

STATE OF NEW MEXICO
CITY OF SUNLAND PARK
BASIC FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021
INDEPENDENT AUDITORS' REPORT

STATE OF NEW MEXICO
CITY OF SUNLAND PARK
FOR THE YEAR ENDED JUNE 30, 2021

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STATE OF NEW MEXICO
CITY OF SUNLAND PARK
FOR THE YEAR ENDED JUNE 30, 2021

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STATE OF NEW MEXICO
CITY OF SUNLAND PARK
FOR THE YEAR ENDED JUNE 30, 2021

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STATE OF NEW MEXICO
CITY OF SUNLAND PARK
OFFICIAL ROSTER
JUNE 30, 2021

ELECTED OFFICIALS

Javier Perea	Mayor
Jessica Avila	City Councilor
Daisy G. Lira	City Councilor
Bertha A. Salmon	City Councilor
Alberto Jaramillo	City Councilor
Olga Nuñez	City Councilor
Lizette Salinas	Municipal Judge

ADMINISTRATIVE OFFICIALS

Michael Martinez	City Manager
Raquel Alarcon	Finance Director



Beasley, Mitchell & Co.

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Mr. Brian S. Colón, Esq., State Auditor
and the Mayor and City Council of the
City of Sunland Park, New Mexico

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information and the budgetary comparison for the general fund, and major special revenue funds of the City of Sunland Park, New Mexico (City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements 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 misstatement, 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 standard applicable to financial audits contained in Government Auditing Standards, issued by Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, Financial Data Schedule and the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of the City of Sunland Park New Mexico, as of June 30, 2021, 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.

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that additional RSI if applicable on pages 76 - 85, 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. The auditor has applied certain limited procedures to the RSI 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 the auditor's inquiries, the basic financial statements, and other knowledge the auditor obtained during the audit of the basic financial statements. The auditor does not express an opinion or provide any assurance.

Other Information

Our audit was performed for the purpose of forming opinions on the financial statements, the combining and individual fund financial statements, and any other schedule required by the Audit Rule that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements, accompanying Financial Data Schedule and any other schedule required by the Audit Rule are presented for purposes of additional analysis and are not a required part of the basic financial statements. Further, other supplementary data as listed in the table of contents is presented for Department of Housing and Urban Development information and is not a required part of the financial statements.

The combining and individual nonmajor fund financial statements and any other schedule required by the Audit Rule 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 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 14, 2021, on our consideration of the City of Sunland Park, New Mexico's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe and 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 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 City of Sunland Park, New Mexico's internal control over financial reporting and compliance.

Beasley, Mitchell & Co. LLP

Beasley, Mitchell Co. LLP
Las Cruces, New Mexico
December 14, 2021

GOVERNMENT - WIDE FINANCIAL STATEMENTS

STATE OF NEW MEXICO
CITY OF SUNLAND PARK
STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities	Primary Government Business-type Activities	Total
ASSETS AND DEFERRED OUTFLOWS			
CURRENT ASSETS:			
Cash and cash equivalents	\$ 10,846,196	\$ 1,193,731	\$ 12,039,927
Reserved cash and cash equivalents	1,126,225	-	1,126,225
Receivables:			
Property taxes	88,185	-	88,185
Other taxes	966,973	6,148	973,121
Intergovernmental receivable	-	63,969	63,969
Customer receivables	146,536	2,704	149,240
Due from other funds	<u>-</u>	<u>81,724</u>	<u>81,724</u>
Total current assets	13,174,115	1,348,276	14,522,391
NON-CURRENT ASSETS:			
Restricted cash and cash equivalents	91,141	5,880	97,021
Capital assets	44,218,512	3,758,933	47,977,445
Less: Accumulated depreciation	<u>(28,971,433)</u>	<u>(2,095,393)</u>	<u>(31,066,826)</u>
Total non-current assets	<u>15,338,220</u>	<u>1,669,420</u>	<u>17,007,640</u>
Total assets	28,512,335	3,017,696	31,530,031
DEFERRED OUTFLOWS - Pension			
Employer contributions subsequent to the measurement date	352,421	31,579	384,000
Change in proportion	555,467	49,772	605,239
Change in assumption	138,580	12,418	150,998
Difference between expected and actual experience	277,658	24,880	302,538
Net difference between projected and actual investment earnings	<u>1,150,230</u>	<u>103,067</u>	<u>1,253,297</u>
Total deferred outflows - Pension	2,474,356	221,716	2,696,072
DEFERRED OUTFLOWS - OPEB			
Employer contribution subsequent to the measurement date	72,215	9,223	81,438
Change in proportion	434,601	55,508	490,109
Change in assumption	598,406	76,429	674,835
Net difference between actual and projected return on plan investments	<u>16,623</u>	<u>2,124</u>	<u>18,747</u>
Total deferred outflows - OPEB	<u>1,121,845</u>	<u>143,284</u>	<u>1,265,129</u>
Total assets and deferred outflows	<u>\$ 32,108,536</u>	<u>\$ 3,382,696</u>	<u>\$ 35,491,232</u>

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
CITY OF SUNLAND PARK
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2021

	Governmental Activities	Primary Government Business-type Activities	Total
LIABILITIES, DEFERRED INFLOWS, AND NET POSITION			
CURRENT LIABILITIES:			
Accounts payable	\$ 134,280	\$ 2,542	\$ 136,822
Due to other funds	81,724	-	81,724
Accrued payroll	46,717	3,361	50,078
Customer deposits	-	5,880	5,880
Compensated absences	171,709	27,260	198,969
Notes payable - current portion	<u>229,575</u>	<u>-</u>	<u>229,575</u>
Total current liabilities	664,005	39,043	703,048
NON-CURRENT LIABILITIES:			
Compensated absences	104,279	4,562	108,841
Notes payable	886,618	-	886,618
Net OPEB liability	3,048,311	389,335	3,437,646
Net pension liability	<u>7,368,089</u>	<u>660,216</u>	<u>8,028,305</u>
Total non-current liabilities	<u>11,407,297</u>	<u>1,054,113</u>	<u>12,461,410</u>
Total liabilities	12,071,302	1,093,156	13,164,458
DEFERRED INFLOWS - PENSION			
Change in proportion	<u>591,428</u>	<u>52,995</u>	<u>644,423</u>
Total deferred inflows	591,428	52,995	644,423
DEFERRED INFLOWS - OPEB			
Change in assumption	541,359	69,144	610,503
Change in proportion	337,864	43,153	381,017
Differences between expected and actual experience	<u>541,299</u>	<u>69,135</u>	<u>610,434</u>
Total deferred inflows	<u>1,420,522</u>	<u>181,432</u>	<u>1,601,954</u>
Total liabilities and deferred inflows	14,083,252	1,327,583	15,410,835

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
CITY OF SUNLAND PARK
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2021

NET POSITION

Net investment in capital assets	14,130,886	1,663,540	15,794,426
Restricted for:			
Special revenue funds	7,333,804	-	7,333,804
Capital projects funds	4,964,238	-	4,964,238
Debt service	1,449,560	-	1,449,560
Unrestricted	<u>(9,853,204)</u>	<u>391,573</u>	<u>(9,461,631)</u>
Total net position	<u>18,025,284</u>	<u>2,055,113</u>	<u>20,080,397</u>
Total liabilities, deferred inflows, and net position	<u>\$ 32,108,536</u>	<u>\$ 3,382,696</u>	<u>\$ 35,491,232</u>

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
CITY OF SUNLAND PARK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

FUNCTIONAL/PROGRAMS:	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 2,564,916	\$ 785,827	\$ 8,550	\$ -	\$ (1,770,539)	\$ -	\$ (1,770,539)
Public safety	4,372,246	39,017	418,963	-	(3,914,266)	-	(3,914,266)
Public works	2,155,739	-	629,791	1,323,787	(202,161)	-	(202,161)
Culture and recreation	<u>132,238</u>	<u>-</u>	<u>-</u>	<u>21,447</u>	<u>(110,791)</u>	<u>-</u>	<u>(110,791)</u>
Total governmental activities	9,225,139	824,844	1,057,304	1,345,234	(5,997,757)	-	(5,997,757)
Business-type activities:							
Motor vehicle department	397,479	414,800	342,331	-	-	359,652	359,652
Solid waste	140,078	-	-	-	-	(140,078)	(140,078)
Housing authority	<u>375,219</u>	<u>121,169</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(254,050)</u>	<u>(254,050)</u>
Total business-type activities	<u>912,776</u>	<u>535,969</u>	<u>342,331</u>	<u>-</u>	<u>-</u>	<u>(34,476)</u>	<u>(34,476)</u>
Total primary government	<u>\$ 10,137,915</u>	<u>\$ 1,360,813</u>	<u>\$ 1,399,635</u>	<u>\$ 1,345,234</u>	<u>(5,997,757)</u>	<u>(34,476)</u>	<u>(6,032,233)</u>
General Revenues:							
Property tax					1,899,013	-	1,899,013
Gross receipts tax					4,233,728	50,831	4,284,559
Gasoline and motor vehicle taxes					89,779	-	89,779
Other					356,399	-	356,399
Investment income					17,981	394	18,375
Miscellaneous income					367,579	17,925	385,504
Transfers					<u>45,493</u>	<u>(45,493)</u>	<u>-</u>
Total general revenues and transfers					<u>7,009,972</u>	<u>23,657</u>	<u>7,033,629</u>
Changes in net position					1,012,215	(10,819)	1,001,396
Net position, beginning of year					<u>17,013,069</u>	<u>2,065,932</u>	<u>19,079,001</u>
Net position, end of year					<u>\$ 18,025,284</u>	<u>\$ 2,055,113</u>	<u>\$ 20,080,397</u>

See independent auditors' report and accompanying notes to financial statements.

GOVERNMENTAL FUND STATEMENTS

STATE OF NEW MEXICO
CITY OF SUNLAND PARK
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021

	General Fund	Border Crossing Facility	Debt Service Fund	Local Government Road Fund	Other Governmental Funds	Total
ASSETS						
Cash and cash equivalents	\$ 3,862,850	\$ 4,778,024	\$ 1,358,419	\$ 33,303	\$ 813,600	\$ 10,846,196
Reserved cash	1,126,225	-	-	-	-	1,126,225
Restricted cash	-	-	91,141	-	-	91,141
Receivables:						
Property taxes	88,185	-	-	-	-	88,185
Other taxes	950,743	-	-	-	16,230	966,973
Other receivables	21,089	-	-	52,000	73,447	146,536
Total assets	<u>\$ 6,049,092</u>	<u>\$ 4,778,024</u>	<u>\$ 1,449,560</u>	<u>\$ 85,303</u>	<u>\$ 903,277</u>	<u>\$ 13,265,256</u>
LIABILITIES AND FUND BALANCE						
Liabilities:						
Accounts payable	\$ 24,288	\$ 17,493	\$ -	\$ -	\$ 92,499	\$ 134,280
Due to other funds	71,711	-	-	-	10,013	81,724
Accrued payroll	46,620	97	-	-	-	46,717
Total liabilities	142,619	17,590	-	-	102,512	262,721
Deferred inflows:						
Property tax revenue	55,698	-	-	-	-	55,698
Total liabilities and deferred inflows	198,317	17,590	-	-	102,512	318,419

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
CITY OF SUNLAND PARK
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021

	General Fund	Border Crossing Facility	Debt Service Funds	Local Government Road Fund	Other Governmental Funds	Total
Fund balances:						
Spendable						
Restricted for;						
General government	-	-	-	-	181,219	181,219
Public safety	-	-	-	-	254,510	254,510
Public works				85,303	217,132	302,435
Culture and recreation	-	-	-	-	20,700	20,700
Capital projects	-	4,760,434	-	-	203,804	4,964,238
Debt service	-	-	1,449,560	-	-	1,449,560
Reserved	1,126,225	-	-	-	-	1,126,225
Unassigned	<u>4,724,550</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(76,600)</u>	<u>4,647,950</u>
 Total fund balances	<u>5,850,775</u>	<u>4,760,434</u>	<u>1,449,560</u>	<u>85,303</u>	<u>800,765</u>	<u>12,946,837</u>
 Total liabilities, deferred inflows, and fund balances	<u>\$ 6,042,092</u>	<u>\$ 4,778,024</u>	<u>\$ 1,449,560</u>	<u>\$ 85,303</u>	<u>\$ 903,277</u>	<u>\$ 13,265,256</u>

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
CITY OF SUNLAND PARK
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021

Total fund balances - governmental funds \$ 12,946,837

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

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.

The cost of capital assets	44,218,512	
Accumulated depreciation	<u>(28,971,433)</u>	15,247,079

Deferred outflows - Pension:

Contributions made after the measurement date, will be recognized as a reduction of net pension liability	352,421	
Change in proportion	555,467	
Change in assumption	138,580	
Difference between expected and actual experience	277,658	
Net difference between projected and actual investment	<u>1,150,230</u>	2,474,356

Deferred outflows - OPEB:

Net difference between projected and actual	16,623	
Change in assumption	598,406	
Change in proportion	434,601	
Contributions made after the measurement date, will be recognized as a reduction of net pension liability	<u>72,215</u>	1,121,845

Deferred inflows - Pension:

Change in proportion	<u>(591,428)</u>	(591,428)
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Deferred inflows - OPEB:

Change in assumption	(541,359)	
Changes in Proportion	(337,864)	
Differences between expected and actual	<u>(541,299)</u>	(1,420,522)

Long-term assets are not available to pay for current-period expenditures and therefore, are deferred in the funds:

Property taxes		55,698
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Other long-term liabilities and certain other liabilities, including bonds and notes payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term and other liabilities at year end consist of:

Net pension liability	(7,368,089)	
OPEB liability	(3,048,311)	
Long-term debt	(1,116,193)	
Compensated absences	<u>(275,988)</u>	<u>(11,808,581)</u>

Total net position - governmental activities \$ 18,025,284

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
CITY OF SUNLAND PARK
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS
JUNE 30, 2021

	General Fund	Border Crossing Fund	Debt Service Fund	Local Government Road Fund	Other Governmental Funds	Total
REVENUES						
Taxes:						
Property	\$ 1,992,663	\$ -	\$ -	\$ -	\$ -	\$ 1,992,663
Gross receipts	4,233,728	-	-	-	-	4,233,728
Gasoline and motor vehicle	64,550	-	-	-	25,229	89,779
Lodgers	-	-	-	-	29,939	29,939
Other	326,460	-	-	-	-	326,460
Intergovernmental income:						
Federal capital grants	-	-	-	-	105,520	105,520
State operating grant	8,550	-	-	-	439,862	448,412
State capital grants	-	-	1,021,043	594,856	232,707	1,848,606
Charges for services	78,718	-	-	-	6,005	84,723
Licenses and fees	707,259	-	-	-	32,862	740,121
Investment income	2,437	5,166	10,378	-	-	17,981
Miscellaneous	367,589	-	-	-	-	367,589
Total revenues	7,781,954	5,166	1,031,421	594,856	872,124	10,285,521
EXPENDITURES						
Current:						
General government	1,775,235	-	-	-	65,967	1,841,202
Public safety	3,464,356	779,216	-	-	254,120	4,497,692
Public works	1,335,351	-	-	-	-	1,335,351
Culture and recreation	76,133	-	-	-	56,115	132,248
Capital outlay	47,359	-	647,136	592,550	767,491	2,054,536
Debt service:						
Principal payment	-	-	154,755	-	-	154,755
Interest payments	-	-	11,576	-	-	11,576
Total expenditures	6,698,434	779,216	813,467	592,550	1,143,693	10,027,360
Excess (deficiency) of revenues over expenditures	1,083,520	(774,050)	217,954	2,306	(271,569)	258,161

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
CITY OF SUNLAND PARK
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS
JUNE 30, 2021

	General Fund	Border Crossing Fund	Debt Service Fund	Local Government Road Fund	Other Governmental Funds	Total
OTHER FINANCING SOURCES (USES):						
Proceeds from loans	-	-	34,308	-	-	34,308
Transfers in	141,566	-	219,256	59,235	610,509	1,030,566
Transfers out	<u>(794,240)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(190,833)</u>	<u>(985,073)</u>
Total other financing source (uses)	<u>(652,674)</u>	<u>-</u>	<u>253,564</u>	<u>59,235</u>	<u>419,676</u>	<u>79,801</u>
Net change in fund balance	430,846	(774,050)	471,518	61,541	148,107	337,962
Fund balance at beginning of year	<u>5,419,929</u>	<u>5,534,484</u>	<u>978,042</u>	<u>23,762</u>	<u>652,658</u>	<u>12,608,875</u>
Fund balance at end of year	<u>\$ 5,850,775</u>	<u>4,760,434</u>	<u>\$ 1,449,560</u>	<u>85,303</u>	<u>\$ 800,765</u>	<u>\$ 12,946,837</u>

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
CITY OF SUNLAND PARK
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Net change in fund balances - total governmental funds \$ 337,962

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over

Capital assets reported as capital outlay expenditures	2,054,536	
Depreciation expense	<u>(1,618,767)</u>	435,769

Change in deferred outflows - NPL		931,212
Change in deferred outflows - OPEB		460,279

Change in deferred inflows - NPL		189,397
Change in deferred inflows - OPEB		124,373

Change in net pension liability		(1,061,575)
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Change in OPEB liability		(401,580)
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Governmental funds report loan payments as debt service expenditures. However, in the statement of activities, these payments are not recognized as expenditures.		154,755
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Property taxes that do not provide current financial resources, made available to pay for the current period's expenditures, reported as deferred inflows in the funds.		(93,650)
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In the Statement of Activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts paid).

Change in accrued compensated absences		(30,419)
Proceeds from the issuance of debt		<u>(34,308)</u>

Change in net position of governmental activities **\$ 1,012,215**

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
CITY OF SUNLAND PARK
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
REVENUES:				
Taxes:				
Property taxes	\$ 1,786,546	\$ 1,786,546	\$ 2,218,878	\$ 432,332
Gross receipts	4,195,662	4,195,662	4,233,728	38,066
Gasoline and motor vehicle	53,395	53,395	64,550	11,155
Franchise tax	254,378	254,378	326,460	72,082
Intergovernmental income:				
State operating grants	-	-	8,550	8,550
Charges for services	121,575	121,575	128,848	7,273
Licenses and fees	533,948	533,948	657,129	123,181
Fines and forfeitures	139,150	139,150	-	(139,150)
Investment income	-	-	2,437	2,437
Miscellaneous	<u>204,990</u>	<u>204,990</u>	<u>367,589</u>	<u>162,599</u>
Total revenues	7,289,644	7,289,644	8,008,169	718,525
EXPENDITURES:				
Current				
General government	2,319,700	2,319,700	2,005,001	314,699
Public safety	3,515,000	3,515,000	3,579,239	(64,239)
Public works	1,336,000	1,336,000	1,335,351	649
Culture and recreation	77,000	77,000	76,133	867
Capital outlay	<u>51,000</u>	<u>51,000</u>	<u>47,359</u>	<u>3,641</u>
Total expenditures	<u>7,298,700</u>	<u>7,298,700</u>	<u>7,043,083</u>	<u>255,617</u>
Excess (deficiency) of revenues over expenditures	(9,056)	(9,056)	965,086	974,142
OTHER FINANCING SOURCES (USES)				
Transfers in	100,802	100,802	141,566	40,764
Transfers (out)	<u>(1,223,073)</u>	<u>(1,223,073)</u>	<u>(794,240)</u>	<u>428,833</u>
Total other financing sources (uses)	<u>(1,122,271)</u>	<u>(1,122,271)</u>	<u>(652,674)</u>	<u>469,597</u>

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
CITY OF SUNLAND PARK
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
Net changes in fund balance	(1,131,327)	(1,131,327)	312,412	1,443,739
Cash fund balance - beginning	<u>4,176,663</u>	<u>4,176,663</u>	<u>4,176,663</u>	<u>-</u>
Cash fund balance - end	<u>\$ 3,045,336</u>	<u>\$ 3,045,336</u>	<u>\$ 4,489,075</u>	<u>\$ 1,443,739</u>
Reconciliation of budgetary basis to GAAP basis:				
Net change in fund balance budgetary basis			\$ 312,412	
Adjustments to revenues for taxes and state operating grants			(226,215)	
Adjustments to expenditures for salaries, professional services and supplies			<u>344,649</u>	
Net change in fund balance GAAP basis			<u>\$ 430,846</u>	

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
CITY OF SUNLAND PARK
LOCAL GOVERNMENTAL ROAD FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
REVENUES:				
Taxes:				
Intergovernmental income:				
State operating grants	<u>\$ 885,106</u>	<u>\$ 885,106</u>	<u>\$ 544,856</u>	<u>\$ (340,250)</u>
Total revenues	885,106	885,106	544,856	(340,250)
EXPENDITURES:				
Current				
Capital outlay	<u>825,106</u>	<u>825,106</u>	<u>592,550</u>	<u>232,556</u>
Total expenditures	<u>825,106</u>	<u>825,106</u>	<u>592,550</u>	<u>232,556</u>
Excess (deficiency) of revenues over expenditures	60,000	60,000	(47,694)	(107,694)
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>60,000</u>	<u>-</u>	<u>59,235</u>	<u>59,235</u>
Total other financing sources (uses)	<u>60,000</u>	<u>60,000</u>	<u>59,235</u>	<u>59,235</u>
Net changes in fund balance	120,000	120,000	11,541	(48,459)
Cash fund balance - beginning	<u>13,762</u>	<u>13,762</u>	<u>13,762</u>	<u>-</u>
Cash fund balance - end	<u>\$ 133,762</u>	<u>\$ 133,762</u>	<u>\$ 33,303</u>	<u>\$ (48,459)</u>
Reconciliation of budgetary basis to GAAP basis:				
Net change in fund balance budgetary basis			\$ 19,541	
Adjustments to revenues for taxes and state operating grants			50,000	
Adjustments to expenditures for salaries, professional services and supplies			<u>(8,000)</u>	
Net change in fund balance GAAP basis			<u>\$ 61,541</u>	

See independent auditors' report and accompanying notes to financial statements.

PROPRIETARY FUNDS

STATE OF NEW MEXICO
CITY OF SUNLAND PARK
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	Motor Vehicle Department	Solid Waste Fund	Housing Authority	Total Proprietary Funds
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents	\$ 598,778	\$ 134,723	\$ 460,230	\$ 1,193,731
Accounts receivables	-	-	2,704	2,704
Tax receivables	5,851	297	-	6,148
Intergovernmental receivable	-	-	63,969	63,969
Due from other funds	-	81,724	-	81,724
	<u>604,629</u>	<u>216,744</u>	<u>526,903</u>	<u>1,348,276</u>
Total current assets	604,629	216,744	526,903	1,348,276
NON-CURRENT ASSETS:				
Restricted cash	-	-	5,880	5,880
Capital assets	-	-	3,758,933	3,758,933
Less accumulated depreciation	-	-	(2,095,393)	(2,095,393)
	<u>-</u>	<u>-</u>	<u>1,669,420</u>	<u>1,669,420</u>
Total non-current assets	-	-	1,669,420	1,669,420
Total assets	604,629	216,744	2,196,323	3,017,696
Deferred outflows- Pension				
Employer contributions subsequent to the measurement date	21,191	2,738	7,650	31,579
Change in proportion	33,400	4,315	12,057	49,772
Change of assumption	8,333	1,077	3,008	12,418
Difference between expected and actual experience	16,695	2,157	6,028	24,880
Net difference between actual and projected return on plan investments	69,163	8,936	24,968	103,067
	<u>148,782</u>	<u>19,223</u>	<u>53,711</u>	<u>221,716</u>
Total deferred outflows- Pension	148,782	19,223	53,711	221,716
Deferred outflows -OPEB				
Employer contributions subsequent to the measurement date	6,198	797	2,228	9,223
Change in proportion	37,301	4,799	13,408	55,508
Change of assumption	51,360	6,607	18,462	76,429
Net difference between actual and projected return on plan investments	1,427	184	513	2,124
	<u>96,286</u>	<u>12,387</u>	<u>34,611</u>	<u>143,284</u>
Total deferred outflows OPEB	96,286	12,387	34,611	143,284

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
CITY OF SUNLAND PARK
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

Total assets and deferred outflows	<u>\$ 849,697</u>	<u>\$ 248,354</u>	<u>\$ 2,284,645</u>	<u>\$ 3,382,696</u>
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See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
CITY OF SUNLAND PARK
STATEMENT OF NET POSITION
PROPRIETARY FUNDS (CONTINUED)
JUNE 30, 2021

	Motor Vehicle Department	Solid Waste Fund	Housing Authority	Total Proprietary Funds
LIABILITIES AND NET POSITION				
CURRENT LIABILITIES:				
Accounts payable	\$ 19	\$ -	\$ 2,523	\$ 2,542
Accrued payroll	3,113	-	248	3,361
Customer deposits	-	-	5,880	5,880
Compensated absences	21,187	-	6,073	27,260
Total current liabilities	24,319	-	14,724	39,043
NON-CURRENT LIABILITIES:				
Compensated absences	3,546	-	1,016	4,562
Net pension liability	443,038	57,241	159,937	660,216
Net OPEB liability	261,631	33,659	94,045	389,335
Total non-current liabilities	708,215	90,900	254,998	1,054,113
Total liabilities	732,534	90,900	269,722	1,093,156
Deferred inflows - Pension				
Change in proportion	35,562	4,595	12,838	52,995
Total deferred inflows - Pension	35,562	4,595	12,838	52,995
Deferred inflows - OPEB				
Change in assumption	46,464	5,978	16,702	69,144
Net difference between projected and actual investment earnings	-	-	-	-
Change in proportion	28,998	3,731	10,424	43,153
Difference between expected and actual experience	46,459	5,976	16,700	69,135
Total deferred inflows - OPEB	121,921	15,685	43,826	181,432
Total liabilities and deferred inflows	890,017	111,180	326,386	1,327,583
NET POSITION				
Net investment in capital assets	-	-	1,663,540	1,663,540
Unrestricted	(40,320)	137,174	294,719	391,573
Total net position	(40,320)	137,174	1,958,259	2,055,113
Total liabilities and net position	\$ 849,697	\$ 248,354	\$ 2,284,645	\$ 3,382,696

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
CITY OF SUNLAND PARK
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Motor Vehicle	Solid Waste Fund	Housing Authority	Total Proprietary Funds
OPERATING REVENUES				
Charges for services	<u>\$ 414,800</u>	<u>\$ -</u>	<u>\$ 121,169</u>	<u>\$ 535,969</u>
Total operating revenues	414,800	-	121,169	535,969
OPERATING EXPENSES				
Personnel services	322,603	56,826	105,775	485,204
Contractual services	9,877	72,971	11,911	94,759
Supplies	1,932	511	4,269	6,712
Maintenance and materials	24,553	-	12,966	37,519
Utilities	11,140	-	56,958	68,098
Insurance	2,685	9,350	15,455	27,490
Depreciation	-	-	99,700	99,700
Miscellaneous	<u>24,689</u>	<u>420</u>	<u>68,185</u>	<u>93,294</u>
Total operating expenses	<u>397,479</u>	<u>140,078</u>	<u>375,219</u>	<u>912,776</u>
Operating income (loss)	17,321	(140,078)	(254,050)	(376,807)
NON-OPERATING REVENUES (EXPENSES):				
Gross receipts tax	-	50,831	-	50,831
Interest income	-	-	394	394
Federal grant	-	-	342,331	342,331
Miscellaneous income	<u>-</u>	<u>17,002</u>	<u>923</u>	<u>17,925</u>
Total non-operating revenues (expenses)	<u>-</u>	<u>67,833</u>	<u>343,648</u>	<u>411,481</u>
Income (loss) before contributions, grants and transfers	<u>17,321</u>	<u>(72,245)</u>	<u>89,598</u>	<u>34,674</u>

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
CITY OF SUNLAND PARK
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (CONTINUED)
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Motor Vehicle	Solid Waste Fund	Housing Authority	Total Proprietary Funds
Transfers (out)	<u>(45,493)</u>	<u>-</u>	<u>-</u>	<u>(45,493)</u>
Total transfers	<u>(45,493)</u>	<u>-</u>	<u>-</u>	<u>(45,493)</u>
Change in net position	(28,172)	(72,245)	89,598	(10,819)
Net position, beginning of year	<u>(12,148)</u>	<u>209,419</u>	<u>1,868,661</u>	<u>2,065,932</u>
Net position, end of year	<u>\$ (40,320)</u>	<u>\$ 137,174</u>	<u>\$ 1,958,259</u>	<u>\$ 2,055,113</u>

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
CITY OF SUNLAND PARK
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Motor Vehicle	Solid Waste	Housing Authority	Total Proprietary Funds
Cash flows from operating activities:				
Cash received from agencies and customers	\$ 414,901	\$ (1,787)	\$ (8,158)	\$ 404,956
Cash payments to employees for services	(332,450)	(22,560)	(124,567)	(479,577)
Cash payments to suppliers for good services	<u>(72,494)</u>	<u>(83,252)</u>	<u>(146,281)</u>	<u>(302,027)</u>
Net cash provided by (used) operating activities	9,957	(107,599)	(279,006)	(376,648)
Cash flows from non-capital financing activities:				
Taxes received	-	50,831	342,331	393,162
Transfer from (to) other funds	<u>(45,493)</u>	<u>-</u>	<u>-</u>	<u>(45,493)</u>
Net cash provided by non-capital financing activities:	(45,493)	50,831	342,331	347,669
Cash flows from capital activities and related financing activities:				
Acquisition of capital assets	<u>-</u>	<u>-</u>	<u>(19,341)</u>	<u>(19,341)</u>
Net cash provided by capital and related financing activities:	-	-	(19,341)	(19,341)
Cash flows from investing activities:				
Investment income (loss)	<u>-</u>	<u>17,002</u>	<u>1,317</u>	<u>18,319</u>
Net cash provided by (used in) investing activities	<u>-</u>	<u>17,002</u>	<u>1,317</u>	<u>18,319</u>
Net increase (decrease) in cash and cash equivalents	(35,536)	(39,766)	45,301	(30,001)
Cash and cash equivalents - beginning	<u>634,314</u>	<u>174,489</u>	<u>420,809</u>	<u>1,229,612</u>
Cash and cash equivalents - ending	<u>\$ 598,778</u>	<u>\$ 134,723</u>	<u>\$ 466,110</u>	<u>\$ 1,199,611</u>

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
CITY OF SUNLAND PARK
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

	Motor Vehicle	Solid Waste Fund	Housing Authority	Total Proprietary Funds
SUPPLEMENTARY INFORMATION:				
Cash and cash equivalents	\$ 598,778	\$ 134,723	\$ 460,230	\$ 1,193,731
Restricted cash	<u>-</u>	<u>-</u>	<u>5,880</u>	<u>5,880</u>
Total cash and cash equivalents	<u>\$ 598,778</u>	<u>\$ 134,723</u>	<u>\$ 466,110</u>	<u>\$ 1,199,611</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 17,321	\$ (140,078)	\$ (254,050)	\$ (376,807)
Adjustments to operating income (loss) to net cash used in operating activities:				
Depreciation	-	-	99,700	99,700
Changes in net position and liabilities:				
Receivables	101	16,381	(61,142)	(44,660)
Other assets	(96,089)	(18,168)	(32,109)	(146,366)
Accounts payable	(319)	-	(44,921)	(45,240)
Accrued expenses	(8,507)	(1,861)	(4,178)	(14,546)
Compensated absences	2,701	(1,398)	(581)	722
Other liabilities	<u>94,749</u>	<u>37,525</u>	<u>18,275</u>	<u>150,549</u>
Net cash provided by (used in) operating activities	<u>\$ 9,957</u>	<u>\$ (107,599)</u>	<u>\$ (279,006)</u>	<u>\$ (376,648)</u>

See independent auditors' report and accompanying notes to financial statements.

CUSTODIAL FUNDS

STATE OF NEW MEXICO
CITY OF SUNLAND PARK
FIDUCIARY - CUSTODIAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

CUSTODIAL FUNDS:

These funds are used to account for monies held by the City in a custodial capacity.

STATE OF NEW MEXICO
CITY OF SUNLAND PARK
STATEMENT OF FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Funds Held as Fiscal Agent</u>
ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents	\$ <u>251,527</u>
Total assets	\$ <u>251,527</u>
LIABILITIES	
CURRENT LIABILITIES:	
Liability	\$ <u>251,527</u>
Total liabilities	\$ <u>251,527</u>

NOTES TO FINANCIAL STATEMENTS

STATE OF NEW MEXICO
CITY OF SUNLAND PARK
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

This summary of significant accounting policies of the City is presented to assist in the understanding of City's financial statements. The financial statements and notes are the representation of City's management who is responsible for their integrity and objectivity. The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standard Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The District is still evaluating how this pronouncement will affect the financial statements.

STATE OF NEW MEXICO
CITY OF SUNLAND PARK
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity

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

In evaluating how to define the City, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statement No. 14 as amended by GASB Statements No. 39 and No. 61. Blended component units, although legally separate entities, are in substance part of the government's operations.

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

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

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity. Based on the criteria above the City does not have any component units.

STATE OF NEW MEXICO
CITY OF SUNLAND PARK
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

B. Basis of Presentation

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

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

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

C. Measurement Focus, Basis of Accounting

Government-Wide Financial Statements - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund 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 - 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

STATE OF NEW MEXICO
CITY OF SUNLAND PARK
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting (Continued)

Governmental Fund Financial Statements (Continued)

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

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period, subject to the availability criterion. Sales and use taxes are classified as derived tax revenues and are recognized as revenue when the underlying exchange takes place and the revenues are measurable and available.

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met, subject to the availability criterion. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

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

STATE OF NEW MEXICO
CITY OF SUNLAND PARK
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting (Continued)

Governmental Fund Financial Statements (Continued)

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

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

The City reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Border Crossing Fund is a capital projects fund that accounts for the funding received from donations to plan, design, and construction of border crossing facilities in the City. Sunland Park City Council is the authority for establishment of this fund and the use is restricted by an agreement with Sunland Park Casino.

The Debt Service Fund was created to account for funding made through long term debt agreements with the New Mexico Finance Authority used for a specific purpose and are usually restricted by an agreement.

The State LRF Grant was created to account for state grant funds received by the City for purposes of maintaining and improving local roads within the City limits. Authority for the creation of this fund is City Council, and the use of the fund is externally restricted by a grant agreement.

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

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

STATE OF NEW MEXICO
CITY OF SUNLAND PARK
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

C. Measurement Focus, Basis of Accounting (Continued)

Governmental Fund Financial Statements (Continued)

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

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

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

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

D. Assets, Deferred Outflows of Resource, Liabilities, Deferred Inflows, and Net Position or 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 market value. Fair market value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

STATE OF NEW MEXICO
CITY OF SUNLAND PARK
NOTES TO BASIC FINANCIAL STATEMENTS
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1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

D. Assets, Deferred Outflows of Resource, Liabilities, Deferred Inflows, and Net Position or Equity (Continued)

Governmental Fund Financial Statements (Continued)

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

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

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

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

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

STATE OF NEW MEXICO
CITY OF SUNLAND PARK
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (Continued)

Restricted Assets -Restricted assets consist of those funds expendable for operating purposes but restricted by donors or other outside agencies as to the specific purpose for which they may be used.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. There was no capitalized interest in 2021. 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 building improvements	5-40
Land improvements	20
Vehicles	5-10
Furniture, fixtures and equipment	5-10
Infrastructure	50

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CITY OF SUNLAND PARK
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (Continued)

Accrued Expenses - Accrued expenses are comprised of payroll expenditures based on amounts earned by the employees through June 30, 2021, along with applicable PERA and Retiree Health Care.

Deferred Outflows of Resources - In addition to assets, the balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element represents a use of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until that time. The City has four types of item that qualify for reporting in this category in both the governmental and business-type activities. Accordingly, the first item - employer contributions subsequent to measurement date has been reported as a deferred outflow of resources in the amount of \$384,000. This amount is reported in the Statement of Net Position. These amounts will directly reduce the net pension liability in the next fiscal year. The second item relates to changes in assumptions and totals \$150,998 at June 30, 2021. The third item relates to the difference between expected and actual experience and totals \$302,538 at June 30, 2021. The fourth item relates to changes in proportion and totals \$605,239 at June 30, 2021. and final item relates to the and net difference between actual and projected investment expense \$1,253,297. These amounts are amortized into pension expense over the average remaining service life of employees.

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

Revenue must be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period) to be recognized. If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding liability for deferred inflows of resources. The City typically has one type of deferred inflow which arises under the modified accrual basis of accounting that qualifies for reporting in this category. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. The item, unavailable revenue - property taxes is typically reported only in the governmental funds balance sheet. The receivable from Doña Ana County was confirmed as of June 30, 2021 in the amount of \$88,185. The portion of the receivable not collected within sixty days of year-end totaled \$(55,698). Consequently the City has recorded the amount related to the uncollected property as unavailable revenue.

STATE OF NEW MEXICO
CITY OF SUNLAND PARK
NOTES TO BASIC FINANCIAL STATEMENTS
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1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (Continued)

Deferred Inflows of Resources (Continued)

In addition, the City has three types of items present on the Statement of Net Position for both the governmental and business-type activities, which arise due to the implementation of GASB 68 and the related net pension liability. Accordingly, the items, change in proportion of \$644,423, change of assumptions of \$-, and differences between expected and actual experience of \$- are reported on the Statement of Net Position. These amounts are reported as deferred inflows and amortized into pension expense over the average remaining service life of employees.

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

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

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

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

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

STATE OF NEW MEXICO
CITY OF SUNLAND PARK
NOTES TO BASIC FINANCIAL STATEMENTS
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1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or 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 or straight-line method, if the difference is inconsequential.

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

Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form, for example, inventories, prepaid amounts, long term amount of loans and note receivable; or (b) legally or contractually required to be maintained intact, for example, debt service reserves. The City has no nonspendable fund balance at June 30, 2021.

Restricted – This classification includes amounts that are restricted to a specific purpose. Fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors (such as debt covenants) grantors, contributors, or laws or regulations of other governments; (b) enabling legislation, as the term is used authorizes the City to assess, levy, charge, or otherwise mandate payment of resources and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. The City has \$13,747,602 in restricted fund balances at June 30, 2021.

Committed – This classification includes amounts that can only be used for specific purposes to constraints imposed by formal action of the Board. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specific use by taking the same type of action (for example, resolution or ordinance) it employed to previously commit those amounts. The City has no committed funds at June 30, 2021.

Assigned – This classification includes amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed and should be reported as assigned fund balance. The City no assigned fund balances at June 30, 2021.

STATE OF NEW MEXICO
CITY OF SUNLAND PARK
NOTES TO BASIC FINANCIAL STATEMENTS
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1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (Continued)

Unassigned – This classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. The City has \$4,647,950 in unassigned fund balances at June 30, 2021.

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

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

Net investment in capital assets: These amounts represent capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position: Consist of Net Position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. Descriptions for related restrictions for the Net Position restricted for "special revenue, debt service, and capital projects" are described on pages and 87.

Unrestricted Net Position: All other Net Position amounts that do not meet the definition of "restricted" or "net investment in capital assets."

Interfund Transactions - Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund from expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

STATE OF NEW MEXICO
CITY OF SUNLAND PARK
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (Continued)

Interfund Transactions (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.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates in the City's financial statements include the allowance for uncollectible accounts in the enterprise funds, depreciation on capital assets over their estimated useful lives, the current portion of accrued compensated absences, and actuarial estimates included in the calculation of the net pension liability and related deferred outflow and inflow amounts.

E. Pensions

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

F. 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.

STATE OF NEW MEXICO
CITY OF SUNLAND PARK
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Postemployment Benefits other than Pensions (OPEB) (Continued)

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.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Annual budgets of the City are prepared prior to June 1 and must be approved by resolution of the City Council Members, and submitted to the Department of Finance and Administration for State approval. Once the budget has been formally approved, any amendments that increase or decrease an individual fund's budget must also be approved by the City Council Members and the Department of Finance and Administration. A separate budget is prepared for each fund. Line items within each budget may be over-expended; however, it is not legally permissible to over-expend any budget in total by fund.

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

Proprietary fund budgets are prepared on the GAAP basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year. The City does not budget for depreciation expense, only capital outlay.

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

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

STATE OF NEW MEXICO
CITY OF SUNLAND PARK
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

Budgetary Information (continued)

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

For governmental funds the accompanying Statements of Revenues, Expenditures and Changes in Fund Balance –Budget (Non-GAAP Budgetary Basis) and Actual presents comparisons of the legally adopted budget with actual data on the budgetary basis. Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of basis, perspective, equity and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2021 is presented. Reconciliation's between the non-GAAP budgetary basis amounts and the financial statements on the GAAP basis, by fund, can be found on each individual budgetary statement.

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

3. DEPOSITS AND INVESTMENTS

State statutes authorize the investment of City funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested funds of the City properly followed State investment requirements as of June 30, 2021.

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

The rate of interest in non-demand interest-bearing accounts shall be set by the State Board of Finance, but in no case shall the rate of interest be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of deposit. Excess funds may be temporarily invested in securities which are issued by the State or by the United States government, or by their departments or agencies, and which are either direct obligations of the State or the United States or are backed by the full faith and credit of those governments.

STATE OF NEW MEXICO
CITY OF SUNLAND PARK
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

3. Deposits and Investments (Continued)

All of the City's accounts at an insured depository institution, including all noninterest-bearing transaction accounts, will be insured by the FDIC up to the Standard Maximum Deposit Insurance Amount of \$250,000.

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2021, \$12,029,581 of the City's bank balance of \$13,735,626 was subject to custodial credit risk, all of which was uninsured and collateralized by collateral held by the pledging bank's trust department, not in the City's name. None of the City's deposits were uninsured and uncollateralized at June 30, 2021.

A summary of the cash deposits at June 30, 2021 is as follows:

	Wells Fargo	New Mexico Finance Authority	Petty Cash	Total
Amount of deposits	\$12,279,281	\$ 1,456,045	\$ 300	\$13,735,626
FDIC coverage	<u>(250,000)</u>	<u>(1,456,045)</u>	<u>-</u>	<u>(1,706,045)</u>
Total uninsured public funds	<u>12,029,281</u>	<u>-</u>	<u>300</u>	<u>12,029,581</u>
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the City's name				<u>12,029,581</u>
Uninsured and uncollateralized				<u>\$ -</u>

The following summarizes the collateral requirements at June 30, 2021:

Collateral requirement (50% of uninsured funds)	\$ 6,014,791
Pledged collateral	<u>12,077,058</u>
Over (under) collateralized	<u>\$ 6,062,267</u>

STATE OF NEW MEXICO
CITY OF SUNLAND PARK
NOTES TO BASIC FINANCIAL STATEMENTS
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3. DEPOSITS AND INVESTMENTS (CONTINUED)

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

Cash and cash equivalents - Governmental Activities	\$10,846,196
Cash and cash equivalents - Business-type Activities	1,193,731
Restricted cash and cash equivalents - Governmental Activities	91,141
Restricted cash and cash equivalents - Business-type Activities	5,880
Reserved - Governmental Activities	1,126,225
Custodial Cash	<u>251,527</u>
 Total cash, cash equivalents, and investments	 13,514,700
Less: petty cash	300
Add: outstanding checks and other reconciling items	<u>220,926</u>
 Bank balance of deposit	 <u>\$13,735,326</u>

Fair Value Measurement (GASB 72)

In February 2015, the Governmental Accounting Standards Board (GASB) issued Statement Number 72, Fair Value Measurement and Application. This statement changes the definition of fair value and adds new disclosure requirements. GASB 72 is effective for periods beginning after June 15, 2015 (i.e., financial statements for June 30, 2016, and beyond).

The City holds investments that are measured at fair value on a recurring basis. Because investing is not a core part of the City's mission, the City determines that the disclosures related to these investments only need to be disaggregate by major type. The City chooses a table format for the fair value disclosures.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. In determining this amount, three valuation techniques are available:

Market approach: this uses prices generated for identical or similar assets or liabilities. The most common example is an investment in a public security traded in an active exchange such as the NYSE.

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AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

3. DEPOSITS AND INVESTMENTS (CONTINUED)

Cost approach: this technique determines the amount required to replace the current asset. This approach may be ideal for valuing donations of capital assets or historical treasures.

Income approach: this approach converts future amounts (such as cash flows) into a current discounted amount.

Each of these valuation techniques requires inputs to calculate a fair value. Valuation techniques should be applied consistently, though a change may be appropriate in certain circumstances. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

GASB 72 establishes a hierarchy of inputs to the valuation techniques listed above.

The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy's three levels are as follows:

Level 1

Inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date. (Examples: equity securities traded on an open market, actively traded mutual funds, and US treasuries)

Level 2

Are significant other observable inputs:

- a) Quoted prices for similar assets or liabilities in active markets.
- b) Quoted prices for identical or similar assets or liabilities in markets that are not active.
- c) Inputs other than quoted prices that are observable for the asset or liability, such as:
 - 1) Interest rates and yield curves observable at commonly quoted intervals,
 - 2) Implied volatilities, and
 - 3) Credit spreads.
- d) Market-corroborated inputs.

(Examples: a bond valued using market corroborated inputs such as yield curves, a bond valued using matrix pricing, and an interest rate swap valued using the LIBOR swap rate observed at commonly quoted intervals for the full term of the swap)

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3. DEPOSITS AND INVESTMENTS (CONTINUED)

Level 3

Are significant unobservable inputs for an asset or liability. (Examples: Commercial real estate valued using a forecast of cash flows based on a university's own data and an interest rate swap valued using data that is neither directly observable nor corroborated by observable market data)

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.

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

The City has the following recurring fair value measurements as of June 30, 2021:

Investment Type	Level 1	Level 2	Level 3	Total
CD	<u>\$1,126,225</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,126,225</u>
Total Investments	<u>\$1,126,225</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,126,225</u>

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4. RECEIVABLES

Governmental funds receivables as of June 30, 2021 are as follows:

	General Fund	Other Governmental Funds	Total
Property taxes	\$ 88,185	\$ -	\$ 88,185
Other taxes:			
Gross receipts taxes	882,219	-	882,219
Franchise taxes	60,580	-	60,580
Gasoline & motor vehicle taxes	7,944	2,422	10,366
Lodgers Tax	-	13,808	13,808
Other receivables:			
Customer receivable	<u>21,089</u>	<u>125,447</u>	<u>146,536</u>
Totals by category	<u>\$ 1,060,017</u>	<u>\$ 141,677</u>	<u>\$ 1,201,694</u>

The above receivables are deemed 100% collectible. In accordance with GASB 33, property tax revenues receivables in the amount of \$(55,698) were not collected within the period of availability and have been reclassified as deferred inflow of resources in the governmental fund financial statements.

Proprietary fund receivables as of June 30, 2021, are as follows:

	Motor Vehicle Department	Housing Authority	Solid Waste	Total
Customer receivables	\$ -	\$ 2,704	\$ -	\$ 2,704
Intergovernmental receivable	-	63,969	-	63,969
Taxes receivable	<u>5,851</u>	<u>-</u>	<u>297</u>	<u>6,148</u>
Total customer receivables	<u>\$ 5,851</u>	<u>\$ 66,673</u>	<u>\$ 297</u>	<u>\$ 72,821</u>

The above receivables are deemed 100% collectible.

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5. TRANSFERS AND INTERNAL BALANCES

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

Transfers out	Transfers in	Amount
Motor Vehicle Fund	General Fund	\$ 45,493
Grants Fund	General Fund	64,673
Law Enforcement Protection	Debt Service Fund	31,400
General Fund	Grants	271,820
General Fund	Debt Service Fund	124,496
General Fund	EMS	6,000
General Fund	Board Expense Fund	313,456
General Fund	LGRF	59,235
General Fund	Library Grant Fund	18,811
General Fund	Traffic Safety Fund	422
Fire Protection Fund	Debt service Fund	<u>94,760</u>
	Total transfers	<u>\$ 1,030,566</u>
Due to	Due from	Amount
General Fund	Solid Waste	\$ 71,711
Grants Fund	Solid Waste	<u>10,013</u>
	Total due to/from	<u>\$ 81,724</u>

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6. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2021, are as follows. Land is not subject to depreciation.

	Balance June 30, 2020	Additions	Disposals and Transfers	Balance June 30, 2021
<i>Governmental activities:</i>				
Capital assets not being depreciated:				
Land	\$ 496,703	\$ -	\$ -	\$ 496,703
Construction in progress	<u>5,953</u>	<u>575,110</u>	<u>-</u>	<u>581,063</u>
Total capital assets, not depreciated	502,656	575,110	-	1,077,766
Capital assets, depreciated:				
Buildings & building improvements	5,779,605	155,257	-	5,934,862
Land improvements	5,466,517	-	-	5,466,517
Furniture, fixtures & equipment	2,218,979	38,432	-	2,257,411
Vehicles	3,283,932	430,089	-	3,714,021
Infrastructure	<u>24,912,287</u>	<u>855,648</u>	<u>-</u>	<u>25,767,935</u>
Total capital assets, depreciated	<u>41,661,320</u>	<u>1,479,426</u>	<u>-</u>	<u>43,140,746</u>
Less accumulated depreciation:				
Buildings & building improvements	2,412,466	208,723	-	2,621,189
Land improvements	2,798,538	258,649	-	3,057,187
Furniture, fixtures, & equipment	1,443,066	240,455	-	1,683,521
Vehicles	2,117,923	346,344	-	2,464,267
Equipment	<u>18,580,673</u>	<u>564,596</u>	<u>-</u>	<u>19,145,269</u>
Total accumulated depreciation	<u>27,352,666</u>	<u>1,618,767</u>	<u>-</u>	<u>28,971,433</u>
Net book value	<u>\$ 14,811,310</u>	<u>\$ 435,769</u>	<u>\$ -</u>	<u>\$ 15,247,079</u>

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

General government	\$ 765,060
Public safety	33,319
Public works	<u>820,388</u>
Total	<u>\$ 1,618,767</u>

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6. CAPITAL ASSETS (CONTINUED)

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
<i>Business-type activities:</i>				
Capital assets not being depreciated:				
Land	\$ 150,000	\$ -	\$ -	\$ 150,000
Total capital assets, not depreciated	150,000	-	-	150,000
Capital assets, depreciated:				
Buildings & building improvements	3,481,717	12,273	-	3,493,990
Furniture, fixtures & equipment	59,343	7,068	-	66,411
Vehicles	48,532	-	-	48,532
Total capital assets, depreciated	3,589,592	19,341	-	3,608,933
Less accumulated depreciation:				
Buildings & building improvements	1,887,818	98,993	-	1,986,811
Furniture, fixtures, & equipment	59,343	707	-	60,050
Vehicles	48,532	-	-	48,532
Total accumulated depreciation	1,995,693	99,700	-	2,095,393
Net book value	\$ 1,743,899	\$ (80,359)	\$ -	\$ 1,663,540

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7. LONG-TERM DEBT

During the year ending June 30, 2021 the following changes occurred in the liabilities reported in the government wide Statement of Net Position:

	Balance June 30, 2020	Additions	Retirements	Balance June 30, 2021	Due Within One Year
Governmental Activities:					
Compensated absences	\$ 245,569	\$ 202,128	\$ (171,709)	\$ 275,988	\$ 171,709
NMFA loans	<u>1,236,640</u>	<u>34,308</u>	<u>154,755</u>	<u>1,116,193</u>	<u>229,575</u>
Total long-term debt	<u>\$ 1,482,209</u>	<u>\$ 236,436</u>	<u>\$ (16,954)</u>	<u>\$ 1,392,181</u>	<u>\$ 401,284</u>

The NMFA loan is as follows:

Description	Date of Issue	Due Date	Interest Rate	Original Amount of Issue	Balance June 30, 2021
NMFA 3479	6/24/2016	5/1/2022	0.10237%	\$ 151,134	\$ 30,324
NMFA 3495-PP	8/12/2016	5/1/2033	1.36200%	760,680	675,840
NMFA 3569-PP	9/9/2016	5/1/2022	0.10000%	289,053	62,348
NMFA 3728-PP	10/27/2017	5/1/2022	0.10000%	350,000	78,422
NMFA 5036-PPRF	12/20/2019	5/1/2030	0.35684%	259,135	234,951
NMFA 4926-CIF	4/29/2021	6/20/2039	0.35684%	40,000	<u>34,308</u>
Total Loans					<u>\$ 1,116,193</u>

The City entered into a loan/grant agreement with the New Mexico Finance Authority on June 24, 2016 to finance the cost of purchasing a Fire Pumper Truck for use by the City's Fire Department. The loan has an interest rate of 0.10237% and is payable and collectible solely from the net revenues to be derived from pledged revenues.

The City entered into a loan/grant agreement with the New Mexico Finance Authority on August 12, 2016 to finance the cost of purchasing a Fire Truck for use by the City's Fire Department. The loan has an interest rate of 1.36200% and is payable and collectible solely from the net revenues to be derived from pledged revenues.

The City entered into a loan/grant agreement with the New Mexico Finance Authority on September 9, 2016 to finance the cost of purchasing solar panels for use by the City. The loan has an interest rate of 0.10000% and is payable and collectible solely from the net revenues to be derived from pledged revenues.

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7. LONG-TERM DEBT (Continued)

The City entered into a loan/grant agreement with the New Mexico Finance Authority on October 27, 2017 to finance the cost of purchasing police vehicles for use by the City. The loan has an interest rate of 0.10000% and is payable and collectible solely from the net revenues to be derived from pledged revenues.

The City entered into a loan/grant agreement with the New Mexico Finance Authority on December 20, 2019 to finance the cost of Las Colinas Infrastructure Project. The loan has interest rate of 0.35684% and is payable and collectible solely from the net revenues to be derived from pledged revenues.

The City entered into a loan/grant agreement with the New Mexico Finance Authority on April 20, 2021 to finance the cost of Las Colinas Infrastructure Project. The loan has interest rate of 0.00000% and is payable and collectible solely from the net revenues to be derived from pledged revenues.

Scheduled principal and interest payments on the City's long-term debt are as follows:

Fiscal Year Ending				
June 30,	Principal	Interest	Total Debt Service	
2022	\$ 229,575	\$ 11,004	\$ 240,579	
2023	84,308	10,321	94,629	
2024	72,773	9,365	82,138	
2025	73,729	7,813	81,542	
2026	74,483	7,579	82,062	
2027 - 2031	356,210	27,709	383,919	
2032 - 2036	216,548	9,196	225,744	
2037 - 2041	<u>8,567</u>	<u>-</u>	<u>8,567</u>	
Total	<u>\$ 1,116,193</u>	<u>\$ 82,987</u>	<u>\$ 1,199,180</u>	

Business-type activities

During the year ended June 30, 2021, the following changes occurred in the liabilities reported in the proprietary Statement of Net Position:

	Balance			Balance	Due Within
	June 30, 2020	Additions	Retirements	June 30, 2021	One Year
Compensated absences	<u>\$ 31,100</u>	<u>\$ 27,982</u>	<u>\$ (27,260)</u>	<u>\$ 31,822</u>	<u>\$ 27,260</u>
Total long-term debt	<u>\$ 31,100</u>	<u>\$ 27,982</u>	<u>\$ (27,260)</u>	<u>\$ 31,822</u>	<u>\$ 27,260</u>

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8. RISK MANAGEMENT

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

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

At June 30, 2021, no unpaid claims have been filed which exceed the policy limits and to the best of management's knowledge and belief all known and unknown claims will be covered by insurance. New Mexico Self-Insurers' Fund has not provided information on an entity by entity basis that would allow for a reconciliation of changes in the aggregate liabilities for claims for the current fiscal year and the prior fiscal year.

9. PENSION PLAN - PUBLIC EMPLOYEE RETIREMENT ASSOCIATION (PERA)

General Information about the Pension Plan

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

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

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9. PENSION PLAN - PUBLIC EMPLOYEE RETIREMENT ASSOCIATION (PERA) (CONTINUED)

Benefits provided. For a description of the benefits provided and recent changes to the benefits see Note 1 in the PERA audited financial statements for the fiscal year ended June 30, 2020 available at <https://www.nmpera.org/assets/uploads/downloads/gasb-67-supplemental-reports/Agency-366-B-PERA-2020-Schedule-of-Employer-Allocation-Final-S.pdf>.

Contributions. The contribution requirements of defined benefit plan members and the Sunland Park are established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature. For the employer and employee contribution rates in effect for FY20 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures on the PERA FY20 annual audit report at <https://www.nmpera.org/assets/uploads/downloads/gasb-67-supplemental-reports/Agency-366-B-PERA-2020-Schedule-of-Employer-Allocation-Final-S.pdf>.

The PERA coverage options that apply to Sunland Park are: Municipal General Division, Municipal Police Division, and Municipal Fire Division. Statutorily required contributions to the pension plan from the Sunland Park were \$377,069 and there were no employer paid member benefits that were “picked up” by the employer for the year ended June 30, 2021.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: The PERA pension liability amounts, net pension liability amounts, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2020. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2020, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2020.

The assets of the PERA fund are held in one trust, but there are six distinct membership groups (municipal general members, municipal police members, municipal fire members, state general members, state police members and legislative members) for whom separate contribution rates are determined each year pursuant to chapter 10, Article 11 NMSA 1978. Therefore, the calculations of the net pension liability, pension expense and deferred inflows and outflows were performed separately for each of the membership groups: municipal general members; municipal police members; municipal fire members; state general members; state police members and legislative members. Sunland Park's proportion of the net pension liability for each membership group that the employer participates in is based on the employer contributing entity's percentage of that membership group's total employer contributions for the fiscal year ended June 30, 2020. Only employer contributions for the pay period end dates that fell within the period of July 1, 2019 to June 30, 2020 were included in the total contributions for a specific employer.

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9. PENSION PLAN - PUBLIC EMPLOYEE RETIREMENT ASSOCIATION (PERA) (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Regular and any adjustment contributions that applied to FY 20 are included in the total contribution amounts. In the event that an employer is behind in reporting to PERA its required contributions, an estimate (receivable) was used to project the unremitted employer contributions. This allowed for fair and consistent measurement of the contributions with the total population. This methodology was used to maintain consistent measurement each year in determining the percentages to be allocated among all the participating employers.

Reallocation of deferred amounts, due to changes in proportion in fiscal year 2020 the beginning deferred inflows and outflows were reclassified due to the employer's change in proportion for fiscal year 2020. The total reallocation of deferred inflows and outflows increased pension expense by \$312,150 for fiscal year ending June 30, 2021. This amount is not included in pension expense in PERA's Schedule of Employer Pension Amounts for the year ended June 30, 2020.

For PERA Fund Municipal General Division, at June 30, 2021, Sunland Park reported a liability of \$3,023,230 for its proportionate share of the net pension liability. At June 30, 2020, Sunland Park's proportion was 0.1495% percent, which was an decrease of 0.0084% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2021, Sunland Park recognized PERA Fund Municipal General Division pension expense of \$2,484,907. At June 30, 2021, Sunland Park reported PERA Fund Municipal General Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 55,936	\$ -
Changes in proportion	111,708	117,677
Difference between expected and actual experience	83,781	-
Net difference between projected and actual earnings on pension plan investments	552,859	-
City of Sunland Park's contributions subsequent to the measurement date	<u>131,330</u>	<u>-</u>
Total	<u>\$ 935,614</u>	<u>\$ 117,677</u>

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9. PENSION PLAN - PUBLIC EMPLOYEE RETIREMENT ASSOCIATION (PERA) (CONTINUED)

\$131,330 reported as deferred outflows of resources related to pensions resulting from Sunland Park's contributions subsequent to the measurement date June 30, 2020 will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2021	\$	271,056
2022		146,418
2023		133,478
2024		<u>135,654</u>
	\$	<u>686,606</u>

For PERA Fund Municipal Police Division, at June 30, 2021, Sunland Park reported a liability of \$2,999,173 for its proportionate share of the net pension liability. At June 30, 2020, Sunland Park's proportion was 0.349%, which was an increase of .0278% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2021, Sunland Park recognized PERA Fund Municipal Police Division pension expense of \$171,369. At June 30, 2021, Sunland Park 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
Changes in assumptions	\$ 71,022	\$ -
Changes in proportion	129,090	284,998
Difference between expected and actual experience	174,285	-
Net difference between projected and actual earnings on pension plan investments	514,785	-
City of Sunland Park's contributions subsequent to the measurement date	<u>163,382</u>	<u>-</u>
Total	<u>\$ 1,052,564</u>	<u>\$ 284,998</u>

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9. PENSION PLAN - PUBLIC EMPLOYEE RETIREMENT ASSOCIATION (PERA) (CONTINUED)

\$163,382 reported as deferred outflows of resources related to pensions resulting from Sunland Park's contributions subsequent to the measurement date June 30, 2020 will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2021	\$	257,111
2022		88,635
2023		132,053
2024		<u>126,385</u>
	\$	<u>604,184</u>

For PERA Fund Municipal Fire Division, at June 30, 2021, Sunland Park reported a liability of \$2,005,902 for its proportionate share of the net pension liability. At June 30, 2020, Sunland Park's proportion was 0.2652%, which was an increase of 0.0649% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, Sunland Park recognized PERA Fund Municipal Fire Division pension expense of \$95,821. At June 30, 2021, Sunland Park reported PERA Fund Municipal Fire Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 24,040	\$ -
Changes in proportion	364,441	241,748
Difference between expected and actual experience	44,472	-
Net difference between projected and actual earnings on pension plan investments	185,653	-
City of Sunland Park's contributions subsequent to the measurement date	<u>89,288</u>	<u>-</u>
Total	<u>\$ 707,894</u>	<u>\$ 241,748</u>

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9. PENSION PLAN - PUBLIC EMPLOYEE RETIREMENT ASSOCIATION (PERA) (CONTINUED)

\$89,288 reported as deferred outflows of resources related to pensions resulting from Sunland Park's contributions subsequent to the measurement date June 30, 2020 will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2021	\$	113,926
2022		70,230
2023		147,117
2024		<u>45,584</u>
	\$	<u>376,857</u>

Actuarial assumptions. As described above, the PERA Fund member group pension liabilities and net pension liabilities are based on actuarial valuations performed as of June 30, 2019 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, 2018 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, 2020. These actuarial methods and assumptions were adopted by the Board for use in the June 30, 2020 actuarial valuation.

PERA

Actuarial valuation date	June 30, 2019
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay
Asset valuation method	4 Year Smoothed Market Value
Actuarial assumptions:	
- Investment rate of return	7.25% annual rate, net of investment expense
- Administrative expenses	.50% of payroll
- Projected salary increases	3.25% to 13.50% annual rate
- Post-retirement benefit increases	2.00% annual rate first 9 years 2.75% all other years (2.50% for certain retirees and disabled participants with annual benefits less than \$20,000)

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9. PENSION PLAN - PUBLIC EMPLOYEE RETIREMENT ASSOCIATION (PERA) (CONTINUED)

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

ALL FUNDS - Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	35.50 %	5.90 %
Risk Reduction & Mitigation	19.50	1.00
Credit Oriented Fixed Income	15.00	4.20
Real Assets to include Real Estate Equity	20.00	6.00
Multi-Risk Allocation	10.00	6.40
Total	100.00 %	

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 GASB'S 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.

Sensitivity of the Employer's proportionate share of the net pension liability to changes in the discount rate. The following tables show the sensitivity of the net pension liability to changes in the discount rate. In particular, the tables present Sunland Park 's net pension liability in each PERA Fund Division that Sunland Park participates in, under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.25%) or one percentage point higher (8.25%) than the single discount rate.

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9. PENSION PLAN - PUBLIC EMPLOYEE RETIREMENT ASSOCIATION (PERA) (CONTINUED)

PERA Fund Municipal General Division	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
City of Sunland Park's proportionate share of the net pension liability	<u>\$ 4,328,479</u>	<u>\$ 3,023,230</u>	<u>\$ 1,940,916</u>
PERA Fund Municipal Police Division	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
City of Sunland Park's proportionate share of the net pension liability	<u>\$ 4,304,102</u>	<u>\$ 2,999,173</u>	<u>\$ 1,931,158</u>
PERA Fund Municipal Fire Division	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
City of Sunland Park's proportionate share of the net pension liability	<u>\$ 2,595,900</u>	<u>\$ 2,005,902</u>	<u>\$ 1,520,971</u>

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued FY20 Restated PERA financial report. The report is available at <https://www.nmpera.org/assets/uploads/downloads/gasb-67-supplemental-reports/Agency-366-B-PERA-2020-Schedule-of-Employer-Allocation-Final-S.pdf>.

Payables to the pension plan. There were no amounts owed to PERA at June 30, 2021. Contractually required contributions are remitted to PERA monthly for the previous month's withholdings. Accrued payroll includes the employer's portion of retirement contributions related to employee services rendered as of June 30, 2021 but paid in July 2021.

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10. POST EMPLOYMENT BENEFITS - STATE RETIREE HEALTH CARE PLAN

Plan Description. The City contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

Eligible retirees are: 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the person's behalf unless that person retires before the employer's RHCA effective date, in which event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; 2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; and 4) former governing authority members who served at least four years.

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare plan. That report and further information can be obtained by writing to the Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107.

Funding Policy. The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars if the eligible participant retired prior to the employer's RHCA effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at www.nmrhca.state.nm.us.

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

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10. POST EMPLOYMENT BENEFITS - STATE RETIREE HEALTH CARE PLAN (CONTINUED)

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

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2018, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2018, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session

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10. POST-EMPLOYMENT BENEFITS - STATE RETIREE HEALTH CARE PLAN (CONTINUED)

of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 674,835	\$ 610,503
Change in proportion	490,109	381,017
Net difference between projected and actual earnings on OPEB plan investments	18,747	-
Difference between expected and actual experience	-	610,434
Actual investment Earnings on OPEB investment plan	-	-
Contributions made after the measurement date	81,438	-
	<u>\$ 1,265,129</u>	<u>\$ 1,601,954</u>

Deferred outflows of resources totaling \$1,265,129 represent School 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year Ending	
2022	\$ (200,850)
2023	(147,623)
2023	(47,598)
2024	(59,812)
2025	37,620
	<u>\$ (418,263)</u>

The City's contributions to the RHCA for the years ended June 30, 2021, 2020, and 2019 were \$81,438, \$72,850 and 80,357 respectively which equal the required contributions for each year.

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10. POST-EMPLOYMENT BENEFITS - STATE RETIREE HEALTH CARE PLAN (CONTINUED)

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

<u>Assets Class</u>	<u>Long-Term Rate of Return</u>
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 total OPEB liability is 2.86% as of June 30, 2020. 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 Authority'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, 2040. The 7.25% discount rate, which includes the assumed inflation rate of 2.50%, was used to calculate the net OPEB liability through 2040. Beyond 2040, the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher (2.21%) was applied. Thus, 2.86% is the blended discount rate.

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10. POST-EMPLOYMENT BENEFITS - STATE RETIREE HEALTH CARE PLAN (CONTINUED)

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 Authority, as well as what the Authority's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.16 percent) or 1-percentage-point higher (5.16 percent) than the current discount rate:

	1% Decrease 3.16%	Current Discount Rate 4.16%	1% Increase 5.16%
City of Sunland Park's proportionate share of the net OPEB liability	\$ <u>4,273,008</u>	\$ <u>3,437,646</u>	\$ <u>2,791,997</u>

The following presents the net OPEB liability of the Authority, as well as what the Authority'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 Rate	1% Increase
City of Sunland Park's proportionate share of the net OPEB liability	\$ <u>2,821,664</u>	\$ <u>3,437,646</u>	\$ <u>3,904,884</u>

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, 2020.

11. CONCENTRATIONS

The Housing Authority received 57% of its revenues from programs directed by the United States Department of Housing and Urban Development. Receipt of these revenues is contingent upon the Public Housing Authority's continued compliance with the grant provisions and the maintenance of the grant program by the United States Department of Housing and Urban Development.

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12. CONTINGENT LIABILITIES

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

Amounts received or receivables from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. As of June 30, 2021 the City does not have a contingent liability outstanding.

13. DEFICIT FUND BALANCES AND BUDGET NONCOMPLIANCE ISSUES

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

- A Deficit fund balance of individual funds. There were funds that reflected a deficit fund balance as of June 30, 2021. The Motor Vehicle Department had a deficit fund balance of \$40,320. The Board fund had a deficit fund balance of \$(3,750).
- B Excess of expenditures over appropriations exceeded approved budgetary authority for the year ended June 30, 2021: There were no funds that exceeded approved budgetary authority for the year ended June 30, 2021.
- C Designated cash appropriations. There were no funds in which designated cash appropriations were in excess of available balances for the year ended June 30, 2021.

14. SUBSEQUENT EVENTS

The date to which events occurring after June 30, 2021, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or disclosures is December 14, 2021, which is the date on which the financial statements were available to be issued.

15. RESTRICTED NET POSITION

The government-wide statement of net position reports \$13,747,602 of restricted amounts, all of which is restricted by enabling legislation. For descriptions of the related enabling legislation for special revenue and capital projects, see pages 36 and 87.

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16. JOINT POWERS AGREEMENTS AND MEMORANDUMS OF UNDERSTANDING

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

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

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

A joint powers agreement was executed on March 5, 2013 between the City and the City of Las Cruces, Doña Ana County, Town of Mesilla, Village of Hatch for purpose of governing the Mesilla Valley Regional Dispatch Authority. The City of Las Cruces is the fiscal agent and has audit responsibility. The City is required to contribute an amount annually determined by the Mesilla Valley Regional Dispatch Authority. The City contributed \$164,132 to the Mesilla Valley Regional Dispatch Authority in fiscal year 2021.

17. SUBSEQUENT PRONOUNCEMENTS

In May 2019, GASB Statement No. 91, Conduit Debt Obligations, was issued. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirement of this Statement are effective for reporting periods beginning after December 15, 2021. Earlier application is encouraged. The District is still evaluating how this pronouncement will affect the financial statements.

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17. SUBSEQUENT PRONOUNCEMENTS (CONTINUED)

In January, 2020 GASB Statement No. 92, Omnibus 2020, was issued. The objectives of this statements are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2020. Earlier application is encouraged. The District is still evaluating how this pronouncement will affect the financial statements.

In March 2020 GASB Statement No. 93, Replacement of Interbank Offered Rates, was issued. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The requirements of this Statement, except for paragraphs 11b, 13, and 14 are effective for reporting periods beginning after June 15, 2020. The requirement in paragraph 11b is effective for reporting periods ending after December 31, 2021. The requirements in paragraphs 13 and 14 are effective for fiscal years periods beginning after June 15, 2021, and all reporting periods thereafter. Earlier application is encouraged. The District is still evaluating how this pronouncement will affect the financial statements.

In May 2020 GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance, was issued, effective immediately. The objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic.

In May 2020 GASB Statement No. 96, This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended

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17. SUBSEQUENT PRONOUNCEMENTS (CONTINUED)

In June 2020 GASB Statement No. 97, The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

18. TAX ABATEMENTS

There are no tax abatement to report under GASB 77.

REQUIRED SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
CITY OF SUNLAND PARK
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) PLAN
PERA MUNICIPAL GENERAL DIVISION
LAST 10 FISCAL YEARS*
FOR THE YEAR ENDED JUNE 30, 2021

	Measurement Date As of and for the Year Ended June 30, 2021	Measurement Date As of and for the Year Ended June 30, 2020	Measurement Date As of and for the Year Ended June 30, 2019	Measurement Date As of and for the Year Ended June 30, 2018	Measurement Date As of and for the Year Ended June 30, 2017	Measurement Date As of and for the Year Ended June 30, 2016	Measurement Date As of and for the Year Ended June 30, 2015
The City of Sunland Park's proportion of the net pension liability	0.1495 %	0.1579 %	0.1611 %	0.1250 %	0.1207 %	0.1174 %	0.0948 %
The City of Sunland Park's proportionate share of the net pension liability	\$ 3,023,230	\$ 2,733,406	\$ 2,568,530	\$ 1,717,606	\$ 1,928,380	\$ 1,196,995	\$ 739,542
The City of Sunland Parks' covered-employee payroll	\$ 1,711,610	\$ 1,472,810	\$ 1,372,930	\$ 1,036,907	\$ 998,714	\$ 1,336,693	\$ 1,055,626
The City of Sunland Parks' proportionate share of the net pension liability as a percentage of its covered-employee payroll	176.63 %	185.59 %	187.08 %	165.65 %	193.09 %	89.55 %	70.06 %
Plan fiduciary net position as a percentage of the total pension liability	66.36 %	70.52 %	71.13 %	73.74 %	69.18 %	76.99 %	81.29 %

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

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SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) PLAN
PERA MUNICIPAL POLICE DIVISION
LAST 10 FISCAL YEARS*
FOR THE YEAR ENDED JUNE 30, 2021

	Measurement Date As of and for the Year Ended June 30, 2021	Measurement Date As of and for the Year Ended June 30, 2020	Measurement Date As of and for the Year Ended June 30, 2019	Measurement Date As of and for the Year Ended June 30, 2018	Measurement Date As of and for the Year Ended June 30, 2017	Measurement Date As of and for the Year Ended June 30, 2016	Measurement Date As of and for the Year Ended June 30, 2015
The City of Sunland Parks' proportion of the net pension liability	0.3492 %	0.3773 %	0.4272 %	0.3358 %	0.3546 %	0.3715 %	0.3613 %
The City of Sunland Parks' proportionate share of the net pension liability	\$ 2,999,173	\$ 2,786,998	\$ 2,914,804	\$ 1,865,590	\$ 2,616,344	\$ 1,786,380	\$ 1,177,799
The City of Sunland Parks' covered- employee payroll	1,575,727	1,698,368	1,804,667	1,293,539	1,348,799	\$ 865,650	\$ 894,412
The City of Sunland Parks' proportionate share of the net pension liability as a percentage of its covered-employee payroll	190.34 %	164.10 %	161.51 %	144.22 %	193.98 %	206.36 %	136.23 %
Plan fiduciary net position as a percentage of the total pension liability	66.36 %	70.52 %	71.13 %	73.74 %	69.18 %	76.99 %	81.29 %

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

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SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) PLAN
PERA MUNICIPAL FIRE DIVISION
LAST 10 FISCAL YEARS*
FOR THE YEAR ENDED JUNE 30, 2021

	Measurement Date As of and for the Year Ended June 30, 2021	Measurement Date As of and for the Year Ended June 30, 2020	Measurement Date As of and for the Year Ended June 30, 2019	Measurement Date As of and for the Year Ended June 30, 2018	Measurement Date As of and for the Year Ended June 30, 2017	Measurement Date As of and for the Year Ended June 30, 2016	Measurement Date As of and for the Year Ended June 30, 2015
The City of Sunland Park' proportion of the net pension liability	0.2652 %	0.2003 %	0.2802 %	0.2802 %	0.2467 %	0.2512 %	0.2218 %
The City of Sunland Park's proportionate share of the net pension liability	\$ 2,005,902	\$ 1,376,535	1,793,456	1,793,456	1,645,740	1,296,489	925,792
The City of Sunland Park's covered- employee payroll	\$ 926,867	\$ 617,721	\$ 815,530	\$ 647,061	\$ 629,993	\$ 546,192	\$ 544,147
The City of Sunland Parks' proportionate share of the net pension liability as a percentage of its covered-employee payroll	216.42 %	222.84 %	168.79 %	212.74 %	261.23 %	237.37 %	193.97 %
Plan fiduciary net position as a percentage of the total pension liability	66.36 %	70.52 %	71.13 %	73.74 %	69.18 %	76.99 %	81.29 %

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

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STATE OF NEW MEXICO
CITY OF SUNLAND PARK
SCHEDULE OF CITY OF SUNLAND PARK' CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) PLAN
PERA MUNICIPAL GENERAL DIVISION
LAST 10 FISCAL YEARS*
FOR THE YEAR ENDED JUNE 30, 2021

	As of and for the Year Ended June 30, 2021	As of and for the Year Ended June 30, 2020	As of and for the Year Ended June 30, 2019	As of and for the Year Ended June 30, 2018	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
Contractually required contribution	\$ 138,153	\$ 144,489	\$ 127,802	\$ 126,753	\$ 97,278	\$ 98,915	\$ 96,654
Contributions in relation to the contractually required contribution	<u>(138,153)</u>	<u>(144,489)</u>	<u>(127,802)</u>	<u>(126,753)</u>	<u>(97,278)</u>	<u>(98,915)</u>	<u>(96,654)</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
The City of Sunland Park's covered- employee payroll	<u>\$ 1,711,610</u>	<u>\$ 1,472,810</u>	<u>\$ 1,372,930</u>	<u>\$ 1,036,907</u>	<u>\$ 998,715</u>	<u>\$ 1,336,693</u>	<u>\$ 1,055,626</u>
Contributions as a percentage of covered-employee payroll	8.07 %	9.81 %	9.31 %	12.22 %	9.74 %	7.40 %	9.16 %

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SCHEDULE OF CITY OF SUNLAND PARK' CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) PLAN
PERA MUNICIPAL POLICE DIVISION
LAST 10 FISCAL YEARS*
FOR THE YEAR ENDED JUNE 30, 2021

	As of and for the Year Ended June 30, 2021	As of and for the Year Ended June 30, 2020	As of and for the Year Ended June 30, 2019	As of and for the Year Ended June 30, 2018	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
Contractually required contribution	\$ 157,842	\$ 166,617	\$ 167,990	\$ 158,125	\$ 133,310	\$ 131,072	\$ 137,634
Contributions in relation to the contractually required contribution	<u>(157,842)</u>	<u>(166,617)</u>	<u>(167,990)</u>	<u>(158,125)</u>	<u>(133,310)</u>	<u>(131,072)</u>	<u>(137,634)</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
The City of Sunland Park's covered-employee payroll	<u>\$ 1,575,727</u>	<u>\$ 1,698,368</u>	<u>\$ 1,804,667</u>	<u>\$ 1,293,539</u>	<u>\$ 1,348,799</u>	<u>\$ 865,650</u>	<u>\$ 894,412</u>
Contributions as a percentage of covered-employee payroll	10.02 %	9.81 %	9.31 %	12.22 %	9.88 %	15.14 %	15.39 %

* 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 Sunland Park will present information for those years for which information is available.

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SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) PLAN
PERA MUNICIPAL FIRE DIVISION
LAST 10 FISCAL YEARS*
FOR THE YEAR ENDED JUNE 30, 2021

	As of and for the Year Ended June 30, 2021	As of and for the Year Ended June 30, 2020	As of and for the Year Ended June 30, 2019	As of and for the Year Ended June 30, 2018	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
Contractually required contribution	\$ 81,074	\$ 60,601	\$ 75,915	\$ 79,098	\$ 61,363	\$ 62,266	\$ 61,958
Contributions in relation to the contractually required contribution	<u>(81,074)</u>	<u>(60,601)</u>	<u>(75,915)</u>	<u>(79,098)</u>	<u>(61,363)</u>	<u>(62,266)</u>	<u>(61,958)</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
The City of Sunland Park's covered-employee payroll	<u>\$ 926,867</u>	<u>\$ 617,721</u>	<u>\$ 815,530</u>	<u>\$ 647,061</u>	<u>\$ 629,993</u>	<u>\$ 546,192</u>	<u>\$ 544,147</u>
Contributions as a percentage of covered-employee payroll	8.75 %	9.81 %	9.31 %	12.22 %	9.74 %	11.40 %	11.39 %

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

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STATE OF NEW MEXICO
CITY OF SUNLAND PARK
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021

Changes of benefit terms - The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA FY20 audit available at <https://www.nmpera.org/assets/uploads/downloads/gasb-67-supplemental-reports/Agency-366-B-PERA-2020-Schedule-of-Employer-Allocation-Final-S.pdf>.

Changes in assumptions - *The Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation as of June 30, 2019 report is available at https://www.nmpera.org/assets/uploads/home-banner/6-30-2019-PERA-Valuation-Report-FINAL_191107_105646.pdf.*

See independent auditors' report

STATE OF NEW MEXICO
CITY OF SUNLAND PARK
SCHEDULE OF PROPORTIONATE SHARE OF THE OPEB LIABILITY
LAST 10 FISCAL YEARS*
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Measurement Date As of and for the Year Ended June 30, 2021</u>	<u>Measurement Date As of and for the Year Ended June 30, 2020</u>	<u>Measurement Date As of and for the Year Ended June 30, 2019</u>	<u>Measurement Date As of and for the Year Ended June 30, 2018</u>
The City of Sunland Park's proportion of the net OPEB liability	0.0819 %	0.0908 %	0.0885 %	0.0730 %
The City of Sunland Park's proportionate share of the net OPEB liability	\$ 3,437,646	\$ 2,943,441	\$ 3,849,164	\$ 3,308,574
The City of Sunland Parks' covered-employee payroll	\$ 3,518,868	\$ 3,788,185	\$ 3,798,054	\$ 3,041,339
The City of Sunland Parks' proportionate share of the net OPEB liability as a percentage of its covered- employee payroll	97.69 %	77.70 %	101.35 %	108.79 %
Plan fiduciary net position as a percentage of the total OPEB liability	16.50 %	18.92 %	13.14 %	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 Sunland Park will present information for those years for which information is available.

See independent auditors' report

STATE OF NEW MEXICO
CITY OF SUNLAND PARK
SCHEDULE OF CITY OF SUNLAND PARK'S CONTRIBUTIONS - OPEB
LAST 10 FISCAL YEARS*
FOR THE YEAR ENDED JUNE 30, 2021

	<u>As of and for the Year Ended June 30, 2021</u>	<u>As of and for the Year Ended June 30, 2020</u>	<u>As of and for the Year Ended June 30, 2019</u>	<u>As of and for the Year Ended June 30, 2018</u>
Contractually required contribution	\$ 81,438	\$ 80,355	\$ 138,327	\$ 231,841
Contributions in relation to the contractually required contribution	<u>(80,355)</u>	<u>(80,355)</u>	<u>(136,638)</u>	<u>(116,358)</u>
Contribution deficiency (excess)	<u>1,083</u>	<u>-</u>	<u>1,689</u>	<u>115,483</u>
The City of Sunland Park's covered-employee payroll	<u>\$ 3,518,868</u>	<u>\$ 3,518,868</u>	<u>\$ 3,798,054</u>	<u>\$ 3,041,339</u>
Contributions as a percentage of covered-employee payroll	2.31 %	2.12 %	3.60 %	3.83 %

* 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 Sunland Park will present information for those years for which information is available.

See independent auditors' report

STATE OF NEW MEXICO
CITY OF SUNLAND PARK
OPEB NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021

Benefit changes - In 2020 no benefit changes to those in place. Retirees and spouses are eligible for medical and prescription drug benefits. Dental and vision benefits are also available. New Mexico Retiree Health Care Authority audited comprehensive annual financial report is available at the following web address: www.nmrhca.state.nm.us

Changes of assumptions - The OPEB salary scale, inflation, and payroll assumptions were updated to reflect assumptions used in the OPEB June 30, 2020 retire health care fund valuation. Per capita costs, future trend for health costs, and medical election assumptions were updated.

SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
CITY OF SUNLAND PARK
NON-MAJOR FUNDS
JUNE 30, 2021

SPECIAL REVENUE FUNDS

Emergency Medical Services - State Statutes Section 24-1 OA provides for the distribution of funds from the State Emergency Medical Services Fund to local public bodies for the purchase, repair, and maintenance of rescue units, ambulance vehicles, emergency equipment, and communications equipment. This fund is used to account for the receipt and disbursement of these monies (NMSA 24-1 OA-1 to 24-1 OA-10).

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

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

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

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

Board Expense – To account for discretionary expenditures made by the Board.

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

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

STATE OF NEW MEXICO
CITY OF SUNLAND PARK
NON-MAJOR FUNDS
JUNE 30, 2021

SPECIAL REVENUE FUNDS (CONTINUED)

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

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

Lodgers Tax - To account for all monies derived from lodgers tax.

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

CDBG Grant - To improve 1st through 5th streets. The total of the grant \$500,000 with \$50,000 match and \$222,085 leverage.

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

Grants Fund - Grants fund was created to account for funding from State Grants used for capital purchases.

Library Fund - To account for the operations and maintenance of the Village Library. Financing is provided by donations and/ or grants. The donations/grants provide for payment of all current operating costs and may be used only for that purpose. (Authority is Village Council)

STATE OF NEW MEXICO
CITY OF SUNLAND PARK
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Special Revenue Funds						
	Emergency Medical Services	Corrections Fund	Senior Citizens Center	Law Enforcement Protection	Court Automation	Board Expense Fund	Fire Protection Fund
ASSETS							
Cash and cash equivalents	\$ 6,696	\$ 138,271	\$ -	\$ -	\$ 8,458		\$ 99,835
Receivables:							
Other receivables	-	-	-	-	-	-	-
Total assets	<u>\$ 6,696</u>	<u>\$ 138,271</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,458</u>	<u>\$ -</u>	<u>\$ 99,835</u>
LIABILITIES AND FUND BALANCE							
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76,600	\$ -
Due to other funds	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>76,600</u>	<u>-</u>
Fund balances:							
Spendable							
Restricted for:							
Public safety	6,696	138,271	-	-	8,458	-	99,835
Culture and recreation	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(76,600)	-
Total fund balances	<u>6,696</u>	<u>138,271</u>	<u>-</u>	<u>-</u>	<u>8,458</u>	<u>(76,600)</u>	<u>99,835</u>
Total liabilities and fund balances	<u>\$ 6,696</u>	<u>\$ 138,271</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,458</u>	<u>\$ -</u>	<u>\$ 99,835</u>

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
CITY OF SUNLAND PARK
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2021

	Special Revenue				Capital Projects				Total Other
	Confiscated Assets	Traffic Safety Fund	Lodgers Tax	Municipal Road	CDBG Grant	FEMA Grant	Grants Fund	Library Grant Fund	Governmental Funds
ASSETS									
Cash and cash equivalents	\$ -	\$ 1,250	\$ 183,310	\$ 214,710	\$ 3,750	\$ 100,442	\$ 36,178	\$ 10,105	\$ 813,600
Receivables:									
Taxes	-	-	13,808	2,422	-	-	-	-	16,230
Other receivables	-	-	-	-	-	-	73,447	-	73,447
Total assets	<u>\$ -</u>	<u>\$ 1,250</u>	<u>\$ 197,118</u>	<u>\$ 217,132</u>	<u>\$ 3,750</u>	<u>\$ 100,442</u>	<u>\$ 109,625</u>	<u>\$ 10,105</u>	<u>\$ 903,277</u>
LIABILITIES AND FUND BALANCE									
Liabilities									
Accounts payable	\$ -	\$ -	\$ 15,899	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 92,499
Due to other funds	-	-	-	-	-	-	10,013	-	10,013
Total liabilities	<u>-</u>	<u>-</u>	<u>15,899</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,013</u>	<u>-</u>	<u>102,512</u>
Fund balances:									
Spendable									
Restricted for:									
General government	-	-	181,219	-	-	-	-	-	181,219
Public safety	-	1,250	-	-	-	-	-	-	254,510
Public works	-	-	-	217,132	-	-	-	-	217,132
Culture and recreation	-	-	-	-	-	-	-	10,105	20,700
Capital projects	-	-	-	-	3,750	100,442	99,612	-	203,804
Unassigned	-	-	-	-	-	-	-	-	(76,600)
Total fund balances	<u>-</u>	<u>1,250</u>	<u>181,219</u>	<u>217,132</u>	<u>3,750</u>	<u>100,442</u>	<u>99,612</u>	<u>10,105</u>	<u>800,765</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 1,250</u>	<u>\$ 197,118</u>	<u>\$ 217,132</u>	<u>\$ 3,750</u>	<u>\$ 100,442</u>	<u>\$ 109,625</u>	<u>\$ 10,105</u>	<u>\$ 903,277</u>

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
CITY OF SUNLAND PARK
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Funds						
	Emergency Medical Fund	Corrections Fund	Senior Citizens Center	Law Enforcement Protection Fund	Court Automation	Board Expense Fund	Fire Protection Fund
Revenues:							
Intergovernmental income:							
State operating grants	6,341	-	-	31,400	9,146	-	372,076
State capital grants	-	-	-	-	-	14,036	-
Charges for services	-	-	-	-	-	-	6,005
Licenses and fees	-	32,862	-	-	-	-	-
Total revenues	6,341	32,862	-	31,400	9,146	-	378,081
Expenditures:							
Current:							
General government	-	-	-	-	8,499	-	-
Public safety	9,581	7,080	-	-	-	-	205,753
Culture and recreation	-	-	379	-	-	-	-
Capital outlay	-	-	-	-	-	390,056	4,376
Total expenditures	9,581	7,080	379	-	8,499	390,056	210,129
Excess (deficit) of revenues over expenditures	(3,240)	25,782	(379)	31,400	647	(390,056)	167,952

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
CITY OF SUNLAND PARK
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Funds							
	Emergency Medical Fund	Corrections Fund	Senior Citizens Center	Law Enforcement Protection Fund	Court Automation	Board Expense Fund	New Mexico Beautification	Fire Protection Fund
Other financing sources:								
Transfers in	6,000	-	-	-	-	313,456	-	-
Transfers out	-	-	-	(31,400)	-	-	-	(94,760)
Total other financing sources	6,000	-	-	(31,400)	-	313,456	-	(94,760)
Net change in fund balances	2,760	25,782	(379)	-	647	(76,600)	(6,152)	73,192
Fund balance - beginning of year	3,936	112,489	379	-	7,811	-	16,747	26,643
Fund balance - end of year	\$ 6,696	\$ 138,271	\$ -	\$ -	\$ 8,458	\$ (76,600)	\$ 10,595	\$ 99,835

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
CITY OF SUNLAND PARK
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue				Capital Projects				Total Other
	Confiscated Assets	Traffic Safety Fund	Lodgers Tax	Municipal Road	CDBG Grant	FEMA Grant	Grants Fund	Library Grant Fund	Governmental Funds
Revenues:									
Taxes:									
Gasoline and motor vehicle	\$ -	\$ -	\$ -	\$ 25,229	\$ -	\$ -	\$ -	\$ -	\$ 25,229
Lodgers tax	-	-	29,939	-	-	-	-	-	29,939
Intergovernmental income:									
Federal capital grants	-	-	-	-	-	105,520	-	-	105,520
State operating grants	-	20,899	-	-	-	-	-	-	439,862
State capital grants	-	-	-	-	-	-	197,224	21,447	232,707
Charges for services	-	-	-	-	-	-	-	-	6,005
Licenses and fees	-	-	-	-	-	-	-	-	32,862
Total revenues	-	20,899	29,939	25,229	-	105,520	197,224	21,447	872,124
Expenditures:									
Current:									
General government	-	-	57,468	-	-	-	-	-	65,967
Public safety	6,825	19,803	-	-	-	5,078	-	-	254,120
Culture and recreation	-	-	-	-	-	-	-	35,548	56,115
Capital outlay	-	-	-	-	-	-	368,349	4,710	767,491
Total expenditures	6,825	19,803	57,468	-	-	5,078	368,349	40,258	1,143,693
Excess (deficit) of revenues over expenditures	(6,825)	1,096	(27,529)	25,229	-	100,442	(171,125)	(18,811)	(271,569)

See independent auditors' report and accompanying notes to financial statements.

STATE OF NEW MEXICO
CITY OF SUNLAND PARK
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue				Capital Projects				Total Other
	Confiscated Assets	Traffic Safety Fund	Lodgers Tax	Municipal Road	CDBG Grant	FEMA Grant	Grants Fund	Library Grant Fund	Governmental Funds
Other financing sources:									
Proceeds from notes	-	-	-	-	-	-	-	-	-
Transfers in	-	422	-	-	-	-	271,820	18,811	610,509
Transfers out	-	-	-	-	-	-	(64,673)	-	(190,833)
Total other financing sources	-	422	-	-	-	-	207,147	18,811	419,676
Net change in fund balances	(6,825)	1,518	(27,529)	25,229	-	100,442	36,022	-	148,107
Fund balance - beginning of year	6,825	(268)	208,748	191,903	3,750	-	63,590	10,105	652,658
Fund balance - end of year	\$ -	\$ 1,250	\$ 181,219	\$ 217,132	\$ 3,750	\$ 100,442	\$ 99,612	\$ 10,105	\$ 800,765

See independent auditors' report and accompanying notes to financial statements.

OTHER SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
CITY OF SUNLAND PARK
SCHEDULE OF DEPOSITORIES AND TEMPORARY INVESTMENTS
BY DEPOSITORY FOR PUBLIC FUNDS
JUNE 30, 2021

Deposit Account Type	Wells Fargo Bank	NMFA	Totals
General Fund - Checking	\$ 5,194,176	\$ -	\$ 5,194,176
General Fund - CD	500,000 *	-	500,000
General - Savings	201,314 *	-	201,314
Fire Protection Fund- Checking	106,282	-	106,282
EMS Fund - Checking	6,696	-	6,696
Correction Fund - Checking	-	-	-
CDBG Fund - Checking	3,750	-	3,750
Municipal Road Fund - Checking	-	-	-
LEDA - Checking	250,000	-	250,000
Public Housing Authority Fund - Checking	304,629	-	304,629
Public Housing Authority Fund - Checking	175,066	-	175,066
FEMA Grant Fund - Checking	-	-	-
Motor Vehicle Fund - Checking	623,426	-	623,426
Solid Waste - Checking	133,130	-	133,130
Lodgers Tax Fund - Checking	-	-	-
Border Crossing Fund - Checking	300,491	-	300,491
Border Crossing Fund - Savings	4,480,321 *	-	4,480,321
Debt Service - Checking	91,141	-	91,141
NMFA Program Funds	<u>-</u>	<u>1,364,904</u>	<u>1,364,904</u>
Total deposits and investments	<u>12,370,422</u>	<u>1,364,904</u>	13,735,326
	Plus: net reconciling items		(220,926)
	Plus: petty cash		<u>300</u>
	Reconciled balance June 30, 2021		<u>\$ 13,514,700</u>
	Cash and cash equivalents		\$ 13,166,152
	Restricted cash and cash equivalents		<u>348,548</u>
	Total cash and cash equivalents and investments		<u>\$ 13,514,700</u>

*** Interest Bearing Account**

See independent auditors' report

STATE OF NEW MEXICO
CITY OF SUNLAND PARK
SCHEDULE OF PLEDGED COLLATERAL
FOR THE YEAR ENDED JUNE 30, 2021

Name of Depository	Description of Pledged Collateral	Maturity	CUSP Number	Fair Market Value at June 30, 2021
Bank of New York Mellon				
	FMAC FEPC 3.5%	4/1/2042	3131XJKU5	\$ 311,041
	FMAC FEPC 3.0%	10/1/2049	3133KGU30	1,395,975
	FNMA FNMS 3.5%	2/1/2047	3138WJXP8	1,667,714
	FNMA FNMS 6.0%	10/1/2038	3140J8X32	1,750,210
	FNMA FNMS 3.0%	1/1/2050	3140K3BC5	925,972
	FNMA FNMS 3.5%	3/1/2048	31418CU77	1,726,365
	FMAC FEPC 3.5%	4/1/2042	3132A46S2	685,982
	FMAC FRPC 3.0%	11/1/2049	3133KG4S4	1,688,552
	FNMA FNMS 3.0%	3/1/2050	3140QCVV5	<u>1,925,247</u>
	Total Market Value			<u>\$ 12,077,058</u>

US Bank- Demand Deposit Accounts

Operating Account	\$ 5,648,517
Savings	4,856,701
NMFA	1,364,904
CD	500,000
Petty Cash	<u>300</u>
Subtotal	12,370,422
Less FDIC coverage	<u>1,706,045</u>
Total	<u>\$ 10,664,377</u>

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

See independent auditors' report

STATE OF NEW MEXICO
CITY OF SUNLAND PARK
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021

Statement of Changes in Fiduciary Net Position

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Assets				
Cash	\$ 251,527	\$ -	\$ -	\$ 251,527
Total Assets	<u>\$ 251,527</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 251,527</u>
Liabilities				
Due to others	\$ 251,527	\$ -	\$ -	\$ 251,527
Total liabilities	<u>\$ 251,527</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 251,527</u>

See independent auditors' report

STATE OF NEW MEXICO
CITY OF SUNLAND PARK HOUSING AUTHORITY
A DEPARTMENT OF THE CITY OF SUNLAND PARK
FINANCIAL DATA SCHEDULE
JUNE 30, 2021

Line Item Number	Description	Low Rent Public Housing Program 14.850	Public Housing Capital Fund Program 14.872	Total
111	Cash - Unrestricted	\$ 460,230	\$ -	\$ 460,230
100	Total Cash	460,230	-	460,230
124	Accounts Receivable - Other Government	63,969	-	63,969
126	Accounts Receivable - Tenants	<u>2,704</u>	<u>-</u>	<u>2,704</u>
120	Total Receivables, Net of Allowance for Doubtful Accounts	66,673	-	66,673
131	Investments - Unrestricted	<u>-</u>	<u>-</u>	<u>-</u>
130	Total Investments	<u>-</u>	<u>-</u>	<u>-</u>
150	Total Current Assets	<u>526,903</u>	<u>-</u>	<u>526,903</u>
114	Cash - Tenant Security Deposits	<u>5,880</u>	<u>-</u>	<u>5,880</u>
161	Land	150,000	-	150,000
162	Buildings	3,493,990	-	3,493,990
163	Furniture, Equipment & Machinery - Dwellings	66,411	-	66,411
164	Vehicles	48,532	-	48,532
166	Accumulated Depreciation	<u>(2,095,393)</u>	<u>-</u>	<u>(2,095,393)</u>
160	Total Capital Assets, Net of Accumulated Depreciation	<u>1,663,540</u>	<u>-</u>	<u>1,663,540</u>
180	Total Non-Current Assets	<u>1,669,420</u>	<u>-</u>	<u>1,669,420</u>
190	Total Assets	2,196,323	-	2,196,323
200	Deferred Outflows of Resources	<u>88,322</u>	<u>-</u>	<u>88,322</u>
290	Total Assets and Deferred Outflow of Resources	<u>\$ 2,284,645</u>	<u>\$ -</u>	<u>\$ 2,284,645</u>

See independent auditors' report

STATE OF NEW MEXICO
CITY OF SUNLAND PARK HOUSING AUTHORITY
A DEPARTMENT OF THE CITY OF SUNLAND PARK
FINANCIAL DATA SCHEDULE
JUNE 30, 2021

Line Item Number	Description	Low Rent Public Housing Program 14.850	Public Housing Capital Fund Program 14.872	Total
312	Accounts Payable <= 90 Days	\$ 2,523	\$ -	\$ 2,523
321	Accrued Wage/Payroll Taxes Payable	248	-	248
322	Accrued Compensated Absences - Current Portion	6,073	-	6,073
324	Accrued Contingency Liability	-	-	-
331-030	Other	-	-	-
332	Accounts Payable - PHA Projects	-	-	-
333	Accounts Payable - Other Government	-	-	-
341	Tenant Security Deposits	5,880	-	5,880
342	Deferred Revenues	-	-	-
342-010	Operating Subsidy	-	-	-
342-020	Capital Fund	-	-	-
343-020	Capital Projects/Mortgage Revenue	-	-	-
344	Borrowings	-	-	-
345	Other Current Liabilities	-	-	-
346	Accrued Liabilities - Other	-	-	-
347	Due to other funds	-	-	-
348	Loan Liability - Current	-	-	-
348-010	Not For Profit	-	-	-
348-020	Partnership	-	-	-
348-030	Joint Venture	-	-	-
348-040	Tax Credit	-	-	-
348-050	Other	-	-	-
310	Total Current Liabilities	<u>14,724</u>	<u>-</u>	<u>14,724</u>
354	Accrued Compensated Absences - Non Current	1,016	-	1,016
357	Net Pension Liability	159,937	-	159,937
357	OPEB Liability	<u>94,045</u>	<u>-</u>	<u>94,045</u>
350	Total Non-Current Liabilities	<u>254,998</u>	<u>-</u>	<u>254,998</u>
300	Total Liabilities	<u>269,722</u>	<u>-</u>	<u>269,722</u>
400	Deferred Inflows of Resources	<u>56,664</u>	<u>-</u>	<u>56,664</u>
508.1	Net investment in capital assets	1,663,540	-	1,663,540
512.0	Unrestricted Net Position	<u>294,719</u>	<u>-</u>	<u>294,719</u>
513	Total Equity/Net Position	<u>1,958,259</u>	<u>-</u>	<u>1,958,259</u>
600	Total Liabilities and Equity/Net Position	<u>\$ 2,284,645</u>	<u>\$ -</u>	<u>\$ 2,284,645</u>

See independent auditors' report

STATE OF NEW MEXICO
CITY OF SUNLAND PARK HOUSING AUTHORITY
A DEPARTMENT OF THE CITY OF SUNLAND PARK
FINANCIAL DATA SCHEDULE
JUNE 30, 2021

Line Item Number	Description	Low Rent Public Housing Program 14.850	Public Housing Capital Fund Program 14.872	Total
70300	Net Tenant Rental Revenue	\$ 120,769	\$ -	\$ 120,769
70400	Tenant Revenue- Other	<u>400</u>	<u>-</u>	<u>400</u>
70500	Total Tenant Revenue	<u>121,169</u>	<u>-</u>	<u>121,169</u>
70600	HUD PHA Operating Grants	342,331	-	342,331
70610	Capital Grants	-	-	-
70800	Other Governmental Grants	-	-	-
71100	Investment Income - Unrestricted	394	-	394
71500	Other Revenue	923	-	923
71600	Gain or Loss on Sale of Capital Assets	<u>-</u>	<u>-</u>	<u>-</u>
70000	Total Revenue	<u>464,817</u>	<u>-</u>	<u>464,817</u>
91100	Administrative Salaries	111,134	-	111,134
91200	Auditing Fees	5,200	-	5,200
91300	Management Fee	-	-	-
91500	Employee Benefit Contributions - Administrative	(5,359)	-	(5,359)
91600	Office Expenses	5,459	-	5,459
91700	Professional Service Expense	6,711	-	6,711
91800	Travel	-	-	-
91810	Allocated Overhead	-	-	-
91900	Other	66,995	-	66,995
93400	Duel	-	-	-
93800	Other Utilities Expense	56,958	-	56,958
94300	Maintenance	12,966	-	12,966
96120	Insurance	15,455	-	15,455
96130	Workmen's Compensation	-	-	-
96140	All Other Insurance	-	-	-
97400	Depreciation Expense	<u>99,700</u>	<u>-</u>	<u>99,700</u>
91000	Total Operating Expenses	<u>375,219</u>	<u>-</u>	<u>375,219</u>

See independent auditors' report

STATE OF NEW MEXICO
CITY OF SUNLAND PARK HOUSING AUTHORITY
A DEPARTMENT OF THE CITY OF SUNLAND PARK
FINANCIAL DATA SCHEDULE
JUNE 30, 2021

Line Item Number	Description	Low Rent Public Housing Program 14.850	Public Housing Capital Fund Program 14.872	Total
97000	Excess Operating Revenue Over Operating Expenses	<u>89,598</u>	<u>-</u>	<u>89,598</u>
10010	Operating Transfers In	-	-	-
10000	Excess (Deficiency) of Operating Revenue Over (Under) Total Expenses	<u>89,598</u>	<u>-</u>	<u>89,598</u>
11030	Net Position at the beginning of the Year	<u>1,868,661</u>	<u>-</u>	<u>1,868,661</u>
11040	Prior Period Adjustment, Equity Transfers and Correction	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	Net Position at End of year	<u>\$ 1,958,259</u>	<u>\$ -</u>	<u>\$ 1,958,259</u>

See independent auditors' report

COMPLIANCE SECTION



Beasley, Mitchell & Co.

Certified Public Accountants

INDEPENDENT AUDITORS' 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

Mr. Brian S. Colón, Esq., State Auditor
and the Mayor and City Council of the
City of Sunland Park, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds of the City of Sunland Park, New Mexico as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the City's basic financial statements and the combined and individual funds and related budgetary comparisons presented as supplementary information, and have issued our report thereon dated December 14, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Sunland Park, New Mexico, 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 of Sunland Park, New Mexico's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Sunland Park, New Mexico's internal control.

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



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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Sunland Park, New Mexico financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests did not disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the 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.

Beasley, Mitchell & Co. LLP

Beasley, Mitchell & Co.
Las Cruces, New Mexico
December 14, 2021

STATE OF NEW MEXICO
CITY OF SUNLAND PARK
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2021

Section II - Financial Statement Findings

PRIOR YEAR FINDINGS

2020-001	Internal Control - Documentation - Significant Deficiency	Resolved
2020-002	Internal Control - Contract Management - Significant Deficiency	Resolved
2020-003	Internal Control - Documentation - Significant Deficiency	Resolved
2020-004	Non-compliance - Non-reporting to the Office of State Auditor	Resolved

CURRENT YEAR FINDINGS

None noted

STATE OF NEW MEXICO
CITY OF SUNLAND PARK
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2021

Summary of Audit Results

Type of auditors' report issued	Unmodified
Internal control over financial reporting	
• Material weakness(es) identified	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	No
Noncompliance material to financial statements noted	No

STATE OF NEW MEXICO
CITY OF SUNLAND PARK
EXIT CONFERENCE
FOR THE YEAR ENDED JUNE 30, 2021

An entrance conference was held on September 22, 2021 in a closed meeting with Beasley, Mitchell & Co., LLP and with the following City officials:

Javier Perea
Raquel Alarcon

Mayor
Finance Director

Beasley, Mitchell & Co., LLP

Juan Garcia

Audit Specialist

An exit conference was held on December 13, 2021 in a closed meeting with Beasley, Mitchell & Co., LLP and with the following City officials:

Javier Perea
Raquel Alarcon

Mayor
Finance Director

Beasley, Mitchell & Co., LLP

Juan Garcia

Audit Specialist

STATE OF NEW MEXICO
CITY OF SUNLAND PARK
EXIT CONFERENCE
FOR THE YEAR ENDED JUNE 30, 2021

The financial statements presented in this report were compiled with the assistance of the auditors, Beasley, Mitchell & Co., LLP. However, the contents of the financial statements remain the responsibility of management.