

**State of New Mexico**  
**City of Anthony**

*Basic Financial Statements and  
Required Supplementary Information  
For the Year Ended June 30, 2014  
and Independent Auditors' Report*

**STATE OF NEW MEXICO  
CITY OF ANTHONY**

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JUNE 30, 2014**

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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, 2014, 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 debt service fund and 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, 2014, as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

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

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2014, and the respective changes in financial position and where applicable, cash flows 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, 2014, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the debt service 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 44 - 65 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 other schedules required by Section 2.2.2 NMAC are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual 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.



**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2014 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, LLP*

El Paso, Texas  
December 1, 2014

**STATE OF NEW MEXICO  
CITY OF ANTHONY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2014**

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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, 2014. 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 \$2,951,461 (net position). Of this amount, \$1,674,416 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors. \$996,234 of net position is net investment in capital assets.
- The government's total net position increased by \$824,395 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, 2014, the City's governmental funds reported combined ending fund balances of \$1,962,079. Of this total, \$186,377 is restricted for special revenue funds.
- At the close of the current fiscal year, unassigned fund balance of the general fund was \$1,891,052.

**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 \$2,951,461 at the close of the current fiscal year.

The City of Anthony's net position are made up of: \$996,234 of net investment in capital assets, \$1,674,416 in unrestricted net position, and \$280,811 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 \$824,395. These increases are explained in the governmental activities discussion that follows.

### *Governmental Activities*

Governmental activities increased the City's net position by \$824,395. Revenues were \$2,074,727 for the year ended June 30, 2014 and consist primarily of gross receipt taxes, which totaled \$996,198. Expenses for the year ended June 30, 2014 totaled \$1,250,332. Total revenues and expenses from governmental activities are summarized below.

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

	2014	2013
<b>ASSETS</b>		
Current and other assets	\$ 2,069,757	\$ 1,933,966
Capital assets, net of accumulated depreciation	<u>2,777,060</u>	<u>533,937</u>
Total assets	<u>\$ 4,846,817</u>	<u>\$ 2,467,903</u>
<b>LIABILITIES</b>		
Current and other liabilities	<u>\$ 1,895,356</u>	<u>\$ 340,837</u>
Total liabilities	<u>1,895,356</u>	<u>340,837</u>
<b>Net Position</b>		
Restricted	280,811	179,042
Net investment in capital assets	996,234	533,937
Unrestricted	<u>1,674,416</u>	<u>1,414,087</u>
Total net position	<u>2,951,461</u>	<u>2,127,066</u>
Total liabilities and net position	<u>\$ 4,846,817</u>	<u>\$ 2,467,903</u>

A summary of the statement of activities is as follows:

	2014	2013
<b>REVENUES</b>		
Program revenue:		
Charges for services	\$ 77,198	\$ 25,506
Operating grant and contributions	500,013	251,300
Capital grants and contributions	10,237	280,027
General revenues:		
Taxes	1,126,409	1,129,768
Other income	<u>360,870</u>	<u>76,766</u>
Total revenues	2,074,727	1,763,367
<b>EXPENSES</b>		
General government	584,108	229,463
Public safety	348,431	446,268
Highways and streets	113,797	39,106
Cultural and recreation	132,732	302,996
	<u>71,264</u>	<u>33,759</u>
Total expenses	<u>1,250,332</u>	<u>1,051,592</u>
Changes in net position	824,395	711,775
Net position - beginning	<u>2,127,066</u>	<u>1,415,291</u>
Net position - ending	<u>\$ 2,951,461</u>	<u>\$ 2,127,066</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 \$1,962,079. Of this amount, \$1,891,052, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance, \$280,811, 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 \$3,852,815 in the year ended June 30, 2014. Expenditures for governmental functions totaled \$3,493,455 in the year ended June 30, 2014. In the fiscal year-ended June 30, 2014, revenues for governmental functions exceeded expenditures by \$359,360.

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 \$1,891,052, which was classified as unassigned fund balance.

The fund balance of the City's General Fund increased \$467,376 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 \$3,393,365. The actual revenues for the fiscal year were \$1,646,409, a deficit of \$1,746,956.

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

For the year ended June 30, 2014, expenditures were \$1,557,592 which was under budget by \$455,846.

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

The City of Anthony's capital assets for governmental as of June 30, 2014 amount to \$2,777,060 (net of accumulated depreciation). Capital assets include construction in progress and equipment.

The City's long term debt consists of accrued compensated absences totaling \$6,852.

### **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, 2014**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash	\$ 1,683,574
Receivables:	
Taxes	213,191
Gasoline tax	834
Motor vehicle fees	807
Franchise fees	11,606
Grants	159,745
Capital assets, not depreciated	652,644
Capital assets, net of accumulated depreciation	<u>2,124,416</u>
 Total assets	 <u>\$ 4,846,817</u>
 <b>LIABILITIES AND NET POSITION</b>	
Accounts payable	\$ 50,000
Accrued expenses	57,678
Long-term liabilities:	
Note payable - Due within one year	66,658
Note payable - Due after one year	1,714,168
Compensated absences - Due within one year	<u>6,852</u>
 Total liabilities	 1,895,356
 <b>NET POSITION</b>	
Restricted for:	
Special revenue fund	186,377
Capital projects fund	94,434
Net investment in capital assets	996,234
Unrestricted	<u>1,674,416</u>
 Total net position	 <u>2,951,461</u>
 Total liabilities and net position	 <u>\$ 4,846,817</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, 2014

Functions/Programs	Program Revenues			Primary Government	
	Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expenses) Revenue and Changes in Net Position	Total
Governmental Activities:					
General government	\$ 584,108	\$ 7,258	\$ -	\$ (576,850)	\$ (576,850)
Public safety	348,431	69,940	-	(233,459)	(233,459)
Highways and streets	113,797	-	10,237	(103,560)	(103,560)
Culture and recreation	132,732	-	454,981	322,249	322,249
Depreciation Expense	71,264	-	-	(71,264)	(71,264)
Total governmental activities	\$ 1,250,332	\$ 77,198	\$ 500,013	\$ (662,884)	\$ (662,884)
General Revenues:					
Gross receipt taxes				996,198	996,198
Franchise fees				120,341	120,341
Motor vehicle taxes				9,870	9,870
Other				360,870	360,870
Total general revenues				1,487,279	1,487,279
Change in net position				824,395	824,395
Net position - beginning				2,127,066	2,127,066
Net position - ending				\$ 2,951,461	\$ 2,951,461

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, 2014**

	General Fund	DOT/ LGRF COOP	Debt Service	Non-Major Governmental Funds	Total Government al Funds
<b>ASSETS</b>					
Current Assets					
Cash and cash equivalents	\$ 1,408,881	\$ 36,965	\$ 107,469	\$ 130,259	\$ 1,683,574
Accounts receivable:					
Gross receipts tax	4,038	-	-	209,153	213,191
Gasoline tax	834	-	-	-	834
Motor vehicle department fees	807	-	-	-	807
Franchise fees	11,606	-	-	-	11,606
Grants	159,745	-	-	-	159,745
Due from other funds	361,826	-	-	-	361,826
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 1,947,737</u>	<u>\$ 36,965</u>	<u>\$ 107,469</u>	<u>\$ 339,412</u>	<u>\$ 2,431,583</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	50,000	-	50,000
Accrued expenses	56,685	-	-	993	57,678
Due to other funds	-	-	-	361,826	361,826
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	56,685	-	50,000	362,819	469,504
Fund balances:					
Restricted, reported in:					
Special revenue fund	-	-	-	186,377	186,377
Capital projects funds	-	36,965	57,469	-	94,434
Unassigned, reported in:					
General fund	1,891,052	-	-	-	1,891,052
Special revenue fund	-	-	-	(209,784)	(209,784)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total fund balances	<u>1,891,052</u>	<u>36,965</u>	<u>57,469</u>	<u>(23,407)</u>	<u>1,962,079</u>
Total liabilities and fund balances	<u>\$ 1,947,737</u>	<u>\$ 36,965</u>	<u>\$ 107,469</u>	<u>\$ 339,412</u>	<u>\$ 2,431,583</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, 2014**

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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>			\$ 1,962,079
Other long-term liabilities and certain other liabilities, including bonds and notes payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term and other liabilities at year end consist of:			
Long-term debt			(1,780,826)
Compensated absences			(6,852)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.			
	The cost of capital assets	2,883,484	
	Accumulated depreciation	<u>(106,424)</u>	<u>2,777,060</u>
<b>Net position - Statement of net position</b>			<b>\$ <u>2,951,461</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, 2014

	General Fund	DOT/ LGRF COOP	Debt Service	Non-Major Governmental Funds	Total
Revenues:					
Taxes	\$ 1,126,409	\$ -	\$ -	\$ 192,774	\$ 1,319,183
Licenses and permits	7,258	-	-	17,426	24,684
Small government assistance	372,937	-	-	6,897	379,834
Grant	-	-	-	234,473	234,473
Loan proceeds	-	-	1,780,826	-	1,780,826
Miscellaneous	108,691	-	-	5,124	113,815
<b>Total revenues</b>	<b>1,615,295</b>	<b>-</b>	<b>1,780,826</b>	<b>456,694</b>	<b>3,852,815</b>
Expenditures:					
Current:					
General government	68,531	-	13,357	502,220	584,108
Public safety	329,459	-	-	18,972	348,431
Highways and streets	112,607	1,190	-	-	113,797
Culture and recreation	108,968	-	-	23,764	132,732
Capital outlay	481,593	-	1,757,813	74,981	2,314,387
<b>Total expenditures</b>	<b>1,101,158</b>	<b>1,190</b>	<b>1,771,170</b>	<b>619,937</b>	<b>3,493,455</b>
Excess (deficiency) of revenues over expenditures	514,137	(1,190)	9,656	(163,243)	359,360
Other financing sources (uses):					
Operating transfers in (out)	(46,761)	-	47,813	(1,052)	-
<b>Total other financing sources (uses)</b>	<b>(46,761)</b>	<b>-</b>	<b>47,813</b>	<b>(1,052)</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>467,376</b>	<b>(1,190)</b>	<b>57,469</b>	<b>(164,295)</b>	<b>359,360</b>
Fund balance - beginning of year	1,423,676	38,155	-	140,888	1,602,719
<b>Fund balance - end of year</b>	<b>\$ 1,891,052</b>	<b>\$ 36,965</b>	<b>\$ 57,469</b>	<b>\$ (23,407)</b>	<b>\$ 1,962,079</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, 2014**

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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** \$ 359,360

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	(71,264)	
Capital outlay	<u>2,314,387</u>	
Excess of capital outlay over depreciation expense		2,243,123

The repayment of the principal of long-term debt (including capital leases) consumes current financial resources of governmental funds.		
Loan proceeds		(1,780,826)

Accrued compensated absences are expensed under the accrual method, and not the modified accrual method.		
		<u>2,738</u>

**Change in net position of governmental activities** **\$ 824,395**

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, 2014

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget- Favorable (Unfavorable)
Revenues:				
Taxes	\$ 120,000	\$ 120,000	\$ 1,157,523	\$ 1,037,523
Gross receipts	530,800	530,800	-	(530,800)
Licenses and permits	14,750	14,750	7,258	(7,492)
Intergovernmental	484,200	484,200	-	(484,200)
Grant	1,732,265	1,732,265	-	(1,732,265)
Fines and forfeits	13,000	13,000	-	(13,000)
Charges for services	100	100	-	(100)
Legislative appropriations	300,000	300,000	-	(300,000)
Small cities assistance	185,000	185,000	372,937	187,937
Miscellaneous	13,250	13,250	108,691	95,441
<b>Total revenues</b>	<b>3,393,365</b>	<b>3,393,365</b>	<b>1,646,409</b>	<b>(1,746,956)</b>
Expenditures:				
Current:				
General government	718,473	766,682	69,119	697,563
Public safety	464,604	479,104	329,459	149,645
Culture and recreation	90,034	94,834	112,607	(17,773)
Highways & streets	202,972	216,972	108,968	(108,004)
Capital outlay	-	-	481,593	(481,593)
<b>Total expenditures</b>	<b>1,476,083</b>	<b>1,557,592</b>	<b>1,101,746</b>	<b>455,846</b>
Excess (deficiency) of revenues over expenditures	<u>1,917,282</u>	<u>1,835,773</u>	<u>544,663</u>	<u>(1,291,110)</u>
Other financing sources (uses):				
Operating transfers in (out)	-	-	(46,761)	(46,761)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>(46,761)</u>	<u>(46,761)</u>
Net changes in fund balances	1,917,282	1,835,773	497,902	(1,337,871)
Fund balance - beginning of year	<u>1,423,676</u>	<u>1,423,676</u>	<u>1,423,676</u>	<u>-</u>
<b>Fund balance - end of year</b>	<b>\$ 3,340,958</b>	<b>\$ 3,259,449</b>	<b>\$ 1,921,578</b>	<b>\$ (1,337,871)</b>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 497,902	
Change in:				
Accounts receivable			(31,114)	
Accrued expenses			588	
Net changes in fund balance GAAP basis			<u>\$ 467,376</u>	

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

STATE OF NEW MEXICO  
CITY OF ANTHONY

SPECIAL REVENUE FUND - DOT/LGRF COOP FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL ON BUDGETARY BASIS  
JUNE 30, 2014

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget- Favorable (Unfavorable)
Revenues:				
Grant	\$ 2,000	\$ 2,000	\$ -	\$ (2,000)
<b>Total revenues</b>	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>(2,000)</u>
Expenditures:				
Current:				
General government	-	-	-	-
Highways and streets	<u>2,000</u>	<u>2,000</u>	<u>1,190</u>	<u>810</u>
<b>Total expenditures</b>	<u>2,000</u>	<u>2,000</u>	<u>1,190</u>	<u>810</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(1,190)</u>	<u>(1,190)</u>
Net changes in fund balances	-	-	(1,190)	(1,190)
Fund balance - beginning of year	<u>38,155</u>	<u>38,155</u>	<u>38,155</u>	<u>-</u>
<b>Fund balance - end of year</b>	<u>\$ 38,155</u>	<u>\$ 38,155</u>	<u>\$ 36,965</u>	<u>\$ (1,190)</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ (1,190)	
Change in:				
Accounts payable and accruals			<u>-</u>	
Net changes in fund balance GAAP basis			<u>\$ (1,190)</u>	

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



STATE OF NEW MEXICO  
CITY OF ANTHONY

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2014

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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). 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, 2014.

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.

*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. *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

*Debt Service Fund*. Fund to account for debt service of building loan from NMFA.

**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 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.

In January 2013, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 69 Government Combinations and Disposals of government Operations. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. The requirements of this Statement are effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013, and should be applied on a prospective basis. Earlier application is encouraged. 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 April 2013, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 70 Accounting and Financial Reporting for Nonexchange Financial Guarantees. This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The amount of the liability to be recognized should be the discounted present value of the best estimate of the future outflows related to the guarantee expected to be incurred. When there is no best estimate but a range of the estimated future outflows can be established, the amount of the liability to be recognized should be the discounted present value of the minimum amount within the range. This Statement requires a government that has issued an obligation guaranteed in a nonexchange transaction to recognize revenue to the extent of the reduction in its guaranteed liabilities. This Statement also requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. When a government is released as an obligor, the government should recognize revenue as a result of being relieved of the obligation. This Statement also provides additional guidance for intra-entity nonexchange financial guarantees involving blended component units. This Statement specifies the information required to be disclosed by governments that extend nonexchange financial guarantees. In addition, this Statement requires new information to be disclosed by governments that receive nonexchange financial guarantees. The provisions of this Statement are effective for reporting periods beginning after June 15, 2013. Earlier application is encouraged. Except for disclosures related to

cumulative amounts paid or received in relation to a financial guarantee, the provisions of this Statement are required to be applied retroactively. Disclosures related to cumulative amounts paid or received in relation to a financial guarantee may be applied prospectively. 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 2013, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 71 Pension Transition for Contributions made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. 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.

*Analysis for Impairment* - Management reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In management's opinion, there are no impairment of such assets at June 30, 2014 for the City of Anthony.

## 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, 2014, the City's bank balance total of \$1,704,231 was exposed to credit risk in the amount of \$1,454,231 as follows:

Uninsured and collateral held by pledging bank's trust department not in the City's name	\$1,454,231
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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, 2014, 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, 2013	Additions	Retirements	Transfers	Balance June 30, 2014
<b>Governmental Activities:</b>					
Capital assets not being depreciated:					
Construction in progress	\$ 238,316	\$ 414,328	\$ -	\$ -	\$ 652,644
<b>Total capital assets not being depreciated</b>	<u>238,316</u>	<u>414,328</u>	<u>-</u>	<u>-</u>	<u>652,644</u>
Capital assets being depreciated:					
Buildings, structures and improvements	-	1,707,813	-	-	1,707,813
Equipment	179,623	192,246	-	-	371,869
Infrastructure	151,158	-	-	-	151,158
<b>Total capital assets being depreciated</b>	<u>330,781</u>	<u>1,900,059</u>	<u>-</u>	<u>-</u>	<u>2,230,840</u>
Less accumulated depreciation for:					
Buildings, structures and improvements	-	7,298	-	-	7,298
Equipment	34,845	60,187	-	-	95,032
Infrastructure	315	3,779	-	-	4,094
<b>Total accumulated depreciation</b>	<u>35,160</u>	<u>71,264</u>	<u>-</u>	<u>-</u>	<u>106,424</u>
<b>Total capital assets being depreciated, net</b>	<u>295,621</u>	<u>1,828,795</u>	<u>-</u>	<u>-</u>	<u>2,124,416</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 533,937</u>	<u>\$ 2,243,123</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,777,060</u>

Depreciation expense for the year ended June 30, 2014 was charged to the following functions:

General government	<u>\$ 71,264</u>
Total Governmental Activities depreciated expense	<u>\$ 71,264</u>

### 4. INTER-FUND TRANSFERS AND BALANCES

The composition of interfund transfers for Governmental Activities during the year ended June 30, 2014 are as follows:

	Transfer In	Transfer Out
Governmental Funds:		
General Fund	\$ 4,759	\$ 51,520
Corrections Fund	-	218
Debt service Fund	47,813	-
Municipal Street Fund	-	834
	<u>\$ 52,572</u>	<u>\$ 52,572</u>



## 5. LONG-TERM OBLIGATIONS

A summary of changes in long-term debt, including capital lease obligations for the year ended June 30, 2014, was as follows:

	Balance 06/30/13	Additions	Reductions	Balance 06/30/14
<b>Governmental Activities:</b>				
NMFA - Building	\$ -	\$ 1,780,826	\$ -	\$ 1,780,826
Total Governmental Debt	<u>\$ -</u>	<u>\$ 1,780,826</u>	<u>\$ -</u>	<u>\$ 1,780,826</u>

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

Year Ended June 30,	Principal	Governmental Interest	Total
2015	\$ 66,658	\$ 62,667	\$ 129,325
2016	69,084	60,241	129,325
2017	71,598	57,727	129,325
2018	74,204	55,121	129,325
2019	76,905	52,420	129,325
2020-2024	428,599	218,027	646,626
2025-2029	512,477	134,149	646,626
2030-2033	<u>481,301</u>	<u>36,000</u>	<u>517,301</u>
Total	<u>\$ 1,780,826</u>	<u>\$ 676,352</u>	<u>\$ 2,457,178</u>

Below are the terms, amounts due within one year, and maturity dates of the City's outstanding long term debt:

Description	Interest Rate	Payment Frequency	Payment Amount	Maturity Date	Due Within One Year	Servicing Fund
<b>Governmental Activities:</b>						
NMFA - Building	3.58%	Monthly	\$10,777	May 2033	<u>\$ 66,658</u> <u>\$ 66,658</u>	General

*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.

	Balance June 30, 2013	Additions	Reductions	Balance June 30, 2014	Due Within One Year
<b>Governmental Activities:</b>					
Compensated absences	<u>\$ 9,589</u>	<u>\$ 9,179</u>	<u>\$ (11,916)</u>	<u>\$ 6,852</u>	<u>\$ 6,852</u>

## 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, 2014, 2013, and 2012 were \$31,940, \$27,778, and \$12,778, respectively, which equal the amount of the required contributions for each fiscal year.

8. **OTHER REQUIRED INDIVIDUAL FUND DISCLOSURE**

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

Expenses in excess of budget. There following funds had actual expenses in excess of budgeted expenses at June 30, 2014:

<b>Fund</b>	<b>Budget Expenses</b>	<b>Actual Expenses</b>	<b>Difference</b>
Debt Service Fund	\$ -	\$ 1,771,170	\$ 1,771,170
Corrections Fund	-	4,361	4,361
	<u>\$ -</u>	<u>\$ 1,775,531</u>	<u>\$ 1,775,531</u>

Deficit fund balance of individual funds. There following funds reported a deficit fund balance at June 30, 2014:

**Nonmajor Funds:**

Community Development Block Grant Fund	\$ 3,949
New Mexico Beautification Grant Fund	1,245
Judicial Education Fund	293
Capital Outlay Landscape Project	7,511
DOT/LGRF COOP3	34,989
Capital Outlay/DOT 13-1841	152,364
Operation Buckle Down	1,972
Operation DWI	2,385
City Fiesta	4,667
Stonegarden	<u>409</u>
<b>Total</b>	<u>\$ 209,784</u>

9. **SUBSEQUENT EVENTS**

Management has evaluated subsequent events through December 1, 2014, the date the financial statements were available to be issued.

**STATE OF NEW MEXICO  
CITY OF ANTHONY**

**MAJOR FUND - DEBT SERVICE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL ON BUDGETARY BASIS  
JUNE 30, 2014**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget- Favorable (Unfavorable)
Revenues:				
Loan proceeds	\$ -	\$ -	\$ 1,780,826	\$ 1,780,826
<b>Total revenues</b>	-	-	1,780,826	1,780,826
Expenditures:				
Current:				
General government	-	-	13,357	(13,357)
Capital outlay	-	-	1,757,813	(1,757,813)
<b>Total expenditures</b>	-	-	1,771,170	(1,771,170)
Excess (deficiency) of revenues over expenditures	-	-	9,656	9,656
Other financing sources (uses):				
Operating transfers in	-	-	47,813	47,813
<b>Total other financing sources (uses)</b>	-	-	47,813	47,813
Net changes in fund balances	-	-	57,469	57,469
Fund balance - beginning of year	-	-	-	-
<b>Fund balance - end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 57,469</b>	<b>\$ 57,469</b>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 57,469	
Change in:				
Accounts payable and accruals			-	
Net changes in fund balance GAAP basis			<u>\$ 57,469</u>	

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

**NON-MAJOR FUNDS**

**STATE OF NEW MEXICO**

**COMBINING BALANCE SHEET BY FUND TYPE  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2014**

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	<u>Special Revenue Funds</u>
<b>ASSETS</b>	
Cash on deposits	\$ 130,259
Accounts receivable	<u>209,153</u>
Total assets	<u>\$ 339,412</u>
<b>LIABILITIES</b>	
Accrued salaries	\$ 993
Due to other funds	<u>361,826</u>
Total liabilities	362,819
<b>FUND BALANCE</b>	
Restricted, reported in:	
Special revenue funds	186,377
Unassigned	<u>(209,784)</u>
Total fund balance	<u>(23,407)</u>
Total liabilities and fund balance	<u>\$ 339,412</u>

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

**STATE OF NEW MEXICO**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE BY FUND TYPE  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2014**

	<u>Special Revenue Funds</u>
REVENUES	
Taxes	\$ 192,774
Licenses and permits	17,426
Small government assistance	6,897
Grant	234,473
Miscellaneous	<u>5,124</u>
Total revenues	456,694
EXPENDITURES	
Current:	
General government	502,220
Public safety	18,972
Culture and recreation	23,764
Capital outlay	<u>74,981</u>
Total expenditures	<u>619,937</u>
Excess revenues over expenditures	(163,243)
OTHER FINANCING SOURCES (USES)	
Operating transfers in (out)	<u>(1,052)</u>
Total other financing sources	<u>(1,052)</u>
Net change in fund balance	(164,295)
Fund balance beginning of year	<u>140,888</u>
Fund balance end of year	<u>\$ (23,407)</u>

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

## **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.

**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.

**STONEGARDEN** – This is a grant to help provide border security and protection by the City of Anthony Police Department.

**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

COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2014

	Special Revenue Funds					
	Community Development Block Grant Fund	New Mexico Beautification Grant Fund	Auto Grant Fund	Corrections Fund	DOT/LGRF COOP2	Healthy Kids/Healthy Anthony Fund
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ 1,760	\$ 11,912	\$ -	\$ 28,262
Accounts Receivable	-	-	-	-	-	-
Total assets	-	-	1,760	11,912	-	28,262
<b>LIABILITIES AND FUND BALANCE</b>						
Liabilities						
Accrued salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 474
Due to other funds	3,949	1,245	-	-	-	-
Total liabilities	3,949	1,245	-	-	-	474
Fund balances:						
Restricted, reported in:						
Special revenue funds	-	-	1,760	11,912	-	27,788
Unassigned	(3,949)	(1,245)	-	-	-	-
Total fund balances	(3,949)	(1,245)	1,760	11,912	-	27,788
Total liabilities and fund balances	\$ -	\$ -	\$ 1,760	\$ 11,912	\$ -	\$ 28,262

Continued

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

STATE OF NEW MEXICO  
CITY OF ANTHONY

COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2014

	Special Revenue Funds					
	Severance Tax Bond	Judicial Education Fund	Capital Outlay Landscape Project	Colonias Trust Fund	DOT/LGRF COOP3	DOT/LGRF Map Grant
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,686
Accounts Receivable	187,353	-	-	-	-	-
Total assets	187,353	-	-	-	-	65,686
<b>LIABILITIES AND FUND BALANCE</b>						
Liabilities						
Accrued salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	152,561	293	7,511	-	34,989	-
Total liabilities	152,561	293	7,511	-	34,989	-
Fund balances:						
Restricted, reported in:						
Special revenue funds	34,792	-	-	-	-	65,686
Unassigned	-	(293)	(7,511)	-	(34,989)	-
Total fund balances	34,792	(293)	(7,511)	-	(34,989)	65,686
Total liabilities and fund balances	\$ 187,353	\$ -	\$ -	\$ -	\$ -	\$ 65,686

Continued

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

STATE OF NEW MEXICO  
CITY OF ANTHONY

COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2014

	Special Revenue Funds				
	Capital Outlay/ DOT 13-1841	Library	Operation Buckle Down	Operation DWI	Stonegarden
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ 5,124	\$ -	\$ -	\$ -
Accounts Receivable	-	-	-	-	-
Total assets	-	<u>5,124</u>	-	-	-
<b>LIABILITIES AND FUND BALANCE</b>					
Liabilities					
Accrued salaries	\$ -	\$ -	\$ 333	\$ 186	\$ -
Due to other funds	<u>152,364</u>	-	<u>1,639</u>	<u>2,199</u>	<u>409</u>
Total liabilities	152,364	-	1,972	2,385	409
Fund balances:					
Restricted, reported in:					
Special revenue funds	-	5,124	-	-	-
Unassigned	<u>(152,364)</u>	-	<u>(1,972)</u>	<u>(2,385)</u>	<u>(409)</u>
Total fund balances	(152,364)	<u>5,124</u>	<u>(1,972)</u>	<u>(2,385)</u>	<u>(409)</u>
Total liabilities and fund balances	\$ -	\$ <u>5,124</u>	\$ -	\$ -	\$ -

Continued

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

STATE OF NEW MEXICO  
CITY OF ANTHONY

COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2014

	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	\$ 589	\$ 7,543	\$ 209	\$ 9,174	\$ -	\$	130,259
Accounts Receivable	-	21,800	-	-	-	-	209,153
Total assets	<u>589</u>	<u>29,343</u>	<u>209</u>	<u>9,174</u>	<u>-</u>	<u>-</u>	<u>339,412</u>
<b>LIABILITIES AND FUND BALANCE</b>							
Liabilities							
Accrued salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$	993
Due to other funds	-	-	-	-	4,667	-	361,826
Total liabilities	-	-	-	-	4,667	-	362,819
Fund balances:							
Restricted, reported in:							
Special revenue funds	589	29,343	209	9,174	-	-	186,377
Unassigned	-	-	-	-	(4,667)	-	(209,784)
Total fund balances	<u>589</u>	<u>29,343</u>	<u>209</u>	<u>9,174</u>	<u>(4,667)</u>	<u>-</u>	<u>(23,407)</u>
Total liabilities and fund balances	<u>\$ 589</u>	<u>\$ 29,343</u>	<u>\$ 209</u>	<u>\$ 9,174</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 339,412</u>

Concluded

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

STATE OF NEW MEXICO  
CITY OF ANTHONY

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014

	Special Revenue Funds						
	Community Development Block Grant Fund	New Mexico Beautification Grant Fund	Auto Grant Fund	Corrections Fund	DOT/LGRF COOP2	Healthy Kids/Healthy Anthony Fund	
Revenues:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	15,167	-	-	-
Grant	3,425	-	4,528	-	34,063	-	39,912
Total revenues	3,425	-	4,528	15,167	34,063	-	39,912
Expenditures:							
General government	7,000	-	5,156	4,361	34,063	-	-
Public safety	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Culture and recreation	-	1,875	-	-	-	-	18,732
Total expenditures	7,000	1,875	5,156	4,361	34,063	-	18,732
Excess (deficit) of revenues over expenditures	(3,575)	(1,875)	(628)	10,806	-	-	21,180
Other financing sources:							
Transfers in (out)	-	-	-	(218)	-	-	-
Total other financing sources	-	-	-	(218)	-	-	-
Net change in fund balances	(3,575)	(1,875)	(628)	10,588	-	-	21,180
Fund balance - beginning of year	(374)	630	2,388	1,324	-	-	6,608
Fund balance - end of year	(3,949)	(1,245)	1,760	11,912	-	-	27,788

Continued

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

STATE OF NEW MEXICO  
CITY OF ANTHONY

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014

	Special Revenue Funds						
	Severance Tax Bond	Judicial Education Fund	Capital Outlay Landscape Project	Colonias Trust Fund	DOT/LGRF COOP3	DOT/LGRF Map Grant	
Revenues:							
Taxes	\$ 187,353	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	2,259	-	-	-	-	-
Grant	-	-	-	90,000	-	-	10,236
Total revenues	187,353	2,259	-	90,000	-	-	10,236
Expenditures:							
General government	152,561	2,552	7,511	90,000	34,989	-	-
Public safety	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	74,981
Total expenditures	152,561	2,552	7,511	90,000	34,989	74,981	
Excess (deficit) of revenues over expenditures	34,792	(293)	(7,511)	-	(34,989)	(64,745)	
Other financing sources:							
Transfers in (out)	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-	-
Net change in fund balances	34,792	(293)	(7,511)	-	(34,989)	(64,745)	
Fund balance - beginning of year	-	-	-	-	-	-	130,431
Fund balance - end of year	\$ 34,792	\$ (293)	\$ (7,511)	\$ -	\$ (34,989)	\$ (64,745)	\$ 65,686

Continued

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

STATE OF NEW MEXICO  
CITY OF ANTHONY

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014

	Special Revenue Funds				
	Capital Outlay/ DOT 13-1841	Library	Operation Buckle Down	Operation DWI	Stonegarden
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Small government assistance	-	-	-	-	6,897
Miscellaneous	-	5,124	-	-	-
Total revenues	-	5,124	-	-	6,897
Expenditures:					
General government	152,364	-	1,972	2,385	7,306
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Total expenditures	152,364	-	1,972	2,385	7,306
Excess (deficit) of revenues over expenditures	(152,364)	5,124	(1,972)	(2,385)	(409)
Other financing sources:					
Transfers in (out)	-	-	-	-	-
Total other financing sources	-	-	-	-	-
Net change in fund balances	(152,364)	5,124	(1,972)	(2,385)	(409)
Fund balance - beginning of year	-	-	-	-	-
Fund balance - end of year	\$ (152,364)	\$ 5,124	\$ (1,972)	\$ (2,385)	\$ (409)

Continued

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

STATE OF NEW MEXICO  
CITY OF ANTHONY

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014

	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	\$ -	\$ -	\$ -	\$ 5,421	\$ -	\$ -	\$ 192,774
Licenses and permits	-	-	-	-	-	-	17,426
Small government assistance	-	-	-	-	-	-	6,897
Grant	6,087	45,032	1,190	-	-	-	234,473
Miscellaneous	-	-	-	-	-	-	5,124
Total revenues	6,087	45,032	1,190	5,421	-	-	456,694
Expenditures:							
General government	-	-	-	-	-	-	502,220
Public safety	4,571	14,401	-	-	-	-	18,972
Culture and recreation	-	-	-	-	3,157	-	23,764
Capital outlay	-	-	-	-	-	-	74,981
Total expenditures	4,571	14,401	-	-	3,157	-	619,937
Excess (deficit) of revenues over expenditures	1,516	30,631	1,190	5,421	(3,157)	-	(163,243)
Other financing sources:							
Transfers in (out)	-	-	-	(834)	-	-	(1,052)
Total other financing sources	-	-	-	(834)	-	-	(1,052)
Net Change in fund balances	1,516	30,631	1,190	4,587	(3,157)	-	(164,295)
Fund balance - beginning of year	(927)	(1,288)	(981)	4,587	(1,510)	-	140,888
Fund balance - end of year	\$ 589	\$ 29,343	\$ 209	\$ 9,174	\$ (4,667)	\$ -	\$ (23,407)

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



**STATE OF NEW MEXICO  
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, 2014**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual on Budgetary Basis</b>	<b>Variance with Final Budget Positive (Negative)</b>
REVENUES:				
State grants	\$ 7,000	\$ 7,000	\$ 3,425	\$ (3,575)
Total revenues	7,000	7,000	3,425	(3,575)
EXPENDITURES:				
Current				
General government	\$ 7,000	\$ 7,000	\$ 7,000	\$ -
Total expenditures	7,000	7,000	7,000	-
Excess (deficiency) of revenues over expenditures	-	-	(3,575)	(3,575)
Net changes in fund balance	-	-	(3,575)	(3,575)
Fund balance - beginning of the year	(374)	(374)	(374)	-
Fund balance - end of the year	\$ (374)	\$ (374)	\$ (3,949)	\$ (3,575)
Reconciliation of budgetary basis to GAAP basis:				
Net change in fund balance budgetary basis			\$ (3,575)	
Net expenditure accruals			-	
Net change in fund balance GAAP basis			\$ (3,575)	

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

**STATE OF NEW MEXICO  
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, 2014**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
REVENUES:				
Grant	\$ 2,000	\$ 2,000	\$ -	\$ (2,000)
Total revenues	2,000	2,000	-	(2,000)
EXPENDITURES:				
Current				
Culture and recreation	2,000	2,000	1,875	125
Total expenditures	2,000	2,000	1,875	125
Excess (deficiency) of revenues over expenditures	-	-	(1,875)	(1,875)
Net changes in fund balance	-	-	(1,875)	(1,875)
Fund balance - beginning of the year	630	630	630	-
Fund balance - end of the year	\$ 630	\$ 630	\$ (1,245)	\$ (1,875)
Reconciliation of budgetary basis to GAAP basis:				
Net change in fund balance budgetary basis			\$ (1,875)	
Net revenue accruals			-	
Net expenditure accruals			-	
Net change in fund balance GAAP basis			\$ (1,875)	

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

**STATE OF NEW MEXICO  
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, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Grant	\$ 5,156	\$ 5,156	\$ 4,528	\$ (628)
Total revenues	5,156	5,156	4,528	(628)
EXPENDITURES:				
Current				
General government	5,156	5,156	5,156	-
Total expenditures	5,156	5,156	5,156	-
Excess (deficiency) of revenues over expenditures	-	-	(628)	(628)
Net changes in fund balance	-	-	(628)	(628)
Fund balance - beginning of the year	2,388	2,388	2,388	-
Fund balance - end of the year	<u>\$ 2,388</u>	<u>\$ 2,388</u>	<u>\$ 1,760</u>	<u>\$ (628)</u>
Reconciliation of budgetary basis to GAAP basis:				
Net change in fund balance budgetary basis			\$ (628)	
Net revenue accruals			-	
Net expenditure accruals			-	
Net change in fund balance GAAP basis			<u>\$ (628)</u>	

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

**STATE OF NEW MEXICO  
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, 2014**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual on Budgetary Basis</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES:</b>				
Correction fees	\$ 3,300	\$ 3,300	\$ 15,167	\$ 11,867
Total revenues	3,300	3,300	15,167	11,867
<b>EXPENDITURES:</b>				
<b>Current</b>				
General government	-	-	4,361	(4,361)
Total expenditures	-	-	4,361	(4,361)
Excess (deficiency) of revenues over expenditures	3,300	3,300	10,806	7,506
<b>OTHER FINANCING SOURCES</b>				
Transfers out	-	-	(218)	(218)
Total other financing sources	-	-	(218)	(218)
Net changes in fund balance	3,300	3,300	10,588	7,288
Fund balance - beginning of the year	1,324	1,324	1,324	-
Fund balance - end of the year	<u>\$ 4,624</u>	<u>\$ 4,624</u>	<u>\$ 11,912</u>	<u>\$ 7,288</u>
Reconciliation of budgetary basis to GAAP basis:				
Net change in fund balance budgetary basis			\$ 10,588	
Net expenditure accruals			<u>-</u>	
Net change in fund balance GAAP basis			<u>\$ 10,588</u>	

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

STATE OF NEW MEXICO  
CITY OF ANTHONY

**DOT/LGRF COOP2 SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL ON BUDGETARY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
REVENUES:				
Grant	\$ 35,000	\$ 35,000	\$ 34,063	\$ (937)
Total revenues	35,000	35,000	34,063	(937)
EXPENDITURES:				
Current				
General government	35,000	35,000	34,063	937
Total expenditures	35,000	35,000	34,063	937
Excess (deficiency) of revenues over expenditures	-	-	-	-
Net changes in fund balance	-	-	-	-
Fund balance - beginning of the year	-	-	-	-
Fund balance - end of the year	\$ -	\$ -	\$ -	\$ -
Reconciliation of budgetary basis to GAAP basis:				
Net change in fund balance budgetary basis			\$ -	
Net expenditure accruals			-	
Net change in fund balance GAAP basis			\$ -	

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

**STATE OF NEW MEXICO  
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, 2014**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual on Budgetary Basis</b>	<b>Variance with Final Budget Positive (Negative)</b>
REVENUES:				
Grant	\$ 40,000	\$ 40,000	\$ 39,912	\$ (88)
Total revenues	40,000	40,000	39,912	(88)
EXPENDITURES:				
Current				
General government	40,000	40,000	18,258	21,742
Total expenditures	40,000	40,000	18,258	21,742
Excess (deficiency) of revenues over expenditures	-	-	21,654	21,654
Net changes in fund balance	-	-	21,654	21,654
Fund balance - beginning of the year	6,608	6,608	6,608	-
Fund balance - end of the year	\$ 6,608	\$ 6,608	\$ 28,262	\$ 21,654
Reconciliation of budgetary basis to GAAP basis:				
Net change in fund balance budgetary basis			\$ 21,654	
Net expenditure accruals			(474)	
Net change in fund balance GAAP basis			\$ 21,180	

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

**STATE OF NEW MEXICO  
CITY OF ANTHONY**

**SEVERANCE TAX BOND SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL ON BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
State grants	\$ 153,000	\$ 153,000	\$ -	\$ (153,000)
Total revenues	153,000	153,000	-	(153,000)
EXPENDITURES:				
Current				
General government	<u>153,000</u>	<u>153,000</u>	<u>152,561</u>	<u>439</u>
Total expenditures	<u>153,000</u>	<u>153,000</u>	<u>152,561</u>	<u>439</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(152,561)</u>	<u>(152,561)</u>
Net changes in fund balance	-	-	(152,561)	(152,561)
Fund balance - beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (152,561)</u>	<u>\$ (152,561)</u>
Reconciliation of budgetary basis to GAAP basis:				
Net change in fund balance budgetary basis			\$ (152,561)	
Net revenue accruals			187,353	
Net expenditure accruals			<u>-</u>	
Net change in fund balance GAAP basis			<u>\$ 34,792</u>	

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

**STATE OF NEW MEXICO  
CITY OF ANTHONY**

**JUDICIAL EDUCATION 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, 2014**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual on Budgetary Basis</b>	<b>Variance with Final Budget Positive (Negative)</b>
REVENUES:				
Licenses and permits	\$ 2,600	\$ 2,600	\$ 2,259	\$ (341)
Total revenues	2,600	2,600	2,259	(341)
EXPENDITURES:				
Current				
General government	2,600	2,600	2,552	48
Total expenditures	2,600	2,600	2,552	48
Excess (deficiency) of revenues over expenditures	-	-	(293)	(293)
Net changes in fund balance	-	-	(293)	(293)
Fund balance - beginning of the year	-	-	-	-
Fund balance - end of the year	\$ -	\$ -	\$ (293)	\$ (293)
Reconciliation of budgetary basis to GAAP basis:				
Net change in fund balance budgetary basis			\$ (293)	
Net expenditure accruals			-	
Net change in fund balance GAAP basis			\$ (293)	

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



**STATE OF NEW MEXICO  
CITY OF ANTHONY**

**CAPITAL OUTLAY LANDSCAPE PROJECT SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL ON BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Grant	\$ 8,000	\$ 8,000	\$ -	\$ (8,000)
Total revenues	8,000	8,000	-	(8,000)
EXPENDITURES:				
Current				
General government	8,000	8,000	7,511	489
Total expenditures	8,000	8,000	7,511	489
Excess (deficiency) of revenues over expenditures	-	-	(7,511)	(7,511)
Net changes in fund balance	-	-	(7,511)	(7,511)
Fund balance - beginning of the year	-	-	-	-
Fund balance - end of the year	\$ -	\$ -	\$ (7,511)	\$ (7,511)
Reconciliation of budgetary basis to GAAP basis:				
Net change in fund balance budgetary basis			\$ (7,511)	
Net expenditure accruals			-	
Net change in fund balance GAAP basis			\$ (7,511)	

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

STATE OF NEW MEXICO  
CITY OF ANTHONY

**COLONIAS TRUST 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, 2014**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
REVENUES:				
State grants	\$ 90,000	\$ 90,000	\$ 90,000	\$ -
Total revenues	90,000	90,000	90,000	-
EXPENDITURES:				
Current				
General government	90,000	90,000	90,000	-
Total expenditures	90,000	90,000	90,000	-
Fund balance - beginning of the year	-	-	-	-
Fund balance - end of the year	\$ -	\$ -	\$ -	\$ -
Reconciliation of budgetary basis to GAAP basis:				
Net change in fund balance budgetary basis			\$ -	
Net expenditure accruals			-	
Net change in fund balance GAAP basis			\$ -	

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

STATE OF NEW MEXICO  
CITY OF ANTHONY

**DOT/LGRF COOP3 SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL ON BUDGETARY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
REVENUES:				
Grant	\$ 35,000	\$ 35,000	\$ -	\$ (35,000)
Total revenues	35,000	35,000	-	(35,000)
EXPENDITURES:				
Current				
General government	35,000	35,000	34,989	11
Total expenditures	35,000	35,000	34,989	11
Excess (deficiency) of revenues over expenditures	-	-	(34,989)	(34,989)
Net changes in fund balance	-	-	(34,989)	(34,989)
Fund balance - beginning of the year	-	-	-	-
Fund balance - end of the year	\$ -	\$ -	\$ (34,989)	\$ (34,989)
Reconciliation of budgetary basis to GAAP basis:				
Net change in fund balance budgetary basis			\$ (34,989)	
Net expenditure accruals			-	
Net change in fund balance GAAP basis			\$ (34,989)	

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

STATE OF NEW MEXICO  
CITY OF ANTHONY

**DOT/LGRF MAP 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, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
State grants	\$ 75,000	\$ 75,000	\$ 10,236	\$ (64,764)
Total revenues	75,000	75,000	10,236	(64,764)
EXPENDITURES:				
Current				
Capital outlay	<u>75,000</u>	<u>75,000</u>	<u>74,981</u>	<u>19</u>
Total expenditures	<u>75,000</u>	<u>75,000</u>	<u>74,981</u>	<u>19</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(64,745)</u>	<u>(64,745)</u>
Net changes in fund balance	-	-	(64,745)	(64,745)
Fund balance - beginning of the year	<u>130,431</u>	<u>130,431</u>	<u>130,431</u>	<u>-</u>
Fund balance - end of the year	<u>\$ 130,431</u>	<u>\$ 130,431</u>	<u>\$ 65,686</u>	<u>\$ (64,745)</u>
Reconciliation of budgetary basis to GAAP basis:				
Net change in fund balance budgetary basis			\$ (64,745)	
Net expenditure accruals			<u>-</u>	
Net change in fund balance GAAP basis			<u>\$ (64,745)</u>	

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

STATE OF NEW MEXICO  
CITY OF ANTHONY

**CAPITAL OUTLAY/ DOT 13-1841 SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL ON BUDGETARY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Grant	\$ 292,000	\$ 292,000	\$ -	\$ (292,000)
Total revenues	292,000	292,000	-	(292,000)
EXPENDITURES:				
Current				
General government	292,000	292,000	152,364	139,636
Total expenditures	292,000	292,000	152,364	139,636
Excess (deficiency) of revenues over expenditures	-	-	(152,364)	(152,364)
Net changes in fund balance	-	-	(152,364)	(152,364)
Fund balance - beginning of the year	-	-	-	-
Fund balance - end of the year	\$ -	\$ -	\$ (152,364)	\$ (152,364)
Reconciliation of budgetary basis to GAAP basis:				
Net change in fund balance budgetary basis			\$ (152,364)	
Net expenditure accruals			-	
Net change in fund balance GAAP basis			\$ (152,364)	

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

**STATE OF NEW MEXICO  
CITY OF ANTHONY**

**LIBRARY SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL ON BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual on Budgetary Basis</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES:</b>				
Other grants and contributions	\$ -	\$ -	\$ 5,240	\$ 5,240
Total revenues	-	-	5,240	5,240
<b>EXPENDITURES:</b>				
Current				
General government	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	5,240	5,240
Net changes in fund balance	-	-	5,240	5,240
Fund balance - beginning of the year	-	-	-	-
Fund balance - end of the year	\$ -	\$ -	\$ 5,240	\$ 5,240
Reconciliation of budgetary basis to GAAP basis:				
Net change in fund balance budgetary basis			\$ 5,240	
Net expenditure accruals			-	
Net change in fund balance GAAP basis			\$ 5,240	

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

**STATE OF NEW MEXICO  
CITY OF ANTHONY**

**OPERATION BUCKLE DOWN SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL ON BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Grant	\$ 2,000	\$ 2,000	\$ -	\$ (2,000)
Total revenues	2,000	2,000	-	(2,000)
EXPENDITURES:				
Current				
General government	2,000	2,000	1,639	361
Total expenditures	2,000	2,000	1,639	361
Excess (deficiency) of revenues over expenditures	-	-	(1,639)	(1,639)
Net changes in fund balance	-	-	(1,639)	(1,639)
Fund balance - beginning of the year	-	-	-	-
Fund balance - end of the year	\$ -	\$ -	\$ (1,639)	\$ (1,639)
Reconciliation of budgetary basis to GAAP basis:				
Net change in fund balance budgetary basis			\$ (1,639)	
Net expenditure accruals			(333)	
Net change in fund balance GAAP basis			\$ (1,972)	

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

STATE OF NEW MEXICO  
CITY OF ANTHONY

**OPERATION DWI SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL ON BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual on Budgetary Basis</b>	<b>Variance with Final Budget Positive (Negative)</b>
REVENUES:				
Grant	\$ 2,500	\$ 2,500	\$ -	\$ (2,500)
Total revenues	2,500	2,500	-	(2,500)
EXPENDITURES:				
Current				
General government	2,500	2,500	2,199	301
Total expenditures	2,500	2,500	2,199	301
Excess (deficiency) of revenues over expenditures	-	-	(2,199)	(2,199)
Net changes in fund balance	-	-	(2,199)	(2,199)
Fund balance - beginning of the year	-	-	-	-
Fund balance - end of the year	\$ -	\$ -	\$ (2,199)	\$ (2,199)
Reconciliation of budgetary basis to GAAP basis:				
Net change in fund balance budgetary basis			\$ (2,199)	
Net expenditure accruals			(186)	
Net change in fund balance GAAP basis			\$ (2,385)	

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



**STATE OF NEW MEXICO  
CITY OF ANTHONY**

**STONEGARDEN SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL ON BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2014**

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	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual on Budgetary Basis</b>	<b>Variance with Final Budget- Favorable (Unfavorable)</b>
Revenues:				
Grant	\$ 7,000	\$ 7,000	\$ 6,897	\$ (103)
<b>Total revenues</b>	<u>7,000</u>	<u>7,000</u>	<u>6,897</u>	<u>(103)</u>
Expenditures:				
Current:				
General government	<u>7,000</u>	<u>7,000</u>	<u>6,707</u>	<u>293</u>
<b>Total expenditures</b>	<u>7,000</u>	<u>7,000</u>	<u>6,707</u>	<u>293</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>190</u>	<u>190</u>
Net changes in fund balances	-	-	190	190
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance - end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 190</u>	<u>\$ 190</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 190	
Change in:				
Accounts payable and accruals			<u>(599)</u>	
Net changes in fund balance GAAP basis			<u>\$ (409)</u>	

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

**STATE OF NEW MEXICO  
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, 2014**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual on Budgetary Basis</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES:</b>				
State grants	\$ 5,000	\$ 5,000	\$ 6,087	\$ 1,087
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>6,087</u>	<u>1,087</u>
<b>EXPENDITURES:</b>				
Current				
Public safety	\$ 5,000	\$ 5,000	\$ 4,571	\$ 429
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>4,571</u>	<u>429</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>1,516</u>	<u>1,516</u>
Net changes in fund balance	-	-	1,516	1,516
Fund balance - beginning of the year	<u>(927)</u>	<u>(927)</u>	<u>(927)</u>	<u>-</u>
Fund balance - end of the year	<u>\$ (927)</u>	<u>\$ (927)</u>	<u>\$ 589</u>	<u>\$ 1,516</u>
Reconciliation of budgetary basis to GAAP basis:				
Net change in fund balance budgetary basis			\$ 1,516	
Net expenditure accruals			<u>-</u>	
Net change in fund balance GAAP basis			<u>\$ 1,516</u>	

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  
FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual on Budgetary Basis</b>	<b>Variance with Final Budget- Favorable (Unfavorable)</b>
Revenues:				
Grant	\$ 23,600	\$ 23,600	\$ 23,232	\$ (368)
Total revenues	23,600	23,600	23,232	(368)
Expenditures:				
Current:				
Public safety	23,600	23,600	14,401	9,199
Total expenditures	23,600	23,600	14,401	9,199
Excess (deficiency) of revenues over expenditures	-	-	8,831	8,831
Net changes in fund balances	-	-	8,831	8,831
Fund balance - beginning of year	(1,288)	(1,288)	(1,288)	-
Fund balance - end of year	<u>\$ (1,288)</u>	<u>\$ (1,288)</u>	<u>\$ 7,543</u>	<u>\$ 8,831</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 8,831	
Change in:				
Net expenditure accruals			-	
Accounts receivable			<u>21,800</u>	
Net changes in fund balance GAAP basis			<u>\$ 30,631</u>	

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

**STATE OF NEW MEXICO  
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, 2014**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual on Budgetary Basis</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES:</b>				
Grant	\$ 2,000	\$ 2,000	\$ 1,190	\$ (810)
Total revenues	2,000	2,000	1,190	(810)
<b>EXPENDITURES:</b>				
Current				
General government	2,000	2,000	-	2,000
Total expenditures	2,000	2,000	-	2,000
Excess (deficiency) of revenues over expenditures	-	-	1,190	1,190
Net changes in fund balance	-	-	1,190	1,190
Fund balance - beginning of the year	(981)	(981)	(981)	-
Fund balance - end of the year	<u>\$ (981)</u>	<u>\$ (981)</u>	<u>\$ 209</u>	<u>\$ 1,190</u>
Reconciliation of budgetary basis to GAAP basis:				
Net change in fund balance budgetary basis			\$ 1,190	
Net expenditure accruals			<u>-</u>	
Net change in fund balance GAAP basis			<u>\$ 1,190</u>	

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  
FOR THE YEAR ENDED JUNE 30, 2014**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget- Favorable (Unfavorable)
Revenues:				
Taxes	\$ 5,004	\$ 5,004	\$ 5,421	\$ 417
<b>Total revenues</b>	<u>5,004</u>	<u>5,004</u>	<u>5,421</u>	<u>417</u>
Expenditures:				
Current:				
General government	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>5,004</u>	<u>5,004</u>	<u>5,421</u>	<u>417</u>
Other financing sources (uses):				
Operating transfers in (out)	-	-	(834)	(834)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>(834)</u>	<u>(834)</u>
Net changes in fund balances	5,004	5,004	4,587	(417)
Fund balance - beginning of year	<u>4,587</u>	<u>4,587</u>	<u>4,587</u>	<u>-</u>
<b>Fund balance - end of year</b>	<u>\$ 9,591</u>	<u>\$ 9,591</u>	<u>\$ 9,174</u>	<u>\$ (417)</u>
Reconciliation of budgetary basis to GAAP basis:				
Net changes in fund balance budgetary basis			\$ 4,587	
Change in:				
Net expenditure accruals			<u>-</u>	
Net changes in fund balance GAAP basis			<u>\$ 4,587</u>	

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

**STATE OF NEW MEXICO  
CITY OF ANTHONY**

**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, 2014**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual on Budgetary Basis</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES:</b>				
Other grants and contributions	10,000	10,000	-	(10,000)
Total revenues	10,000	10,000	-	(10,000)
<b>EXPENDITURES:</b>				
<b>Current</b>				
Culture and recreation	10,000	10,000	3,157	6,843
Total expenditures	10,000	10,000	3,157	6,843
Excess (deficiency) of revenues over expenditures	-	-	(3,157)	(3,157)
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	-	-	-
Net changes in fund balance	-	-	(3,157)	(3,157)
Fund balance - beginning of the year	(1,510)	(1,510)	(1,510)	-
Fund balance - end of the year	<u>\$ (1,510)</u>	<u>\$ (1,510)</u>	<u>\$ (4,667)</u>	<u>\$ (3,157)</u>
Reconciliation of budgetary basis to GAAP basis:				
Net change in fund balance budgetary basis			\$ (3,157)	
Net expenditure accruals			<u>-</u>	
Net change in fund balance GAAP basis			<u>\$ (3,157)</u>	

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, 2014

Financial Institution/ Account Description	Type of Account	Financial Institution Balance	Reconciling Items	Reconciled Balance
<i>First New Mexico Bank</i>				
General Pooled Cash	Checking	\$ 1,638,545	\$ (21,415)	\$ 1,617,130
Map Grant Funds	Checking	<u>65,686</u>	<u>-</u>	<u>65,686</u>
<b>Total</b>		<u>\$ 1,704,231</u>	<u>\$ (21,415)</u>	<u>\$ 1,682,816</u>
Cash per financial statements				\$ 1,683,574
Cash overdraft				-
Petty Cash				<u>(758)</u>
<b>Total cash on deposit</b>				<u>\$ 1,682,816</u>

See accompanying notes to financial statements.



**STATE OF NEW MEXICO  
CITY OF ANTHONY**

**SCHEDULE OF PLEDGED COLLATERAL  
JUNE 30, 2014**

	<b>First New Mexico Bank</b>
Deposits at June 30, 2014	\$ 1,704,231
Less: FDIC coverage	<u>250,000</u>
Uninsured public funds	1,454,231
Pledged collateral held by the pledging bank's trust department or agent but not in the City's name	<u>1,732,155</u>
Uninsured and uncollateralized	<u>\$ -</u>
50% pledged collateral requirement per statute	\$ 727,116
Total pledged collateral	<u>1,732,155</u>
Pledged collateral over the requirements	<u>\$ 1,005,039</u>

Pledged collateral at June 30, 2014 consists of the following:

Security	CUSIP	Maturity	Market Value
Mora NM ISD	616412EK4	7/1/17	\$ 362,044
Alamogordo NM	0114466GC9	8/1/2029	232,421
Gonzales TX	382010AS5	3/1/2029	202,905
Duncanville TX	265158HD2	2/15/2033	268,280
Tularosa, NM	899172HK9	5/1/2017	240,073
Lovington, NM	547473CJ5	10/1/2018	<u>426,432</u>
			<u>\$ 1,732,155</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, 2014**

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	\$44,060	MVRDA

**COMPLIANCE SECTION**

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

Mr. 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, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and the combining and individual funds and related budgetary comparisons of the City, presented as supplemental information, and have issued our report thereon dated December 1, 2014.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in accompanying schedule of findings and questioned costs, that we consider to be significant deficiencies. (2013-01 (13-01), 2013-06 (13-06), 2013-08 (13-08)) However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**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, 2014

STATE OF NEW MEXICO  
CITY OF ANTHONY

SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2014

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Deficiencies in Internal Control Over Cash, Revenues, and Expenditures  
2013-01 (13-01) - Significant Deficiency

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<b>CONDITION</b>	Management did not record, process, and report a NMDFA loan received in the amount of \$1,780,826. The proceeds were used to the purchase of the Municipal building along with creation of a reserve fund in the amount of \$117,469 and it also covered the processing fee in the amount of \$13,356. The funds applied to the purchase of the building were in the amount of \$1,650,000. Also, the City paid \$50,000 for the furniture inside the building. None of these items were recorded in the GL nor the fixed assets schedule.
<b>CRITERIA</b>	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.
<b>CAUSE</b>	Personnel turnover and lack of segregation of duties caused the City to lose control and management oversight.
<b>EFFECT</b>	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.
<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 accounting system should be properly trained.
<b>RESPONSE</b>	The City incurred turnover in the Finance Department, which resulted in this oversight. New management is in place to ensure that this finding is corrected.

**Deficiencies in Internal Control 2013-06 (13-06) - 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 2014, 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.
<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.

**Legal Compliance with Budget 2013-08 (13-08) - 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, 2014, the City remitted payments for goods and services in excess of the adopted budget as follows:

<b>Fund</b>	<b>Budget Expenses</b>	<b>Actual Expenses</b>	<b>Difference</b>
Debt Service Fund	\$ -	\$ 1,771,170	\$ 1,771,170
Corrections Fund	-	4,361	4,361
	<u>\$ -</u>	<u>\$ 1,775,531</u>	<u>\$ 1,775,531</u>

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

**Nonmajor Funds:**

Community Development Block Grant Fund	\$	3,949
New Mexico Beautification Grant Fund		1,245
Judicial Education Fund		293
Capital Outlay Landscape Project		7,511
DOT/LGRF COOP3		34,989
Capital Outlay/DOT 13-1841		152,364
Operation Buckle Down		1,972
Operation DWI		2,385
City Fiesta		4,667
Stonegarden		<u>409</u>
<b>Total</b>	<b>\$</b>	<b><u>209,784</u></b>

**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, 2014**

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<b>Prior audit findings</b>		<b>Current status</b>
2011-001	Financial Statements and Disclosures	Resolved
2013-001	Deficiencies in Internal Control over Cash, Revenues, and Expenditures	Revised and Repeated
2013-002	Capital Assets	Resolved
2013-003	Missing Minutes	Resolved
2013-004	Duplicate Payment of Invoice	Resolved
2013-005	Approval of Adjusting Journal Entries	Resolved
2013-006	Deficiencies in Internal Control	Revised and Repeated
2013-007	Unallowable Expenditures	Resolved
2013-008	Legal Compliance with Budget	Revised and Repeated

**STATE OF NEW MEXICO  
CITY OF ANTHONY**

**EXIT CONFERENCE  
FOR THE YEAR ENDED JUNE 30, 2014**

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An exit conference was conducted on December 1, 2014 with the following individuals in attendance:

**City of Anthony Officials**

James Scott

Christy Sifuentes

Joy Tellez

Trustee

Deputy City Clerk

Finance Director

**White, Samaniego & Campbell, LLP**

Dahlia Garcia-Hepp

Fernando Ramirez

Audit Supervisor

Audit Staff

**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.