

# **State of New Mexico**

## **City of Anthony**

*Basic Financial Statements and  
Required Supplementary Information  
For the Year Ended June 30, 2013  
and Independent Auditors' Report*

**STATE OF NEW MEXICO  
CITY OF ANTHONY**

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JUNE 30, 2013**

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**STATE OF NEW MEXICO  
CITY OF ANTHONY**

**DIRECTORY OF OFFICIALS**

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**ELECTED OFFICIALS**

Arnulfo Castañeda  
Diana Morales-Murillo  
James Scott  
Pilar Madrid  
Betty Gonzalez  
Peggy Scott

Mayor  
Trustee / Mayor Pro-Tem  
Trustee  
Trustee  
Trustee  
Judge

**ADMINISTRATIVE OFFICIALS**

Velma Navarrete

Finance Officer-Treasurer

## **INDEPENDENT AUDITORS' REPORT**

Hector H. Balderas,  
New Mexico State Auditor  
Mayor and Board of Trustees  
City of Anthony  
Anthony, New Mexico

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of the City of Anthony (the "City") as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of City's nonmajor governmental, and the budgetary comparisons for the major capital project funds, permanent funds and all nonmajor funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2013, 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.

### **Auditor's Responsibility**

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

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2013, and the respective changes in financial position, thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental of the City as of June 30, 2013, and the respective changes in financial position, thereof and the respective budgetary comparisons for the major capital project funds, permanent funds and all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 - 9 and budgetary comparison information on pages 18 - 19 and 40 - 50 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the City's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements 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.

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2013 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*White & Samaniego & Campbell, CP*

El Paso, Texas  
December 1, 2013



**STATE OF NEW MEXICO CITY OF ANTHONY  
CITY OF ANTHONY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2013**

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This section of City of Anthony's annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year ended June 30, 2013. Please read it in conjunction with the City's financial statements, which follow this section.

**Financial Highlights**

- The assets of the City of Anthony exceeded its liabilities at the close of the most recent fiscal year end by \$2,127,066 (net position). Of this amount, \$1,414,087 (unrestricted net position) may be used to meet the government's ongoing, obligations to citizens and creditors. \$533,937 of net position is net investment in capital assets.
- The government's total net position increased by \$711,775 during the fiscal year. The majority of this is due to the City's ability to maintain expenses at a low level despite the changes in federal and state funding.
- As of June 30, 2013, the City's governmental funds reported combined ending fund balances of \$1,602,718. Of this total, \$48,611 is restricted for special revenue funds.
- At the close of the current fiscal year, unassigned fund balance of the general fund was \$1,423,676.

**Overview of the Financial Statements**

This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the government, reporting the City's operations in more detail than the government-wide statements.
- The governmental funds statements tell how general government services were financed in the short term as well as what remains for future spending.

**Government-Wide Statements**

The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Anthony's finances, in a manner similar to a private-sector business.

The *statements of net position* presents information on all of the City of Anthony's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Anthony is improving or

deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Anthony that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Anthony include general government, public safety, streets, and culture and recreation. The City has no business-type activities.

## **Fund Financial Statements**

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Anthony, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Anthony are governmental type funds.

### ***Governmental Funds***

*Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows and outflows of expendable resources*, as well as on *balances of expendable resources* available at the end of the fiscal year. Such information may be useful in determining what financial resources are available in the near future to finance the City's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains four individual governmental funds organized according to their type (general, special revenue and capital projects). Information is presented separately in governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances for the General Fund, Corrections Fund, Law Enforcement Fund, and Municipal Street Fund, which are considered to be major funds.

The City of Anthony adopts an annual appropriated budget for its general fund and all other funds. A budgetary comparison statement has been provided for the all of the governmental funds to demonstrate compliance with this budget.

## **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 20 of this report.

## Analysis of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$2,127,066 at the close of the current fiscal year.

The City of Anthony's net position are made up of: \$533,937 of investment in capital assets, \$1,414,087 in unrestricted net position, and \$179,042 in restricted net position for special revenue funds.

## Analysis of Changes in Net Position

During the current fiscal year, the City's net position in governmental activities increased by \$711,775. These increases are explained in the governmental activities discussion that follows.

### *Governmental Activities*

Governmental activities increased the City's net position by \$711,775. Revenues were \$1,763,367 for the year ended June 30, 2013 and consist primarily of gross receipt taxes, which totaled \$1,016,394. Expenses for the year ended June 30, 2013 totaled \$1,051,592. Total revenues and expenses from governmental activities are summarized below.

A summary of the statement of net position is as follows:

	2013	2012
<b>ASSETS</b>		
Current and other assets	\$ 1,933,966	\$ 1,412,553
Capital assets, net of accumulated depreciation	<u>533,937</u>	<u>19,238</u>
Total assets	<u>\$ 2,467,903</u>	<u>\$ 1,431,791</u>
<b>LIABILITIES</b>		
Current and other liabilities	<u>\$ 340,837</u>	<u>\$ 16,500</u>
Total liabilities	<u>340,837</u>	<u>16,500</u>
<b>Net Position</b>		
Restricted	179,042	5,421
Net investment in capital assets	533,937	19,238
Unrestricted	<u>1,414,087</u>	<u>1,390,632</u>
Total net position	<u>2,127,066</u>	<u>1,415,291</u>
Total liabilities and net position	<u>\$ 2,467,903</u>	<u>\$ 1,431,791</u>

A summary of the statement of activities is as follows:

	2013	2012
<b>REVENUES</b>		
Program revenue:		
Charges for services	\$ 25,506	\$ -
Operating grant and contributions	251,300	28,535
Capital grants and contributions	280,027	-
General revenues:		
Taxes	1,129,768	1,000,228
Other income	<u>76,766</u>	<u>223,176</u>
Total revenues	1,763,367	1,251,939
<b>EXPENSES</b>		
General government	229,463	305,555
Public safety	446,268	115,907
Highways and streets	39,106	8,681
Cultural and recreation	302,996	23,908
	<u>33,759</u>	<u>-</u>
Total expenses	<u>1,051,592</u>	<u>454,051</u>
Changes in net position	<u>711,775</u>	<u>797,888</u>
Net position - beginning	1,415,291	617,403
Net position - ending	<u>\$ 2,127,066</u>	<u>\$ 1,415,291</u>

### Financial Analysis of the City of Anthony as a Whole

As noted earlier, the City of Anthony uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

#### *Governmental Funds*

The focus of the City of Anthony's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *expendable* resources. Such information is useful in assessing the City of Anthony's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of governmental funds reported by the City include the General Fund, Streets, and Special Revenue Funds.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$1,602,718. Of this amount, \$1,423,676, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance, \$179,042, is restricted to indicate that it is not available for new spending because it has already been restricted to pay special revenue items.

Revenues for governmental functions overall totaled \$1,693,566 in the year ended June 30, 2013. Expenditures for governmental functions totaled \$1,490,875 in the year ended June 30, 2013. In the fiscal year-ended June 30, 2013, revenues for governmental functions exceeded expenditures by \$202,691.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the fund balance of the General Fund was \$1,423,676, which was classified as unassigned fund balance.

The fund balance of the City's General Fund increased \$29,070 during the current fiscal year.

### **General Fund Budgetary Highlights**

The discussion that follows presents financial data based upon the budgetary basis of accounting. Please refer to the notes of the financial statements for an explanation of the differences of accounting regarding the budget.

During the current fiscal year, the City budgeted general fund revenues at \$2,557,134. The actual revenues for the fiscal year were \$1,262,503, a deficit of \$1,294,631.

Increases in the original budget were made due to additional GRT income received during the fiscal year.

For the year ended June 30, 2013, expenditures were \$2,036,219 which was under budget by \$765,857.

### **Capital Asset and Debt Administration**

The City of Anthony's capital assets for governmental as of June 30, 2013 amount to \$533,937 (net of accumulated depreciation). Capital assets include construction in progress and equipment.

The City's long term debt consists of accrued compensated absences totaling \$9,589.

### **Contacting the City of Anthony's Financial Management**

This financial report is designed to provide a general overview of the City of Anthony's finances for those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Anthony Administration; PO Box 2663, Anthony, NM 88021.

**BASIC FINANCIAL STATEMENTS**

**STATE OF NEW MEXICO  
CITY OF ANTHONY**

**STATEMENT OF NET POSITION  
JUNE 30, 2013**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash	\$ 1,659,983
Receivables:	
Taxes	249,619
Motor vehicle fees	814
Franchise fees	19,810
Grants	3,740
Capital assets, not depreciated	238,316
Capital assets, net of accumulated depreciation	<u>295,621</u>
Total assets	<u>\$ 2,467,903</u>
 <b>LIABILITIES AND NET POSITION</b>	
Accounts payable	\$ 272,485
Cash overdraft	5,081
Accrued expenses	53,682
Noncurrent liabilities:	
Compensated absences	<u>9,589</u>
Total liabilities	340,837
 <b>NET POSITION</b>	
Restricted for:	
Special revenue fund	48,611
Capital projects fund	130,431
Net investment in capital assets	533,937
Unrestricted	<u>1,414,087</u>
Total net position	<u>2,127,066</u>
Total liabilities and net position	<u>\$ 2,467,903</u>

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

STATE OF NEW MEXICO  
CITY OF ANTHONY

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2013

Functions/Programs	Program Revenues			Primary Government	
	Expenses	Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expenses) Revenue and Changes in Net Position
Governmental Activities:					
General government	\$ 229,463	\$ 5,358	\$ -	\$ -	\$ (224,105)
Public safety	446,268	20,148	20,981	-	(405,139)
Highways and streets	39,106	-	-	280,027	240,921
Culture and recreation	302,996	-	230,319	-	(72,677)
Depreciation Expense	33,759	-	-	-	(33,759)
Total governmental activities	\$ 1,051,592	\$ 25,506	\$ 251,300	\$ 280,027	\$ (494,759)
<b>General Revenues:</b>					
Gross receipt taxes					1,016,394
Franchise fees					104,434
Motor vehicle taxes					8,940
Other					76,766
Total general revenues					1,206,534
Change in net position					711,775
Net position - beginning					1,415,291
Net position - ending					\$ 2,127,066

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



**GOVERNMENTAL FUNDS FINANCIAL STATEMENTS**

**STATE OF NEW MEXICO  
CITY OF ANTHONY**

**BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2013**

	General Fund	Map Grant Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Current Assets				
Cash and cash equivalents	\$ 1,423,433	\$ 186,118	\$ 50,432	\$ 1,659,983
Accounts receivable:				
Gross receipts tax	249,619	-	-	249,619
Motor vehicle department fees	814	-	-	814
Franchise fees	19,810	-	-	19,810
Grants	-	-	3,740	3,740
	<u>1,693,676</u>	<u>186,118</u>	<u>54,172</u>	<u>1,933,966</u>
Total assets	<u>\$ 1,693,676</u>	<u>\$ 186,118</u>	<u>\$ 54,172</u>	<u>\$ 1,933,966</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Cash overdraft	\$ -	\$ -	\$ 5,081	\$ 5,081
Accounts payable	216,798	55,687	-	272,485
Accrued expenses	53,202	-	480	53,682
	<u>270,000</u>	<u>55,687</u>	<u>5,561</u>	<u>331,248</u>
Total liabilities	<u>270,000</u>	<u>55,687</u>	<u>5,561</u>	<u>331,248</u>
Fund balances:				
Restricted, reported in:				
Special revenue fund	-	-	48,611	48,611
Capital projects funds	-	130,431	-	130,431
Unassigned, reported in:				
General fund	1,423,676	-	-	1,423,676
	<u>1,423,676</u>	<u>130,431</u>	<u>48,611</u>	<u>1,602,718</u>
Total fund balances	<u>1,423,676</u>	<u>130,431</u>	<u>48,611</u>	<u>1,602,718</u>
Total liabilities and fund balances	<u>\$ 1,693,676</u>	<u>\$ 186,118</u>	<u>\$ 54,172</u>	<u>\$ 1,933,966</u>

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

**STATE OF NEW MEXICO  
CITY OF ANTHONY**

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO  
THE STATEMENT OF NET POSITION  
JUNE 30, 2013**

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

<b>Fund balances - total governmental funds</b>			\$ 1,602,718
Accrued compensated absences not payable from current revenue			(9,589)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.			
The cost of capital assets		569,097	
Accumulated depreciation		<u>(35,160)</u>	<u>533,937</u>
<b>Net position - Statement of net position</b>			<b>\$ <u>2,127,066</u></b>

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

**STATE OF NEW MEXICO  
CITY OF ANTHONY**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - GOVERNMENTAL FUNDS  
JUNE 30, 2013**

	<b>General Fund</b>	<b>Map Grant Fund</b>	<b>Non-Major Government al Funds</b>	<b>Total</b>
<b>Revenues:</b>				
Taxes	\$ 1,139,659	\$ -	\$ 4,587	\$ 1,144,246
Licenses and permits	14,495	-	2,352	16,847
Small government assistance	171,074	-	-	171,074
Grant	-	280,027	80,226	360,253
Miscellaneous	-	-	1,146	1,146
<b>Total revenues</b>	<b>1,325,228</b>	<b>280,027</b>	<b>88,311</b>	<b>1,693,566</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	217,712	14,324	3,041	235,077
Public safety	423,071	-	23,197	446,268
Highways and streets	37,815	-	1,291	39,106
Culture and recreation	290,163	-	12,833	302,996
Capital outlay	317,906	149,522	-	467,428
<b>Total expenditures</b>	<b>1,286,667</b>	<b>163,846</b>	<b>40,362</b>	<b>1,490,875</b>
Excess (deficiency) of revenues over expenditures	38,561	116,181	47,949	202,691
<b>Other financing sources (uses):</b>				
Operating transfers in (out)	(9,491)	14,250	(4,759)	-
<b>Total other financing sources (uses)</b>	<b>(9,491)</b>	<b>14,250</b>	<b>(4,759)</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>29,070</b>	<b>130,431</b>	<b>43,190</b>	<b>202,691</b>
Fund balance - beginning of year	1,394,606	-	5,421	1,400,027
<b>Fund balance - end of year</b>	<b>\$ 1,423,676</b>	<b>\$ 130,431</b>	<b>\$ 48,611</b>	<b>\$ 1,602,718</b>

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

**STATE OF NEW MEXICO  
CITY OF ANTHONY**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN THE FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF ACTIVITIES  
JUNE 30, 2013**

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

**Net change in fund balances - total governmental funds** \$ 202,691

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in the current period.

Depreciation expense	(33,759)	
Adjustment for prior year fixed assets	81,030	
Capital outlay	<u>467,428</u>	
Excess of capital outlay over depreciation expense		514,699

Accrued compensated absences are expensed under the accrual method, and not the modified accrual method. (5,615)

**Change in net position of governmental activities** \$ 711,775

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

**STATE OF NEW MEXICO  
CITY OF ANTHONY**

**GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL ON BUDGETARY BASIS  
JUNE 30, 2013**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual on Budgetary Basis</b>	<b>Variance with Final Budget- Favorable (Unfavorable)</b>
<b>Revenues:</b>				
Taxes	\$ 150,000	\$ 150,000	\$ 114,325	\$ (35,675)
Gross receipts	505,000	505,000	953,669	448,669
Licenses and permits	14,250	14,250	14,495	245
Intergovernmental	504,000	504,000	-	(504,000)
Grant	809,370	838,378	-	(838,378)
Motor vehicle	-	-	8,940	8,940
Fines and forfeits	5,000	5,000	-	(5,000)
Charges for services	250	250	-	(250)
Legislative appropriations	300,000	300,000	-	(300,000)
Small cities assistance	200,000	200,000	171,074	(28,926)
Miscellaneous	40,256	40,256	-	(40,256)
<b>Total revenues</b>	<b>2,528,126</b>	<b>2,557,134</b>	<b>1,262,503</b>	<b>(1,294,631)</b>
<b>Expenditures:</b>				
Current:				
General government	601,997	601,997	201,407	400,590
Public safety	409,863	449,436	423,071	26,365
Culture and recreation	47,844	47,844	37,815	10,029
Highways & streets	936,942	936,942	290,163	(646,779)
Capital outlay	-	-	317,906	(317,906)
<b>Total expenditures</b>	<b>1,996,646</b>	<b>2,036,219</b>	<b>1,270,362</b>	<b>765,857</b>
Excess (deficiency) of revenues over expenditures	531,480	520,915	(7,859)	(528,774)
<b>Other financing sources (uses):</b>				
Operating transfers in (out)	-	-	(9,491)	(9,491)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(9,491)</b>	<b>(9,491)</b>
Net changes in fund balances	531,480	520,915	(17,350)	(538,265)
Fund balance - beginning of year	1,199,112	1,199,112	1,394,606	-
<b>Fund balance - end of year</b>	<b>\$ 1,730,592</b>	<b>\$ 1,720,027</b>	<b>\$ 1,377,256</b>	<b>\$ (538,265)</b>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$	(17,350)
Change in:				
Accounts receivable				62,725
Accrued expenses				(16,305)
Net changes in fund balance GAAP basis			\$	29,070

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

STATE OF NEW MEXICO  
CITY OF ANTHONY

SPECIAL REVENUE FUND - MAP GRANT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL ON BUDGETARY BASIS  
JUNE 30, 2013

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget- Favorable (Unfavorable)
Revenues:				
Grant	\$ -	\$ -	\$ 280,027	\$ 280,027
<b>Total revenues</b>	-	-	280,027	280,027
Expenditures:				
Current:				
General government	-	-	14,324	(14,324)
Capital outlay	-	-	93,835	(93,835)
<b>Total expenditures</b>	-	-	108,159	(108,159)
Excess (deficiency) of revenues over expenditures	-	-	171,868	171,868
Net changes in fund balances	-	-	186,118	186,118
Fund balance - beginning of year	-	-	-	-
<b>Fund balance - end of year</b>	\$ -	\$ -	\$ 186,118	\$ 186,118
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 186,118	
Change in:				
Accounts payable and accruals			(55,687)	
Net changes in fund balance GAAP basis			\$ 130,431	

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

STATE OF NEW MEXICO  
CITY OF ANTHONY

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Anthony ("City") was incorporated in July 2010 under the laws of the state of New Mexico, operates under the Mayor-Council form of government. The City provides the following authorized services: public safety (police), culture and recreation and general administrative services.

The City's financial statements are prepared in accordance with generally accepted accounting principles ("GAAP"). The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board ("FASB") issued through November 30, 1989, when applicable, that do not conflict with or contradict GASB pronouncements. Although the City has the option to apply FASB pronouncements issued after that date to its business-type funds, the City has chosen not to do so. The more significant accounting policies established in GAAP and used by the City are discussed below.

A. Financial Reporting Entity

As required by GAAP, the financial statements present the City and entities for which the City is considered to be financially accountable. There are no component units for the fiscal year ended June 30, 2013.

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The City has no business-type activities.

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. Major individual governmental funds are reported as separate columns in the fund financial statements.



The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

The City follows the following revenue recognition principles applied to nonexchange transactions which are in accordance with GASB *Statement 33, Accounting and Reporting for Nonexchange Transactions*:

*Derived tax revenues* are recognized as revenue in the period when the underlying exchange transaction has occurred and the resources are available. Derived tax revenues include gross receipts tax and gasoline taxes.

*Imposed nonexchange revenue other than property taxes* are recognized in the period when an enforceable legal claim has arisen and the resources are available.

*Government-mandated nonexchange transactions and voluntary nonexchange transactions* are recognized when all applicable eligibility requirements have been met and the resources are available. These include grant revenues, state shared taxes and intergovernmental revenue. Grant revenues are recognized as revenues when the related costs are incurred.

Other revenues susceptible to accrual are investment income and charges for services. All other revenues are recognized when they are received and are not susceptible to accrual because they are usually not measurable until payment is actually received.

The City reports the following major governmental funds:

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

*Map Grant Fund.* A grant for the planning, design, construction, rehabilitation, and drainage improvements of the City's Fourth Street Project.

**B. Cash**

Cash includes amounts in demand deposits. Cash deposits are reported at carrying amount, which reasonably estimates fair value.

**C. Capital Assets**

Capital assets which include software, library books, property, plant, equipment, vehicles, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements and Managements Discussion and Analysis for State and Local Governments allows phase III governments an exemption from the retroactive application of the capitalization requirements to major general infrastructure assets. The City has elected not to retroactively record infrastructure assets.

Assets are recorded at historical cost or estimated historical cost if purchased or construction. 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.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings, structures and improvements	10 - 40 years
Road Equipment	10 years
Furniture, fixtures and equipment	10 years
Vehicles	5 years
Infrastructure	25 years
Waste water system	25 years

**D. Compensated Absences**

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 fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts.

**E. Fund Balance**

In the fund financial statements, governmental fund balances are classified as follows:

***Restricted*** - Fund balance should be reported when constraints placed on the use of resources are either:

- a. Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
- b. Imposed by law through constitutional provisions or enabling legislation.

- c. Enabling legislation, as the term is used in this Statement, authorizes the government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that a government can be compelled by an external party-such as citizens, public interest groups, or the judiciary-to use resources created by enabling legislation only for the purposes specified by the legislation.

*Unassigned* - fund balance 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. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

The City's policy is to apply restricted resources first, committed sources second, assigned resources third, and unassigned resources last when an expense is incurred for purposes for which all or any fund balance classification is available.

#### **F. Net Position**

Net position represent the difference between assets and liabilities. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvements of those assets. Net investment in capital assets, excludes unspent debt proceeds. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

#### **G. Interfund Transactions**

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for 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. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

#### **H. Budgetary Information**

Actual amounts on the budgetary basis are prepared on the cash basis of accounting which recognizes revenues when received and expenditures when paid. Annual budgets are adopted for the general and special revenue funds.

The City follows the following procedures for establishing the budgetary data reflected in the financial statements:

1. Prior to June 1, the City Clerk submits to the Board of Trustees a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them based on previous year's history. Public hearings are conducted at the Community Center to obtain taxpayer comments. Prior to July 1, the budget is legally enacted through passage of an ordinance.
2. The City Clerk is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any funds must be approved by the City Council and the New Mexico State Department of Finance, Division of Local Governments.
3. Formal budgetary integration is employed as a management control device during the year for the general fund and special revenue fund.
4. The level of classification detail in which expenditures of expenses may not legally exceed appropriations for each budget is in fund total.

***I. Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

***J. Implementation of New Accounting Standards***

In February 2009, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definitions, which is effective for financial statements for periods beginning after June 15, 2010, and earlier application is encouraged. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. The City is analyzing the effect that this statement will have on its financial statement, and currently believes it will have no significant effect on the financial statement for the upcoming year. The City incorporated this statement for the current fiscal year and believes it had no significant effect on the financial statement for the year.

In December 2009, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 57 OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, which is effective upon issuance for certain provisions of the statement and for periods beginning after June 15, 2011 for other provisions. The objective of this Statement is to address issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit plans. The City is analyzing the effect that this statement will have on its financial statement, and currently believes it will have no significant effect on the financial statement for the upcoming year.

nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a "facility") in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. The City is analyzing the effect that this statement will have on its financial statement, and currently believes it will have no significant effect on the financial statement for the upcoming year.

In November 2010, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 61 The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34, which is effective for financial statements for periods beginning after June 15, 2012. Earlier application is encouraged. The objective of this Statement is to improve financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, The Financial Reporting Entity, and the related financial reporting requirements of Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements. The City is analyzing the effect that this statement will have on its financial statement, and currently believes it will have no significant effect on the financial statement for the upcoming year.

In December 2010, the GASB issued Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. That Statement supersedes Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting. Statement 62 is effective for financial statements for periods beginning after December 15, 2011, with early application encouraged. The objective of this statement is to provide non-conflicting pronouncements between FASB and GASB. The City is analyzing the effect that this statement will have on its financial statement, and currently believes it will have no significant effect on the financial statement for the upcoming year.

In June 2011, the GASB issued Statement No. 63, Financial reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and net position, which is effective for financial statements for periods beginning after December 15, 2011. Earlier application is encouraged. The objective of this statement is to provide financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Concepts Statement No. 4, Elements of Financial Statements, introduced and defined those elements as a consumption of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. Concepts Statement 4 also identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amends the net asset reporting requirements in Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The City is analyzing the effect that this statement will have on its financial statement, and currently believes it will have no significant effect on the financial statement for the upcoming year.

In June 2011, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 64 Derivative Instruments: Application of Hedge Accounting Termination Provisions—an amendment of GASB Statement No. 53, which is effective for financial statements for periods beginning after June 15, 2011. Earlier application is encouraged. The

objective of this Statement is to clarify whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. This Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. The City is analyzing the effect that this statement will have on its financial statement, and currently believes it will have no significant effect on the financial statement for the upcoming year.

In March 2012, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 65 Items Previously Reported as Assets and Liabilities, which is effective for financial statements for periods beginning after December 15, 2012. Earlier application is encouraged. The objective of this Statement is to improve financial reporting by clarifying the appropriate use of the financial statement elements deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. The City is analyzing the effect that this statement will have on its financial statement, and currently believes it will have no significant effect on the financial statement for the upcoming year.

In March 2012, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 66 Technical Corrections-2012- an amendment of GASB Statements No. 10 and No. 62, which is effective for financial statements for periods beginning after December 15, 2012. Earlier application is encouraged. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. The City is analyzing the effect that this statement will have on its financial statement, and currently believes it will have no significant effect on the financial statement for the upcoming year.

In June 2012, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 67 Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25. Earlier application is encouraged. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, and No. 50, Pension Disclosures, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 25 and 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this Statement and to defined contribution plans that provide postemployment benefits other than pensions. The City is analyzing the effect that this statement will have on its financial statement, and currently believes it will have no significant effect on the financial statement for the upcoming year.

In June 2012, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 68 Accounting and Financial Reporting for Pensions- an amendment of GASB Statement No. 27. Earlier application is encouraged. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirements of Statement No. 27,

Accounting for Pensions by State and Local Governmental Employers, as well as the requirements of Statement No. 50, Pension Disclosures, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. The City is analyzing the effect that this statement will have on its financial statement, and currently believes it will have no significant effect on the financial statement for the upcoming year.

## 2. CASH AND DEPOSITS

### *Deposits*

*Custodial Credit Risk - Deposits.* Custodial credit risk is, in the event of the failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The City does not have a deposit policy for custodial credit risk. Deposits are exposed to custodial credit risk if they are not covered by depository insurance and are (1) uncollateralized, (2) collateralized with securities held by the pledging financial institution, or (3) collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name. As of June 30, 2013, the City's bank balance total of \$1,696,345 was exposed to credit risk in the amount of \$1,446,345 as follows:

Uninsured and collateral held by pledging bank's trust department not in the City's name	\$1,446,345
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In accordance with Section 6-10-17, NMSA, 1978 Compilation, the City is required to collateralize an amount equal to one-half of the public money in excess of FDIC insurance at each financial institution. At June 30, 2013, FDIC insurance is limited to \$250,000.

The total balance in any single financial institution may at times exceed the FDIC coverage available to individual depositors. The City is required to obtain from each bank that is a depository for public funds pledged collateral in an aggregate amount equal to one half of the public money in each account.

*Credit Risk.* The City has no formal policy on managing credit risk. State law limits investments to United States Government obligations, commercial paper with A-1 or better ratings, corporate bonds with a BBB+ or better rating, asset backed obligations with an AAA or better rating, or repurchase agreements.

### 3. CAPITAL ASSETS

Governmental fund capital asset activity for the year was as follows:

	Balance June 30, 2012	Additions	Retirements	Transfers	Balance June 30, 2013
<b>Governmental Activities:</b>					
Capital assets not being depreciated:					
Construction in progress	\$ 81,030	\$ 308,444	\$ -	\$ (151,158)	\$ 238,316
<b>Total capital assets not being depreciated</b>	<u>81,030</u>	<u>308,444</u>	<u>-</u>	<u>(151,158)</u>	<u>238,316</u>
Capital assets being depreciated:					
Equipment	20,639	158,984	-	-	179,623
Infrastructure	-	-	-	151,158	151,158
<b>Total capital assets being depreciated</b>	<u>20,639</u>	<u>158,984</u>	<u>-</u>	<u>151,158</u>	<u>330,781</u>
Less accumulated depreciation for:					
Equipment	1,401	33,444	-	-	34,845
Infrastructure	-	315	-	-	315
<b>Total accumulated depreciation</b>	<u>1,401</u>	<u>33,759</u>	<u>-</u>	<u>-</u>	<u>35,160</u>
<b>Total capital assets being depreciated, net</b>	<u>19,238</u>	<u>125,225</u>	<u>-</u>	<u>151,158</u>	<u>295,621</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 100,268</u>	<u>\$ 433,669</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 533,937</u>

Depreciation expense for the year ended June 30, 2013 was charged to the following functions:

General government	<u>\$ 33,759</u>
Total Governmental Activities depreciated expense	<u>\$ 33,759</u>

### 4. INTER-FUND TRANSFERS AND BALANCES

The composition of interfund transfers for Governmental Activities during the year ended June 30, 2013 are as follows:

	Transfer In	Transfer Out
Governmental Funds:		
General Fund	\$ 4,759	\$ 14,250
Map Grant Fund	14,250	-
Municipal Street Fund	<u>-</u>	<u>4,759</u>
	<u>\$ 19,009</u>	<u>\$ 19,009</u>



5. **LONG-TERM OBLIGATIONS**

Long-term liability activity for the year ended June 30, 2013, was as follows:

	<b>Balance June 30, 2012</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance June 30, 2013</b>	<b>Due Within One Year</b>
Governmental Activities:					
Compensated absences	\$ 3,974	\$ 7,842	\$ (2,227)	\$ 9,589	\$ 9,589

*Accrued Compensated Absences.* Employees accrue two hours per pay period if the employee has been with the City less than three years. In year four, the accrual amount increases one hour per pay period every four years up to a maximum of 5 hours per pay period. The maximum number of annual leave hours which may be accrued is 360 hours. Compensated absence balances have been liquidated within the general fund in prior years.

6. **RISK MANAGEMENT**

The City is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental, and accident benefits. The City participates in the New Mexico Self-Insurer's Fund risk pool. The New Mexico Self-Insurer's Fund risk pool operates as a common risk management and insurance program for workers compensation and property and casualty coverage.

These funds are funded entirely by member contributions and are administered by the New Mexico Self-insurer's Fund. The pools are authorized by joint powers agreements entered into by each participating entity as a separate and independent government and legal entity pursuant to the provisions of Section 11-1-1 et. Seq. NMSA 1978.

7. **PERA PENSION PLAN**

**Plan Description.** Substantially all of the City's full-time employees participate in a public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). The Public Employees Retirement Association (PERA) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to PERA, P.O. Box 2123, Santa Fe, NM 87504-2123. The report is also available on PERA's website at <http://www.pera.state.nm.us>.

**Funding Policy.** Plan members are required to contribute 9.15% (16.3% for police officers) of their gross salary. The City is required to contribute 9.15% (18.5% for police officers) of the gross covered salary. The contribution requirements of plan members and the City are established in State statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The City's contributions to PERA for the fiscal years ending June 30, 2013, 2012, and 2011 were \$27,778, \$12,778, and \$1,981, respectively, which equal the amount of the required contributions for each fiscal year.

8. **CASH OVERDRAFTS**

The cash overdrafts shown in the following funds, represent expenditures made by the City in excess of revenues received:

<b>Governmental Funds:</b>	<b>Overdraft Amount</b>
Community Development Block Grant Fund	\$ 374
Safer New Mexico	927
Law Enforcement Protection Fund	1,289
Action for Youth Fund	981
City Annual Fiesta	<u>1,510</u>
	<u>\$ 5,081</u>

9. **OTHER REQUIRED INDIVIDUAL FUND DISCLOSURE**

General accepted accounting principles require disclosures as part of the Combined Statement of certain information concerning individual funds including:

A. Deficit fund balance of individual funds. There following funds reported a deficit fund balance at June 30, 2013:

**Nonmajor Funds:**

Community Development Block Grant Fund	\$ 374
Safer New Mexico	927
Law Enforcement Protection Fund	1,289
Action for Youth Fund	981
City Annual Fiesta	<u>1,510</u>
<b>Total</b>	<u>\$ 5,081</u>

**NON-MAJOR FUNDS**

STATE OF NEW MEXICO CITY OF ANTHONY

COMBINING BALANCE SHEET BY FUND TYPE  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2013

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	<u>Special Revenue Funds</u>
<b>ASSETS</b>	
Cash on deposits	\$ 50,432
Accounts receivable	<u>3,740</u>
Total assets	<u>\$ 54,172</u>
<b>LIABILITIES</b>	
Cash overdraft	\$ 5,081
Accrued salaries	<u>480</u>
Total liabilities	5,561
<b>FUND BALANCE</b>	
Restricted, reported in: Special revenue funds	<u>48,611</u>
Total fund balance	<u>48,611</u>
Total liabilities and fund balance	<u>\$ 54,172</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO CITY OF ANTHONY

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE BY FUND TYPE  
 NON-MAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2013

	<u>Special Revenue Funds</u>
REVENUES	
Taxes	\$ 4,587
Licenses and permits	2,352
Grant	80,226
Miscellaneous	<u>1,146</u>
Total revenues	88,311
EXPENDITURES	
Current:	
General government	3,041
Public safety	23,197
Public works	1,291
Culture and recreation	<u>12,833</u>
Total expenditures	<u>40,362</u>
Excess revenues over expenditures	47,949
OTHER FINANCING SOURCES (USES)	
Operating transfers in (out)	<u>(4,759)</u>
Total other financing sources	<u>(4,759)</u>
Net change in fund balance	43,190
Fund balance beginning of year	<u>5,421</u>
Fund balance end of year	<u>\$ 48,611</u>

See accompanying notes to financial statements.

## SPECIAL REVENUE FUNDS

Special Revenue funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts and major capital projects) that are legally restricted to expenditures for specified purposes.

**COMMUNITY DEVELOPMENT BLOCK GRANT** – A grant to improve Fourth Street Project with 5” asphalt, sub-grade preparation, curb & gutter, base course, concrete curb, prime coat, sidewalks, water and sanitary sewer replacement, and strong drainage infrastructure.

**NEW MEXICO BEAUTIFICATION GRANT** – The purpose of the "New Mexico Litter Control and Beautification Act," NMSA 1978, §§ 67-16-1 to -14 (1985, as amended through 2001), hereinafter referred to as the "Act," is to control litter by authorizing Department to eliminate litter from the State to the maximum practical extent through a State-coordinated plan of education, control, prevention, and elimination.

**AUTO GRANT FUND** – 35-14-11 Municipal ordinance; court costs; collection; purpose. (3) a court automation fee of six dollars (\$6.00); the fees are to be collected upon conviction from persons convicted of violating any ordinance relating to the operation of a motor vehicle or any ordinance that may be enforced by the imposition of a term of imprisonment. All money collected pursuant to Paragraph (3) of subsection B of this section shall be remitted monthly to the state treasurer for credit to the municipal court automation fund and shall be used for the purchase, maintenance and operation of court automation systems in the municipal courts.

**CORRECTIONS FUND** – A special revenues fund that accounts for revenues and expenditures relating to the Corrections department. Financing is provided by correction fees. Section 35-14-11, NMSA 1978.

**DOT/LGRF COOP** – Department of Transportation/Local Government Road Fund, Co-operative Grants to account for grants received by the City to aid in the repair and construction of various streets within the city limits and/or the 4<sup>th</sup> Street Project – Drainage and Rehabilitation with Ponding.

**HEALTHY KIDS/HEALTHY ANTHONY** – A grant to provide support to the Community Transformation Grant in the City of Anthony to expand opportunities for healthy eating and active living for children where they live, learn and play. Healthy eating and active living are two lifestyle choices that help prevent obesity.

**SAFER NEW MEXICO** – To account for revenues and expenses for a grant received by the Police Department to administer the Operation DWI Project.

**LAW ENFORCEMENT PROTECTION FUND** – A special revenues fund that accounts for revenues and expenditures relating to Law Enforcement. Financing is provided by grants. Section 19-13-3F, NMSA.

**ACTION FOR YOUTH FUND** – To account for expenses made for and by a Youth Group in the City of Anthony that promotes the well-being of other young adults by putting together a Health Fair in the spring of each year.

**MUNICIPAL STREETS** – A special revenues fund that accounts for funds to maintain roads for which the City is responsible. Funding is provided by the gas tax. Expenditures are restricted to the construction and maintenance of City roads. Authority is NMSA 7-1-6.27.

**CITY ANNUAL FIESTA** – This is a budgeted item from the Board of Trustees to have an annual city fiesta each year with food, game and information booths for the citizens of the city.

STATE OF NEW MEXICO CITY OF ANTHONY  
CITY OF ANTHONY

COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2013

	Special Revenue Funds					
	Community Development Block Grant Fund	New Mexico Beautification Grant Fund	Auto Grant Fund	Corrections Fund	DOT/LGRF COOP	Healthy Kids/Healthy Anthony Fund
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ 630	\$ 2,388	\$ 1,324	\$ 38,155	\$ 3,348
Accounts Receivable	-	-	-	-	-	3,740
Total assets	-	630	2,388	1,324	38,155	7,088
<b>LIABILITIES AND FUND BALANCE</b>						
Liabilities						
Cash Overdraft	374	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Accrued salaries	-	-	-	-	-	480
Total liabilities	374	-	-	-	-	480
Fund balances:						
Restricted, reported in:						
Special revenue funds	(374)	630	2,388	1,324	38,155	6,608
Total fund balances	(374)	630	2,388	1,324	38,155	6,608
Total liabilities and fund balances	\$ -	\$ 630	\$ 2,388	\$ 1,324	\$ 38,155	\$ 7,088

Continued

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

STATE OF NEW MEXICO CITY OF ANTHONY  
CITY OF ANTHONY

COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2013

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Safer New Mexico	Law Enforcement Protection FUND	Action for Youth Fund	Municipal Streets	City Annual Fiesta	
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 4,587	\$ -	\$ 50,432
Accounts Receivable	-	-	-	-	-	3,740
Total assets	-	-	-	4,587	-	54,172
<b>LIABILITIES AND FUND BALANCE</b>						
Liabilities						
Cash Overdraft	927	1,289	981	-	1,510	5,081
Accounts payable	-	-	-	-	-	-
Accrued salaries	-	-	-	-	-	480
Total liabilities	927	1,289	981	-	1,510	5,561
Fund balances:						
Restricted, reported in:						
Special revenue funds	(927)	(1,289)	(981)	4,587	(1,510)	48,611
Total fund balances	(927)	(1,289)	(981)	4,587	(1,510)	48,611
Total liabilities and fund balances	\$ -	\$ -	\$ -	\$ 4,587	\$ -	\$ 54,172

Concluded

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



STATE OF NEW MEXICO CITY OF ANTHONY  
CITY OF ANTHONY

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013

	Special Revenue Funds					
	Community Development Block Grant Fund	New Mexico Beautification Grant Fund	Auto Grant Fund	Corrections Fund	DOT/LGRF COOP	Healthy Kids/Healthy Anthony Fund
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	4,027	2,352	-	15,594
Grant	-	630	-	-	38,784	-
Total revenues	-	630	4,027	2,352	38,784	15,594
Expenditures:						
General government	374	-	1,639	1,028	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	629	-
Culture and recreation	-	-	-	-	-	8,986
Total expenditures	374	-	1,639	1,028	629	8,986
Excess (deficit) of revenues over expenditures	(374)	630	2,388	1,324	38,155	6,608
Other financing sources:						
Transfers in (out)	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-
Net change in fund balances	(374)	630	2,388	1,324	38,155	6,608
Fund balance - beginning of year	-	-	-	-	-	-
Fund balance - end of year	\$ (374)	\$ 630	\$ 2,388	\$ 1,324	\$ 38,155	\$ 6,608

Continued

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

STATE OF NEW MEXICO CITY OF ANTHONY  
CITY OF ANTHONY

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013

	Special Revenue Funds						Total Nonmajor Governmental Funds
	Safer New Mexico	Law Enforcement Protection FUND	Action for Youth Fund	Municipal Streets	City Annual Fiesta		
Revenues:							
Taxes	\$ -	\$ -	\$ -	\$ 4,587	\$ -	\$ -	4,587
Licenses and permits	-	-	-	-	-	-	2,352
Grant	-	20,981	210	-	-	-	80,226
Miscellaneous	-	-	-	-	1,146	-	1,146
Total revenues	-	20,981	210	4,587	1,146	-	88,311
Expenditures:							
General government	-	-	-	-	-	-	3,041
Public safety	927	22,270	-	-	-	-	23,197
Public works	-	-	-	662	-	-	1,291
Culture and recreation	-	-	1,191	-	2,656	-	12,833
Total expenditures	927	22,270	1,191	662	2,656	-	40,362
Excess (deficit) of revenues over expenditures	(927)	(1,289)	(981)	3,925	(1,510)	-	47,949
Other financing sources:							
Transfers in (out)	-	-	-	(4,759)	-	-	(4,759)
Total other financing sources	-	-	-	(4,759)	-	-	(4,759)
Net Change in fund balances	(927)	(1,289)	(981)	(834)	(1,510)	-	43,190
Fund balance - beginning of year	-	-	-	5,421	-	-	5,421
Fund balance - end of year	\$ (927)	\$ (1,289)	\$ (981)	\$ 4,587	\$ (1,510)	\$ -	\$ 48,611

Concluded

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

STATE OF NEW MEXICO CITY OF ANTHONY  
CITY OF ANTHONY

COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL ON BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2013

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
EXPENDITURES:				
Current				
General government	\$ -	\$ -	\$ 374	\$ (374)
Total expenditures	-	-	374	(374)
Excess (deficiency) of revenues over expenditures	-	-	(374)	(374)
Net changes in fund balance	-	-	(374)	(374)
Fund balance - beginning of the year	-	-	-	-
Fund balance - end of the year	\$ -	\$ -	\$ (374)	\$ (374)
Reconciliation of budgetary basis to GAAP basis:				
Net change in fund balance budgetary basis			\$ (374)	
Net expenditure accruals			-	
Net change in fund balance GAAP basis			\$ (374)	

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

**STATE OF NEW MEXICO CITY OF ANTHONY  
CITY OF ANTHONY**

**NEW MEXICO BEAUTIFICATION GRANT SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL ON BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2013**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
REVENUES:				
Grant	\$ -	\$ -	\$ 630	\$ 630
Total revenues	-	-	630	630
Excess (deficiency) of revenues over expenditures	-	-	630	630
Net changes in fund balance	-	-	630	630
Fund balance - beginning of the year	-	-	-	-
Fund balance - end of the year	\$ -	\$ -	\$ 630	\$ 630
Reconciliation of budgetary basis to GAAP basis:				
Net change in fund balance budgetary basis			\$ 630	
Net expenditure accruals			-	
Net change in fund balance GAAP basis			\$ 630	

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

STATE OF NEW MEXICO CITY OF ANTHONY  
CITY OF ANTHONY

AUTO GRANT FUND SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL ON BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2013

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
REVENUES:				
Grant	\$ -	\$ -	\$ 4,027	\$ 4,027
Total revenues	-	-	4,027	4,027
EXPENDITURES:				
Current				
General government	-	-	1,639	(1,639)
Total expenditures	-	-	1,639	(1,639)
Excess (deficiency) of revenues over expenditures	-	-	2,388	2,388
Net changes in fund balance	-	-	2,388	2,388
Fund balance - beginning of the year	-	-	-	-
Fund balance - end of the year	\$ -	\$ -	\$ 2,388	\$ 2,388
Reconciliation of budgetary basis to GAAP basis:				
Net change in fund balance budgetary basis			\$ 2,388	
Net expenditure accruals			-	
Net change in fund balance GAAP basis			\$ 2,388	

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

STATE OF NEW MEXICO CITY OF ANTHONY  
CITY OF ANTHONY

CORRECTIONS FUND SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL ON BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2013

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
REVENUES:				
Correction fees	\$ 3,000	\$ 3,000	\$ 2,352	\$ (648)
Total revenues	3,000	3,000	2,352	(648)
EXPENDITURES:				
Current				
Public safety	1,000	1,000	1,028	(28)
Total expenditures	1,000	1,000	1,028	(28)
Excess (deficiency) of revenues over expenditures	2,000	2,000	1,324	(676)
Net changes in fund balance	2,000	2,000	1,324	(676)
Fund balance - beginning of the year	-	-	-	-
Fund balance - end of the year	\$ 2,000	\$ 2,000	\$ 1,324	\$ (676)
Reconciliation of budgetary basis to GAAP basis:				
Net change in fund balance budgetary basis			\$ 1,324	
Net expenditure accruals			-	
Net change in fund balance GAAP basis			\$ 1,324	

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

STATE OF NEW MEXICO CITY OF ANTHONY  
CITY OF ANTHONY

DOT/LGRF COOP SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL ON BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2013

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
REVENUES:				
Grant	\$ -	\$ -	\$ 38,784	\$ 38,784
Total revenues	-	-	38,784	38,784
EXPENDITURES:				
Current				
Public works	-	-	629	(629)
Total expenditures	-	-	629	(629)
Excess (deficiency) of revenues over expenditures	-	-	38,155	38,155
Net changes in fund balance	-	-	38,155	38,155
Fund balance - beginning of the year	-	-	-	-
Fund balance - end of the year	\$ -	\$ -	\$ 38,155	\$ 38,155
Reconciliation of budgetary basis to GAAP basis:				
Net change in fund balance budgetary basis			\$ 38,155	
Net expenditure accruals			-	
Net change in fund balance GAAP basis			\$ 38,155	

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

STATE OF NEW MEXICO CITY OF ANTHONY  
CITY OF ANTHONY

HEALTHY KIDS/HEALTHY ANTHONY SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL ON BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2013

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
REVENUES:				
Grant	\$ -	\$ -	\$ 11,854	\$ 11,854
Total revenues	-	-	11,854	11,854
EXPENDITURES:				
Current				
Culture and recreation	-	-	8,506	(8,506)
Total expenditures	-	-	8,506	(8,506)
Excess (deficiency) of revenues over expenditures	-	-	3,348	3,348
Net changes in fund balance	-	-	3,348	3,348
Fund balance - beginning of the year	-	-	-	-
Fund balance - end of the year	\$ -	\$ -	\$ 3,348	\$ 3,348
Reconciliation of budgetary basis to GAAP basis:				
Net change in fund balance budgetary basis			\$ 3,348	
Net revenue accruals			3,740	
Net expenditure accruals			(480)	
Net change in fund balance GAAP basis			\$ 6,608	

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



**STATE OF NEW MEXICO CITY OF ANTHONY  
CITY OF ANTHONY**

**SAFER NEW MEXICO SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL ON BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2013**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual on Budgetary Basis</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>EXPENDITURES:</b>				
Current				
Public safety	\$ -	\$ -	\$ 927	\$ (927)
Total expenditures	-	-	927	(927)
Excess (deficiency) of revenues over expenditures	-	-	(927)	(927)
Net changes in fund balance	-	-	(927)	(927)
Fund balance - beginning of the year	-	-	-	-
Fund balance - end of the year	\$ -	\$ -	\$ (927)	\$ (927)
Reconciliation of budgetary basis to GAAP basis:				
Net change in fund balance budgetary basis			\$ (927)	
Net expenditure accruals			-	
Net change in fund balance GAAP basis			\$ (927)	

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

**STATE OF NEW MEXICO  
CITY OF ANTHONY**

**LAW ENFORCEMENT FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL ON BUDGETARY BASIS  
JUNE 30, 2013**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget- Favorable (Unfavorable)
Revenues:				
Grant	\$ 21,200	\$ 21,200	\$ 20,981	\$ (219)
Total revenues	21,200	21,200	20,981	(219)
Expenditures:				
Current:				
Public safety	<u>27,806</u>	<u>27,806</u>	<u>22,270</u>	<u>5,536</u>
Total expenditures	<u>27,806</u>	<u>27,806</u>	<u>22,270</u>	<u>5,536</u>
Excess (deficiency) of revenues over expenditures	<u>(6,606)</u>	<u>(6,606)</u>	<u>(1,289)</u>	<u>5,317</u>
Net changes in fund balances	(6,606)	(6,606)	(1,289)	5,317
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - end of year	<u>\$ (6,606)</u>	<u>\$ (6,606)</u>	<u>\$ (1,289)</u>	<u>\$ 5,317</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ (1,289)	
Net expenditure accruals			<u>-</u>	
Net changes in fund balance GAAP basis			<u>\$ (1,289)</u>	

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

**STATE OF NEW MEXICO CITY OF ANTHONY  
CITY OF ANTHONY**

**ACTION FOR YOUTH SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL ON BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Grant	\$ -	\$ -	\$ 210	\$ 210
Total revenues	-	-	210	210
EXPENDITURES:				
Current				
Culture and recreation	-	-	1,191	(1,191)
Total expenditures	-	-	1,191	(1,191)
Excess (deficiency) of revenues over expenditures	-	-	(981)	(981)
Net changes in fund balance	-	-	(981)	(981)
Fund balance - beginning of the year	-	-	-	-
Fund balance - end of the year	\$ -	\$ -	\$ (981)	\$ (981)
Reconciliation of budgetary basis to GAAP basis:				
Net change in fund balance budgetary basis			\$ (981)	
Net expenditure accruals			-	
Net change in fund balance GAAP basis			\$ (981)	

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

**STATE OF NEW MEXICO  
CITY OF ANTHONY**

**MUNICIPAL STREETS FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL ON BUDGETARY BASIS  
JUNE 30, 2013**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual on Budgetary Basis</b>	<b>Variance with Final Budget- Favorable (Unfavorable)</b>
Revenues:				
Taxes	\$ 5,004	\$ 5,004	\$ 4,587	\$ (417)
<b>Total revenues</b>	5,004	5,004	4,587	(417)
Expenditures:				
Current:				
Public safety	-	-	662	(662)
<b>Total expenditures</b>	-	-	662	(662)
Excess (deficiency) of revenues over expenditures	5,004	5,004	3,925	(1,079)
Other financing sources (uses):				
Operating transfers in (out)	-	-	(4,759)	(4,759)
<b>Total other financing sources (uses)</b>	-	-	(4,759)	(4,759)
Net changes in fund balances	5,004	5,004	(834)	(5,838)
Fund balance - beginning of year	3,753	3,753	5,421	-
<b>Fund balance - end of year</b>	<b>\$ 8,757</b>	<b>\$ 8,757</b>	<b>\$ 4,587</b>	<b>\$ (5,838)</b>

Reconciliation of budgetary basis to GAAP basis:	
Net changes in fund balance budgetary basis	\$ (834)
Net expenditure accruals	-
Net changes in fund balance GAAP basis	<b>\$ (834)</b>

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

**STATE OF NEW MEXICO CITY OF ANTHONY  
CITY OF ANTHONY**

**OTHER CITY ANNUAL FIESTA SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL ON BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Licenses and permits	\$ 4,000	\$ 4,000	\$ 1,146	\$ (2,854)
Total revenues	4,000	4,000	1,146	(2,854)
EXPENDITURES:				
Current				
Culture and recreation	4,000	4,000	2,656	1,344
Total expenditures	4,000	4,000	2,656	1,344
Excess (deficiency) of revenues over expenditures	-	-	(1,510)	(1,510)
Net changes in fund balance	-	-	(1,510)	(1,510)
Fund balance - beginning of the year	-	-	-	-
Fund balance - end of the year	\$ -	\$ -	\$ (1,510)	\$ (1,510)
Reconciliation of budgetary basis to GAAP basis:				
Net change in fund balance budgetary basis			\$ (1,510)	
Net expenditure accruals			-	
Net change in fund balance GAAP basis			\$ (1,510)	

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

**OTHER SUPPLEMENTAL INFORMATION**

**STATE OF NEW MEXICO  
CITY OF ANTHONY**

**SCHEDULE OF DEPOSIT ACCOUNTS  
JUNE 30, 2013**

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<b>Financial Institution/ Account Description</b>	<b>Type of Account</b>	<b>Financial Institution Balance</b>	<b>Reconciling Items</b>	<b>Reconciled Balance</b>
<i>First New Mexico Bank</i>				
General Pooled Cash	Checking	\$ 1,510,227	\$ (42,203)	\$ 1,468,024
Map Grant Funds	Checking	<u>186,118</u>	<u>-</u>	<u>186,118</u>
<b>Total</b>		<u>\$ 1,696,345</u>	<u>\$ (42,203)</u>	<u>\$ 1,654,142</u>
Cash per financial statements				\$ 1,659,983
Cash overdraft				(5,081)
Petty Cash				<u>(760)</u>
<b>Total cash on deposit</b>				<u>\$ 1,654,142</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO  
CITY OF ANTHONY**

**SCHEDULE OF PLEDGED COLLATERAL  
JUNE 30, 2013**

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	<b>First New Mexico Bank</b>
Deposits at June 30, 2013	\$ 1,696,345
Less: FDIC coverage	<u>250,000</u>
Uninsured public funds	1,446,345
Pledged collateral held by the pledging bank's trust department or agent but not in the City's name	<u>1,728,718</u>
Uninsured and uncollateralized	<u>\$ -</u>
50% pledged collateral requirement per statute	\$ 723,173
Total pledged collateral	<u>1,728,718</u>
Pledged collateral over the requirements	<u>\$ (1,005,545)</u>

Pledged collateral at June 30, 2012 consists of the following:

Security	CUSIP	Maturity	Market Value
Mora NM ISD	616412EK4	7/1/17	\$ 365,242
Alamogordo NM	0114466GC9	8/1/2029	230,871
Gonzales TX	382010AS5	3/1/2029	200,226
Duncanville TX	265158HD2	2/15/2033	262,275
Tularosa, NM	899172HK9	5/1/2017	239,024
Lovington, NM	547473CJ5	10/1/2018	<u>431,080</u>
			<u>\$ 1,728,718</u>

The pledged securities are located at First New Mexico Bank in Las Cruces, NM.



**STATE OF NEW MEXICO  
CITY OF ANTHONY**

**SCHEDULE OF JOINT POWERS AGREEMENTS  
JUNE 30, 2013**

Joint Powers Agreement	Participant	Responsible Party	Description	Beginning and Ending Dates	Total estimated project amount and amount applicable to City	Amount Contributed by City during fiscal year	Audit Responsibility
Mesilla Valley Regional Dispatch Authority (MVRDA)	City of Las Cruces, Dana Ana County, Town of Mesilla, Village of Hatch, City of Sunland Park and City of Anthony	Dona Ana County	Jointly operate, maintain and administer a combined communications center to provide emergency dispatch services	Perpetual	Undeterminable	\$0	MVRDA

**COMPLIANCE SECTION**

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

Mr. Hector H. Balderas, State Auditor and  
The Mayor and  
Board of Trustees  
City of Anthony, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds of the City of Anthony (the "City") as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and the combining and individual funds and related budgetary comparisons of the City, presented as supplemental information, and have issued our report thereon dated December 1, 2013.

**Internal Control Over Financial Reporting**

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses (2013-01).

*A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We

consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies (2011-01, 2013-03, 2013-04, 2013-05, 2013-06, 2013-07, and 2013-08).

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs as items (2013-02).

### **City of Anthony's Response to Findings**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



El Paso, Texas  
December 1, 2013

STATE OF NEW MEXICO  
CITY OF ANTHONY

SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2013

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**Financial Statements and Disclosures - Significant Deficiency (2011-01)**

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**CONDITION**

The City relies upon their independent auditor to prepare the financial statements in accordance with generally accepted accounting principles (GAAP). The accounting staff lacks the knowledge to prepare such statements, as well as the ability to detect accuracy and completeness of all required notes that explain financial activity contained in the financial statements. The City requires the independent auditor to gather all necessary information in order to convert their cash basis accounting information into financial statements prepared in accordance with GAAP.

**CRITERIA**

Auditing standards adopted in the United States of America, in particular Statement on Auditing Standards (SAS) 109, paragraph 41 states the following: "Internal control is a process - effected by those charged with governance, management, and other personnel - designed to provide reasonable assurance about the achievement of the entity's objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with laws and regulations. Internal control over safeguarding of assets against unauthorized acquisition, use, or disposition may include control relating to financial reporting and operations objectives."

Appropriate internal control procedures over financial reporting include the ability to prepare financial statements in accordance with GAAP or at a minimum; management should have the ability to comprehend the requirements for financial reporting. Financial statements prepared in accordance with GAAP include all required statements of financial position, statements of changes in financial position, changes in cash flow and notes.

SAS 115, paragraph 11 provides examples of factors that may affect the likelihood that a control, or combination of controls could fail to prevent or detect a misstatement. One such example is "The nature of the financial statements accounts, disclosures, and assertions involved."

SAS 115, paragraph 15 provides a list of indicators of a control deficiency that should be regarded as at least a significant deficiency and a strong indicator of a material weakness in internal control. One such example is "Ineffective oversight of the entity's financial reporting and internal control by those charged with governance."

**CAUSE**

The City's staff lacks the proper experience and training to prepare the financial statements and related disclosures.

**EFFECT** Since the City personnel lack the ability to prepare, and did not prepare the financial statements, there is an increased risk that a misstatement of the City's financial statements that is more than inconsequential, will not be prevented or detected. Further, since the City accounting staff lacks the proper knowledge or training regarding the requirements of GAAP financial reporting, there is more than a remote possibility that a material misstatement of the financial statements will not be prevented or detected.

**RECOMMENDATION** The City should have its current staff undergo training so they can develop the ability to prepare the financial statements and the related notes or employ an individual to serve in the position of director of finance, that has the ability to prepare financial statements in accordance with GAAP. Alternatively, the City could choose to consult with a separate accounting firm prior to and during the audit process that would assist the City in the preparation of the financial statements and related notes.

**RESPONSE** The City agrees with the finding. The City recently purchased and accounting software that is specifically made for use with local governments, which will improve our financial reporting. Also, as the City grows, the personnel performing accounting functions will receive training to gain the required knowledge for preparing financial statements and the related disclosures.

**Deficiencies in Internal Control Over Cash, Revenues, and Expenses (2013-01) - Material Weakness**

**CONDITION** Management did not record, process, and report public funds received in the amount of \$200,000. Furthermore the City is not reconciling the bank account associated with this fund, which resulted in understatement of expenses of \$24,690.

**CRITERIA** The Codification of Statements on Auditing Standards (SAS AU) paragraph 110.03 states that the financial statements are management's responsibility. "Management is responsible for adopting sound accounting policies, and for establishing and maintaining internal control that will, among other things, initiate, authorize, record, process, and report transactions (as well as events and conditions) consistent with management's assertions embodied in the financial statements." Section 6-6-3 NMSA, 1978 discusses good accounting practices require that bank reconciliations be performed monthly to ensure that cash receipts and cash disbursements are recorded in a correct and timely manner and that differences or errors be followed up and corrected in a timely manner.

**CAUSE** A new accounting system was recently implemented which has resulted in lapse of duties and proper training as well as lack of internal control and management oversight.

**EFFECT** There is an increase risk of error or fraud due to lack of internal controls in place. This can result in misspending of cash and unreliable financial information about individual funds.

**RECOMMENDATION** The City's Accounting Policies and Procedures manual should contain explicit instructions for all accounting related matters, as well as a detailed instructions on the storage of monthly schedules used for reconciliation purposes. Users of the new accounting system should be properly trained.

**RESPONSE** Incode representatives failed to install the MAP Grant checking account in the new system even after all financial information including all bank statements (of both city checking accounts) were provided to them. We had also encountered many problems with Incode after the representatives were gone.

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**Capital Assets (2013-02) - Other**

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**CONDITION** Capital asset inventory is not being continually maintained and was not reconciled at year-end.

**CRITERIA** According to NMAC 6.20.2.22 C, at the end of the fiscal year, each agency shall conduct a physical inventory of its fixed assets consisting of those with a historical cost of one thousand dollars (\$1,000) or more, under the control of the governing authority.

**CAUSE** Management was not aware of NMAC 6.20.2.22, thus the City does not maintain an updated capital assets listing that enables them to do an inventory count.

**EFFECT** The City's capital asset listing may have capital assets that do not exist or there may be capital assets omitted that's should be on the capital asset inventory. All of which may result in a material misstatement on the government wide financial statement.

**RECOMMENDATION** The City must formalize its policies with regards to the required capital assets yearly inventory count and ensure that proper count of movable chattels and equipment takes place every year. The City must also incorporate internal controls to ensure that capital asset detail reports are accurate and complete.

**RESPONSE** The city did indeed provide a capital asset listing to the audit firm for last fiscal year's audit (FY11/12). We were told by the auditor last year that only items of \$5,000 or more were to be included on that list. Between then and now, not very many purchases were made in amounts of that sort (\$5,000 +), therefore, the fixed assets that were purchased during the fiscal year were added to the list during the course of the audit. The City currently has an updated fixed asset listing with all purchases made through fiscal year end 2012-2013.

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**Missing Minutes (2013-03) - Significant Deficiency**

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**CONDITION** Management could not provide minutes of the regular and special meetings for the months of August and September 2012.

**CRITERIA** Section 10-15-1(G) of the Open Meetings Act (NMSA 1978, Sections 10-15-1 to -4) states "the board, commission or other policymaking body shall keep written minutes of all its meetings."

**CAUSE** Lack of internal control, recordkeeping and management oversight.

**EFFECT** There is an increase risk of error or fraud when there is no evidence of Board approval on proposed rules, regulations, contracts, or expenses.

**RECOMMENDATION** We recommend management implement policies promoting good records of minutes for all meetings.

**RESPONSE** To mitigate the reoccurrence of the finding on the minutes, the City will abide by the 10-day rule to have at least a draft of the minutes 10 days after a meeting, minutes will be available at the City Clerk's office.

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**Duplicate Payment of Invoice (2013-04) - Significant Deficiency**

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**CONDITION** Three out of eight invoices tested resulted in an overpayment to CES Procurement with check number 104 and 107 in the amount of \$24,690.34. Consequently the amount of overpayment was in the amount of \$24,690.34 and the amount of overpayment was subsequently applied to other outstanding invoices and the City was refunded the excess amount of \$10,236.61.

**CRITERIA** According to NMAC 2.20.5.8 C(8), it is the responsibility of the chief financial officer to ensure that "all payments to vendors are accurate, timely and the state agency has certified they are for services rendered or goods received."

**CAUSE** Lack of monitoring and oversight.

**EFFECT** Improper internal controls increase the risk of misappropriation of assets by error or fraud.

**RECOMMENDATION** We recommend management oversees all City contracts and the progress of each thoroughly. We also recommend the City to implement a process to ensure contractor's application for payment are evaluated prior to making a payment to vendor.

**RESPONSE** City staff, in particular the accounts payable department paid each of these invoices individually. CES sends the City statements which has a balances that add up to an ending balance. A payment was made in June paying several invoices and almost immediately after that payment was made, the City received a statement which stated payment needed to be received for other invoices. Payment was rendered, and in short, there was an over payment which has been taken care of, the city will receive a credit check in the amount of \$10,236.61, not \$24,690.34. Therefore, the overpayment was not in the amount of \$24,690.34.



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**Approval of Adjusting Journal Entries (2013-05) - Significant Deficiency**

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<b>CONDITION</b>	The City did not have a policy for journal entries that would require physical evidence of approval by management, other than the preparer.
<b>CRITERIA</b>	Sufficient internal controls require a segregation of duties for the authorization and preparation of journal entries as well as the maintenance of physical records to ensure compliance with Section 6-6-3 NMSA 1978.
<b>CAUSE</b>	Insufficient policies and procedures over journal entry process.
<b>EFFECT</b>	Journal entries can be made without approval thus increasing the risk of undetected misstatements and/or fraud.
<b>RECOMMENDATION</b>	The City should develop a journal entry process that indicated who is authorized to prepare journal entries as well as who is authorized to approve journal entries. Additionally, the process should address the maintenance of physical records that demonstrate this segregation of duties.
<b>RESPONSE</b>	The City of Anthony is indeed three (3) years old, there are policies and procedures in the making. Rest assured this is a policy which will be adopted and implemented in order to eliminate this finding for the next fiscal year.

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**Deficiencies in Internal Control (2013-06) - Significant Deficiency**

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<b>CONDITION</b>	Management has not adopted sound accounting policies, established or maintained internal control that would initiate, authorize, record, processes and report transactions consistent with management's assertions embodied in the financial statements. Consequently, revenues and expenses were recorded in the wrong accounts.
<b>CRITERIA</b>	According to NMSA 1978 6-5-2 C, State agencies shall implement internal accounting controls designed to prevent accounting errors and violations of state and federal law and rules related to financial matters. In addition, state agencies shall implement controls to prevent the submission of processing documents to the division that contain errors or that are for a purpose not authorized by law.
<b>CAUSE</b>	For the fiscal year 2013, management did not have a documented policy to ensure internal controls were in place and working properly, which resulted in various errors.
<b>EFFECT</b>	Because internal control is inadequate and not documented, management and staff are unsure about what procedures and processes to follow or what key controls are in place to properly safeguard assets. Adequate controls are not in place to prevent or detect intentional misstatements of accounting information.
<b>RECOMMENDATION</b>	The City's Accounting Policies and Procedures manual should contain explicit instructions for all accounting related matters, as well as a detailed instructions on the storage of monthly schedules used for reconciliation purposes. Users of the new accounting system should be properly trained.

**RESPONSE** The City of Anthony is indeed three (3) years old, there are policies and procedures in the making. Rest assured this is a policy which will be adopted and implemented in order to eliminate this finding for the next fiscal year.

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**Unallowable Expenditures (2013-07) - Significant Deficiency**

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**CONDITION** The MAP-7613 (907) Grant was used to pay for an office expense of \$73.98. The scope of work for this grant is planning, design, construction, rehabilitation and drainage improvements of Fourth Street.

**CRITERIA** According to Public Law (Pub. L.) No. 107-300, the Improper Payments Information Act of 2002, as amended by Pub. L. No. 107-300, Federal agencies are required to take actions to prevent improper payments of Federal awards. Improper payment is 3. Any payment that was made to an ineligible recipient or for an ineligible good or service, or payments for goods or services not received (except for such payments where authorized by law).

**CAUSE** Lack of internal controls and management oversight.

**EFFECT** Financial controls are not adequate to assure that accurate financial information is prepared for individual funds.

**RECOMMENDATION** Management should implement financial reporting controls that provide assurance that internally generated financial information is accurate.

**RESPONSE** The purchase made to order checks for this specific account in order to be able to pay vendors stemming from work done for the Fourth Street Project.

**Legal Compliance with Budget (2013-08) - Significant Deficiency**

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**CONDITION**                      Section 6-6-6 of the New Mexico state statutes restricts all officials and governing authorities from approving claims in excess of the approved budget. Additionally, Section 6-6-6 prohibits any payments in excess of the approved budget. During the fiscal year ended June 30, 2013, the City remitted payments for goods and services in excess of the adopted budget as follows:

<b>Fund</b>	<b>Reason</b>	<b>Budget Expenses</b>	<b>Actual Expenses</b>	<b>Difference</b>
Map Grant	Operating expenses	\$ -	\$ 108,159	\$ 108,159
Community Development Block Grant	Operating expenses	-	374	374
Auto Grant Fund	Operating expenses	-	1,639	1,639
Corrections Fund	Operating expenses	1,000	1,028	28
DOT/LGRF COOP	Operating expenses	-	629	629
Healthy Kids/Healthy Anthony Fund	Operating expenses	-	8,506	8,506
Safer New Mexico	Operating expenses	-	927	927
Action for Youth Fund	Operating expenses	-	1,191	1,191
Municipal Streets	Operating expenses	-	662	662
		<u>\$ 1,000</u>	<u>\$ 123,115</u>	<u>\$ 122,115</u>

In addition, the City reported a deficit in the following funds:

**Nonmajor Funds:**

Community Development Block Grant Fund	\$ 374
Safer New Mexico	927
Law Enforcement Protection Fund	1,289
Action for Youth Fund	981
City Annual Fiesta	<u>1,510</u>
<b>Total</b>	<u>\$ 5,081</u>

**CRITERIA**                      Section 6-6-6 of the New Mexico State Statutes restricts all officials and governing authorities from approving claims in excess of the approved budget. Additionally, Section 6-6-6 prohibits any payment in excess of the approved budget. The City officials and governing authorities have the obligation to follow applicable state statutes.

**CAUSE**                              City personnel did not have adequate monitoring process in place to prevent the over-expenditures.

**EFFECT**                             Non-compliance with New Mexico state statutes could subject officials and employees to penalties and fines required by state statutes.

**RECOMMENDATION**            We recommend that management closely monitor expenditures and budget limitations to ensure compliance with budget restrictions.

**RESPONSE**

Management concurs with the recommendation and is working closely with their board to budget accordingly.

**STATE OF NEW MEXICO  
CITY OF ANTHONY**

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
JUNE 30, 2013**

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<b>Prior audit findings</b>	<b>Current status</b>
CF 11-01      Financial Statements and Disclosures	Repeated

**STATE OF NEW MEXICO  
CITY OF ANTHONY**

**EXIT CONFERENCE  
FOR THE YEAR ENDED JUNE 30, 2013**

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An exit conference was conducted on November 26, 2013 with the following individuals in attendance:

**City of Anthony Officials**

James Scott	Trustee
Velma Navarette	Finance officer-treasurer
Christy Sifuentes	Deputy city clerk

**White, Samaniego & Campbell, LLP**

Roxie Samaniego	Partner
Jesse Jezbera	Staff, audit department
Stephanie Barraza	Staff, audit department

**Financial Statement Preparation**

The financial statements were prepared by White + Samaniego + Campbell, LLP from the books and records of the City of Anthony. However, the contents of these financial statements remain the responsibility of the City's management.