	-
Total current liabilities	170,008	-	32,543
Noncurrent liabilities			
Net pension liability	162,700	-	317,223
Net OPEB liability	75,189	-	144,083
Total noncurrent liabilities	237,889	-	461,306
Total liabilities	407,897	-	493,849
Deferred inflows of resources			
Deferred inflows - pension	13,731	-	24,246
Deferred inflows - OPEB	19,752	-	38,700
Total deferred inflows of resources	33,483	-	62,946
Net position			
Net investment in capital assets	360,721	1,763,790	4,585,589
Unrestricted	181,459	384,012	(436,277)
Total net position	542,180	2,147,802	4,149,312
Total liabilities, deferred inflows of resources, and net position	$ 983,560	$ 2,147,802	$ 4,706,107

See independent auditors' report.

Nonmajor Enterprise Funds			
Airport Fund	Low Rent Public Housing Fund	Home Ownership Fund	Total
$ 3,590	$ 3,879	$ 170	$ 168,438
3,618	13,923	596	36,046
350	19,177	1,524	44,894
10,834	43,531	-	54,365
-	31,727	-	31,727
-	3,419	22	3,441
18,392	115,656	2,312	338,911
118,296	556,769	15,917	1,170,905
54,807	280,261	6,379	560,719
173,103	837,030	22,296	1,731,624
191,495	952,686	24,608	2,070,535
9,729	68,865	1,637	118,208
14,486	72,465	1,751	147,154
24,215	141,330	3,388	265,362
8,665,096	3,768,063	-	19,143,259
(29,538)	257,613	812,557	1,169,826
8,635,558	4,025,676	812,557	20,313,085
$ 8,851,268	$ 5,119,692	$ 840,553	$ 22,648,982

See independent auditors' report.

City of Alamogordo, New Mexico
Combining Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2019

	Nonmajor Enterprise Funds		
	Solid Waste Fund	Bonito Lake Fund	Golf Course Fund
Operating revenues			
Charges for services	$ 2,195,440	$ -	$ 1,557,019
Operating grants	-	-	-
Total operating revenues	2,195,440	-	1,557,019
Operating expenses			
Personnel services	150,564	-	303,556
Utilities	7,585	-	28,493
Contractual services	1,713,569	-	1,712
Supplies and purchased power	26,688	-	94,760
Repairs and maintenance	9,834	-	104,229
Depreciation expense	39,361	5,266	189,745
Miscellaneous expense	73,737	-	1,210,227
Total operating expenses	2,021,338	5,266	1,932,722
Operating income (loss)	174,102	(5,266)	(375,703)
Non-operating revenues (expenses)			
Investment income	15,979	10,825	-
Loss on disposition of asset	(39,300)	-	-
Miscellaneous	4,340	494	-
Total non-operating revenues (expenses)	(18,981)	11,319	-
Income (loss) before contributions and transfers	155,121	6,053	(375,703)
Capital grants	-	-	-
Transfers in	-	-	279,919
Transfers (out)	(141,428)	-	(78,149)
Change in net position	13,693	6,053	(173,933)
Net position - beginning, as originally stated	528,487	2,141,749	4,323,245
Net position - restatement (note 17)	-	-	-
Net position - beginning, as restated	528,487	2,141,749	4,323,245
Net position - end of year	$ 542,180	$ 2,147,802	$ 4,149,312

See independent auditors' report.

Nonmajor Enterprise Funds			
Airport Fund	Low Rent Public Housing Fund	Home Ownership Fund	Total
$ 172,952	$ 260,871	$ -	$ 4,186,282
34,883	731,638	-	766,521
207,835	992,509	-	4,952,803
96,280	393,301	13,786	957,487
29,925	-	-	66,003
-	119,923	1,330	1,836,534
22,625	118,354	698	263,125
18,931	161,789	1,076	295,859
374,973	351,180	-	960,525
27,794	116,646	1,590	1,429,994
570,528	1,261,193	18,480	5,809,527
(362,693)	(268,684)	(18,480)	(856,724)
-	2,812	2,145	31,761
-	-	-	(39,300)
1,683	3,313	10	9,840
1,683	6,125	2,155	2,301
(361,010)	(262,559)	(16,325)	(854,423)
464,712	14,052	-	478,764
91,081	-	-	371,000
(37,369)	(217)	-	(257,163)
157,414	(248,724)	(16,325)	(261,822)
8,478,144	4,829,457	828,882	21,129,964
-	(555,057)	-	(555,057)
8,478,144	4,274,400	828,882	20,574,907
$ 8,635,558	$ 4,025,676	$ 812,557	$ 20,313,085

See independent auditors' report.

City of Alamogordo, New Mexico
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Year Ended June 30, 2019

	Nonmajor Enterprise Funds		
	Solid Waste Fund	Bonito Lake Fund	Golf Course Fund
Cash flows from operating activities			
Cash received from user charges	$ 2,193,868	$ -	$ 1,557,019
Cash received from subsidy grants	-	-	-
Cash payments to employees for services	(139,787)	-	(287,797)
Cash payments to suppliers for goods and services	(1,824,394)	-	(1,444,428)
Net cash provided (used) by operating activities	229,687	-	(175,206)
Cash flows from noncapital financing activities			
Miscellaneous income	4,340	494	-
Transfers and interfund balances	(141,428)	-	201,770
Net cash provided (used) by noncapital financing activities	(137,088)	494	201,770
Cash flows from investing activities			
Sale (Purchase) of investments	36,102	(9,259)	-
Interest on investments	15,979	10,825	-
Net cash provided (used) by investing activities	52,081	1,566	-
Cash flows from capital and related financing activities			
Acquisition of capital assets	(193,725)	-	(32,277)
Capital grants	-	-	-
Net cash provided (used) by capital and related financing activities	(193,725)	-	(32,277)
Net (decrease) increase in cash and cash equivalents	(49,045)	2,060	(5,713)
Cash and cash equivalents - beginning of year	69,479	50,008	17,313
Cash and cash equivalents - end of year	$ 20,434	$ 52,068	$ 11,600

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	Nonmajor Enterprise Funds		
Airport Fund	Low Rent Public Housing Fund	Home Ownership Fund	Total
$ 159,554	$ 283,045	$ -	$ 4,193,486
34,883	574,270	-	609,153
(90,343)	(389,011)	(13,065)	(920,003)
(103,876)	(525,236)	(4,655)	(3,902,589)
218	(56,932)	(17,720)	(19,953)
1,683	3,313	10	9,840
53,712	88	4	114,146
55,395	3,401	14	123,986
-	(27)	(36)	26,780
-	2,812	2,145	31,761
-	2,785	2,109	58,541
(516,337)	(14,462)	-	(756,801)
383,075	14,052	-	397,127
(133,262)	(410)	-	(359,674)
(77,649)	(51,156)	(15,597)	(197,100)
90,218	851,729	650,561	1,729,308
$ 12,569	$ 800,573	$ 634,964	$ 1,532,208

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City of Alamogordo, New Mexico
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Year Ended June 30, 2019

	Nonmajor Enterprise Funds		
	Solid Waste Fund	**Bonito Lake Fund**	**Golf Course Fund**
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	$ 174,102	$ (5,266)	$ (375,703)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	39,361	5,266	189,745
Noncash pension expense	8,407	-	18,809
Noncash OPEB benefit	(971)		(5,681)
Changes in assets, deferred outflows, and liabiliti			
Receivables	(1,575)	-	-
Inventory	-	-	-
Prepaid expenses	-	-	-
Subsequent contributions-pension	166	-	372
Subsequent contributions-OPEB	(8)	-	3,490
Accounts payable	7,030	-	(3,060)
Accrued payroll expenses	116	-	797
Other accrued expenses	(11)	-	(1,947)
Accrued compensated absences	3,067	-	(2,028)
Unearned revenue	3	-	-
Customer deposits	-	-	-
Net cash provided (used) by operating activities	$ 229,687	$ -	$ (175,206)

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Nonmajor Enterprise Funds			
Airport Fund	Low Rent Public Housing Fund	Home Ownership Fund	Total
$ (362,693)	$ (268,684)	$ (18,480)	$ (856,724)
374,973	351,180	-	960,525
6,408	18,027	657	52,308
(740)	(3,193)	(110)	(10,695)
(13,101)	(160,459)	-	(175,135)
-	(4,527)	-	(4,527)
-	(4,217)	-	(4,217)
127	357	13	1,035
(6)	(26)	(1)	3,449
(4,601)	220	39	(372)
(29)	(4,166)	(16)	(3,298)
-	-	-	(1,958)
177	(6,709)	178	(5,315)
-	26,308	-	26,311
(297)	(1,043)	-	(1,340)
$ 218	$ (56,932)	$ (17,720)	$ (19,953)

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Internal Service Funds

City of Alamogordo, New Mexico
Combining Statement of Net Position
Internal Service Funds
June 30, 2019

	Internal Service Fund	Self-Insured Fund	Liability/ Deductibles Fund	Total Internal Service Funds
Assets				
Current assets				
Cash and cash equivalents	$ 82,565	$ 56,781	$ 14,008	$ 153,354
Investments	-	435,988	665,556	1,101,544
Receivables				
Other receivable	17,613	-	-	17,613
Inventory	151,052	-	-	151,052
Prepaid expenses	68,090	-	-	68,090
Total current assets	319,320	492,769	679,564	1,491,653
Total assets	$ 319,320	$ 492,769	$ 679,564	$ 1,491,653
Liabilities				
Current liabilities				
Accounts payable	$ 38,347	$ 262	$ 18,577	$ 57,186
Accrued payroll	53,232	-	-	53,232
Total current liabilities	91,579	262	18,577	110,418
Total liabilities	91,579	262	18,577	110,418
Net position				
Unrestricted	227,741	492,507	660,987	1,381,235
Total net position	227,741	492,507	660,987	1,381,235
Total liabilities and net position	$ 319,320	$ 492,769	$ 679,564	$ 1,491,653

See independent auditors' report.

City of Alamogordo, New Mexico
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2019

	Internal Service Fund	Self-Insured Fund	Liability/ Deductibles Fund	Total Internal Service Funds
Operating revenues				
Charges for service	$ 234,181	$ 50,000	$ -	$ 284,181
Total operating revenues	234,181	50,000	-	284,181
Operating expenses				
Personnel expenses	1,473,900	-	-	1,473,900
Utilities	34,030			34,030
Contractual services	359,918	-	-	359,918
Supplies and purchase power	170,175			170,175
Repairs and maintenance	523,563			523,563
Miscellaneous expense	64,314	32,409	145,137	241,860
Total operating expenses	2,625,900	32,409	145,137	2,803,446
Operating income (loss)	(2,391,719)	17,591	(145,137)	(2,519,265)
Non-operating revenues (expenses)				
Investment income	-	14,218	29,032	43,250
Miscellaneous	136,068	10,000	430	146,498
Total non-operating revenues (expenses	136,068	24,218	29,462	189,748
Income (loss) before contributions and transfers	(2,255,651)	41,809	(115,675)	(2,329,517)
Transfers in	2,270,882	-	330,000	2,600,882
Transfers (out)	(30,233)	(28,495)	(448,484)	(507,212)
Net transfers	2,240,649	(28,495)	(118,484)	2,093,670
Change in net position	(15,002)	13,314	(234,159)	(235,847)
Net position - beginning	242,743	479,193	895,146	1,617,082
Net position - end of year	$ 227,741	$ 492,507	$ 660,987	$ 1,381,235

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City of Alamogordo, New Mexico
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2019

	Internal Service Fund	Self-Insured Fund	Liability/ Deductibles Fund	Total Internal Service Funds
Cash flows from operating activities				
Cash received from user charges	$ 216,938	$ 50,000	$ -	$ 266,938
Cash payments to employees for services	(1,423,673)	-	-	(1,423,673)
Cash payments to suppliers for goods and services	(1,087,417)	(32,147)	(164,607)	(1,284,171)
Net cash provided (used) by operating activities	(2,294,152)	17,853	(164,607)	(2,440,906)
Cash flows from noncapital financing activities				
Miscellaneous income	136,068	10,000	430	146,498
Transfers and interfund balances	2,240,649	(28,495)	(118,484)	2,093,670
Net cash provided (used) by noncapital financing activities	2,376,717	(18,495)	(118,054)	2,240,168
Cash flows from investing activities				
Sale (Purchase) of investments	-	(12,161)	259,751	247,590
Interest on investments	-	14,218	29,032	43,250
Net cash provided (used) by investing activities	-	2,057	288,783	290,840
Net (decrease) increase in cash and cash equivalents	82,565	1,415	6,122	90,102
Cash and cash equivalents - beginning of year	-	55,366	7,886	63,252
Cash and cash equivalents - end of year	$ 82,565	$ 56,781	$ 14,008	$ 153,354

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	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 (loss) income	$ (2,391,719)	$ 17,591	$ (145,137)	$ (2,519,265)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Changes in assets, deferred outflows and liabilities:				
Receivables	(17,243)	-	-	(17,243)
Inventory	90,939	-	-	90,939
Prepaid expenses	(19,885)	-	-	(19,885)
Accounts payable	(6,471)	262	(19,470)	(25,679)
Accrued payroll expenses	50,227	-	-	50,227
Net cash provided (used) by operating activities	$ (2,294,152)	$ 17,853	$ (164,607)	$ (2,440,906)

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Component Unit

Otero – Greentree Regional Landfill

City of Alamogordo, New Mexico
Statement of Net Position
Otero - Greentree Regional Landfill
June 30, 2019

Assets		
Current assets		
Cash and cash equivalents	$	730,550
Investments		3,041,945
Receivables		
Customer receivable, net		367,691
Total current assets		4,140,186
Noncurrent assets		
Restricted investments		911,581
Capital assets, not being depreciated		2,742,655
Capital assets, being depreciated		5,030,736
Less: accumulated depreciation		(3,451,128)
Total noncurrent assets		5,233,844
Total assets		9,374,030
Deferred outflows of resources		
Deferred outflow-pension		103,976
Deferred outflow-OPEB		11,678
Total deferred outflows of resources		115,654
Total assets and deferred outflows of resources	$	9,489,684

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Liabilities		
Current liabilities		
Accounts payable	$	57,338
Accrued payroll		10,839
Accrued compensated absences		12,201
Customer deposits		8,067
Unearned revenue		7,141
Total current liabilities		95,586
Noncurrent liabilities		
Accrued landfill closure costs		1,508,632
Net pension liability		347,740
Net OPEB liability		161,852
Total noncurrent liabilities		2,018,224
Total liabilities		2,113,810
Deferred inflows of resources		
Deferred inflows - pension		27,028
Deferred inflows - OPEB		42,566
Total deferred inflows of resources		69,594
Net position		
Net investment in capital assets		4,322,263
Unrestricted		2,984,017
Total net position		7,306,280
Total liabilities, deferred inflows of resources, and net position	$	9,489,684

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City of Alamogordo, New Mexico
Statement of Revenues, Expenses, and Changes in Net Position
Otero - Greentree Regional Landfill
For the Year Ended June 30, 2019

Operating revenues		
Charges for service	$	2,260,068
Total operating revenues		2,260,068
Operating expenses		
Personnel expenses		341,059
Contractual services		217,253
Supplies expense		121,869
Repairs and maintenance		152,805
Depreciation expense		319,712
Miscellaneous expense		343,195
Total operating expenses		1,495,893
Operating income (loss)		764,175
Non-operating revenues (expenses)		
Investment income		140,934
Miscellaneous		10,753
Total non-operating revenues (expenses)		151,687
Income (loss) before contributions and transfers		915,862
Transfers (out)		(2,018)
Change in net position		913,844
Net position - beginning		5,907,418
Net position, restatement (note 17)		485,018
Net position - as restated		6,392,436
Net position - end of year	$	7,306,280

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City of Alamogordo, New Mexio
Statement of Cash Flows
Otero - Greentree Regional Landfill
June 30, 2019

Cash flows from operating activities		
Cash received from user charges	$	2,062,748
Cash payments to employees for services		(333,588)
Cash payments to suppliers for goods and services		(989,594)
Net cash provided (used) by operating activities		739,566
Cash flows from noncapital financing activities		
Miscellaneous income		10,753
Transfers		(2,018)
Net cash provided (used) by noncapital financing activities		8,735
Cash flows from investing activities		
Sale of investments		306,150
Interest on investments		140,934
Net cash provided (used) by investing activities		447,084
Cash flows from capital and related financing activities		
Acquisition of capital assets		(565,035)
Net cash provided (used) by capital and related financing activities		(565,035)
Net (decrease) increase in cash and cash equivalents		630,350
Cash and cash equivalents - beginning of year		100,200
Cash and cash equivalents - end of year	$	730,550

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Reconciliation of operating income (loss) to		
net cash provided (used) by operating activities:		
Operating income (loss)	$	764,175
Adjustments to reconcile operating income (loss) to		
net cash provided (used) by operating activities:		
Depreciation		319,712
Noncash OPEB benefit		(2,108)
Noncash pension expense		18,245
Change in landfill liability		310,057
Changes in assets, deferred outflows and liabilities:		
Receivables		(197,058)
Contributions subsequent to measurement date-pension		361
Contributions subsequent to measurement date-OPEB		(17)
Accounts payable		(454,653)
Accrued payroll expenses		(1,483)
Other accrued expenses		(9,876)
Accrued compensated absences		(7,527)
Meter deposits		(3,326)
Unearned revenue		3,064
Net cash provided (used) by operating activities	$	739,566

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Supporting Schedules

City of Alamogordo, New Mexico
Schedule of Collateral Pledged by Depository For Public Funds
June 30, 2019

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value June 30, 2019
Bank of the West				
	GNMA2 ARM Multiple	1/20/2043	36179MYH7	$ 11,152
	Total Bank of the West			11,152
First American Bank				
	FNMA 10YR 4.00%	10/1/2020	31417YS24	32,583
	TULAROSA SD 4 NM 22 3.250%	10/15/2022	899172JS0	83,154
	W LAS VEGAS SD #1 NM 27 2.250%	8/15/2027	9537969LC8	201,604
	Alamogordo Muni SD #1 2.25%	8/1/2028	011464KT0	196,127
	GNMA II 5x1 3.000%	1/20/2042	36225FLB3	267,033
	Total First American Bank			780,501
First National Bank, City Accounts				
	FNMA Pool #MA0979, 3.00%	2/1/2022	31418ACR7	78,300
	FNMA Pool #890306, 4.00%	4/1/2026	31410LDK5	205,105
	FNMA Pool # MA1059, 3.50%	5/1/2032	31418AE95	671,548
	FNMA Pool #MA2643, 3.00%	5/1/2036	31418B5D4	1,056,310
	FNMA Pool #256724, 5.00%	5/1/2037	31371ND51	28,001
	FNMA Pool #888737, 5.50%	10/1/2037	31410GLS0	25,967
	FNMA Pool #981747, 5.104%	2/1/2036	31418BY59	606,033
	FNMA Pool #AL0128, 3.534%	4/1/2041	3138EGEA8	593,847
	Total First National Bank			3,265,112
First National Bank of Alamogordo, Housing Authority				
	FNMA Pool #890263, 4.00%	11/1/2025	31410LB84	45,355
	FHLMC Pool #G18459, 2.50%	3/1/2028	3128MMQM8	554,654
	FHLMC Pool #C91247, 5.00%	4/1/2029	3128P7L43	125,894
	FNMA Pool #MA2579, 3.00%	4/1/2036	31418B2M7	646,176
	FNMA Pool #MA0711, 3.50%	4/1/2031	31417YYHA	119,043
	Total First National Bank of Alamogordo, Housing Authority			1,491,124
First Savings/Western Bank				
	FHLMC 10YR, 2.50%	3/1/2023	31307BJW1	144,554
	GNMA 15YR, 3.00%	3/15/2027	36176XE21	10,397
	FNR 2012-145 DC, 1.50%	1/25/2028	3136AA2L8	611,697
	FHLMC 15YR, 2.50%	6/1/2028	31307DB62	90,910
	FNMA 15YR, 3.50%	10/1/2028	3138ELUS0	372,489
	FNMA 15YR, 3.00%	7/1/2029	31410LN57	70,137
	FHLMC 15YR, 2.50%	8/31/2031	3132KFNN8	101,942
	FHLMC 15YR, 2.50%	1/1/2030	3128ME4V0	124,782
	Total First Savings/Western Bank			1,526,908

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Location of Safekeeper
Bank of the West BNP Paribas
Federal Home Loan Bank, Dallas TX
Federal Home Loan Bank, Dallas TX
Federal Home Loan Bank, Dallas TX
Federal Home Loan Bank, Dallas TX
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Federal Reserve Bank, Pierre SD
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Federal Reserve Bank, Pierre SD
Federal Reserve Bank, Pierre SD

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City of Alamogordo, New Mexico
Schedule of Collateral Pledged by Depository For Public Funds
June 30, 2019

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number		Fair Market Value June 30, 2019
Pioneer Bank					
	FNMA AJ1622, 3.000%	10/1/2026	313BASYU0	$	22,969
	Total Pioneer Bank				22,969
Washington Federal					
	FNMA PL#BC2636 3.000%	11/1/2046	3140RW4W2		1,312,072
	Total Washington Federal				1,312,072
Wells Fargo (Checking Account Collateral)					
	FNMA FNMS 2.5%	5/1/2031	31418B3V6		443,183
	FNMA FNMS 3.000%	9/1/2042	3138M0CP3		43,109
	Total Wells Fargo				486,292
Total pledged collateral				$	8,896,130

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Location of Safekeeper
Federal Home Loan Bank, Dallas TX
Washington Federal, Seattle WA
Bank of New York Mellon, New York NY

See independent auditors' report.

Bank Account Type/Name	Bank '34	Bank of the West	First American Bank	First National Bank	First Savings/ Western Bank
General Operating Account - Checking	$ -	$ -	$ -	4,171,374	$ -
Home Ownership Operating - Interest Bearing	-	-	-	613,615	-
Home Ownership Reserve - Interest Bearing	-	-	-	21,349	-
Low Rent Operating - Interest Bearing	-	-	-	754,874	-
Security Deposit - Interest Bearing	-	-	-	46,327	-
Money Market Investment - Interest Bearing - HA	-	-	-	-	-
General Operating Account - Interest Bearing	-	-	-	-	-
Escrow Account - Checking	-	-	-	-	-
Certificates of Deposit - Interest Bearing**	-	-	-	-	-
Certificates of Deposit - Interest Bearing	250,000	267,715	1,333,484	-	3,229,236
Money Market Investment - Interest Bearing	-	-	-	-	-
State of NM Bonds - Interest Bearing	-	-	-	-	-
Federal Home Loan Bank Bonds - Interest Bearing	-	-	-	-	-
State Investment Council	-	-	-	-	-
NMFA Reserve Account***	-	-	-	-	-
Total	250,000	267,715	1,333,484	5,607,539	3,229,236
Reconciling items	-	-	-	(602,705)	-
Reconciled balance	$ 250,000	$ 267,715	$ 1,333,484	$ 5,004,834	$ 3,229,236

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

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

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Moreton Capital Markets	Pioneer Bank	Washington Federal Bank	Wells Fargo Bank	State Treasurer LGIP	NMFA Accounts	Totals
$ -	$ -	$ -	-	$ -	$ -	$ 4,171,374
-	-	-	-	-	-	613,615
-	-	-	-	-	-	21,349
-	-	-	-	-	-	754,874
-	-	-	-	-	-	46,327
-	-	-	207,601	-	-	207,601
-	-	-	1,237,071	-	-	1,237,071
-	-	-	154	-		154
8,995,155	-	-	-	-	-	8,995,155
-	268,635	1,368,931	-	-	-	6,718,001
1,251,263	-	-	-	-	-	1,251,263
-	-	-	-	-	-	-
32,107,423	-	-	-	-	-	32,107,423
	-	-	-	5,508	-	5,508
-	-	-	-	-	3,697,081	3,697,081
42,353,841	268,635	1,368,931	1,444,826	5,508	3,697,081	59,826,796
-	-	-	78,127	-	-	(524,578)
$42,353,841	$ 268,635	$ 1,368,931	$1,522,953	$ 5,508	$ 3,697,081	59,302,218

Plus: petty cash	7,205
Less: restricted cash and cash equivalents per statement of net position	(67,676)
Less: agency funds cash and cash equivalents per statement of fiduciary assets and liabilitie	(13,854)
Less: investments per statement of net position	(47,909,835)
Less: restricted investments per statement of net position	(74,551)
Less: component unit cash and cash equivalents per statement of net position	(730,550)
Less: component unit investments per statement of net position	(3,041,945)
Less: component unit restricted investments per statement of net position	(911,581)
Cash per statement of net position	$ 6,559,431

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Schedule of Changes in Fiduciary Assets and Liabilities - Agency Funds
For the Year Ended June 30, 2019

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
Assets				
Cash	$ 2,012,645	$ 61,422	$ 2,060,213	$ 13,854
Total assets	$ 2,012,645	$ 61,422	$ 2,060,213	$ 13,854
Liabilities				
Accounts payable	$ -	$ 11,541	$ -	$ 11,541
Due to others	2,012,645	49,881	2,060,213	2,313
Total liabilities	$ 2,012,645	$ 61,422	$ 2,060,213	$ 13,854

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Line Item Number	Description	Low Rent Public wwwww NM004000001 14.850	2. State/Local	Total
111	Cash - Unrestricted	$ 754,246	$ 613,615	$ 1,367,861
112	Cash - Restricted - Modernization and Development	-	-	-
113	Cash - Other Restricted	-	21,349	21,349
114	Cash - Tenant Security Deposits	46,327	-	46,327
100	Total Cash	800,573	634,964	1,435,537
121	Accounts Receivable - PHA projects	157,368	-	157,368
126	Accounts Receivable - Tenants - Dwelling Rents	15,508	-	15,508
126.1	Allowance for Doubtful Accounts - Dwelling Rents	(8,058)	-	(8,058)
120	Total Receivables, Net of Allowance for Doubtful Accounts	164,818	-	164,818
131	Investments - Unrestricted	96,521	111,081	207,602
130	Total Investments	96,521	111,081	207,602
142	Prepaid Expenses and Other Assets	$ 27,095	$ -	$ 27,095
143	Inventories	12,474	-	12,474
143.1	Allowance for Obsolete Inventories	(1,247)	-	(1,247)
145	Assets Held for Sale	-	88,338	88,338
150	Total Current Assets	1,100,234	834,383	1,934,617
161	Land	1,324,708	-	1,324,708
162	Buildings	13,630,415	-	13,630,415
164	Furniture, Equipment & Machinery - Administration	267,655	3,735	271,390
166	Accumulated Depreciation	(11,454,714)	(3,735)	(11,458,449)
160	Total Capital Assets, Net of Accumulated Depreciation	3,768,064	-	3,768,064
180	Total Non-Current Assets	3,768,064	-	3,768,064
190	Total Assets	4,868,298	834,383	5,702,681
200	Deferred Outflows of Resources	251,395	6,159	257,554
290	Total Assets and Deferred Outflows of Resources	$ 5,119,693	$ 840,542	$ 5,960,235

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Line Item Number	Description	Low Rent Public Housing Program NM004000001 14.850	2. State/Local	Total
(Continued)				
312	Accounts Payable <= 90 Days	$ 6,524	$ 181	$ 6,705
321	Accrued Wage/Payroll Taxes Payable	13,923	596	14,519
322	Accrued Compensated Absences - Current Portion	19,178	1,524	20,702
341	Tenant Security Deposits	43,531	-	43,531
342	Deferred Revenues	31,727	-	31,727
346	Accrued Liabilities - Other	774	-	774
310	Total Current Liabilities	115,657	2,301	117,958
357	Accrued Pension and OPEB Liabilities	837,030	22,296	859,326
350	Total Non-Current Liabilities	837,030	22,296	859,326
300	Total Liabilities	952,687	24,597	977,284
400	Deferred Inflows of Resources	141,330	3,388	144,718
508.1	Net investment in capital assets	3,768,064	-	3,768,064
512.1	Unrestricted Net Position	257,612	812,557	1,070,169
513	Total Equity/Net Position	4,025,676	812,557	4,838,233
600	Total Liabilities, Deferred Inflows of Resources, and Equity/Net Position	$ 5,119,693	$ 840,542	$ 5,960,235

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Line Item Number	Description	Low Rent Public Housing Program NM004000001 14.850	2. State/Local	Capital Fund Program 14.872	Total
70300	Net Tenant Rental Revenue	$ 248,288	$ -	$ -	$ 248,288
70400	Tenant Revenue - Other	9,270	-	-	9,270
70500	Total Tenant Revenue	257,558	-	-	257,558
70600	HUD PHA Operating Grants	731,638	-	-	731,638
70610	Capital Grants	-	-	14,052	14,052
71100	Investment Income - Unrestricted	2,812	2,145	-	4,957
71500	Other Revenue	6,626	10	-	6,636
70000	Total Revenue	998,634	2,155	14,052	1,014,841
91100	Administrative Salaries	155,081	8,519	-	163,600
91200	Auditing Fees	7,698	855	-	8,553
91400	Advertising and Marketing	632	-	-	632
91500	Employee Benefit Contributions - Administrative	47,921	3,073	-	50,994
91600	Office Expenses	25,738	971	-	26,709
91800	Travel	8,220	-	-	8,220
91900	Other Operating - Administrative	96,005	475	-	96,480
91000	Total Operating - Administrative	341,295	13,893	-	355,188
93100	Water	4,228	261	-	4,489
93200	Electricity	12,054	151	-	12,205
93300	Gas	1,540	-	-	1,540
93600	Sewer	2,840	217	-	3,057
93800	Other Utilities Expense	59,400	-	-	59,400
93000	Total Utilities	80,062	629	-	80,691
94100	Ordinary Maintenance & Operation - Labor	116,071	-	-	116,071
94200	Ordinary Maintenance & Operation - Materials & Other	84,529	-	-	84,529
94300	Ordinary Maintenance & Operation Contracts	108,438	174	-	108,612
94500	Employee Benefit Contributions - Ordinary Maintenance	34,442	-	-	34,442
94000	Total Maintenance	343,480	174	-	343,654
96110	Property Insurance	42,553	-	-	42,553
96120	Liability Insurance	9,894	1,545	-	11,439
96130	Workmen's Compensation	14,506	486	-	14,992
96140	All Other Insurance	47,631	45	-	47,676
96100	Total Insurance Premiums	114,584	2,076	-	116,660

See independent auditors' report.

Line Item Number	Description	Low Rent Public Housing Program NM004000001 14.850	2. State/Local	Capital Fund Program 14.872	Total
(Continued)					
96210	Compensated Absences	25,280	1,708	-	26,988
96400	Bad Debt - Tenant Rents	5,529	-	-	5,529
96000	Total Other General	30,809	1,708	-	32,517
96900	Total Operating Expenses	910,230	18,480	-	928,710
97000	Excess Operating Revenue Over Operating Expenses	88,404	(16,325)	14,052	86,131
97400	Depreciation Expense	351,180	-	-	351,180
90000	Total Expenses	$ 1,261,410	$ 18,480	$ -	$ 1,279,890
10000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	(262,776)	(16,325)	14,052	(265,049)
11030	Beginning Equity	4,829,457	828,882	-	5,658,339
11040-10	Prior Period Adjustments	(555,057)	-	-	(555,057)
11040-20	Equity Transfers	14,052	-	(14,052)	-
11040-30	Prior Year Voids	-	-	-	-
11040-40	Return of Funds to HUD	-	-	-	-
	Ending Equity (deficit)	$ 4,025,676	$ 812,557	$ -	$ 4,838,233
(Continued)					
11190	Unit Months Available	2,640	-	-	2,640
11210	Number of Unit Months Leased	2,445	-	-	2,445
11270	Excess Cash	$ 878,176	$ -	$ -	$ 878,176
11620	Building Purchases	$ 14,460	$ -		$ 14,460

See independent auditors' report.

	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.
7	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.
8	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.

See independent auditors' report.

Beginning and Ending Dates	Total Estimated Project Amount and Amount Applicable to Party	Amount contributed By City During Current Fiscal Year	Audit Responsibility	Fiscal Agent and Responsible Reporting Entity
8/19/2010-Indefinite	$ 185,237.90	$118,644.87 or 64.05%	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

See independent auditors' report.

	Joint Power Agreement	Participants	Responsible Party	Description
9	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.
10	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.
11	Operation of the Otero/Greentree Landfill and Greenhouse Gas Reporting Service	City of Alamogordo and Otero/Lincoln County Regional Landfill (now known as the Otero/Greentree Landfill)	City of Alamogordo and Otero/Lincoln County Regional Landfill (now known as the Otero/Greentree Landfill)	City of Alamogordo and Otero/Lincoln County Regional Landfill (now known as the Otero/Greentree Landfill)
12	AFSCME - Collective Bargaining Unit	City of Alamogordo and AFSCME Local 3818	City of Alamogordo	Employee Personnel Policy
13	AFSCME - Wages and Recreational Facilities Benefits	City of Alamogordo and AFSCME Local 3818	City of Alamogordo	Employee Increases and Compensation Benefits
14	APSOA - Collectively Bargaining Unit	Alamogordo Public Safety Officers Association and City of Alamogordo	City of Alamogordo	Employee Personnel Policy

See independent auditors' report.

Beginning and Ending Dates	Total Estimated Project Amount and Amount Applicable to Party	Amount contributed By City During Current Fiscal Year	Audit Responsibility	Fiscal Agent and Responsible Reporting Entity
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
6/5/2019-12/31/2020	Lump sum of $8,000 for Landfill and lump sum of $4,500 for the Greenhouse Gas Service.		City of Alamogordo	City of Alamogordo
9/13/2016 - 6/30/2020	N/A	N/A	City of Alamogordo	City of Alamogordo
9/14/2016 - 6/30/2020	Specific Appropriation for wages and benefits by the governing body and the availability of funds	N/A	City of Alamogordo	City of Alamogordo
9/15/2016 - 6/30/2020	N/A	N/A	City of Alamogordo	City of Alamogordo

See independent auditors' report.

City of Alamogordo, New Mexico
Schedule of Revenue and Expenses - Aging Programs
For the Year Ended June 30, 2019

	Congregate Meals (8023)	Home Delivered Meals (8024)	Transportation (8025)
Revenues and other support			
Contributions	$ -	$ -	$ -
Governmental grants and contracts:			
NCNMEDD - Non Metro AAA	-	-	-
Title IIIB	-	-	27,308
Title IIIC-1	51,363	-	-
Title IIIC-2	-	20,688	-
State funds - program	92,040	124,058	51,210
Other grants and contracts:			
Otero County	-	-	-
United Way	-	-	-
Local match (transfer from City)	115,051	107,387	56,796
Program service revenue	-	-	-
Miscellaneous	-	-	-
Total revenue and other support	258,454	252,133	135,314
Expenses			
Program services	336,094	313,708	165,917
Total expenses	336,094	313,708	165,917
Excess (deficiency) of revenue over expenses	$ (77,640)	$ (61,575)	$ (30,603)
Units provided	39,964	34,775	12,110

See independent auditors' report.

Homemaker (8026)	Total	Physical Fitness/Other	Total
$ -	$ -	$ 97,872	$ 97,872
-	-	55,681	55,681
-	27,308	-	27,308
-	51,363	-	51,363
-	20,688	21,723	42,411
-	267,308	68,703	336,011
-	-	54,550	54,550
-	-	11,663	11,663
1,961	281,195	93,216	374,411
-	-	19,623	19,623
-	-	2,687	2,687
1,961	647,862	425,718	1,073,580
5,728	821,447	272,310	1,093,757
5,728	821,447	272,310	1,093,757
$ (3,767)	$ (173,585)	$ 153,408	$ (20,177)
-	86,849	20,617	107,466

See independent auditors' report.

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Compliance Section

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

INDEPENDENT AUDITORS' REPORT

Brian S. Colón, Esq.
New Mexico State Auditor and
The Office of Management and Budget
To the City Commission
City of Alamogordo
Alamogordo, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, the aggregate remaining fund information and the budgetary comparison of the general fund of the City of Alamogordo, New Mexico (the "City") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and the City's discretely presented component unit presented as supplementary information, and have issued our report thereon dated December 16, 2019.

Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item FS 2019-001 to be a material weakness.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item FS 2019-002 and FS 2019-003 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 per section 12-6-5 NMSA 1978 that we have described in the accompanying schedule of findings and questioned costs pursuant to Section 12-6-5 NMSA 1978 as items NM 2017-001, NM 2018-006, NM 2019-001, NM 2019-002, and NM 2019-003.

City's Responses to Findings

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

Purpose of this Report

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

Carr, Riggs & Ingram, LLC
Albuquerque, New Mexico
December 16, 2019

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Federal Financial Assistance

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

INDEPENDENT AUDITORS' REPORT

Brian S. Colón, Esq.
New Mexico State Auditor and
The Office of Management and Budget
To the City Commission
City of Alamogordo
Alamogordo, New Mexico

Report on Compliance for the Major Federal Program

We have audited the City of Alamogordo's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended June 30, 2019. The City's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on the Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2019.

Report on Internal Control over Compliance

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

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

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

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

Carr, Riggs & Ingram, L.L.C

Carr, Riggs & Ingram, LLC
Albuquerque, New Mexico
December 16, 2019

City of Alamogordo, New Mexico
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

Federal Grantor or Pass- Through Grantor / Program Title	Pass Thru Number
U.S. Department of Commerce	
Economic Adjustment Assistance	08-79-05/04
Total U.S. Department of Commerce	
U.S. Department of Housing and Urban Development	
Public and Indian Housing	FW-5436
Public Housing Capital Fund	FW-5436
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	PSBV06
Total U.S. Department of Justice Bureau of Justice Assistance	
U.S. Department of Transportation	
Airport Improvement Program	3-35-0001-026-2018
Passed through the New Mexico Department of Transportation	
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	
ENDDWI	18-AL-64-001
ENDDWI	19-AL-64-001
Buckle UP/Click it or Ticket: BKLUP	18-OP-RF-001
Buckle UP/Click it or Ticket: BKLUP	19-OP-RF-001
Community DWI Program: CDWI	19-CD-05-001
Subtotal Minimum Penalties for Repeat Offenders for Driving While Intoxicated	
Highway Safety Cluster: State and Community Highway Safety	
Selective Traffic Enforcement Programs: STEP	18-ST-RF-001
Selective Traffic Enforcement Programs: STEP	19-ST-RF-001
Subtotal Highway Safety Cluster: State and Community Highway Safety	
Subtotal - Pass through New Mexico Department of Transportation	
Total U.S. Department of Transportation	

* Denotes Major Program

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

Federal CFDA Number	Federal Expenditures	Program/ Cluster Subtotal	Funds Provided to Subrecipients	Noncash Assistance
11.307	$ 645,729		$ -	$ -
	645,729		-	-
14.850	731,638		-	-
14.872	14,052		-	-
	745,690		-	-
16.738	1,214		-	-
	1,214		-	-
20.106	464,712		-	-
20.608	1,648		-	-
20.608	2,148		-	-
20.608	270		-	-
20.608	1,537		-	-
20.608	3,639		-	-
		9,242	-	-
20.600	1,447		-	-
20.600	5,283		-	-
		6,730	-	-
	15,972		-	-
	480,684			

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

City of Alamogordo, New Mexico
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

Federal Grantor or Pass- Through Grantor / Program Title		Pass Thru Number
U.S. Department of Health and Human Services		
Passed through the North Central New Mexico Economic District Non-Metro Area Agency		
Aging Cluster		
Special Programs for the Aging: Title III Part B - Supportive Services & Senior Centers		2017-18-64012
Special Programs for the Aging: Title III Part C-I - Nutrition Services		2017-18-64012
Special Programs for the Aging: Title III- Part C-II - Nutrition Services Home Delivered		2017-18-64012
Nutrition Services Incentive Program (NSIP)		2017-18-64012
Subtotal Aging Cluster		
Subtotal - Pass through North Central New Mexico Economic District		
Total U.S. Department of Health and Human Services		
Corporation for National Community Service		
Passed through the New Mexico Aging & Long Term Services Department		
Retired and Senior Volunteer Program		9-624-4000-00014
Total Corporation for National Community Service		
Office of the National Drug Control Policy		
Passed through County of Lea		
High Intensity Drug Trafficking Areas Program		G18SN0017A
Total Office of the National Drug Control Policy		
U.S. Department of Homeland Security		
Passed through the New Mexico Department of Homeland Security and Emergency Management		
Disaster Grants - Public Assistance	*	FEMA-4079-001
Hazard Mitigation Grant		PDMC-PL-06-NM-2012
Total U.S. Department of Homeland Security		
United States Army Corps of Engineers		
Griggs Field Detention Basin -USACE		Cost Share Agreement
Total United States Army Corps of Engineers		
Total Federal Financial Assistance		

* Denotes Major Program

See independent auditors' report.

See accompanying notes to schedule of expenditures of federal awards.

Federal CFDA Number	Federal Expenditures	Program/ Cluster Subtotal	Funds Provided to Subrecipients	Noncash Assistance
93.044	$ 27,308		$ -	$ -
93.045	51,363		-	-
93.045	20,687		-	-
93.053	21,724		-	-
		121,082	-	-
	121,082		-	-
	121,082		-	-
94.002	42,914		-	-
	42,914		-	-
95.011	2,977		-	-
	2,977		-	-
97.036	3,324,084		-	-
97.039	6,600		-	-
	3,330,684		-	-
12.U01	195,456		-	-
	195,456		-	-
	$ 5,566,430		$ -	$ -

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

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

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 District 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	$ 5,566,430
Total expenditures funded by other sources	51,151,792
Total expenditures	$ 56,718,222

See independent auditors' report.

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements:

1. Type of auditors' report issued — Unmodified

2. Internal control over financial reporting:

    a. Material weaknesses identified? — Yes

    b. Significant deficiencies identified not considered to be material weaknesses? — Yes

    c. Noncompliance material to the financial statements? — None Noted

Federal Awards:

1. Type of auditors' report issued on compliance for major programs — Unmodified

2. Internal control over major programs:

    a. Material weaknesses identified? — None Noted

    b. Significant deficiencies identified not considered to be material weaknesses? — None noted

3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516 (a)? — No

4. Identification of major programs:

CFDA Number	Federal Program
97.036	Disaster Grant – Public Assistance

5. Dollar threshold used to distinguish between type A and type B programs: — $750,000

6. Auditee qualified as low-risk auditee? — No

SECTION II – FINANCIAL STATEMENT FINDINGS

FS 2019-001 — Internal Controls over Recognition of Construction in Progress (Material Weakness)

Condition: The following adjustment were made to construction in progress:

- $728,018 adjustment for construction in progress.
- $428,275 restatement for prior year construction in progress.

Criteria: The COSO 2013 Internal Control Integrated Framework provides guidelines for designing and implementing a system of internal controls that incorporates five necessary components of internal controls. These five components consist of the control environment, risk assessment, control activities, information and communication, and monitoring. Good accounting practices require the City to implement and follow sound accounting and internal control policies and procedures. Proper internal controls include adequate segregation of duties and review by someone independent of the performance task. While the City does have an internal system of review in place, it has not resulted in the proper recognition of construction in progress and capital outlay balances.

Effect: Failure to record capital outlay and construction in progress resulted in an understatement of current year construction in progress and capital outlay.

Cause: The City utilizes the H.T.E accounting system to track their capital assets and related balances. This system will not recognize accrual balances. After year end, any accruals made must be reversed. When this occurs it does not track which period the construction in progress should have been recorded in. For reconciling purposes, the City determined that all other documentation for capital asset tracking (excel spreadsheets, ect.) should be prepared on the same basis to avoid reconciling issues. This resulted in construction in progress expenses incurred in fiscal year 2019 but not paid until fiscal year 2020 being presented as 2020 construction in progress. Thereby understating the current year balance.

Auditors' Recommendation: CRI recommends that the City maintain a spreadsheet that contains reconciling items relating to year end accruals that impact capital assets. This spreadsheet can then be provided as audit support at year end for construction in progress and other capital assets balances that were impacted by year end accruals. The City should also focus on identifying such accruals at year end to ensure that all items that should be accrued are identified. This information should then be reviewed by another individual.

Views of Responsible Officials and Planned Corrective Action: The City uses spreadsheets that balance to project reports which include what has been paid in the current year. The City will add a column to include reconciling items relating to year-end adjustments. This action is effective immediately and is the responsibility of the Accounting Specialist, Accounting Manager, and Finance Director.

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

FS 2019-002 — Internal Controls over Utility Billings Cancelled Bills (Significant Deficiency)

Condition: It was noted that individuals have the ability to cancel utility bills without receiving approval from a second individual. In addition, no retrospective review is performed over cancelled bills over any given period.

Criteria: The COSO 2013 Internal Control Integrated Framework provides guidelines for designing and implementing a system of internal controls that incorporates five necessary components of internal controls. These five components consist of the control environment, risk assessment, control activities, information and communication, and monitoring. Good accounting practices require the City to implement and follow sound accounting and internal control policies and procedures. Proper internal controls include adequate segregation of duties and review by someone independent of the performance task. The City does not have a process in place requiring that a second approval of utility bills be processed or to ensure that all cancelled bills are identified.

Effect: Utility bills could be cancelled without legitimate reasons. These instances would not be identified, resulting in loss of revenue for the city.

Cause: The system used for utility billings does not prevent bills from being cancelled without secondary approval. The City has not implemented an alternative method of ensuring that cancelled bills are reviewed and approved by a second individual.

Auditors' Recommendation: CRI recommends that the City implement a formally documented process of internal control which prevents utility bills from being cancelled without proper approval or identifies cancelled bills so that a recurring retrospective review can take place.

Views of Responsible Officials and Planned Corrective Action: The internal controls over utility billing is currently under review. Access to the cancelled bill screen will be reviewed. Currently, there must be two person review and approval which is the customer service manager and utility billing manager. Once memo is signed and approved, the utility billing supervisor will cancel the bill. The Utility billing clerk/collections may also cancel in the absence of utility billing supervisor. The only exception is when an error was made by the city. These exceptions are incorrect dates, and activation of the wrong owner. In those situations, the utility billing supervisor has authority to cancel the bill, clearly noting the reason in the system. Will work with our Management of Information System department to determine if a report can be written to identify cancelled bills, who cancelled, and comments. Once the report is written, it will be reviewed monthly by Finance Director or Finance Director Designee. This action is effective immediately and is the responsibility of Customer Service manager and Finance Director.

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

FS 2019-003 — Internal Controls over Reconciliation of the SEFA (Significant Deficiency)

Condition: It was noted that the City's process for reconciling the year end SEFA to the trial balance did not result in a SEFA that was clear, consistent, or complete. Application of cutoff in recognition of current year receivables and prior year receivables was not consistently applied.

Criteria: The COSO 2013 Internal Control Integrated Framework provides guidelines for designing and implementing a system of internal controls that incorporates five necessary components of internal controls. These five components consist of the control environment, risk assessment, control activities, information and communication, and monitoring. Good accounting practices require the City to implement and follow sound accounting and internal control policies and procedures. Proper internal controls include adequate segregation of duties and review by someone independent of the performance task. The City does have a process in place requiring that the SEFA be prepared and reconciled, however this process did not ensure that cutoff was applied properly or that the information was displayed in a clear or understandable manner.

Effect: The year-end SEFA required significant time to reconcile to the trial balance for the final presentation of the SEFA.

Cause: The City manages a large number of Federal awards that require significant time and attention. As each award must be monitored for activity to be shown on the SEFA, it can be difficult to properly identify the cutoff period for each one and record that information in a manageable way.

Auditors' Recommendation: CRI recommends that each program director receive training on how this information should be accounted for and how to best communicate that information to the Grant Manager. The SEFA should then be fully reconciled to the trial balance on a monthly or quarterly basis to ensure that the yearend reconciliation contains all necessary information.

Views of Responsible Officials and Planned Corrective Action: Each director and program manager will be sent a copy of the City of Alamogordo's grant policy reminding them of proper grant procedures. The grant coordinator will reconcile the SEFA to the trial balance on a monthly basis. The program managers will be asked to complete a grant report form indicating expenses and revenues to date on a quarterly basis. The grant coordinator will review each grant report to verify that it reconciles to the SEFA and trail balance and work with the program managers to resolve any discrepancies on a quarterly basis. If necessary a training will be held with the program managers. This action is effective immediately and is the responsibility of the Grant Coordinator and Finance Director.

SECTION III — NEW MEXICO STATE AUDIT RULE SECTION 12-6-5 NMSA 1978 FINDINGS

NM 2017-001 — Travel and Per Diem (Other noncompliance) – Repeated Modified

Condition: Within six travel reimbursements tested, one of them utilized an incorrect reimbursement rate of $64 instead of $61. In addition the travel authorization form was not approved until a month after the travel took place.

Status of Prior Year Fining: The City has made progress to clear this finding as the current year finding dollar value is less than in the prior year.

Criteria: Per the City's travel policy, City travel reimbursements are to follow the U.S. General Services Administration reimbursement rates by travel area.

Effect: Due to the incorrect travel rate being used, the employee was reimbursed $2.25 more than the individual should have been. In addition the travel was not in compliance with the City's travel policy as the authorization form was not approved until after the travel took place.

Cause: The City's travel policy requiring that travel authorizations be approved prior to travel was not followed. As it was not approved prior to travel, it was not noted that an incorrect travel rate was used.

Auditors' Recommendation: CRI recommend that the City ensure that all travel authorizations be approved prior to travel and that a focus on monitoring for use of correct rates be increased.

Views of Responsible Officials and Planned Corrective Action: The City will monitor that travel authorizations be approved prior to travel and that the correct rate is used. This action is effective immediately and is the responsibility of the Finance Director.

SECTION III — NEW MEXICO STATE AUDIT RULE SECTION 12-6-5 NMSA 1978 FINDINGS (Continued)

NM 2018-006 — Internal Controls and Lien Policy on Delinquent Utility Accounts (Other Noncompliance) –Repeated –Modified.

Condition: Out of five accounts tested for compliance with the City's lien policy. Each of the five accounts was not in compliance with the policy as the liens were not filed within the prescribed period.

Status of Prior Year Fining: The City has not made progress to clear this finding. It was determined that doing so was not time or cost efficient. The City has determined that changing the policy is the appropriate response.

Criteria: The City's Code of ordinances (Chapter 28 – Water, Sewers, and Sewage Disposal: 28:03:060 – Billing Procedures items (a)-(e)) states that the lien on property must be filed within 5 days of receiving a letter of notice from the collections company.

Effect: The City has potential to lose revenue if utility billing procedures are not followed as directed in the code of ordinance. Failure to file the liens in a timely manner delays the process that could result in the receipt of the funds owed.

Cause: The Utility's department has been short staffed. This has made it difficult to have the necessary paper work done on time in order file within the prescribed time frame.

Auditors' Recommendation: CRI recommends that the City maintain a list of accounts coming close to the lien filing step in the process of collections. Doing so insure that the City is aware that that action will be needed in a timely manner and the paper work will be filed on time.

Views of Responsible Officials and Planned Corrective Action: Due to continued shortages on staff and reviewing the lien policy it has been determined that some liens should not be sent for processing due to the amount owed, cost associated with processing leans, and staff availability. It is not cost effective to do every lien. A new policy will be drafted extending the time period and determining a feasible dollar amount that should go through the lien process. This action is expected to be completed by June 30, 2020 and is the responsibility of Customer Service manager and Finance Director.

SECTION III — NEW MEXICO STATE AUDIT RULE SECTION 12-6-5 NMSA 1978 FINDINGS (Continued)

NM 2019-001 — Travel and Per Diem Policy (Other noncompliance)

Condition: A City employee received a mileage and hotel upgrade in place of a standard room and airfare which would have been less expensive for the City.

Criteria: 2.2.2.15(A) (2) NMAC defines “abuse” as “behavior that is deficient or improper when compared to behavior that a prudent person would consider reasonable and necessary operational practice given the facts and circumstances.

Effect: Higher reimbursements than necessary were made as a result of employees selecting more expensive modes of travel and lodging than were necessary or appropriate. The City may be paying for travel reimbursements that are indicative of waste and abuse.

Cause: The City’s travel policy does not clearly state that travel authorizations should consider what costs are avoidable and a misuse of City funds.

Auditors’ Recommendation: CRI recommend that the City’s Travel and Per Diem policy be revised to include guidance that prevents waste and abuse.

Views of Responsible Officials and Planned Corrective Action: The City will review its current travel policy to include guidance that prevents waste and abuse and make any necessary changes to clarify, and define what constitutes waste. It will also be noted that the Finance Director has authority to reduce any reimbursement in the amount deemed to be considered waste or abuse. This action is effective immediately and is the responsibility of the Finance Director.

SECTION III — NEW MEXICO STATE AUDIT RULE SECTION 12-6-5 NMSA 1978 FINDINGS (Continued)

NM 2019-002 — Reconciliation of Quarterly reports. (Other noncompliance)

Condition: For the quarterly reports filed with the Department of Homeland Security the "expenditures to date" was not reconciled to the trial balance and the amount was overstated by $66,678.

Criteria: Per 2 CFR 200.303 non-federal entities should have established an effective internal controls over compliance. The City should have controls in place to provide reasonable assurance that the quarterly reports being submitted are accurate and complete. CRI noted no noncompliance within the procedures performed however it was noted that the controls in place did not detect or correct the issue that the year to date expenditures were not reconciled to the year to date expenditures per the trial balance.

Effect: Quarterly reports submitted to the NM Department of Homeland Security had a year to date expenditure difference of $66,678 from the trial balance.

Cause: The City should have controls in place to provide reasonable assurance that quarterly reports submitted to the NMDHS are complete and accurate. CRI noted that while the controls are in place, small errors over time had accumulated to the larger balance of $66,678. The City was made aware of this during the prior year audit and they communicated to their contractor that an adjustment was needed, however monitoring was not carried out to ensure that the new years to date expenditure reconciled to the trial balance.

Auditors' Recommendation: The City should communicate this difference with the NM department of homeland security and take the necessary steps to correct it. Going forward the City should reconcile all quarterly reports to the trial balance.

Views of Responsible Officials and Planned Corrective Action: The project manager will submit a copy of the quarterly reports to the grant coordinator at the end of each quarter. The grant coordinator will reconcile the quarterly report to the trial balance. If it does not balance corrections will be made at that time. This action is effective as of December 31, 2019 and is the responsibility of Program Director, Grant Coordinator and the Finance Director.

SECTION III — NEW MEXICO STATE AUDIT RULE SECTION 12-6-5 NMSA 1978 FINDINGS (Continued)

NM 2019-003 — Exceeded Budgetary Authority. (Other noncompliance)

Condition: The City has over expended its budget in the following funds:

1984 Gross Receipts Tax	#VALUE!
Municipal Infrastructure 0.0625	#VALUE!
1994 Gross Receipts Tax	#VALUE!
Total funds	#VALUE!

Criteria: All City funds, with the exception of agency funds, are to be budgeted by the local governing body and those budgets must be submitted to the Department of Budget and Finance –Local Government Division for approval. Once adopted, any claims or warrants in excess of budget are a violation of New Mexico State Statute 6-6-6, 1978.

Effect: The internal controls established by adherence to budgets has been compromised and excess spending could result in and has resulted in noncompliance with state requirements.

Cause: The City did not submit budget adjustments to cover expenditures in the above funds in which actual expenses were greater than final budget at the end of the fiscal year.

Auditors' Recommendation: CRI recommends that the City monitor its budgets closely and prepare adjustments as necessary.

Views of Responsible Officials and Planned Corrective Action: The three funds listed are Gross Receipts Tax only funds, this fiscal year Department of Financed required separate reporting of the administrative fees as separate line item expenses. The expense lines can only be revised by the City Commission. The Budget Analyst will review all the lines at the beginning of June to project the final budget amount. A revision will be submitted on the final meeting of June to revise these administrative fee lines and any other lines as needed. This action is effectively immediately and is the responsibility of the Budget Analyst and the Finance Director.

SECTION IV – FEDERAL AWARD FINDINGS

None noted

SECTION V – SUMMARY OF PRIOR YEAR FINDINGS

FS 2018-003 Capital Assets – (Material Weakness) Resolved

FS 2018-003 Capital Assets – (Material Weakness) Resolved

FS 2018-007 Internal Controls –Vendor Master File (Significant Deficiency) - Resolved

NM 2017-001 Travel and Per Diem –Repeated and modified

NM 2018-002 Certification of Capital Assets Annual Inventory -Resolved

NM 2018-006 Internal Controls and Lien Policy on Delinquent Utility Accounts - Repeated

FS FA 2018-004 Recording of State and Federal Grants and Preparation of the Schedule of Expenditures of Federal Awards (Material Weakness) - Resolved

FA 2018-005 Federal Reporting (Significant Deficiency and Noncompliance) - Resolved

EXIT CONFERENCE

An exit conference was held on December 9, 2019. In attendance were the following:

Representing the City of Alamogordo:

Richard Boss	Mayor
Brian Cesar	City Manager*
Stephanie Hernandez	Finance Director
Evelyn Huff	Budget Analyst
Petria Bengoechea	Accounting Manager

Representing Carr, Riggs & Ingram, LLC:

Alan D. "A.J." Bowers, Jr., CPA, CITP	Partner

*The City Manager is on 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.

Brian S. Colón, Esq.
State Auditor

Natalie Cordova, CPA
Deputy State Auditor

State of New Mexico
Office of the State Auditor

CONSTITUENT SERVICES
(505) 476-3821

Via Email

January 28, 2020 SAO Ref. No. 6002

Brian Cesar, Interim City Manager
City of Alamogordo

bcesar@ci.alamogordo.nm.us

Re: Authorization to Release FY2019 City of Alamogordo Audit Report

The Office of the State Auditor (OSA) received the audit report for your agency on 12/17/2019. The OSA has completed the review of the audit report required by Section 12-6-14(B) NMSA 1978 and 2.2.2.13 NMAC. This letter is your authorization to make the final payment to the Independent Public Accountant (IPA) who contracted with your agency to perform the financial and compliance audit. In accordance with the audit contract, the IPA is required to deliver to the agency the number of copies of the report specified in the contract.

Pursuant to Section 12-6-5 NMSA 1978, the audit report does not become a public record until five days after the date of this release letter, unless your agency has already submitted a written waiver to the OSA. Once the five-day period has expired, or upon the OSA's receipt of a written waiver:

- the OSA will send the report to the Department of Finance and Administration, the Legislative Finance Committee and other relevant oversight agencies;
- the OSA will post the report on its public website; and
- the agency and the IPA shall arrange for the IPA to present the report to the governing authority of the agency, per 2.2.2.10.M(4) NMAC, at a meeting held in accordance with the Open Meetings Act, if applicable.

The IPA's findings and comments are included in the audit report on pages 183-192. It is ultimately the responsibility of the governing authority of the agency to take corrective action on all findings and comments.

Sincerely,

Brian S. Colón, Esq.
State Auditor

cc: Carr, Riggs & Ingram, LLC

RESOLUTION No. 2020-11

A RESOLUTION REQUESTING ACCEPTANCE AND APPROVAL OF THE FY19 AUDIT

WHEREAS, the City of Alamogordo, New Mexico is required by statute to contract with an independent auditor to perform the required annual audit or agreed upon procedures for Fiscal Year 2019; and,

WHEREAS, the City of Alamogordo Governing Body has directed the accomplishment of the audit for FY19 be completed; and,

WHEREAS, this audit has been completed and presented to the City of Alamogordo Governing Body per the January 28, 2020 Letter from the State Auditor authorizing release of the FY19 audit.

WHEREAS, NMAC 2.2.2.10 (M) (4) provides in pertinent part that "Once the audit report is officially released to the agency by the state auditor (by a release letter) and the required waiting period of five calendar days has passed, unless waived by the agency in writing, the audit report shall be presented by the IPA, to a quorum of the governing authority of the agency at a meeting held in accordance with the Open Meetings Act, if applicable;" and,

NOW THEREFORE, BE IT RESOLVED THAT THE GOVERNING BODY OF THE CITY OF ALAMOGORDO, NEW MEXICO, does hereby accept and approve the completed audit report and findings as indicated within this document.

ACCEPTED AND APPROVED by the Governing Body of the City of Alamogordo, New Mexico, at a Regular Meeting held this 25th day of February 2020.

CITY OF ALAMOGORDO, NEW MEXICO
A NEW MEXICO MUNICIPAL CORPORATION

By:____________________________________
Richard Boss, Mayor

ATTEST:

____
Rachel Hughs, City Clerk

APPROVED AS TO FORM:

____
Petria Schreiber, City Attorney

City of Alamogordo

Commission Presentation of the Financial Statement Audit for the Year Ended June 30, 2019

CRI CARR RIGGS & INGRAM
CPAs and Advisors
CRIcpa.com

Agenda

- Audit Timeline
- Auditors' Reports
- Findings
- Financial Statement Highlights
- Single Audit Highlights
- New and Upcoming Standards
- Value-Added Suggestions

Timeline of the Audit

Signed Engagement Letter	July 24, 2019
Planning	July-August, 2019
Fieldwork	August 12, 2019 & October 21, 2019
Delivered Preliminary Findings	December 9, 2019
Delivered Financial Statement Draft	December 9, 2019
Independent Auditors' Report	December 16, 2019
Exit Conference	December 9, 2019
Board Presentation	February 25, 2020

Auditors' Reports

Independent Auditors' Report

Opinion on the Financial Statements:

- **Unmodified – Best opinion available**
  - Financial Statements are presented fairly in accordance with accounting principles generally accepted in the United States of America.
  - No audit areas where an opinion could not be rendered.

Other Auditors' Report

GAGAS Report on *Internal Control Over Financial Reporting* and on *Compliance and Other Matters*

- Eight (8) findings noted:
  - 1 – Material Weakness
  - 2 – Significant Deficiencies
  - 5 – Other Noncompliance

Report on Compliance with Requirements That Could Have a Direct and Material effect on Each Major Federal Program and on Internal Control over Compliance in Accordance with OMB Uniform Grant Guidance

- Unmodified Opinion
- No findings noted.

CARR, RIGGS & INGRAM, LLC

Findings

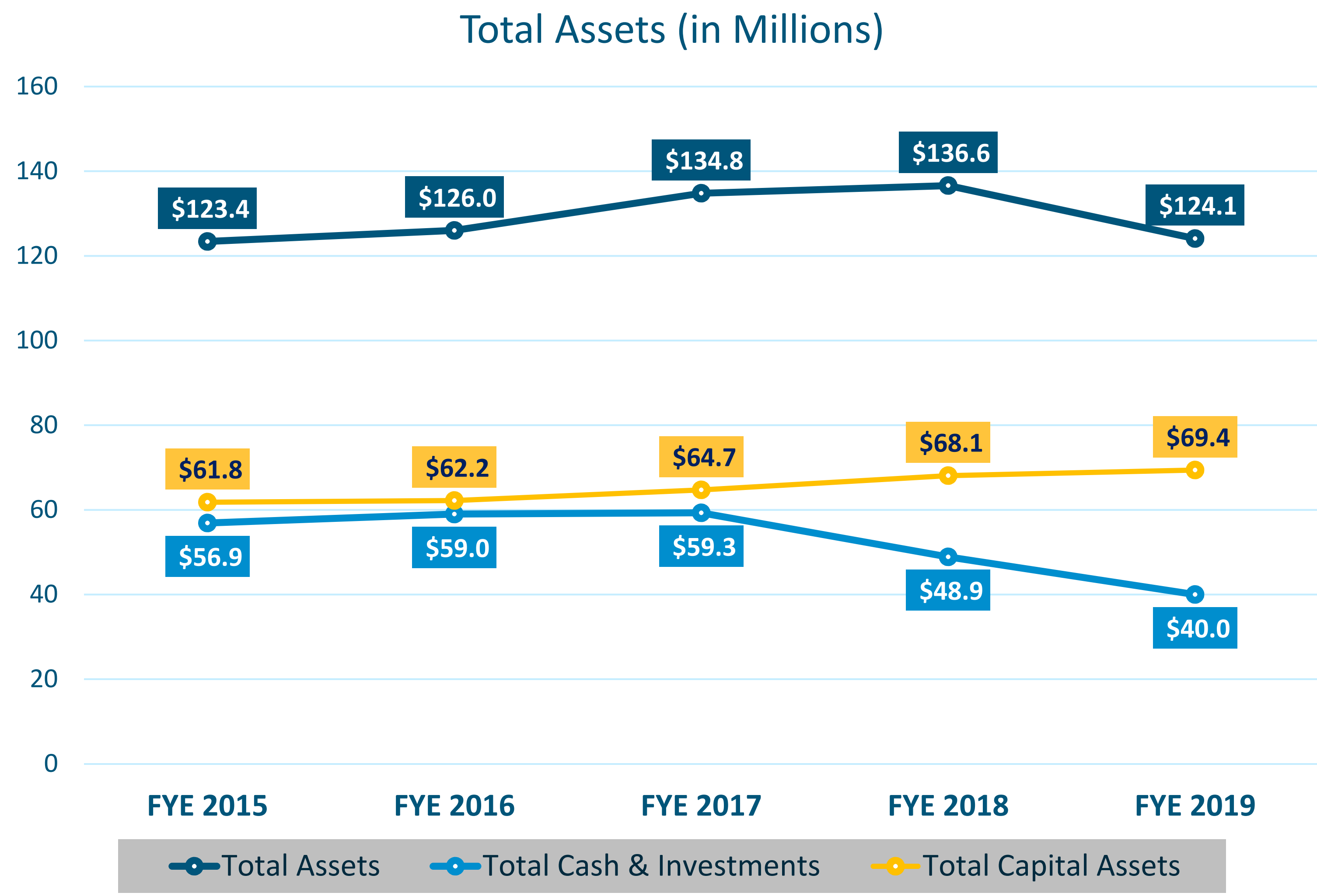
- Current year findings (discussed in detail at the exit conference)
  - FS 2019-001 — Internal Controls over Recognition of Construction in Progress (Material Weakness)
  - FS 2019-002 — Internal Controls over Utility Billings Cancelled Bills (Significant Deficiency)
  - FS 2019-003 — Internal Controls over Reconciliation of the SEFA (Significant Deficiency)
  - NM 2017-001 — Travel and Per Diem (Other Noncompliance)
  - NM 2018-006 — Internal Controls and Lien Policy on Delinquent Utility Accounts (Other Noncompliance)
  - NM 2019-001 — Travel and Per Diem Policy (Other Noncompliance)
  - NM 2019-002 — Reconciliation of Quarterly reports (Other Noncompliance)
  - NM 2019-003 — Exceeded Budgetary Authority (Other Noncompliance)
- The City also cleared 6 of the PY findings.

Statement of Net Position

Balance Sheet

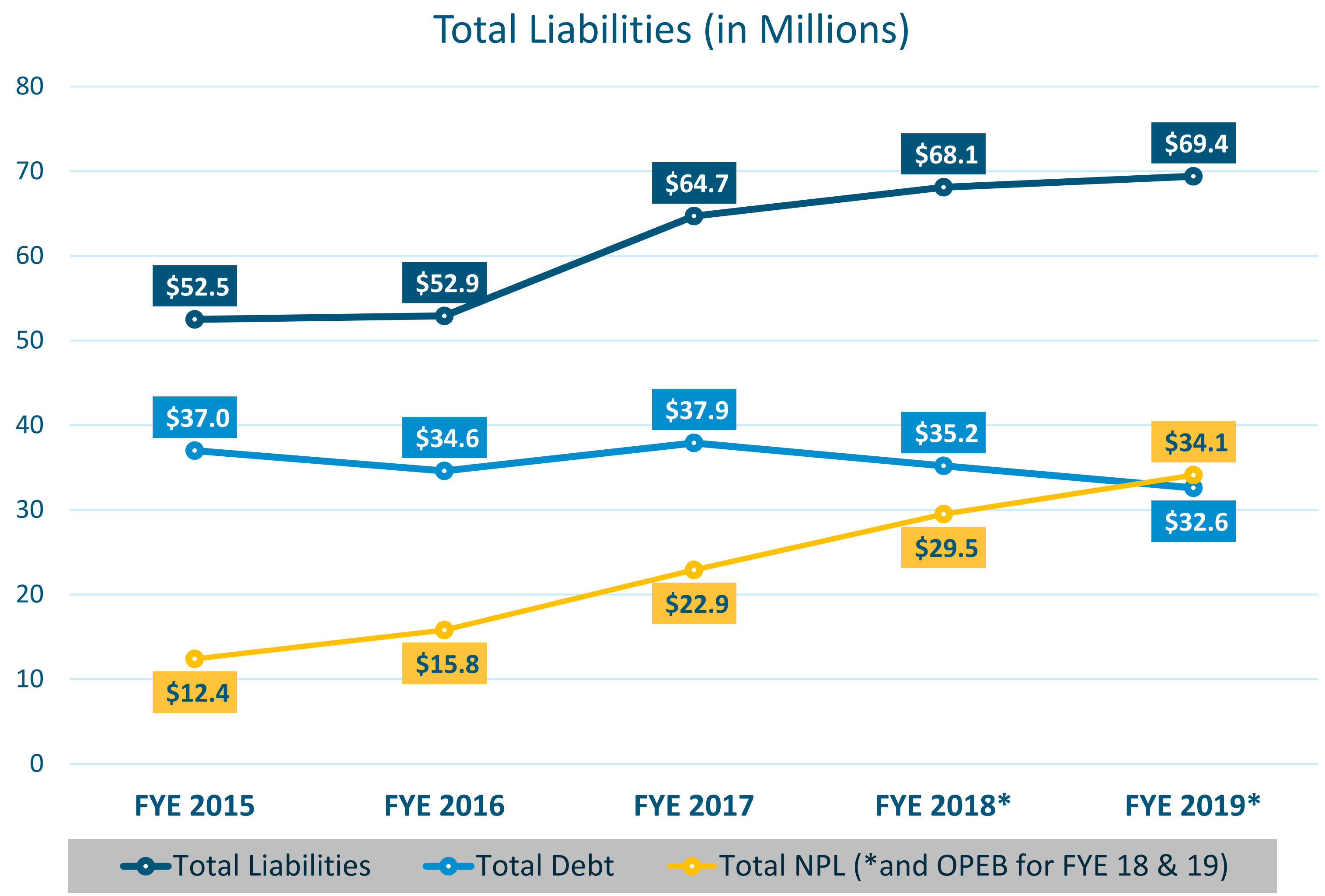
- Assets
  - 5 year trend – Total assets are at a similar level to the beginning of the 5 year period, increasing and reducing over the period.
- Liabilities
  - Significant changes
    - Net Pension Liability (GASB 68 implementation) in 2015
    - Net OPEB Liability (GASB 75 implementation) in 2018
    - Total Debt for the City has decreased approximately $4 million over the 5 year period.
- Net Position
  - 5 year trend – largest changes due to NPL and OPEB.
    - Governmental net position showing a decreasing trend due to NPL/OPEB.
  - Generally the City's revenues meet or exceed expenses each year

Statement of Net Position



CARR, RIGGS & INGRAM, LLC

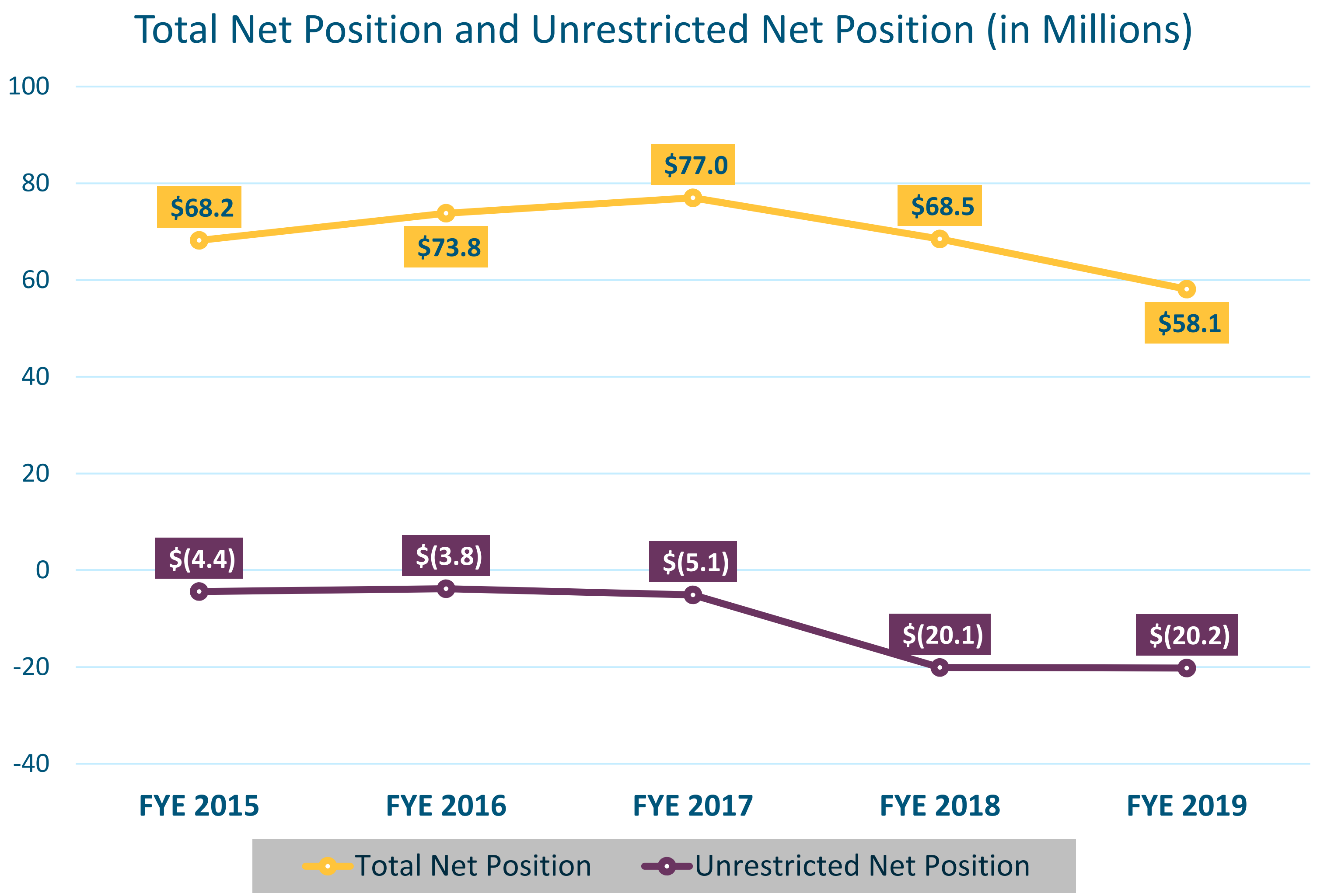
Statement of Net Position



CARR, RIGGS & INGRAM, LLC

GASB 75 implementation in 2018 for OPEB Liability and GASB 68 implementation in 2015 for Pension.

Statement of Net Position



CARR, RIGGS & INGRAM, LLC

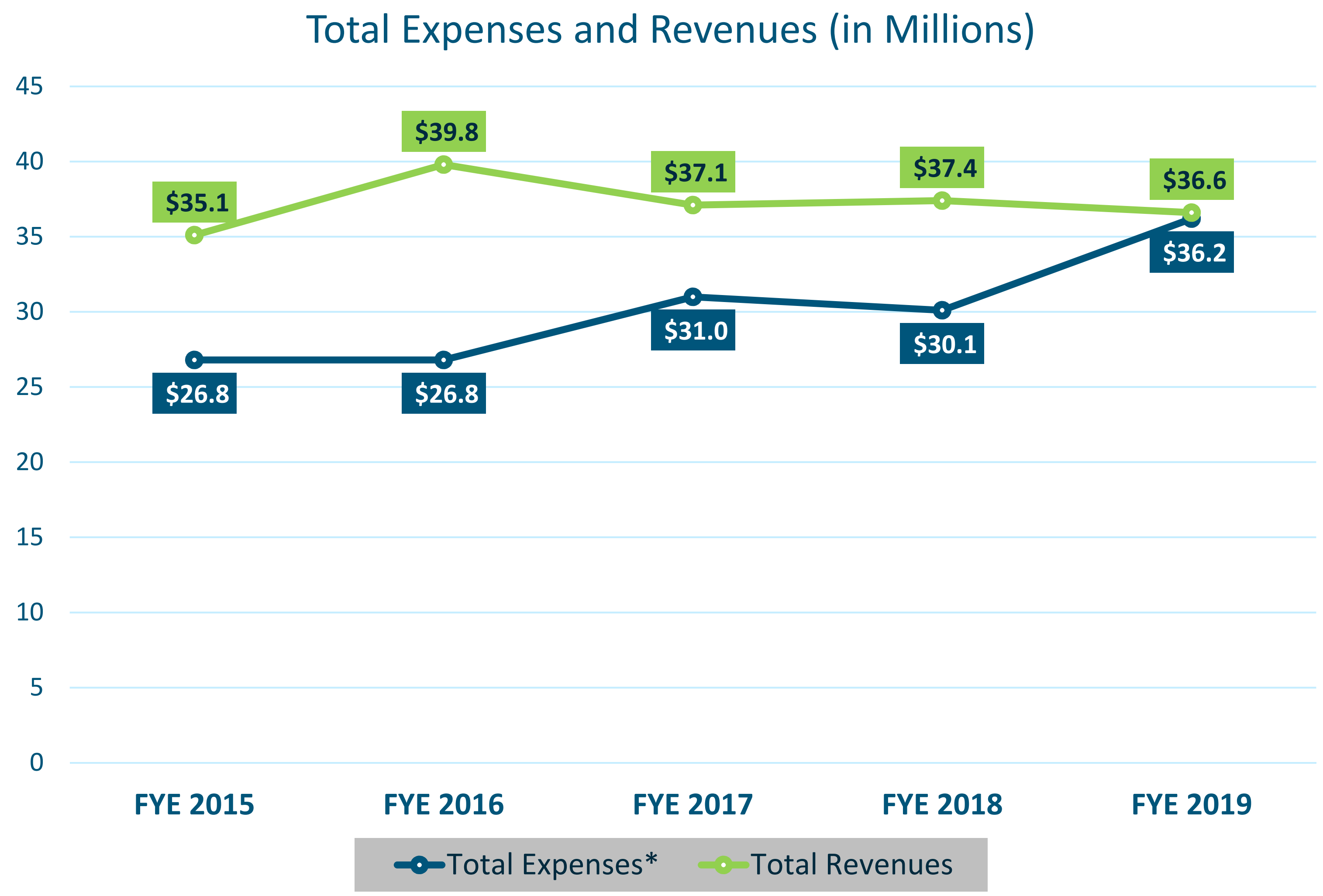
GASB 75 implementation in 2018 for OPEB Liability and GASB 68 implementation in 2015 for Pension.

Statement of Activities

Income Statement

- Revenues
  - Consistent over 5 year trend with changes related to intermittent grants and tax changes
- Expenses
  - Expenses have increased $10 million over the 5 year period
  - Excludes capital expenses and principal expenses
  - Pension and OPEB expenses
    - CY Pension and OPEB expenses $2.5 million

Statement of Activities



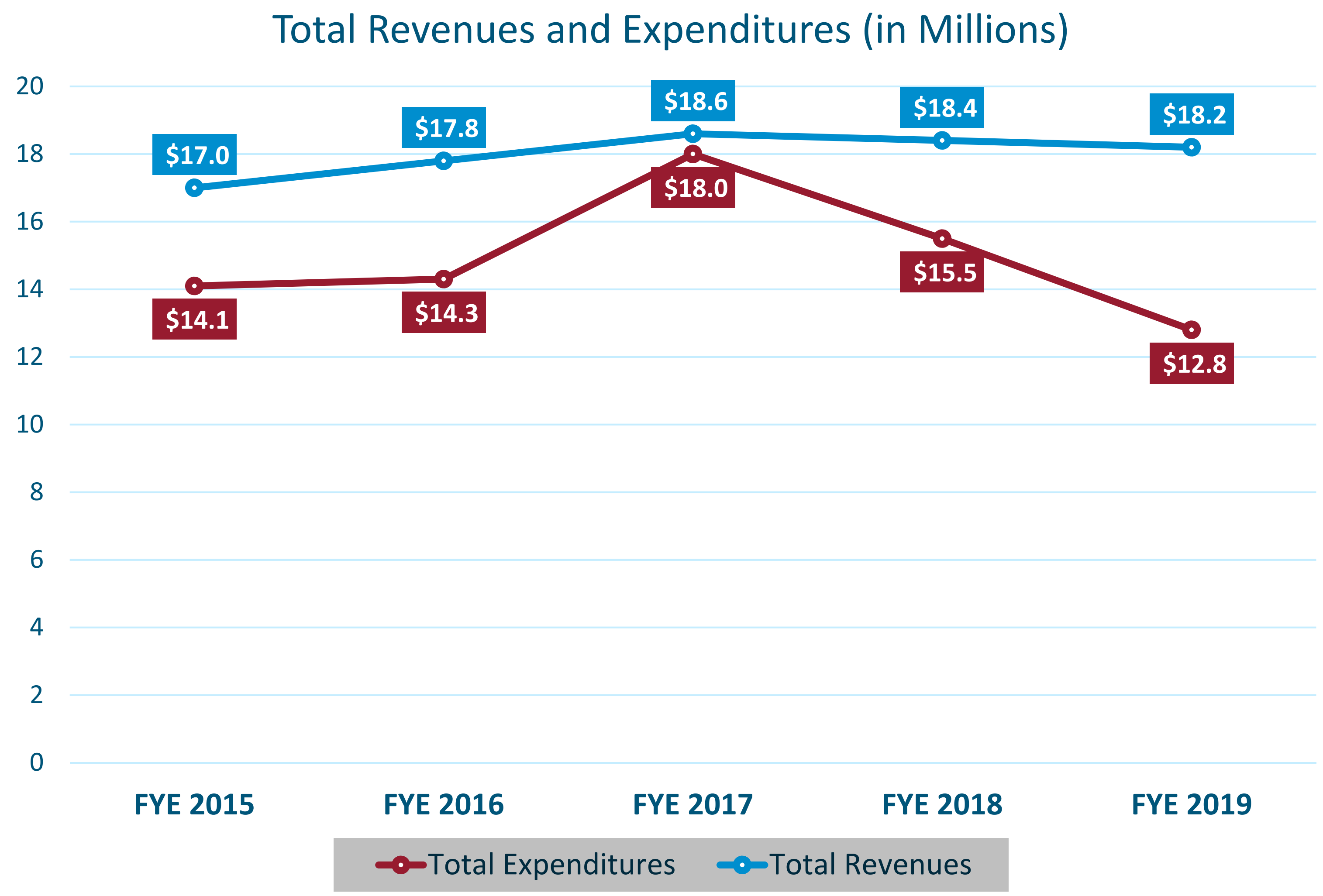
CARR, RIGGS & INGRAM, LLC

GASB 75 implementation in 2018 for OPEB Liability and GASB 68 implementation in 2015 for Pension.

General Fund

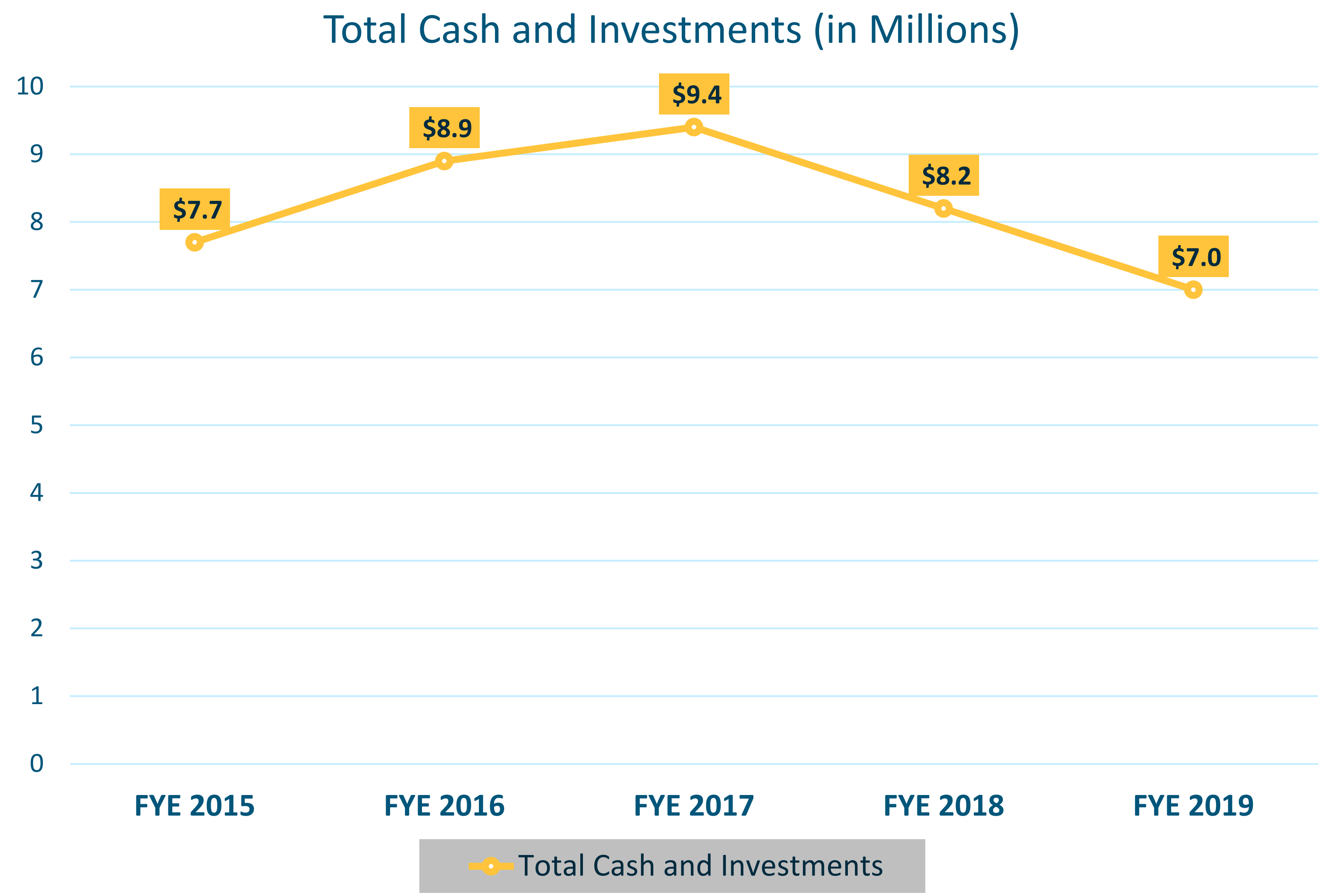
- City's main operating fund
  - Revenues
    - Consistently increased over the past 5 years, mostly due to changes in taxes during the 5 year period.
  - Expenditures
    - 5 year trend within budgetary allocations each year.
    - Increased from 2015-2017, decreasing in 2018 and 2019.
  - Cash
    - Similar balance at 2019 to 2019, increased during the 5 year period and then reduced.
  - Budget
    - Budget expenditures vs actual expenditures

General Fund

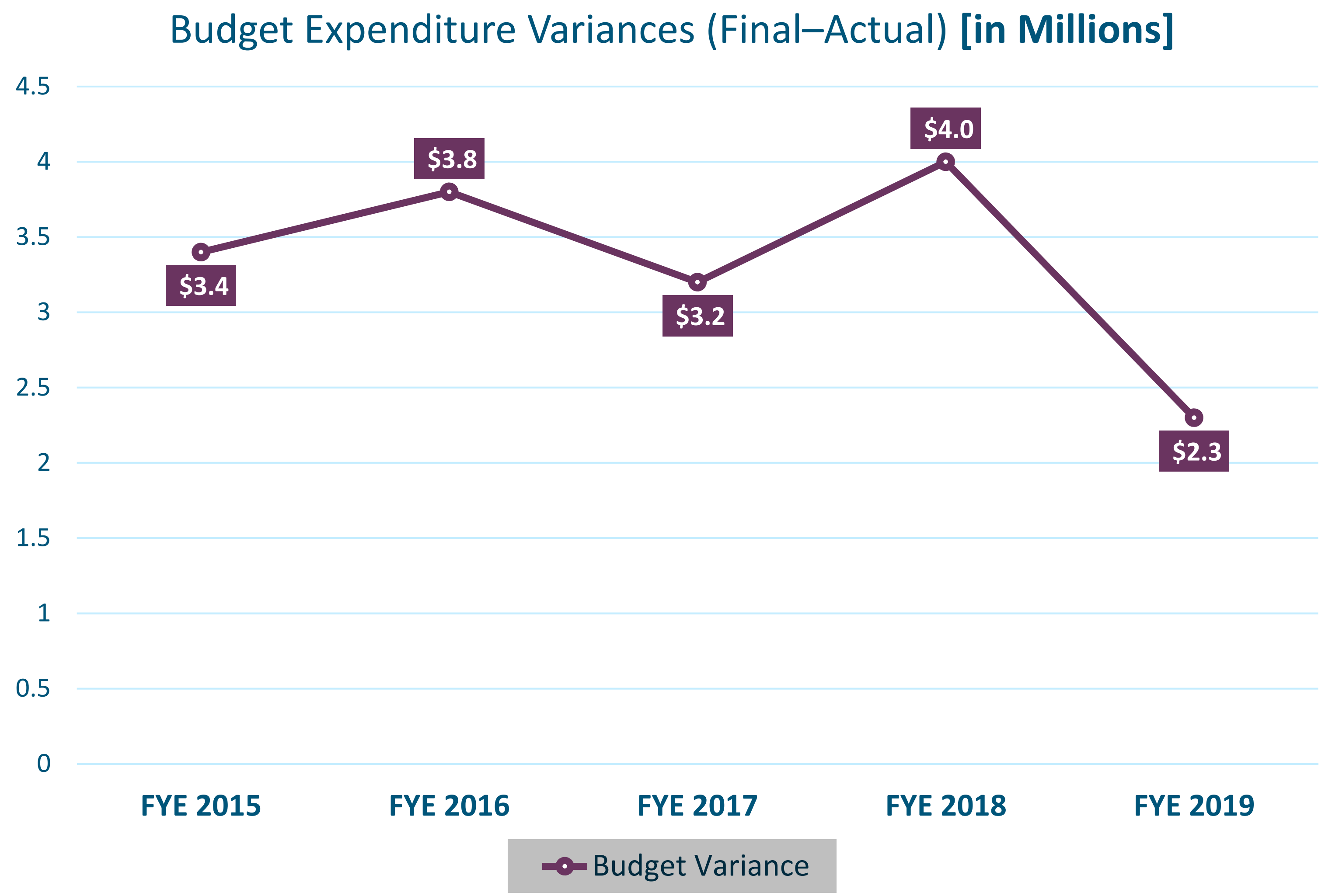


CARR, RIGGS & INGRAM, LLC

General Fund



General Fund



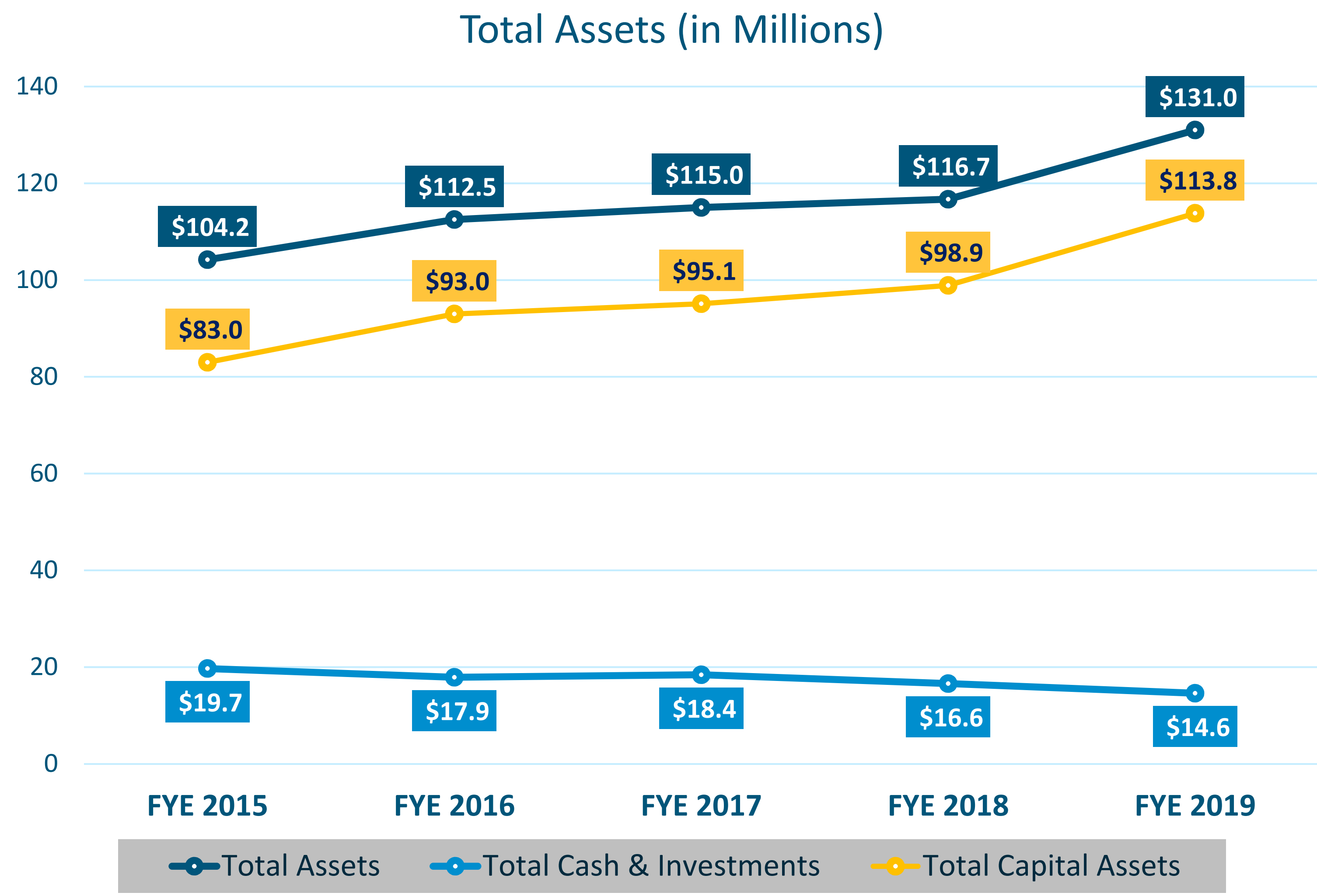
CARR, RIGGS & INGRAM, LLC

Business-Type Statement of Net Position

Business-Type Activities Balance Sheet

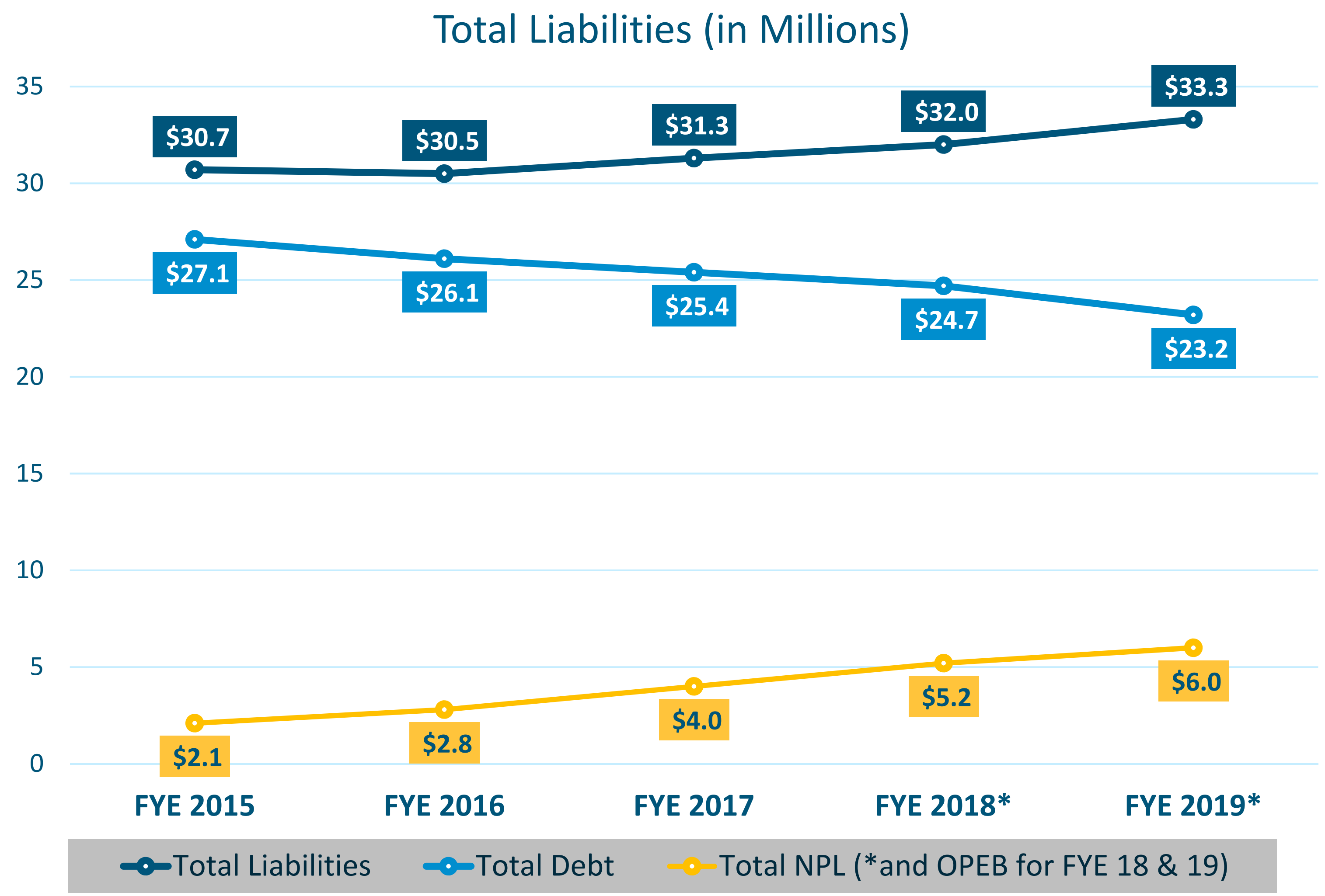
- Assets
  - 5 year trend – consistent increases over the period due to capital improvements.
- Liabilities
  - Significant changes
    - Net Pension Liability (GASB 68 implementation) in 2015
    - Net OPEB Liability (GASB 75 implementation) in 2018
    - Total Debt for the City has decreased approximately $4 million over the 5 year period.
- Net Position
  - 5 year trend – increases in line with assets over the period.

Business-Type Statement of Net Position



CARR, RIGGS & INGRAM, LLC

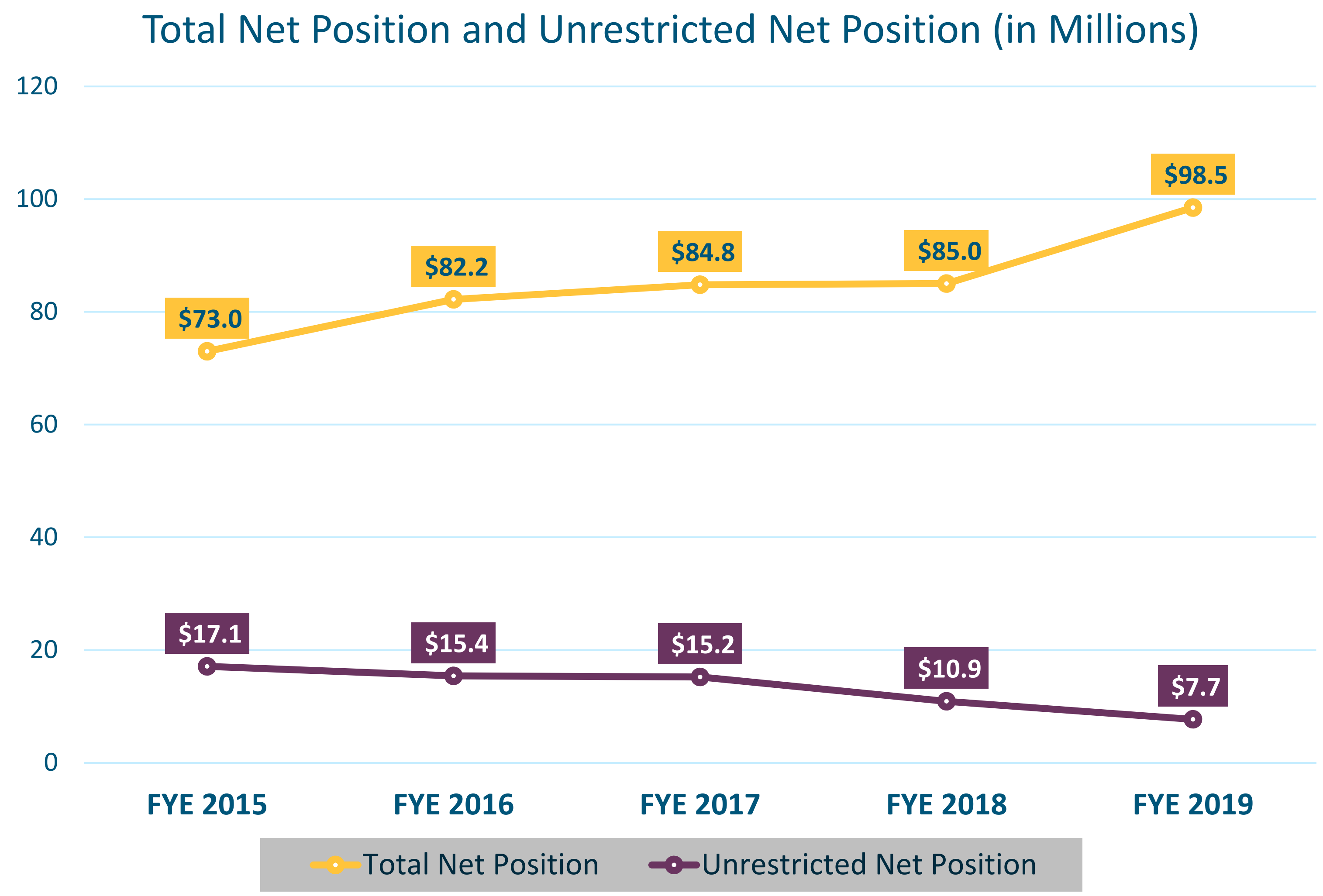
Business-Type Statement of Net Position



CARR, RIGGS & INGRAM, LLC

GASB 75 implementation in 2018 for OPEB Liability and GASB 68 implementation in 2015 for Pension.

Statement of Net Position



GASB 75 implementation in 2018 for OPEB Liability and GASB 68 implementation in 2015 for Pension.

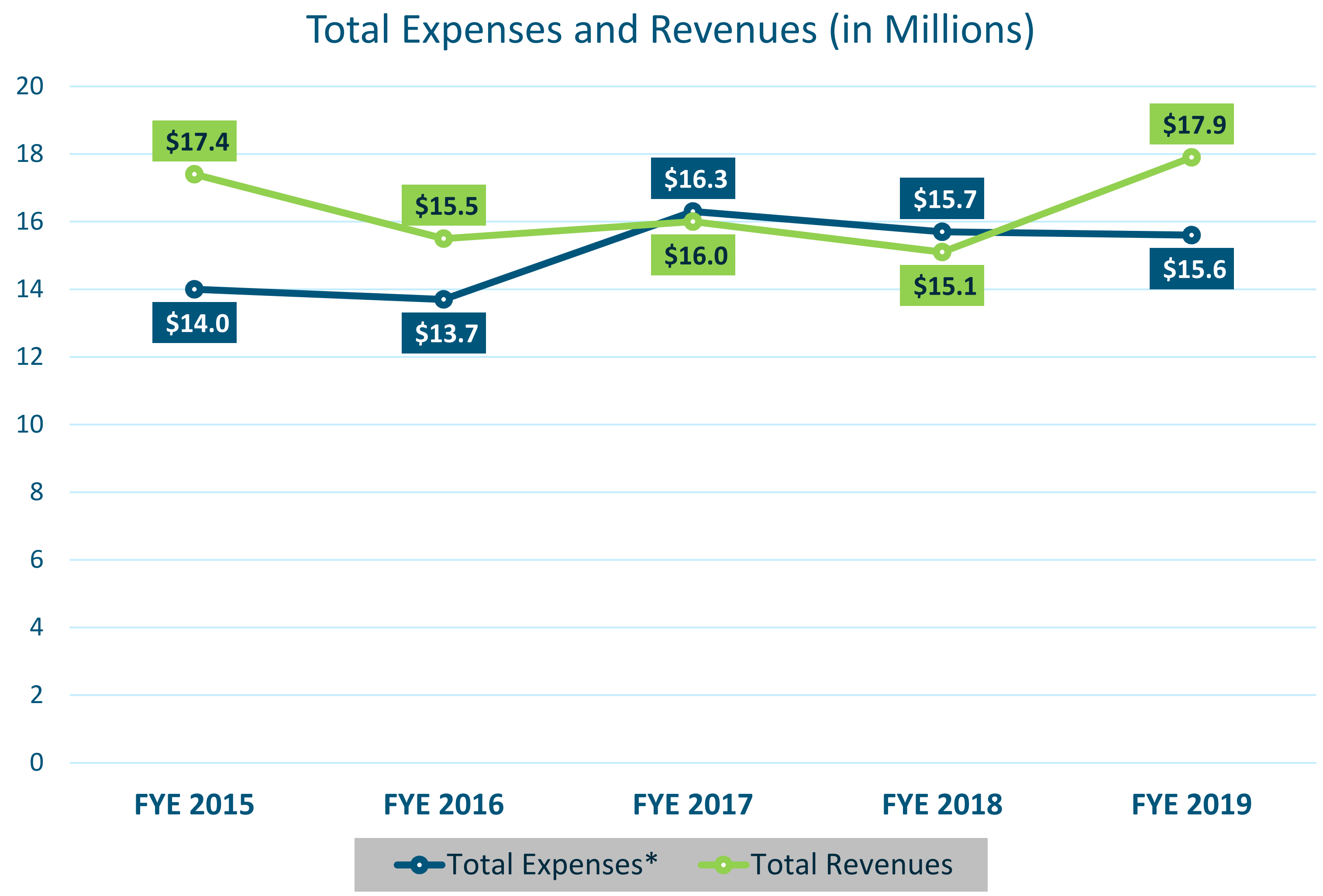
Business-Type Statement of Activities

Business-Type Activities Statement of Activities

Income Statement

- Revenues
  - Consistent over 5 year trend with changes related to intermittent charges for services changes
- Expenses
  - Consistent level over 5 year period with changes related to ongoing operational costs
  - Excludes capital expenses and principal expenses
  - Pension and OPEB expenses
    - CY Pension and OPEB expenses $350 thousand

Statement of Activities



CARR, RIGGS & INGRAM, LLC

GASB 75 implementation in 2018 for OPEB Liability and GASB 68 implementation in 2015 for Pension.

Single Audit Highlights

Single Audit—Unmodified Opinion

Program: Disaster Grant – Public Assistance

- Direct and Material Compliance Requirements Tested
  - A—Activities Allowed or Unallowed
  - B—Allowable Costs/Cost Principles
  - G—Matching, Level of Effort, Earmarking
  - H—Period of Performance
  - L—Reporting
  - M—Subrecipient Monitoring

  No findings noted.

New Standard Implemented

- **GASB Statement No. 83**, *Certain Asset Retirement Obligations,* was implemented for fiscal year 2019.
- **GASB Statement No. 88**, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements,* was implemented for fiscal year 2019.
  - No significant impact to the City's financial statements.

Upcoming Standards

- **GASB Statement No. 84** is effective for fiscal years starting after December 15, 2018 and will apply to the City's 2020 fiscal year.
  - This statement changes the presentation requirements for Fiduciary Activities, such as the City's agency funds. We expect the implementation of this statement to have a minimal impact on the City and will be ready to assist the City.

- **GASB Statement No. 87** is effective for period beginning after December 15, 2019 and will apply to the City's 2021 fiscal year.
  - Under this statement, a lessee is required to recognize lease liability and an intangible right-to-use lease asset.

Value-Added Suggestions

- Training
  - Each year, we put on training over various topics for New Mexico governments. We will keep you apprised of any opportunities that come about.
  - CRI is also available to provide specialized training on any topics that the City may be interested in conducting with staff, elected officials, or the City Commission.
- The City's IT Environment
  - CRI is available to assist the City with consulting related to the City's IT Environment and any changes in technology, new technology implementation, and emerging threats that may affect the City's operations.

Concluding Comments

- All City of Alamogordo team members were very helpful and great to work with.
- Thank you for the opportunity to continue to serve the City of Alamogordo.
- We value our relationship and hope to continue to build on it.

TODAY'S PRESENTER

Benjamin A. Martinez, CPA
Senior Manager
bmartinez@CRIcpa.com
(505) 883-2727

AGENDA REPORT
CITY OF ALAMOGORDO
CITY COMMISSION

Meeting Date: 2/25/2020 **Report Date:** 2/19/2020 **Report No:** 10.

Submitted By: April Jones

Subject: Appointments to Boards and Committees. *(Richard Boss, Mayor)*

Fiscal Impact:
Amount Budgeted:
Fund:

Additional Fiscal Impact:

Recommendation: Appoint to the Planning and Zoning Commission.

Background: **Housing Authority Advisory Board.** One (1) two year vacancy, and one (1) three year vacancy. Staff Liaison - Marissa Ruiz.
No applications received.

Planning and Zoning Commission. One (1) vacancy. Staff Liaison - Stella Rael.
The following individuals are interested in being appointed:
Gerald Dodd - If appointed, this will be his first term.
Lorelei Armstrong - If appointed, this will be her first term.

Senior Volunteer Programs Advisory Council. One (1) vacancy. Staff Liaison - Neil McFarland.
No applications received.

White Sands Boulevard Beautification Committee. Two (2) vacancies. Staff Liaison - Stella Rael.
No applications received.

If anyone is interested in serving on a board or committee you may apply with the City Clerk's office.

RECEIVED
FEB 11 2020
CITY CLERK

City of Alamogordo
APPLICATION TO SERVE ON A CITY BOARD/COMMITTEE

Name: Gerald A. Dodd

Home Phone: —— Work Phone: ——

Cell Phone: 575-415-6197 Fax No: ——

E-mail address: geraldo.dodd53@yahoo.com

Physical Address: 1716 Buena Vista CT, Alamogordo, NM 88310

Is the above address within City limits? Yes X No ____

Mailing Address: Same as above

Present Employer: Retired Job Title: ____

Board/Committee you wish to serve on:

First choice: Planning and Zoning Commission

Second choice: ____

Are you related to anyone who is presently employed by the City of Alamogordo?

Yes ____ No X If so, what is their relation to you? ____

Are you related to any Elected Official of the City of Alamogordo?

Yes ____ No X If so, what is their relation to you? ____

Experience and education relating to the Board/Committee:

2 years member Planning and Zoning Board-City of Hanahan, SC; 12 years city council member (elected) City of Hanahan, SC; Bachelor of Science Mechanical Engineering, Univ of New Mexico

Please indicate your interest in serving on a City Board/ Committee:

Interested in serving my community (in which I grew up living here.)

Please return completed application to:

City Clerk's Office
1376 E. Ninth Street
Alamogordo, NM 88310
PHONE: (575)439-4100
FAX: (575)439-4396

Application to serve on a Board/Committee

First Name	Lorelei (Lori)
Last Name	Armstrong
Address	3001 Sunland Dr
City	Alamogordo
State	NM
Zip Code	88310
Phone Number	3023317203
Email Address	armstrongLorelei@yahoo.com
Is the above address within City Limits?	Yes
Present Employer:	Alamogordo Public Schools
Board/Committee you would like to serve on (1st choice):	Planning & Zoning Commission
Board/Committee you would like to serve on (2nd choice):	Public Library Board
Are you related to anyone who is presently employeed by the City of Alamogordo	No
If so, what is their relation to you?	*Field not completed.*
Are you related to an Elected Official of the City of Alamogordo?	No
Is so, what is their relation to you?	*Field not completed.*
Experience and education relating to the Board/Committee:	I hold a Masters in History, and own a house in Alamogordo
Please indicate your interest in serving on a City Board/Committee:	I would like to volunteer in my community as an adult citizen

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