

STATE OF NEW MEXICO  
CITY OF ANTHONY  
BASIC FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2018  
INDEPENDENT AUDITORS' REPORT

STATE OF NEW MEXICO  
CITY OF ANTHONY  
FOR THE YEAR ENDED JUNE 30, 2018

TABLE OF CONTENTS

	<b>Page</b>
OFFICIAL ROSTER	1
<b>FINANCIAL SECTION</b>	
INDEPENDENT AUDITORS' REPORT	2 - 4
<b>BASIC FINANCIAL STATEMENTS:</b>	
Government-Wide Financial Statements:	
Statement of Net Position	5 - 6
Statement of Activities	7
Fund Financial Statements:	
Balance Sheet - Governmental Funds	9
Reconciliation of the Balance Sheet to the Statement of Net Position	10
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	11
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Government Funds to the Statement of Activities	12
GENERAL FUND	13
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES- AGENCY FUNDS	14

STATE OF NEW MEXICO  
CITY OF ANTHONY  
FOR THE YEAR ENDED JUNE 30, 2018

TABLE OF CONTENTS (CONTINUED)

	<b>Page</b>
NOTES TO FINANCIAL STATEMENTS	16 - 49
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule of the City's Proportionate Share of The Net Pension Liability - (PERA) Municipal General Division	51
Schedule of City's Proportionate Share of Net Pension Liability - (PERA) Municipal Police Division	52
Schedule of Employer Contributions- (PERA) Municipal General Division	53
Schedule of Employer Contributions - (PERA) Municipal Police Division	54
Notes to Required Supplementary Information	55
<b>SUPPLEMENTARY INFORMATION</b>	
Non-Major Governmental Funds Descriptions	58 - 61
Combining and Individual Fund Statements and Schedules: Combining Balance Sheet - Non-Major Governmental Funds	62 - 66
Combining Statement of Revenues, Expenditures and Change in Fund Balance - Non-Major Governmental Funds	67 - 71

STATE OF NEW MEXICO  
CITY OF ANTHONY  
FOR THE YEAR ENDED JUNE 30, 2018

TABLE OF CONTENTS (CONTINUED)

**SUPPORTING SCHEDULES**

Schedule of Deposit and Investment Accounts	72
Schedule of Collateral Pledged by Depository for Public Funds	73
Schedule of Changes in Fiduciary Assets and Liabilities- Agency Funds	74
Schedule of Joint Powers Agreements	75

**COMPLIANCE SECTION**

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with Government Auditing Standards	77 - 78
--	---------

**OTHER DISCLOSURES**

Schedule of Findings and Responses	79 - 83
Exit Conference	84

STATE OF NEW MEXICO  
CITY OF ANTHONY  
OFFICIAL ROSTER  
JUNE 30, 2018

**BOARD OF TRUSTEES**

Diana M. Trujillo	Mayor
Gloria Gameros	Mayor Pro-Term
Elva Flores	Trustee
Fernando Herrera	Trustee
Javier Silva	Trustee

**ADMINISTRATIVE OFFICIALS**

Betriz Landin	Finance Director
Esther Motongo	City Clerk
Judge Nellie Soriano	Municipal Judge



# Beasley, Mitchell & Co.

Certified Public Accountants

Donald A. Beasley, CPA, Partner  
Christine Wright, CPA, Partner  
Beth Fant, EA, Partner  
Brad Beasley, CPA, Partner  
Tony Morán, CPA, Partner  
Christopher Salcido, CPA, Partner  
J. David Beasley, J.D., Partner

## INDEPENDENT AUDITORS' REPORT

Wayne Johnson, State Auditor  
and the Mayor and City Council of the  
City of Anthony, New Mexico

### Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparison for the general fund and major special revenue funds of the City of Anthony, New Mexico as of and for the year ended June 30, 2018, 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 have also audited the financial statements which collectively comprise of the Village of Columbus nonmajor governmental funds and any other schedules required by the Audit Rule presented as supplementary information, as defined by Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2018, as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Anthony, New Mexico, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules related to net pension liability on pages 50 - 56 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. In our opinion, the required supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Anthony, New Mexico's basic financial statements, the combining and individual fund financial statements, and the budgetary comparison.

The combining and individual fund financial statements and Supporting Schedules III through VI required by Section 2.2.2 NMAC 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 the auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and the Supporting Schedules III through VI required by Section 2.2.2 NMAC are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2018, on our consideration of the City of Anthony, New Mexico's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Anthony, New Mexico's internal control over financial reporting and compliance.

*Beasley Mitchell & Co LLP*  
Beasley, Mitchell & Co., LLP  
Las Cruces, New Mexico  
December 14, 2018



STATE OF NEW MEXICO  
CITY OF ANTHONY  
STATEMENT OF NET POSITION  
JUNE 30, 2018

	<b>Governmental Activities</b>
<b>ASSETS AND DEFERRED OUTFLOWS</b>	
Current and other assets	
Cash and cash equivalents	\$ 2,006,131
Receivables:	
Taxes	271,001
Due from other governments	455,348
Total Current Assets	2,732,480
Noncurrent assets	
Restricted cash and cash equivalents	25,442
Restricted investments	118,132
Capital assets, net of accumulated depreciation	10,029,847
Total noncurrent assets	10,173,421
Total assets	12,905,901
Deferred outflows of resources	
Difference between expected and actual experience	50,238
Changes in proportion	265,555
Changes in assumption	53,906
Net difference between projected and actual investment earnings	85,047
Employer contributions subsequent to the measurement date	83,874
Total deferred outflows of resources	538,620
Total assets and deferred outflows	\$ 13,444,521

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

STATE OF NEW MEXICO  
CITY OF ANTHONY  
STATEMENT OF NET POSITION  
JUNE 30, 2018

**LIABILITIES**

Current Liabilities	
Accounts Payable	\$ 549,981
Accrued payroll	50,153
Accrued compensated absences, current	7,707
Current portion of loans payable	<u>89,864</u>
Total Current Liabilities	697,705
Noncurrent liabilities	
Accrued compensated absences, net of current	18,801
Loans Payable	1,670,335
Net pension liability	<u>1,044,487</u>
Total noncurrent liabilities	<u>2,733,623</u>
Total liabilities	<u>3,431,328</u>
Deferred inflows of resources	
Change in assumptions	16,334
Difference between expected and actual experience	111,664
Changes in proportion	<u>35,496</u>
Total deferred inflows of resources	<u>163,494</u>
Total liabilities and deferred inflows	3,594,822
<b>NET POSITION</b>	
Net investment in capital assets	8,269,648
Restricted for:	
Debt service	143,574
Capital projects	18,170
Special revenue	439,050
Unrestricted	<u>979,257</u>
Total net position	<u>9,849,699</u>
Total liabilities, deferred inflows, and net position	<u>\$ 13,444,521</u>

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

STATE OF NEW MEXICO  
CITY OF ANTHONY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2018

FUNCTIONAL/PROGRAMS:	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental activities:</b>					
General government	\$ 922,483	\$ 102,759	\$ 276,195	\$ -	\$ (543,529)
Public safety	1,083,122	90,747	36,453	-	(955,922)
Public works	509,285	156,969	124,572	1,505,355	1,277,611
Culture and recreation	131,196	30,008	14,939	25,000	(61,249)
Interest on long-term debt	28,831	-	-	-	(28,831)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total governmental activities	2,674,917	380,483	452,159	1,530,355	(311,920)
		General Revenues and transfers:			
		Taxes:			
					1,360,608
					123,507
					45,830
					798
					6,275
					(86)
					<hr/>
Total general revenues and transfers					1,536,932
Changes in net position					1,225,012
Net position, beginning of year, as previously stated					8,492,172
Restatement					132,515
					<hr/>
Net position, beginning of year					8,624,687
					<hr/>
Net position, end of year					\$ 9,849,699

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

**GOVERNMENTAL FUND STATEMENTS**

STATE OF NEW MEXICO  
CITY OF ANTHONY  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2018

	General Fund	NM DOT - E100220 (CMAQ) Federal	Final Phase 4th Street 3505-CIF	Capital Acquisition Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 1,376,345	\$ -	\$ 173,056	\$ 113,494	\$ 368,678	\$ 2,031,573
Investments	-	-	-	-	118,132	118,132
Receivables:						
Taxes	269,454	-	-	-	1,547	271,001
Trade	7,935	-	-	-	5,847	13,782
Due from other gov.	-	104,218	337,348	-	-	441,566
Due from other funds	153,516	-	-	-	-	153,516
<b>Total assets</b>	<b>\$ 1,807,250</b>	<b>\$ 104,218</b>	<b>\$ 510,404</b>	<b>\$ 113,494</b>	<b>\$ 494,204</b>	<b>\$ 3,029,570</b>
<b>LIABILITIES AND FUND BALANCE</b>						
Liabilities:						
Accounts payable	\$ 3,309	\$ -	\$ 511,978	\$ -	\$ 34,694	\$ 549,981
Accrued payroll	50,153	-	-	-	-	50,153
Due to other funds	-	94,775	-	-	58,741	153,516
<b>Total liabilities</b>	<b>53,462</b>	<b>94,775</b>	<b>511,978</b>	<b>-</b>	<b>93,435</b>	<b>753,650</b>
<b>Total liabilities and deferred inflows</b>	<b>53,462</b>	<b>94,775</b>	<b>511,978</b>	<b>-</b>	<b>93,435</b>	<b>753,650</b>
Fund balances:						
Restricted for:						
General government	-	-	-	-	2,558	2,558
Public Safety	-	-	-	113,494	57,177	170,671
Culture and recreation	-	-	-	-	97,361	97,361
Public works	-	9,443	(1,574)	-	168,298	176,167
Debt service expenditures	-	-	-	-	143,574	143,574
Unassigned	1,753,788	-	-	-	(68,199)	1,685,589
<b>Total fund balances</b>	<b>1,753,788</b>	<b>9,443</b>	<b>(1,574)</b>	<b>113,494</b>	<b>400,769</b>	<b>2,275,920</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,807,250</b>	<b>\$ 104,218</b>	<b>\$ 510,404</b>	<b>\$ 113,494</b>	<b>\$ 494,204</b>	<b>\$ 3,029,570</b>

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

STATE OF NEW MEXICO  
CITY OF ANTHONY  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2018

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

Fund balances- total governmental funds	\$	2,275,920
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		10,029,847
Deferred outflows and inflows of resources related to pensions are applicable to future periods and therefore, are not reported in funds:		
Deferred outflows of resources related to net difference between expected and actual experience		50,238
Deferred outflows of resources related to changes in proportion		265,555
Deferred outflows of resources related to changes in assumption		53,906
Deferred outflows of resources related to net difference between projected and actual investment earnings on pension plan investments		85,047
Deferred outflows of resources related to employer contributions subsequent to the measurement date		83,874
Deferred inflows of resources related to changes in assumptions		(16,334)
Deferred inflows of resources related to net difference between expected and actual experience		(111,664)
Deferred inflows of resources related to changes in proportion		(35,496)
Some liabilities, including the loan and net pension liability are not due and payable in the current period and, therefore, are not reported in the funds:		
Accrued compensated absences		(26,508)
Loan payable		(1,760,199)
Net pension liability		<u>(1,044,487)</u>
Total net position of governmental activities		<u><u>9,849,699</u></u>

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

STATE OF NEW MEXICO  
CITY OF ANTHONY  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
GOVERNMENTAL FUNDS  
JUNE 30, 2018

	General Fund	NM DOT - E100220 (CMAQ) Federal	Final Phase 4th Street 3505-CIF	Capital Acquisition Fund	Other Governmental Funds	Total
<b>REVENUES</b>						
Gross receipts	\$ 1,360,608	\$ -	\$ -	\$ -	\$ -	\$ 1,360,608
Gasoline and motored vehicle	117,786	-	-	-	5,721	123,507
Other tax	44,026	-	-	-	1,804	45,830
State operating grants	256,276	259,935	869,016	-	153,897	1,539,124
State capital grants	-	-	-	-	468,872	468,872
Charges for services (MVD)	11,087	-	-	-	19,000	30,087
Licenses, fees and permits	180,247	-	-	45,932	34,404	260,583
Investment income	95,435	-	-	-	798	96,233
Miscellaneous	6	-	-	-	13,878	13,884
	<u>2,065,471</u>	<u>259,935</u>	<u>869,016</u>	<u>45,932</u>	<u>698,374</u>	<u>3,938,728</u>
Total revenues						
<b>EXPENDITURES</b>						
General government	625,344	-	-	-	4,984	630,328
Public safety	885,926	-	-	-	48,270	934,196
Public works	471,308	-	-	-	37,977	509,285
Culture and recreation	114,610	-	-	-	16,586	131,196
Capital outlay	27,922	299,307	1,169,902	262,438	480,167	2,239,736
Debt service:						
Principal	-	-	-	-	87,274	87,274
Interest	-	-	-	-	28,831	28,831
	<u>2,125,110</u>	<u>299,307</u>	<u>1,169,902</u>	<u>262,438</u>	<u>704,089</u>	<u>4,560,846</u>
Total expenditures						
Excess (deficiency) of revenues over expenditures	(59,639)	(39,372)	(300,886)	(216,506)	(5,715)	(399,897)
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	-	53,022	299,312	330,000	325,745	1,008,079
Transfers out	(827,917)	-	-	-	(174,479)	(1,002,396)
Bond proceeds	-	-	-	-	13,250	13,250
	<u>(827,917)</u>	<u>53,022</u>	<u>299,312</u>	<u>330,000</u>	<u>164,516</u>	<u>18,933</u>
Total other financing source (uses)						
Net change in fund balances	(887,556)	13,650	(1,574)	113,494	158,801	(603,185)
Fund balance at beginning of year	2,641,344	(4,207)	-	-	241,968	2,879,105
Fund balance at end of year	<u>\$ 1,753,788</u>	<u>\$ 9,443</u>	<u>(1,574)</u>	<u>113,494</u>	<u>400,769</u>	<u>2,275,920</u>

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

STATE OF NEW MEXICO  
CITY OF ANTHONY  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2018

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities**

**Amounts reported for governmental activities in the Statement of Activities are different because:**

Net change in fund balances - total governmental funds	\$ (603,185)
--	--------------

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital expenditures recorded in capital outlay	2,239,736
Depreciation expense	(292,155)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds:

Decrease in unavailable revenue related to grants	(44,482)
---	----------

Governmental funds report City pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned, net of employee contributions is reported as pension expense:

Deferred outflows	140,370
Deferred inflows	(98,881)

The issuance of long-term debt (e.g. bonds, loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.

Net pension liability	(192,567)
Decrease in accrued interest	9,191
Change in accrued compensated absences	(7,039)
Proceeds from the issuance of debt	(13,250)
Principal payments on loan payable	87,274

<b>Change in net position of governmental activities</b>	<b><u>\$ 1,225,012</u></b>
--	----------------------------

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



STATE OF NEW MEXICO  
CITY OF ANTHONY  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2018

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
REVENUES:				
Taxes:				
Gross receipts	\$ 726,950	\$ 707,201	\$ 1,479,036	\$ 771,835
Gas and motor vehicle	15,000	11,087	117,786	106,699
Other	111,000	114,894	44,026	(70,868)
Intergovernmental income:				
State operating grants	811,000	561,325	256,276	(305,049)
Charges for services	306,000	310,765	11,087	(299,678)
Licenses and fees	9,250	9,181	180,247	171,066
Investment Income	-	-	95,435	-
Miscellaneous	117,500	101,027	6	(101,021)
Total revenues	<u>2,096,700</u>	<u>1,815,480</u>	<u>2,183,899</u>	<u>272,984</u>
EXPENDITURES:				
Current				
General government	733,948	722,064	547,895	174,169
Public safety	791,964	791,013	885,926	(94,913)
Public works	255,278	242,439	471,308	(228,869)
Culture and recreation	126,301	114,608	114,610	(2)
Capital outlay	239,488	238,969	27,922	211,047
Total expenditures	<u>2,146,979</u>	<u>2,109,093</u>	<u>2,047,661</u>	<u>61,432</u>
Excess (deficiency) of revenues over expenditures	(50,279)	(293,613)	136,238	334,416
OTHER FINANCING SOURCES (USES)				
Transfers In	24,405	24,405	-	(24,405)
Transfers (out)	(788,347)	(858,090)	(827,917)	30,173
Total other financing sources (uses)	<u>(763,942)</u>	<u>(833,685)</u>	<u>(827,917)</u>	<u>5,768</u>
Net changes in fund balance	(814,221)	(1,127,298)	(691,679)	340,184
Fund balance - beginning of the year	-	-	2,641,344	2,641,344
Fund balance - end of the year	<u>\$ (814,221)</u>	<u>\$ (1,127,298)</u>	<u>\$ 1,949,665</u>	<u>\$ 2,981,528</u>
Reconciliation of budgetary basis to GAAP basis:				
Net change in fund balance (non-GAAP budgetary basis)			\$ (691,679)	
Adjustments to revenues for gross receipts and other taxes			(118,428)	
Adjustments to expenditures for salaries, professional services, utilities, and other expenses			<u>(77,449)</u>	
Net change in fund balance (GAAP basis)			<u>\$ (887,556)</u>	

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

STATE OF NEW MEXICO  
CITY OF ANTHONY  
AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018

**ASSETS**

Cash	\$ 5,262
Accounts receivable	<u>4,542</u>
Total assets	<u>\$ 9,804</u>

**LIABILITIES**

Deposits Payable	<u>\$ 9,804</u>
Total liabilities	<u>\$ 9,804</u>

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

**NOTES TO FINANCIAL STATEMENTS**

STATE OF NEW MEXICO  
CITY OF ANTHONY  
NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

**Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Anthony (the "City") was incorporated in 2010. The City operates under a Council-Mayor form of government and provides the following services as authorized by its charter: public safety(police), streets, culture-recreation, and general administrative services.

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

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

This summary of significant accounting policies of the City is presented to assist in the understanding of City's accruals financial statements. The financial statements and notes are the representation of City's management who is responsible for their integrity and objectivity. The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units.

**A. Financial Reporting Entity**

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

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

STATE OF NEW MEXICO  
CITY OF ANTHONY  
NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

**NOTE 1. Summary of Significant Accounting Policies (continued)**

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens.

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

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

Based upon the application of these criteria, the City has no component units, and is not a component unit of another governmental agency.

**B. Government-wide and fund financial statements**

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

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

STATE OF NEW MEXICO  
CITY OF ANTHONY  
NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

**NOTE 1. Summary of Significant Accounting Policies (continued)**

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

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

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

**C. Measurement focus, basis of accounting, and financial statement presentation**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

STATE OF NEW MEXICO  
CITY OF ANTHONY  
NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

**NOTE 1. Summary of Significant Accounting Policies (continued)**

**C. Measurement focus, basis of accounting, and financial statement presentation (continued)**

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The City reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. This fund includes state shared gross receipts tax income fund and state shared gas tax income funds.

The Capital Appropriation Project 16-A2253-STB Capital Projects Fund is used to account for funds from the New Mexico Environment Department for the purchase of two solid waste trucks. The authority for the creation of the fund is NMSA 1978, Section 81-18-14. This fund is authorized by the Board of Trustees.

The CIF3339 Colonias Special Revenue Fund is used to account for fund from the Colonias Infrastructure Board for the construct of the flood control project in Anthony, NM. The authority for the creation of the fund is NMSA 1978, Section 6-30-1 through 6- 30-8. The fund is authorized by the Board of Trustees.

Additionally, the City also reports the following fund type:

The City accounts for resources held for others in a custodial capacity in agency funds. Assets equals liabilities and this fund does not include measurements or results of operations. The City's agency fund is the trustee account for a local company yet to start operations and a sweep account for the State of New Mexico Motor Vehicle Division.

STATE OF NEW MEXICO  
CITY OF ANTHONY  
NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

**NOTE 1. Summary of Significant Accounting Policies (continued)**

**C. Measurement focus, basis of accounting, and financial statement presentation (continued)**

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

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

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

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity**

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

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

**Fair Value Measurements:** The fair value framework uses a hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). As of June 30, 2018, there are no items are required to be valued using valuation techniques.



STATE OF NEW MEXICO  
CITY OF ANTHONY  
NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

**NOTE 1. Summary of Significant Accounting Policies (continued)**

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

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

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

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. The City estimates the allowance for uncollectible accounts based off the days delinquent. The City has estimated all accounts that are greater than 120 days to be uncollectible.

**Restricted Assets:** Restricted assets consist of those funds expendable for operating purposes but restricted by donors or other outside agencies as to the specific purpose for which they may be used and restricted for future debt service payments and capital projects.

**Capital Assets:** Capital assets, which include buildings and improvements, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Pursuant to the implementation of GASB Statement No. 34, the historical costs of infrastructure assets (retroactive to 1979) are included as part of the governmental capital assets reported in the government-wide statements. Information Technology Equipment including software is being capitalized and included in machinery and equipment in accordance with NMAC 2.20.1.9 C (5). Donated capital assets are recorded at estimated fair market value at the date of donation.

STATE OF NEW MEXICO  
CITY OF ANTHONY  
NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

**NOTE 1. Summary of Significant Accounting Policies (continued)**

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Library books and periodicals are estimated to have a useful life of less than one year or are under the capitalization threshold and are expensed when purchased.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. There was no interest expense capitalized by the City during the current fiscal year. No interest was included as part of the cost of capital assets under construction.

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

<u>Assets</u>	<u>Years</u>
Buildings and improvements	10-40
Equipment	5-10
Infrastructure	25

**Deferred Outflows of Resources:** In addition to assets, the balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element represents a use of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until that time. The City has five types of items that qualify for reporting in this category in the governmental activities.

**Deferred Inflows of Resources:** In addition to liabilities, the balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Revenue must be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period) to be recognized. If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding liability for deferred inflows of resources. The City does has one deferred inflows which arises under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue – grants in the amount of \$44,482 is reported only in the governmental funds reported balance sheet. The City has three types of items present on the Statement of Net Position which arise due to the implementation of GASB 68 and the related net pension liability.

STATE OF NEW MEXICO  
CITY OF ANTHONY  
NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

**NOTE 1. Summary of Significant Accounting Policies (continued)**

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

**Deferred Inflows of Resources (continued)** :Accordingly, the items, change in assumptions of \$7,314, net difference between expected and actual experience of \$4,397, and changes in proportion of \$52,902, are reported on the Statement of Net Position. These amounts are deferred and recognized as inflows of resources in the period that the amounts become available.

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

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

**Long-term Obligations:** In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities, statement of net position. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the effective interest method or the straight-line method if the difference is minimal. Bonds payable are reported net of the applicable bond premium or discount. For fund financial reporting, bond premiums and discounts, as well as issuance costs, are recognized in the period the bonds are issued. Bond proceeds are reported as another financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

**Fund Balance Classification Policies and Procedures:** For committed fund balance, the City's highest level of decision-making authority is the Board of Trustees. The formal action that is required to be taken to establish a fund balance commitment is the Board of Trustees.

STATE OF NEW MEXICO  
CITY OF ANTHONY  
NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

**NOTE 1. Summary of Significant Accounting Policies (continued)**

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

For assigned fund balance, the Board of Trustees or an official or body to which the Board of Trustees delegates the authority is authorized to assign amounts to a specific purpose. The authorization policy is in governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund. For the classification of fund balances, the City considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available. Also for the classification of fund balances, the City considers committed, assigned, or unassigned amounts to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

**Nonspendable Fund Balance:** At June 30, 2018, the City did not have any fund balances in nonspendable form.

**Restricted and Committed Fund Balance:** At June 30, 2018, the City has presented restricted fund balance on the governmental funds balance sheet for various general government operations as restricted by enabling legislation. The details of these fund balance items are located on the governmental funds balance sheet.

**Minimum Fund Balance Policy:** The City's policy for maintaining a minimum amount of fund balance for operations is to minimize any sudden and unplanned discontinuity to programs and operations and for unforeseen contingencies. At a minimum, the budget shall ensure that the City holds cash reserves of 1/12th the General Fund expenditures.

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

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

**b.** Restricted net position: Consist of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. Descriptions for the related restrictions for net position restricted for "special revenue, debt service and capital projects" are described on pages 33 and 69-71

**c.** Unrestricted net position: Net position that does not meet the definition of "restricted" or "Net Investment in Capital Assets."

STATE OF NEW MEXICO  
CITY OF ANTHONY  
NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

**NOTE 1. Summary of Significant Accounting Policies (continued)**

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

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

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

**Estimates:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates in the City's financial statements include depreciation on capital assets and the net pension liability.

**NOTE 2. Stewardship, Compliance and Accountability**

Budgetary Information

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

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

STATE OF NEW MEXICO  
CITY OF ANTHONY  
NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

**NOTE 3. Deposits and Investments**

State statutes authorize the investment of City funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. The City is not aware of any invested funds that did not meet the State investment requirements as of June 30, 2018.

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

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

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

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

**Custodial Credit Risk – Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk, other than following state statutes as set forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2018, \$1,801,796 of the City's deposits of \$2,051,796 was exposed to custodial credit risk. \$1,801,796 was uninsured and collateralized by collateral held by the pledging bank's trust department, not in the City's name, and no amounts were uninsured and uncollateralized.

STATE OF NEW MEXICO  
CITY OF ANTHONY  
NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

**NOTE 3. Deposits and Investments (continued)**

	<u>First New Mexico Bank</u>
Amount of deposits	\$ 2,051,796
FDIC Coverage	<u>250,000</u>
Total uninsured public funds	<u>1,801,796</u>
Collateral requirement (50% of uninsured funds)	
	900,898
Pledged Collateral	<u>2,026,527</u>
Over (Under) collateralized	<u>\$ 1,125,629</u>

The collateral pledged is listed in the supplementary section this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, district or political subdivision of the State of New Mexico.

**Reconciliation to the Statement of Net Assets:**

Cash and cash equivalents per Exhibit A-1	\$ 1,780,406
Restricted cash and cash equivalents per Exhibit A-1	249,361
Restricted investments per Exhibit A-1	118,132
Agency funds cash per Exhibit A-1	<u>5,262</u>
Total cash and cash equivalents	<u>2,153,161</u>
Add: outstanding checks	42,209
Less: U.S. Treasury Money Market Mutual Fund	<u>143,574</u>
Bank balance of deposits	<u>\$ 2,051,796</u>

STATE OF NEW MEXICO  
CITY OF ANTHONY  
NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

**NOTE 3. Deposits and Investments (continued)**

Investments

The City has investments held in U.S. Treasury Money Market Mutual Funds at the Bank of Albuquerque in connection with New Mexico Finance Authority (NMFA) loans.

The City's investments at June 30, 2018 include the following:

Investments	Rated	Weighted Average Maturity	Fair Value
U.S. Treasury Money Market Mutual Funds	Aaa **	>365 Days *	\$ <u>143,574</u>

\*\* Based Moody's rating

\* The City has funds which are managed by NMFA which are considered restricted cash and cash equivalents and restricted investments. Of the total balances of \$143,574, \$118,132 is considered restricted cash and cash equivalents and \$25,442 is considered to be restricted investments per Exhibit A-1.

Interest Rate Risk – Investments

The City does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates.

Concentration of Credit Risk – Investments

For an investment, concentration of credit risk is when any one issuer is 5% or more of the investment portfolio of the City. The investments in the U.S Treasury Money Market Mutual Funds represent 100%, of the investment portfolio. Since the City only purchases investments with the highest credit rating, the additional concentration is not viewed to be an additional risk by the City. The City's policy related to concentration of credit risk is to comply with the state statute as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978).



STATE OF NEW MEXICO  
CITY OF ANTHONY  
NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

**NOTE 3. Deposits and Investments (continued)**

**Fair Value Measurements**

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

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

Level 2 Inputs to the valuation methodology include:

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

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

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

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

U.S. Treasury Money Market Mutual Funds are valued at the daily closing price as reported by the fund. These investments held by the City are open-end funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the City are deemed to be actively traded.

STATE OF NEW MEXICO  
CITY OF ANTHONY  
NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

**NOTE 3. Deposits and Investments (continued)**

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

The City maintained a balance of \$118,132 in investments at June 30, 2018 which required fair value disclosure. The following table sets forth by level within the fair value hierarchy of the City's assets at fair value as of June 30, 2018:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
U.S. Treasury Money				
Market Mutual Fund	\$ <u>118,132</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>118,132</u>
Total Investments	\$ <u><u>118,132</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>118,132</u></u>

**NOTE 4. Receivables**

Receivables as of June 30, 2018, are as follows:

	<u>Total</u>
Taxes:	
Gross receipts taxes	\$ 229,928
Other taxes	<u>41,073</u>
Total Tax AR	271,001
Due from other Governments:	
Licenses and fees	7,935
Grants	447,413
Total Other AR	<u>455,348</u>
TOTAL AR	<u>\$ 726,349</u>

Receivables for governmental activities are considered to be 100% collectible.

STATE OF NEW MEXICO  
CITY OF ANTHONY  
NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

**NOTE 5. Transfers and Interfund Receivables**

Internal balances have primarily been recorded when funds overdraw their share of pooled cash. The composition of interfund balances as of June 30, 2018 is as follows:

<b>Governmental Activities</b>	<b>Due from other funds</b>	<b>Due to other funds</b>
General Fund	\$ 153,516	\$ -
Stonegarden	-	1,309
General Obligation Bond	-	1,221
Colonias 3339-CIF	-	40,394
Keep New Mexico True	-	5,697
NM DOT CN C1150915	-	2,610
NM DOT - E100220 (CMAQ Federal)	-	94,775
End DWI	-	2,225.00
Buckle up	-	1,233
MAP 7613	-	2,791
E-Rate Library	-	1,261
	<u>                    </u>	<u>                    </u>
Total	<u>\$ 153,516</u>	<u>\$ 153,516</u>

All interfund transactions are short-term and are expected to be repaid within a year. The composition of interfund transfers as of June 30, 2018 is as follows:

<b>Governmental Activities</b>	<b>Transfers In</b>	<b>Transfers Out</b>
General Fund	\$ 24,403	\$ 858,853
Debt Service Loan	11,964	149,312
OT/LGRF MAP Grant	-	24,403
Colonias 3339-CIF	68,842	-
NMDOT - E100220	53,022	-
NM DOT SP-1-17 (956)	11,266	-
NMFA Project No 3577-PG	500	-
Landscape Project	764	-
Final Phase 4th Street	299,312	-
Capital Acquisition Fund	330,000	-
CDBG Grant 16-C-NR-I-70-G-18	50,305	-
Colonias - Anthony Arroyo CIF-4104	16,992	-
NMDOT City Streets	10,904	-
US Department of Ag	17,286	-
NM State Library	19,453	-
Debt Services Fund	117,469	-
MVD State Fees	86	-
	<u>                    </u>	<u>                    </u>
Total	<u>\$ 1,032,568</u>	<u>\$ 1,032,568</u>

STATE OF NEW MEXICO  
CITY OF ANTHONY  
NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

**NOTE 6. Capital Assets**

A summary of capital assets and changes occurring during the year ended June 30, 2018 follows. Land and construction in progress are not subject to depreciation.

<i>Governmental activities:</i>	<u>Balance June 30, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments /Transfers</u>	<u>Balance June 30, 2018</u>
Capital assets not being depreciated:					
Land	\$ 483,800	\$ -	\$ -	\$ -	\$ 483,800
Construction in progress	<u>3,369,750</u>	<u>1,936,984</u>	<u>-</u>	<u>(996,840)</u>	<u>4,309,894</u>
Total capital assets not being depreciated	3,853,550	1,936,984	-	(996,840)	4,793,694
Capital assets being depreciated:					
Buildings and Improvements	2,691,523	-	-	-	2,691,523
Equipment	796,627	302,752	-	-	1,099,379
Infrastructure	<u>1,255,226</u>	<u>-</u>	<u>-</u>	<u>1,129,355</u>	<u>2,384,581</u>
Total capital assets being depreciated	<u>4,743,376</u>	<u>302,752</u>	<u>-</u>	<u>1,129,355</u>	<u>6,175,483</u>
Total capital assets	8,596,926	2,239,73	-	132,515	10,969,177
Less accumulated depreciation for:					
Buildings and improvements	206,516	67,288	-	-	273,804
Equipment	334,893	155,500	-	-	490,393
Infrastructure	<u>105,766</u>	<u>69,367</u>	<u>-</u>	<u>-</u>	<u>175,133</u>
Total accumulated depreciation	<u>647,175</u>	<u>292,155</u>	<u>-</u>	<u>-</u>	<u>939,330</u>
Total capital assets, net of depreciation	<u>\$ 7,949,751</u>	<u>\$ 1,947,581</u>	<u>\$ -</u>	<u>\$ 132,515</u>	<u>\$ 10,029,847</u>

Depreciation expense for the year ended June 30, 2018 was charged to governmental activities as follows:

General Government     \$ 292,155

STATE OF NEW MEXICO  
CITY OF ANTHONY  
NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

**NOTE 7. Long-term Debt**

During the year ended June 30, 2018, the following changes occurred in the liabilities reported in the government-wide statement of net position:

	<b>Balance June 30, 2017</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance June 30, 2018</b>	<b>Due Within One Year</b>
<b>Governmental Activities:</b>					
NMFA Loans	\$ 1,834,223	\$ 13,250	\$ 87,274	\$ 1,760,199	\$ 89,864
Compensated Absences	19,469	15,544	8,505	26,508	7,707
Total long-term debt	<u>\$ 1,853,692</u>	<u>\$ 28,794</u>	<u>\$ 95,779</u>	<u>\$ 1,786,707</u>	<u>\$ 97,571</u>

**NMFA Loans**

In December 2013, the City borrowed \$1,790,102 from the New Mexico Finance Authority. The loan proceeds were used to finance the acquisition of a building and grounds for the City's municipal building. The new building will allow the City to expand and improve on municipal services for the constituents of the City. This loan matures in May 2033 and accrues interest at 2.90%. The payments of principal and interest are paid from the revenue pledged as security through Municipal Local Option GRT.

On February 26, 2016, the City borrowed \$53,266 from the New Mexico Finance Authority. The proceeds of the loan are to be used for Flood Control Project 3339. The note matures in June 2036 and does not accrue interest. The City has pledged revenues to the payment of the loan to the grantor. The payments of principal is paid from the revenue pledged as security through Municipal Local Option GRT. The City had drawdowns on this loan in the amount of \$52,288 in the current year.

On February 26, 2016, the City borrowed \$68,842 from the New Mexico Finance Authority. The proceeds of the loan were used for Flood Control Project 3339. The note matures on June 1, 2034 and does not accrued interest. The City has to pledge revenue to the payment of the loan to the grantor. The payments of the principal is paid from the revenue pledged as security though Municipal Local Option GRT.

On January 13, 2017, the City borrowed \$150,000 from the New Mexico Finance Authority. The proceeds of the loan were used for Road Improvement Project 3505. The note matures on June 1, 2038 and does not accrued interest. The City has to pledge revenue to the payment of the loan to the grantor. The payments of the principal is paid from the revenue pledged as security though Municipal Local Option GRT.

STATE OF NEW MEXICO  
CITY OF ANTHONY  
NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

**NOTE 7. Long-term Debt (continued)**

On March 30, 2018, the City borrowed \$13,250 from the New Mexico Finance Authority. The proceeds of the loan were used for Drainage Control Improvements. The note matures on May 27, 2021 and does not accrued interest. The City has to pledge revenue to the payment of the loan to the grantor. The payments of the principal is paid from the revenue pledged as security though Municipal Local Option GRT.

Description	Date of Issue	Maturity Date	Interest Rate	Original Amount of Issue	Balance June 30, 2018
NMFA Loan- Municipal Building	Dec-13	Nov-33	2.90%	\$1,790,102	\$ 1,489,414
NMFA Loan- Flood Control Project	Oct-16	Jun-34	0.00%	\$ 53,266	46,784
NMFA Loan- Flood Control Project	Feb-16	Jun-35	0.00%	\$ 68,842	60,751
NMFA Loan - Road Improvements Project	Jan-17	Jun-38	0.00%	\$ 150,000	150,000
NMFA Loan - Drainage Control Improvements	Mar-18	May-21	0.00%	\$ 13,250	<u>13,250</u>
Total NMFA Loans					<u>\$ 1,760,199</u>

The annual requirements to amortize the NMFA loan as of June 30, 2018, including interest payments, are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total Debt Service
2019	\$ 89,864	\$ 43,469	\$ 133,333
2020	90,890	41,581	132,471
2021	92,257	41,068	133,325
2022	93,945	39,701	133,646
2023	95,955	36,003	131,958
2024-2028	518,542	141,242	659,784
2029-2033	607,935	51,846	659,781
2034-2037	<u>170,811</u>	<u>117</u>	<u>170,928</u>
Total	<u>\$1,760,199</u>	<u>\$ 395,027</u>	<u>\$2,155,226</u>

STATE OF NEW MEXICO  
CITY OF ANTHONY  
NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

**NOTE 7. Long-term Debt (continued)**

**Compensated Absences**

Employees of the City are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2018, compensated absences increased \$7,039 from the prior year accrual. Compensated absences are liquidated by the respective funds in which they are accrued.

**Conduit debt obligation**

The City of Anthony has issued Industrial Revenue Bonds to provide financial assistance to private entities for the acquisition and construction of industrial facilities deemed to be in public interest. The bonds are secured by the property financed and are payable solely from payments received from the entities involved. Upon repayment of the bonds, ownership of the acquired facilities transfers to the entity served the bond issuance. Neither the City or the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. See Note 17 for tax abatement information.

**NOTE 8. Risk Management**

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

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

At June 30, 2018, no unpaid claims have been filed which exceed the policy limits and to the best of management's knowledge and belief all known and unknown claims will be covered by insurance. The City is not aware of any major lawsuits that have been filed.

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

STATE OF NEW MEXICO  
CITY OF ANTHONY  
NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

**NOTE 9. Other Required Individual Fund Disclosures**

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

**A.** Deficit fund balance of individual funds. The following funds had deficit fund balances as of June 30, 2018.

Final Phase 4th Street 3505 - CIF	\$ (1,574)
Stonegarden	(1,309)
General Obligation Bond	(1,221)
CIF 3339 Colonias	(40,358)
BKLUP CIOT 16-OP-RF-158	(1,200)
ENDWI 16-AL-64-158	(2,225)
E-Rate Library	(1,261)
Map - 7613	(2,791)
NM DOT C1150915	(2,610)
NM DOT Contract D15485	<u>(15,157)</u>
	<u>\$ (69,706)</u>

**NOTE 10. Pension Plan-Public Employees Retirement Association**

General Information about the Pension Plan

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

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



STATE OF NEW MEXICO  
CITY OF ANTHONY  
NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

**NOTE 10. Pension Plan - Public Employees Retirement Association (continued)**

**Benefits provided.** For a description of the benefits provided and recent changes to the benefits see Note 1 in the PERA audited financial statements for the fiscal year ended June 30, 2017 available at:

<http://www.nmpera.org/assets/uploads/downloads/Schedule-of-Employer-Allocation-for-report-FY17-Edited.pdf>.

**Contributions.** The contribution requirements of defined benefit plan members and The City are established in State Statute under Chapter 10, Article 11 NMSA 1978. The contribution requirements may be amended by acts of the legislature. For the employer and employee contribution rates in effect for FY17 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures of the PERA FY17 annual audit report at:

<http://www.nmpera.org/assets/uploads/downloads/Schedule-of-Employer-Allocation-for-report-FY17-Edited.pdf>.

The PERA coverage options that apply to City of Anthony are: Municipal General Division and Municipal Police Division. Statutorily required contributions to the pension plan from City of Anthony were \$40,712 for the year ended June 30, 2018.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:** The PERA pension liability amounts, net pension liability amounts, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2017. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2017, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2017.

The assets of the PERA fund are held in one trust, but there are six distinct membership groups (municipal general members, municipal police members, municipal fire members, state general members, state police members and legislative members) for whom separate contribution rates are determined each year pursuant to chapter 10, Article 11 NMSA 1978. Therefore, the calculations of the net pension liability, pension expense and deferred inflows and outflows were performed separately for each of the membership groups: municipal general members; municipal police members; municipal fire members; state general members; state police members and legislative members.

STATE OF NEW MEXICO  
CITY OF ANTHONY  
NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

**NOTE 10. Pension Plan - Public Employees Retirement Association (continued)**

City of Anthony's proportion of the net pension liability for each membership group that the employer participates in is based on the employer contributing entity's percentage of that membership group's total employer contributions for the fiscal year ended June 30, 2018. Only employer contributions for the pay period end dates that fell within the period of July 1, 2017 to June 30, 2018 were included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to FY 2017 are included in the total contribution amounts. In the event that an employer is behind in reporting to PERA its required contributions, an estimate (receivable) was used to project the unremitted employer contributions. This allowed for fair and consistent measurement of the contributions with the total population. This methodology was used to maintain consistent measurement each year in determining the percentages to be allocated among all the participating employers.

**For PERA Fund Municipal General Division**, at June 30, 2018, City of Anthony reported a liability of \$615,590 for its proportionate share of the net pension liability. At June 30, 2017, Anthony's proportion was 0.0448 percent, which was increased from its proportion measured as of June 30, 2016, by 0.0282 percent.

For the year ended June 30, 2018, City of Anthony recognized PERA Fund Municipal General Division pension expense of \$132,650. At June 30, 2017, City of Anthony reported PERA Fund Municipal General Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred inflows of resources
Changes in assumptions	\$ 28,388	\$ 6,361
Changes in proportion	161,927	1,262
Difference between expected and actual experience	24,189	31,529
Net difference between expected and actual experience	50,505	-
Contributions subsequent to the measurement date	<u>43,162</u>	<u>-</u>
Total	<u>\$ 308,171</u>	<u>\$ 39,152</u>

STATE OF NEW MEXICO  
CITY OF ANTHONY  
NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

**NOTE 10. Pension Plan - Public Employees Retirement Association (continued)**

\$43,162 reported as deferred outflows of resources related to pensions resulting from City of Anthony's contributions subsequent to the measurement date June 30, 2017 will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2019	\$	75,621
2020	\$	113,065
2021	\$	51,930
2022	\$	(14,759)

**For PERA Fund Municipal Police Division**, at June 30, 2018, City of Anthony reported a liability of \$428,897 for its proportionate share of the net pension liability. At June 30, 2017, City of Anthony's proportion was 0.0772 percent, which was an increase from its proportion measured as of June 30, 2017, by 0.0553 percent.

For the year ended June 30, 2018, City of Anthony recognized PERA Fund Municipal Police Division pension expense of \$78,853. At June 30, 2018, City of Anthony reported PERA Fund Municipal Police Division deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred inflows of resources
	<u>          </u>	<u>          </u>
Changes in assumptions	\$ 25,518	\$ 9,973
Changes in proportion	103,628	34,234
Difference between expected and actual experience	26,049	80,135
Net difference between expected and actual experience	34,542	-
Contributions subsequent to the measurement date	<u>40,712</u>	<u>-</u>
Total	<u>\$ 230,449</u>	<u>\$ 124,342</u>

STATE OF NEW MEXICO  
CITY OF ANTHONY  
NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

**NOTE 10. Pension Plan - Public Employees Retirement Association (continued)**

\$40,712 reported as deferred outflows of resources related to pensions resulting from City of Anthony's contributions subsequent to the measurement date June 30, 2017 will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

	Police Division	
2019	\$	24,477
2020	\$	38,051
2021	\$	12,966
2022	\$	(10,099)

**Actuarial assumptions.** As described above, the PERA Fund member group pension liabilities and net pension liabilities are based on actuarial valuations performed as of June 30, 2015 for each of the membership groups. Then each PERA Fund member group pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2016 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll- forward liabilities as of June 30, 2016. These actuarial methods and assumptions were adopted by the Board for use in the June 30, 2016 actuarial valuation.

Actuarial valuation date	June 30, 2015
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay
Amortization period	Solved for based on statutory rates
Asset valuation method	Fair value
Actuarial assumptions:	
-Investment rate of return	7.75% annual rate, net of investment expense
-Projected benefit payment	100 years
-Payroll growth	2.75% for the first 10 years, then 3.25% all other years
-Projected salary increases	2.75% to 14.25% annual rate
Includes inflation at	2.25% annual rate first 10 years, 2.75% all other years
-Mortality assumption	RP-2000 Mortality Tables (Combined table for healthy post-retirees, Employee table for active members, and disabled table for disabled retirees before retirement age) with projection to 2018 using Scale AA
-Experience study dates	July 1, 2008 to June 30, 2013(demographic) and July 1, 2010 through June 20, 2015 (economic)

STATE OF NEW MEXICO  
CITY OF ANTHONY  
NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

**NOTE 10. Pension Plan - Public Employees Retirement Association (continued)**

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

ALL FUNDS - Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	43.50 %	7.39 %
Risk Reduction & Mitigation	21.50 %	1.79 %
Credit Oriented Fixed Income	15.00 %	5.77 %
Real Assets	<u>20.00 %</u>	7.35 %
Total	100.00 %	

General Information about the Pension Plan (continued)

**Discount rate:** The discount rate used to measure the total pension liability was 7.51 percent. The projection of cash flows used to determine the discount rate assumed that future contributions will be made in accordance with statutory rates. On this basis, the pension plan's fiduciary net position together with the expected future contributions are sufficient to provide all projected future benefit payments of current plan members as determined in accordance with GASBS 67. Therefore, the 7.51% assumed long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Employer's proportionate share of the net pension liability to changes in the discount rate.** The following tables show the sensitivity of the net pension liability to changes in the discount rate. In particular, the tables present City of Anthony's net pension liability in each PERA Fund Division that City of Anthony participates in, under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.51%) or one percentage point higher (8.51%) than the single discount rate.

STATE OF NEW MEXICO  
CITY OF ANTHONY  
NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

**NOTE 10. Pension Plan - Public Employees Retirement Association (continued)**

**PERA Fund Municipal General Division**

	1% Decrease (6.51%)	Current Discount Rate (7.51%)	1% Increase (8.51%)
City of Anthony's proportionate share of the Net Pension Liability	\$ 964,833	\$ 615,590	\$ 325,146
TOTAL	\$ 964,833	\$ 615,590	\$ 325,146

**PERA Fund Municipal Police Division**

	1% Decrease (6.51%)	Current Discount Rate (7.51%)	1% Increase (8.51%)
City of Anthony's proportionate share of the Net Pension Liability	\$ 683,971	\$ 428,897	\$ 219,570
TOTAL	\$ 683,971	\$ 428,897	\$ 219,570

**Pension plan fiduciary net position.** Detailed information about the pension plan's fiduciary net position is available in the separately issued FY17 PERA financial report. The report is available at <http://www.nmpera.org/assets/uploads/downloads/Schedule-of-Employer-Allocation-for-report-FY17-Edited.pdf>.

**Payment for contributions in arrears:** The City made no additional payments for contributions in arrears.

**Payables to the pension plan.** At June 30, 2018 there was \$5,760 of contributions due and payable to PERA for the City.

**NOTE 11. Contingent Liabilities**

The City is party to various claims and lawsuits arising in the normal course of business. The City is insured through the New Mexico Self Insurers Fund. The maximum exposure of the City is not estimable as of June 30, 2018.

STATE OF NEW MEXICO  
CITY OF ANTHONY  
NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

**NOTE 12. Federal and State Grants**

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

**NOTE 13. Construction and Other Significant Commitments**

The City has committed to pay for several construction contracts that were not completed at June 30, 2018 in the amount of \$4,309,894 as follows:

Project	Year Ending	Remaining Amount
4th street project	2018	\$ 3,418,540
Acosta Rd.	2018	\$ 730,890
Adams Park	2018	\$ 102,918
Church Street	2018	\$ 57,546

**NOTE 14. Subsequent Events**

The date to which events occurring after June 30, 2018, the date of the most recent statement of net position, have been evaluated for possible adjustment to the financial statements or disclosures is December 14, 2018, which is the date on which the financial statements were issued.

**NOTE 15. Concentrations**

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

**NOTE 16. Restricted Net Position**

The government-wide statement of net position reports \$8,870,442.00 of restricted net position for governmental activities, all of the special revenue funds which are restricted by enabling legislation.

STATE OF NEW MEXICO  
CITY OF ANTHONY  
NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

**NOTE 17. Tax Abatements**

The City has the following tax abatement agreement:

Agency number for Agency making the disclosure (Abating Agency)	6007
Abating Agency Name	City of Anthony
Abating Agency Type	Municipality
Tax Abatement Agreement Name	Industrial Revenue Bond Project Agreement
Name of agency affected by abatement agreement (Affected Agency)	Dona Ana County
Agency number of Affected Agency	5007
Agency type of Affected Agency	County
Recipient(s) of tax abatement	CN Wire Corporation
Tax abatement program (name and brief description)	Industrial Revenue Bond
Specific Tax(es) Being Abated	Property Tax
Authority under which abated tax would have been paid to Affected Agency	New Mexico Statutes 3-32-1 through 3-32-16
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	Contract states that the abating agency will receive a PILOT in the amount equal to the 25% of the property tax abated. Thus the gross amount abated for FY2017 is \$444,088.00
For any Payments in Lieu of Taxes (PILOTS) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	2 Payments (Contract states that from each payment City of Anthony keeps 40% and the rest 60% is distributed to Dona Ana County)
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	N/A



STATE OF NEW MEXICO  
CITY OF ANTHONY  
NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

**NOTE 17. Tax Abatements (continued)**

Agency number for Agency making the disclosure (Abating Agency)	6007
Abating Agency Name	City of Anthony
Abating Agency Type	Municipality
Tax Abatement Agreement Name	Industrial Revenue Bond Project Agreement
Name of agency affected by abatement agreement (Affected Agency)	Taxation and Revenue Department
Agency number of Affected Agency	333
Agency type of Affected Agency	New Mexico State agency
Recipient(s) of tax abatement	CN Wire Corporation
Tax abatement program (name and brief description)	Industrial Revenue Bond
Specific Tax(es) Being Abated	Property Tax
Authority under which abated tax would have been paid to Affected Agency	New Mexico Statutes 3-32-1 through 3-32-16
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	Contract states that the abating agency will receive a PILOT in the amount equal to the 25% of the property tax abated. Thus the gross amount abated for FY2017 is \$444,088.00
For any Payments in Lieu of Taxes (PILOTS) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	2 Payments (Contract states that from each payment City of Anthony keeps 40% and the rest 60% is distributed to Dona Ana County)
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	N/A

STATE OF NEW MEXICO  
CITY OF ANTHONY  
NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

**NOTE 17. Tax Abatements (continued)**

Agency number for Agency making the disclosure (Abating Agency)	6007
Abating Agency Name	City of Anthony
Abating Agency Type	Municipality
Tax Abatement Agreement Name	Industrial Revenue Bond Project Agreement
Name of agency affected by abatement agreement (Affected Agency)	Dona Ana County
Agency number of Affected Agency	5007
Agency type of Affected Agency	County
Recipient(s) of tax abatement	Valley Cold Storage & Transportation
Tax abatement program (name and brief description)	Industrial Revenue Bond
Specific Tax(es) Being Abated	Property Tax
Authority under which abated tax would have been paid to Affected Agency	New Mexico Statutes 3-32-1 through 3-32-16
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	None, Project started December 2016 and no pavements have been received yet.
For any Payments in Lieu of Taxes (PILOTS) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	None, Project started December 2016 and no pavements have been received yet.
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	N/A

STATE OF NEW MEXICO  
CITY OF ANTHONY  
NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

**NOTE 17. Tax Abatements (continued)**

Agency number for Agency making the disclosure (Abating Agency)	6007
Abating Agency Name	City of Anthony
Abating Agency Type	Municipality
Tax Abatement Agreement Name	Industrial Revenue Bond Project Agreement
Name of agency affected by abatement agreement (Affected Agency)	Taxation and Revenue Department
Agency number of Affected Agency	333
Agency type of Affected Agency	New Mexico State agency
Recipient(s) of tax abatement	Valley Cold Storage & Transportation
Tax abatement program (name and brief description)	Industrial Revenue Bonds
Specific Tax(es) Being Abated	Property Tax
Authority under which abated tax would have been paid to Affected Agency	New Mexico Statutes 3-32-1 through 3-32-16
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	None, Project started December 2016 and no pavements have been received yet.
For any Payments in Lieu of Taxes (PILOTS) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	None, Project started December 2016 and no pavements have been received yet.
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	N/A

STATE OF NEW MEXICO  
CITY OF ANTHONY  
NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

**NOTE 18. Subsequent Pronouncements**

In June 2017, GASB Statement No. 87 Leases was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The City is still evaluating how this pronouncement will affect the financial statements.

In April 2018, GASB No. 88, Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements, was issued. Effective date: The provisions of this Statement are effective for financial statements for the objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements related to debt for periods beginning after June 15, 2018. Furthermore, GASB No. 88 clarifies which liabilities governments should include when disclosing information. Earlier application is encouraged. The City is still evaluating how this pronouncement will affect the financial statements.

In June 2018, GASB No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period, was issued. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements of this Statement should be applied prospectively. The City is still evaluating how this pronouncement will affect the financial statements.

STATE OF NEW MEXICO  
CITY OF ANTHONY  
NOTES TO BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

**NOTE 18. Subsequent Pronouncements (continued)**

In December 2018, GASB No. 90, Majority Equity Interests, was issued. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

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

**NOTE 19. Restatement**

The City booked some expenses as accounts payable in the prior year that were related to a project in construction in progress. The expenses were not reconciled to be included in construction in progress (CIP) in the prior year. The City restated \$132,515 resulting from this omission.

**REQUIRE SUPPLEMENTARY INFORMATION**

STATE OF NEW MEXICO  
CITY OF ANTHONY  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) PLAN  
PERA MUNICIPAL GENERAL DIVISION  
LAST 10 FISCAL YEARS\*  
FOR THE YEAR ENDED JUNE 30, 2018

	<b>Measurement Date (As of and for the Year Ended June 30,2018)</b>	<b>Measurement Date (As of and for the Year Ended June 30,2017)</b>	<b>Measurement Date (As of and for the Year Ended June 30, 2016)</b>	<b>Measurement Date (As of and for the Year Ended June 30, 2015)</b>
The City of Anthony' proportion of the net pension liability	615,590	450,541	247,760	192,687
The City of Anthony' proportionate share of the net pension liability	0.0448 %	0.0282 %	0.0243 %	0.0247 %
The City of Anthony' covered payroll	512,195	308,928	252,160	284,437
The City of Anthony' proportionate share of the net pension liability as a percentage of its covered payroll	120.19 %	145.84 %	98.26 %	67.74 %
Plan fiduciary net position as a percentage of the total pension liability	73.74 %	69.18 %	76.99 %	81.29 %

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

STATE OF NEW MEXICO  
CITY OF ANTHONY  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) PLAN  
PERA MUNICIPAL POLICE DIVISION  
LAST 10 FISCAL YEARS\*  
FOR THE YEAR ENDED JUNE 30, 2018

	<b>Measurement Date (As of and for the Year Ended June 30, 2018)</b>	<b>Measurement Date (As of and for the Year Ended June 30, 2017)</b>	<b>Measurement Date (As of and for the Year Ended June 30, 2016)</b>	<b>Measurement Date (As of and for the Year Ended June 30, 2015)</b>
The City of Anthony' proportion of the net pension liability	428,897	401,379	330,348	191,356
The City of Anthony' proportionate share of the net pension liability	0.0772 %	0.0553 %	0.0687 %	0.0587 %
The City of Anthony' covered payroll	\$ 483,116	\$ 196,192	\$ 230,538	\$ 212,779
The City of Anthony' proportionate share of the net pension liability as a percentage of its covered payroll	88.78 %	204.58 %	143.29 %	89.93 %
Plan fiduciary net position as a percentage of the total pension liability	73.74 %	69.18 %	76.99 %	81.29 %

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



STATE OF NEW MEXICO  
CITY OF ANTHONY  
SCHEDULE OF CITY OF ANTHONY' CONTRIBUTIONS  
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) PLAN  
PERA MUNICIPAL GENERAL DIVISION  
LAST 10 FISCAL YEARS\*  
FOR THE YEAR ENDED JUNE 30, 2018

	<b>As of and for the Year Ended June 30, 2018</b>	<b>As of and for the Year Ended June 30, 2017</b>	<b>As of and for the Year Ended June 30, 2016</b>	<b>As of and for the Year Ended June 30, 2015</b>
Contractually required contribution	\$ 43,162	\$ 38,620	\$ 22,861	\$ 16,526
Contributions in relation to the contractually required contribution	<u>43,162</u>	<u>50,524</u>	<u>22,861</u>	<u>16,526</u>
Contribution deficiency (excess)	<u>-</u>	<u>(11,904)</u>	<u>-</u>	<u>-</u>
The City of Anthony' covered payroll	<u>\$ 512,195</u>	<u>\$ 308,928</u>	<u>\$ 252,160</u>	<u>\$ 284,437</u>
Contributions as a percentage of covered payroll	8.43 %	16.35 %	9.07 %	5.81 %

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

STATE OF NEW MEXICO  
CITY OF ANTHONY  
SCHEDULE OF CITY OF ANTHONY' CONTRIBUTIONS  
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) PLAN  
PERA MUNICIPAL POLICE DIVISION  
LAST 10 FISCAL YEARS\*  
FOR THE YEAR ENDED JUNE 30, 2018

	<b>As of and for the Year Ended June 30, 2018</b>	<b>As of and for the Year Ended June 30, 2017</b>	<b>As of and for the Year Ended June 30, 2016</b>	<b>As of and for the Year Ended June 30, 2015</b>
Contractually required contribution	\$ 40,712	\$ 31,090	\$ 20,404	\$ 24,463
Contributions in relation to the contractually required contribution	<u>40,712</u>	<u>31,090</u>	<u>20,404</u>	<u>24,463</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
The City of Anthony' covered payroll	<u>\$ 483,116</u>	<u>\$ 196,192</u>	<u>\$ 230,538</u>	<u>\$ 212,779</u>
Contributions as a percentage of covered payroll	8.43 %	15.85 %	8.85 %	11.50 %

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

STATE OF NEW MEXICO  
CITY OF ANTHONY  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

**Changes of benefit terms.** The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA FY17 audit available at <http://www.nmpera.org/assets/uploads/downloads/Schedule-of-Employer-Allocation-for-report-FY17-Edited.pdf>

**Changes of assumptions.** The Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation as of June 30, 2018 report is available at <http://www.nmpera.org/assets/uploads/downloads/retirement-fund-valuation-reports/6-30-2018-PERA-Valuation-Report-FINAL.pdf>

See the notes to the financial statements on the CAFR which summarizes actuarial assumptions and methods effective with the June 30, 2017 valuation.

**NON-MAJOR FUNDS**

STATE OF NEW MEXICO  
CITY OF ANTHONY  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2018

Non-major funds listed are for Special Revenue Funds are for specific revenue sources (other than special assessments, expendable trusts and major capital projects), Capital Projects Funds for the reporting of capital improvements, and Debt Services Funds for the management debt. These Funds are legally restricted for expenditures for specified purposes.

**CHARITABLE PROJECTS FUND** – To account for donation received by the City in order to promote the wellness of the people of Anthony, NM and specially for the children. This fund has been approved by the Board of Trustees.

**COURT AUTOMATION FUND** – NMSA 34-9-12 created the Municipal Court Automation Fund. The fund is administered by the Administrative Office of the Courts (AOC) for the purpose of “purchasing, maintaining and operating” court automation systems in municipal courts. This fund is authorized by the Board of Trustees.

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

**JUDICIAL EDUCATION** – A court education fee of three dollars (\$3.00); the fees are to be collected upon citation payments. This fund is authorized by the Board of Trustees.

**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. This fund is authorized by the Board of Trustees.

**AUTO GRANT** – 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. This fund is authorized by the Board of Trustees.

**JUDICIAL EDUCATION** – A court education fee of three dollars (\$3.00); the fees are to be collected upon citation payments. This fund is authorized by the Board of Trustees.

**CAPITAL OUTLAY LANDSCAPE PROJECT**– DFA Appropriation 14-L-1681 to plan, design, construct and landscape a walkway and exercise path along Anthony Drive in Anthony in Doña Ana County. The authority is the Laws of 2013, Chapter 226 and the NMSA 1978, Section 9-6-5 and 9-6-5.1. This fund is authorized by the Board of Trustees.

STATE OF NEW MEXICO  
CITY OF ANTHONY  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2018

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

**STONEGARDEN** – Approved memorandum of agreement between Doña Ana County, Doña Ana Sheriff's Office and the City of Anthony Police Department for increased Border Security and protection under Operation Stonegarden, 2013. This fund is authorized by the Board of Trustees.

**LIBRARY**– To account for funds designated for library uses. This fund was created administratively by ordinance. This fund is authorized by the Board of Trustees.

**CIF3178 2014 Colonias** - To account for funds from the Colonias Infrastructure Board for the construction of Putter Circle Drainage in Anthony, NM. The authority for the creation of the fund is NMSA 1978, 6-30-1 through 6-30-8. This fund is authorized by the Board of Trustees.

**GENERAL OBLIGATION BOND** – To account for expenses under the General Obligation Bond awarded to the City of Anthony's Library. This fund is authorized by the Board of Trustees.

**CIF3339 Colonias** - To account for fund from the Colonias Infrastructure Board for the construct of the flood control project in Anthony, NM. The authority for the creation of the fund is NMSA 1978, Section 6-30-1 through 6-30-8. The fund is authorized by the Board of Trustees.

**BUCKLE UP** – To account for grants awarded to the City of Anthony for traffic enforcement and alcohol monitoring. This fund is authorized by the Board of Trustees.

**KEEP NEW MEXICO TRUE** – To account for funds from Keep New Mexico Beautiful, Inc. awarded to the City of Anthony for the Anthony Community Clean Up project. This fund is authorized by the Board of Trustees.

**END DWI** – To account for grants awarded to the City of Anthony for traffic enforcement and alcohol monitoring. This fund is authorized by the Board of Trustees.

**ROADWAY REHABILITATION JOHN HINKLEY & NANCY DOMINIC** - To account for Local funds for the plan, design and construct improvements to John Hinkley & Nancy Dominici Road in Anthony, NM. This fund has been created by the Board of Trustees.

**CDBG GRANT 16-C-NR-1-07-G-18** - To account for collections and disbursements of the federal and state grants collected by the City on behalf of the citizens for Community Development. This fund is authorized by the Board of Trustees.

**E- RATE LIBRARY INTERNET SERVICES** - To account for collections and disbursements of the funds

STATE OF NEW MEXICO  
CITY OF ANTHONY  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2018

used to provide affordable telecommunications and Internet access. This fund is authorized by the Board of Trustees.

**CIF4104 2017 COLONIAS** - To account for fund from the Colonias Infrastructure Board for the City Anthony, NM. The authority for the creation of the fund is NMSA 1978, Section 6-30-1 through 6-30-8. The fund is authorized by the Board of Trustees.

**US DEPARTMENT OF AGRICULTURE** - To account for collections and disbursements of the USDA grants collected by the City on behalf of the citizens. This fund is authorized by the Board of Trustees.

**NEW MEXICO STATE LIBRARY FUND** - To account for collections and disbursements of the USDA grants collected by the City on behalf of the citizens.

**BUREAU OF JUSTICE ASSISTANCE GRANT** - To account for collections and disbursements of the BJA grants collected by the City on behalf of the citizens.

**MUNICIPAL STREETS** – A special revenue 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.

**LODGERS' TAX** – To account for the operations of tourist facilities or for half of advertising, promoting and publicizing such facilities and tourist attractions. State Statute Section 4-6-41 provides for this tax to be imposed by the City. Revenues received are pursuant to the Lodgers' Tax Act (Section 3-38-15, NMSA 1978).

**DOT/LGRF MAP GRANT**– Department of Transportation, Cooperative Grants to account for grants received by the City to aid in the design, reconstruction and drainage improvement of the City Street. Authority is Section 67-3-28 and 67-3-28.2 NMSA 1978 and Commission Policy No 44-12.

**NMFA Project No. 3577-PG** - To account for New Mexico Finance Authority funds to cover the cost of an Economic Development Feasibility Study in Anthony, NM. This fund has been approved by the Board of Trustees.

**MAP 7613 (911) L100299** – To account for the funds from the New Mexico Department of Transportation for the planning, design, construction, reconstruction, pavement rehabilitation, drainage and miscellaneous improvements. Authority for the creation of the fund is NMSA 1978, Sections 67-3-28 and 67-3-28.2. The fund is authorized by the Board of Trustees.

**CAPITAL OUTLAY/DOT 13-1841**– DFA Appropriation 13-1841 NMDOT Control Number C1131841 for the purpose of planning, designing, and constructing improvements to streets in Anthony in Doña Ana County. The authority is the Laws of 2013, SB60, Chapter 226 and the NMSA 1978, Section 67-3-28, as amended, and State Highway Commission Policy No 44.

STATE OF NEW MEXICO  
CITY OF ANTHONY  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2018

**NM DOT CN1150915** - is used to account to funds from the New Mexico Department of Transportation for the plan, design, and construct improvements to the streets in Anthony, NM. Authority for creation of the fund is NMSA 1978, Section 67-3-28. This fund is authorized by the Board of Trustees.

**BALL PARK IMPROVEMENTS** - is used to account to funds to be used for the improvements of the ballpark in the City of Anthony.

**NM DOT SP-1-17 (956)** – To account for Local Government Road Funds utilized for planning, design full depth reconstruction, drainage improvements and construction management of city streets. This fund has been approved by the Board of Trustees.

**CITY WIDE STREETS SP-1-18-(905)** – To account for Local Government Road Funds utilized for design, construction management, reconstruction and drainage improvements of city streets. This fund is authorized by the Board of Trustees.

**LANDSCAPE PROJECT** - is used to account to funds to be used for the improvements of the landscape in the City of Anthony. This fund is authorized by the Board of Trustees.

**CAPITAL APPROPRIATION PROJECT 16-A2253-STB** - The Fund is used to account for funds from the New Mexico Environment Department for the purchase of two solid waste trucks. The authority for the creation of the fund is NMSA 1978, Section 81-18-14. This fund is authorized by the Board of Trustees.

**NM DOT D15485** - To account for the funds from the New Mexico Department of Transportation for the planning, design, and construction improvements in Anthony, NM. Authority for creation of the fund is NMSA 1978, Section 67-3-28. This fund is authorized by the Board of Trustees.

**DEBT SERVICE** – To accumulate monies for the repayment of the loan received from NMFA. The City has acquired the building at 820 Highway 478 Anthony, NM 88021 to house their daily operations. This fund is authorized by the Board of Trustees.

**DEBT SERVICE LOAN COMP GRANT CIF-3339** – To accumulate monies for the repayment of the loan received from NMFA. The loan is a component of grant CI-3339 used for flood, Drainage and road improvements in the City of Anthony, NM. This fund is authorized by the Board of Trustees.



STATE OF NEW MEXICO  
CITY OF ANTHONY  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2018

	<b>Special Revenue Funds</b>							
	Charitable Projects Fund	Court Automation Fund	Judicial Education Fund	Corrections Fund/Care of Prisoners	Law Enforcement Protection Fund	Stonegarden	Library	Colonias CIF3178 2014
<b>ASSETS</b>								
Cash and cash equivalents	\$ 191	\$ 8,476	\$ 341	\$ 48,327	\$ -	\$ -	\$ 24,580	\$ -
Investments	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-
Total assets	<u>\$ 191</u>	<u>\$ 8,476</u>	<u>\$ 341</u>	<u>\$ 48,327</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,580</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCE</b>								
<b>Liabilities</b>								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	1,309	-	-
Total liabilities	-	-	-	-	-	1,309	-	-
<b>Fund balances:</b>								
Spendable								
Restricted for:								
General government	191	-	-	-	-	-	-	-
Public safety	-	8,476	341	48,327	-	-	-	-
Culture and recreation	-	-	-	-	-	-	24,580	-
Public works	-	-	-	-	-	-	-	-
Debt service payments	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(1,309)	-	-
Total fund balances	<u>191</u>	<u>8,476</u>	<u>341</u>	<u>48,327</u>	<u>-</u>	<u>(1,309)</u>	<u>24,580</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 191</u>	<u>\$ 8,476</u>	<u>\$ 341</u>	<u>\$ 48,327</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,580</u>	<u>\$ -</u>

STATE OF NEW MEXICO  
CITY OF ANTHONY  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2018

	Special Revenue Funds							E-Rate Library Internet Services
	General Obligation Bond	CIF 3339 Colonias	BKLUP CIOT 16- OP-RF-158	Keep New Mexico True	ENDWI 16-AL- 64-158	Roadway Rehabilitation	CDBG Grant 16- C-NR-I-07-G-18	
<b>ASSETS</b>								
Cash and cash equivalents	\$ -	\$ 36	\$ 33	\$ -	\$ -	\$ 600	\$ 41,686	\$ -
Investments	-	-	-	-	-	-	-	-
Receivables:								
Taxes	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	5,847	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 36</u>	<u>\$ 33</u>	<u>\$ 5,847</u>	<u>\$ -</u>	<u>\$ 600</u>	<u>\$ 41,686</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCE</b>								
Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	1,221	40,394	1,233	5,697	2,225	-	-	1,261
Total liabilities	1,221	40,394	1,233	5,697	2,225	-	-	1,261
Fund balances:								
Spendable								
Restricted for:								
General government	-	-	-	-	-	-	-	-
Public Safety	-	-	33	-	-	-	-	-
Culture and recreation	-	-	-	150	-	-	41,686	-
Public works	-	36	-	-	-	600	-	-
Debt service payments	-	-	-	-	-	-	-	-
Unassigned	(1,221)	(40,394)	(1,233)	-	(2,225)	-	-	(1,261)
Total fund balances	<u>(1,221)</u>	<u>(40,358)</u>	<u>(1,200)</u>	<u>150</u>	<u>(2,225)</u>	<u>600</u>	<u>41,686</u>	<u>(1,261)</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 36</u>	<u>\$ 33</u>	<u>\$ 5,847</u>	<u>\$ -</u>	<u>\$ 600</u>	<u>\$ 41,686</u>	<u>\$ -</u>

STATE OF NEW MEXICO  
CITY OF ANTHONY  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2018

Special Revenue Funds

	Colonias CIF4104 2017	US Department of Agriculture	New Mexico State Library	Bureau of Justice Assistance Grant	Municipal Street Fund	Lodgers Tax	DOT - LGRF Map Grant
<b>ASSETS</b>							
Cash and cash equivalents	\$ 149,492	\$ -	\$ -	\$ 12,550	\$ 21,039	\$ 1,928	\$ -
Investments	-	-	-	-	-	-	-
Receivables:							
Taxes	-	-	-	-	1,108	439	-
Due from other governments	-	-	-	-	-	-	-
Total assets	<u>\$ 149,492</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,550</u>	<u>\$ 22,147</u>	<u>\$ 2,367</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCE</b>							
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 3,752	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	3,752	-	-
Fund balances:							
Spendable:							
Restricted for:							
General Government	-	-	-	-	-	2,367	-
Public safety	-	-	-	-	-	-	-
Public Works	-	-	-	12,550	18,395	-	-
Culture and Recreation	149,492	-	-	-	-	-	-
Total fund balances	<u>149,492</u>	<u>-</u>	<u>-</u>	<u>12,550</u>	<u>18,395</u>	<u>2,367</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 149,492</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,550</u>	<u>\$ 22,147</u>	<u>\$ 2,367</u>	<u>\$ -</u>

STATE OF NEW MEXICO  
CITY OF ANTHONY  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2018

Capital Projects Funds

	NMFA Project No 3577	Map - 7613	Capital Outlay - DOT C1131841	NM DOT CN C1150915	Ballpark Improvements	NM DOT Contract SP-1-17	NMDOT City Streets SP-1-18 (905)
<b>ASSETS</b>							
Cash and cash equivalents	\$ 2	\$ -	\$ 5,416	\$ -	\$ -	\$ 11,266	\$ 17,273
Investments	-	-	-	-	-	-	-
Receivables:							
Taxes	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Total assets	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 5,416</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,266</u>	<u>\$ 17,273</u>
<b>LIABILITIES AND FUND BALANCE</b>							
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,785
Due to other funds	-	2,791	-	2,610	-	-	-
Total liabilities	-	2,791	-	2,610	-	-	15,785
Fund balances:							
Spendable							
Restricted for:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Public works	-	-	5,416	-	-	11,266	1,488
Debt service payments	-	-	-	-	-	-	-
Unassigned	2	(2,791)	-	(2,610)	-	-	-
Total fund balances	<u>2</u>	<u>(2,791)</u>	<u>5,416</u>	<u>(2,610)</u>	<u>-</u>	<u>11,266</u>	<u>1,488</u>
Total liabilities and fund balances	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 5,416</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,266</u>	<u>\$ 17,273</u>

STATE OF NEW MEXICO  
CITY OF ANTHONY  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2018

	Capital Projects Funds			Debt Service Funds		Total Nonmajor Governmental Funds
	Landscape Project	Capital Appropriation Project 16-A2253- STB	NM DOT Contract D15485 (C1162560)	Debt Service	Debt Service Loan Comp Grant CIF-3339	
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 25,442	\$ -	\$ 368,678
Investments	-	-	-	118,132	-	118,132
Receivables:						
Taxes	-	-	-	-	-	1,547
Due from other governments	-	-	-	-	-	5,847
<b>Total assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 143,574</b>	<b>\$ -</b>	<b>\$ 494,204</b>
<b>LIABILITIES AND FUND BALANCE</b>						
Liabilities						
Accounts payable	\$ -	\$ -	\$ 15,157	\$ -	\$ -	\$ 34,694
Due to other funds	-	-	-	-	-	58,741
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>15,157</b>	<b>-</b>	<b>-</b>	<b>93,435</b>
Fund balances:						
Spendable						
Restricted for:						
General Government	-	-	-	-	-	2,558
Public safety	-	-	-	-	-	57,177
Culture and recreation	-	-	-	-	-	97,361
Public works	-	-	-	-	-	168,298
Debt service payments	-	-	-	143,574	-	143,574
Unassigned	-	-	(15,157)	-	-	(68,199)
<b>Total fund balances</b>	<b>-</b>	<b>-</b>	<b>(15,157)</b>	<b>143,574</b>	<b>-</b>	<b>400,769</b>
<b>Total liabilities and fund balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 143,574</b>	<b>\$ -</b>	<b>\$ 494,204</b>

STATE OF NEW MEXICO  
CITY OF ANTHONY  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2018

	Special Revenue Funds							
	Charitable Projects Fund	Court Automation Fund	Judicial Education Fund	Corrections Fund/Care of Prisoners	Law Enforcement Protection Fund	Stonegarden	Library	Colonias CIF3178 2014
Revenues:								
Gasoline and motor vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State operating grants	-	-	-	-	25,400	-	-	-
Licenses and fees	-	10,315	3,130	20,959	-	-	-	-
Miscellaneous	500	-	-	-	-	-	13,378	-
<b>Total revenues</b>	<b>500</b>	<b>10,315</b>	<b>3,130</b>	<b>20,959</b>	<b>25,400</b>	<b>-</b>	<b>13,378</b>	<b>-</b>
Expenditures:								
General government	984	-	-	-	-	-	-	-
Public safety	-	7,221	2,830	6,979	25,400	-	-	-
Culture and recreation	-	-	-	-	-	-	12,460	-
<b>Total expenditures</b>	<b>984</b>	<b>7,221</b>	<b>2,830</b>	<b>6,979</b>	<b>25,400</b>	<b>-</b>	<b>12,460</b>	<b>-</b>
Excess (deficiency) of revenues over expenditures	(484)	3,094	300	13,980	-	-	918	-
Other financing sources(uses)								
Transfers (out)	-	-	-	-	-	-	-	(762)
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(762)</b>
Net change in fund balances	(484)	3,094	300	13,980	-	-	918	(762)
Fund balance - beginning	675	5,382	41	34,347	-	(1,309)	23,662	762
<b>Fund balance - end of year</b>	<b>\$ 191</b>	<b>\$ 8,476</b>	<b>\$ 341</b>	<b>\$ 48,327</b>	<b>\$ -</b>	<b>\$ (1,309)</b>	<b>\$ 24,580</b>	<b>\$ -</b>

STATE OF NEW MEXICO  
CITY OF ANTHONY  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2018

	Special Revenue Funds							
	General Obligation Bond	CIF 3339 Colonias	Municipal Streets	Keep New Mexico True	ENDWI 16-AL- 64-158	Roadway Rehabilitation	CDBG Grant 16- C-NR-I-07-G-18	E-Rate Library Internet Services
Revenues:								
Gasoline and motor vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State operating grants	4,046	-	1,254	10,685	3,438	-	15,985	-
State capital grants	-	112,193	-	-	-	-	-	-
Total revenues	4,046	112,193	1,254	10,685	3,438	-	15,985	-
Expenditures:								
Public safety	-	-	1,930	-	3,910	-	-	-
Public works	-	-	-	5,190	-	-	-	-
Culture and recreation	2,560	-	-	-	-	-	305	1,261
Capital outlay	-	32,031	-	5,495	-	-	24,299	-
Total expenditures	2,560	32,031	1,930	10,685	3,910	-	24,604	1,261
Excess (deficiency) of revenues over expenditures	1,486	80,162	(676)	-	(472)	-	(8,619)	(1,261)
Other financing sources(uses)								
Transfers in	-	68,842	-	-	-	-	50,305	-
Total other financing sources	-	68,842	-	-	-	-	50,305	-
Net change in fund balances	1,486	149,004	(676)	-	(472)	-	41,686	(1,261)
Fund balance - beginning	(2,707)	(189,362)	(524)	150	(1,753)	600	-	-
Fund balance - end of year	\$ (1,221)	\$ (40,358)	\$ (1,200)	\$ 150	\$ (2,225)	\$ 600	\$ 41,686	\$ (1,261)

STATE OF NEW MEXICO  
CITY OF ANTHONY  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2018

	Special Revenue Funds						
	Colonias CIF4104 2017	US Department of Agriculture	New Mexico State Library	Bureau of Justice Assistance Grant	Municipal Street Fund	Lodgers Tax	DOT - LGRF Map Grant
Revenues:							
Gasoline and motor vehicles	\$ -	\$ -	\$ -	\$ -	\$ 5,721	\$ -	\$ -
Lodgers tax	-	-	-	-	-	1,804	-
State operating grants	-	-	3,000	7,615	-	-	-
State Capital grants	119,250	-	-	-	-	-	-
Federal operating grants	-	19,000	-	-	-	-	-
<b>Total revenues</b>	<b>119,250</b>	<b>19,000</b>	<b>3,000</b>	<b>7,615</b>	<b>5,721</b>	<b>1,804</b>	<b>-</b>
Expenditures:							
General government	-	-	3,000	-	-	1,000	-
Public works	-	-	-	14,518	3,717	-	-
Capital outlay	-	36,286	-	-	7,796	-	-
<b>Total expenditures</b>	<b>-</b>	<b>36,286</b>	<b>3,000</b>	<b>14,518</b>	<b>11,513</b>	<b>1,000</b>	<b>-</b>
Excess (deficiency) of revenues over expenditures	119,250	(17,286)	-	(6,903)	(5,792)	804	-
Other financing sources(uses)							
Transfers in	16,992	17,286	-	19,453	-	-	-
Transfers (out)	-	-	-	-	-	-	(24,405)
Loan proceeds	13,250	-	-	-	-	-	-
<b>Total other financing sources</b>	<b>30,242</b>	<b>17,286</b>	<b>-</b>	<b>19,453</b>	<b>-</b>	<b>-</b>	<b>(24,405)</b>
Net change in fund balances	149,492	-	-	12,550	(5,792)	804	(24,405)
Fund balance - beginning	-	-	-	-	24,187	1,563	24,405
<b>Fund balance - end of year</b>	<b>\$ 149,492</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,550</b>	<b>\$ 18,395</b>	<b>\$ 2,367</b>	<b>\$ -</b>



STATE OF NEW MEXICO  
CITY OF ANTHONY  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2018

**Special Revenue Funds**

	NMFA Project No 3577	Map - 7613	Capital Outlay - DOT C1131841	NM DOT CN C1150915	Ballpark Improvements	NM DOT SP-1- 17(956)	NMDOT City Streets SP-1-18 (905)
Revenues:							
State operating grants	\$ 49,763	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,711
State capital grants	<u>-</u>	<u>144,491</u>	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>-</u>	<u>-</u>
Total revenues	49,763	144,491	-	-	25,000	-	32,711
Expenditures:							
Capital outlay	<u>13,189</u>	<u>213,949</u>	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>-</u>	<u>42,127</u>
Total expenditures	<u>13,189</u>	<u>213,949</u>	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>-</u>	<u>42,127</u>
Excess (deficiency) of revenues over expenditures	36,574	(69,458)	-	-	-	-	(9,416)
Other financing sources(uses)							
Transfers in	<u>500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,266</u>	<u>10,904</u>
Total other financing sources	<u>500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,266</u>	<u>10,904</u>
Net change in fund balances	37,074	(69,458)	-	-	-	11,266	1,488
Fund balance - beginning	<u>(37,072)</u>	<u>66,667</u>	<u>5,416</u>	<u>(2,610)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - end of year	<u>\$ 2</u>	<u>\$ (2,791)</u>	<u>\$ 5,416</u>	<u>\$ (2,610)</u>	<u>\$ -</u>	<u>\$ 11,266</u>	<u>\$ 1,488</u>

STATE OF NEW MEXICO  
CITY OF ANTHONY  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2018

	Capital Projects Funds			Debt Service Funds		Total Nonmajor Governmental Funds
	Landscape Project	Capital Appropriation Project 16-A2253-STB	NM DOT Contract D15485 (C1162560)	Debt Service Loan Comp Grant CIF- 3339	Debt Service	
Revenues:						
Gasoline and motor vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,721
Lodgers tax	-	-	-	-	-	1,804
State operating grants	-	-	-	-	-	153,897
State Capital grants	-	3,100	64,838	-	-	468,872
Federal operating grants	-	-	-	-	-	19,000
Licenses and fees	-	-	-	-	-	34,404
Investment income	-	-	-	798	-	798
Miscellaneous	-	-	-	-	-	13,878
<b>Total revenues</b>	<b>-</b>	<b>3,100</b>	<b>64,838</b>	<b>798</b>	<b>-</b>	<b>698,374</b>
Expenditures:						
General government	-	-	-	-	-	4,984
Public safety	-	-	-	-	-	48,270
Public works	-	1,900	-	-	12,652	37,977
Culture and recreation	-	-	-	-	-	16,586
Capital outlay	-	-	79,995	-	-	480,167
Debt service:						
Principal	-	-	-	87,274	-	87,274
Interest	-	-	-	28,831	-	28,831
<b>Total expenditures</b>	<b>-</b>	<b>1,900</b>	<b>79,995</b>	<b>116,105</b>	<b>12,652</b>	<b>704,089</b>
Excess (deficiency) of revenues over expenditures	-	1,200	(15,157)	(115,307)	(12,652)	(5,715)
Other financing sources(uses)						
Transfers in	764	-	-	117,469	11,964	325,745
Transfers (out)	-	-	-	-	(149,312)	(174,479)
Loan proceeds	-	-	-	-	-	13,250
<b>Total other financing sources</b>	<b>764</b>	<b>-</b>	<b>-</b>	<b>117,469</b>	<b>(137,348)</b>	<b>164,516</b>
Net change in fund balances	764	1,200	(15,157)	2,162	(150,000)	158,801
Fund balance - beginning	(764)	(1,200)	-	141,412	150,000	241,968
<b>Fund balance - end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (15,157)</b>	<b>\$ 143,574</b>	<b>\$ -</b>	<b>\$ 400,769</b>

STATE OF NEW MEXICO  
CITY OF ANTHONY  
SCHEDULE OF DEPOSIT AND INVESTMENT ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2018

Bank Name/ Account Name	Account Type	Bank Balance	Deposits in Transit	Outstanding Checks	Book Balance
<b>First National Bank</b>					
Checking- Operational	Checking	\$ 1,781,429	\$ -	\$ 42,209	\$ 1,739,220
MVD Account	Checking	4,762	-	-	4,762
CDBG Account	Checking	<u>41,686</u>	<u>-</u>	<u>-</u>	<u>41,686</u>
Total First National Bank		\$ 1,827,877	\$ -	\$ 42,209	\$ 1,785,668
<b>New Mexico Finance Authority</b>					
Anthony 6 Land Purchase	State Treasurer Debt Service	25,442	-	-	25,442
Anthony 6 Land Purchase	Reserve Fund Payable	118,132	-	-	118,132
Anthony 18 Flood, drainage, road, improvements	Program Funds	91,419	-	-	91,419
CIP-4104 Drainage control, improvements	Program Funds	<u>132,500</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 132,500</u>
Total New Mexico Finance Authority		<u>\$ 367,493</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 367,493</u>
Total Cash					<u>\$ 2,153,161</u>

Deposits and investments per financial statements:

Cash and cash equivalents	\$ 1,780,406
Restricted cash and Cash equivalents	249,361
Restricted Investments	118,132
Fiduciary funds cash and investments	<u>5,262</u>
Total	<u>\$ 2,153,161</u>

STATE OF NEW MEXICO  
CITY OF ANTHONY  
SCHEDULE OF COLLATERAL PLEDGE BY DEPOSITORY FOR PUBLIC ENTITIES  
FOR THE YEAR ENDED JUNE 30, 2018

<u>Name of Depository</u>	<u>Description of Pledged Collateral</u>	<u>Maturity</u>	<u>CUSIP Number</u>	<u>Fair Market Value at June 30, 2018</u>
<b>First New Mexico Bank - The Independent Bankers' Bank Dallas, Texas</b>				
	Alamogordo NM	8/1/2029	011446GC9	\$ 220,222
	Southern Sandoval NM	8/1/2021	843789EH7	258,665
	Bernalillo NM MUN	8/1/2023	085279QB6	206,319
	Cloudcroft NM MUN	8/1/2020	189134EQ8	256,208
	Chama VY Indpt Sch	10/1/2018	157670FH8	224,676
	Hobbs NM Sch Dist	4/15/2026	433866DT4	264,701
	Dona Ana Sch Dist	8/1/2021	257584AM4	188,516
	Penasco N Mex Indpt	9/1/2025	706593AQ3	162,254
	Alamogordo NM	8/1/2024	011464GZ2	<u>244,966</u>
Total pledged securities				<u>\$ 2,026,527</u>

STATE OF NEW MEXICO  
CITY OF ANTHONY  
SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018

Schedule of Changes in Fiduciary Assets and Liabilities- Agency Funds

	<u>Balance</u> <u>June 30, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2018</u>
<b>Assets</b>				
Cash	\$ 7,284	\$ 1,113,282	\$(1,115,304)	\$ 5,262
Accounts receivable, net	<u>6,626</u>	<u>-</u>	<u>(2,084)</u>	<u>4,542</u>
Total Assets	\$ 13,910	\$ 1,113,282	\$(1,117,388)	\$ 9,804
<b>Liabilities</b>				
Due to others	<u>\$ 13,910</u>	<u>\$ 1,113,282</u>	<u>\$(1,117,388)</u>	<u>\$ 9,804</u>
Total liabilities	<u>\$ 13,910</u>	<u>\$ 1,113,282</u>	<u>\$(1,117,388)</u>	<u>\$ 9,804</u>

STATE OF NEW MEXICO  
 CITY OF ANTHONY  
 JOINT POWERS AGREEMENTS  
 JUNE 30, 2018

Schedule of Joint Powers Agreements

<b>Agreement</b>	<b>The City Participates with</b>	<b>Party Responsible for Operation</b>	<b>Description</b>	<b>Period</b>	<b>Cost to City</b>	<b>City Contributions</b>	<b>Audit Responsibility</b>
Mesilla Valley Regional Dispatch Authority (MVRDA)	City of Las Cruces, Dona Ana County, Town of Mesilla, Village of Hatch and the City of Sunland Park	Dona Ana County	Jointly operate, maintain and administer a combined communications center to provide emergency dispatch services	Perpetual	Various	\$	MVRDA
Detainee Housing	Dona Ana County	Dona Ana County	Detainee Housing assistance for adult and juvenile detainees	Perpetual	\$98.77 per day per prisoner and Juvenile daily rate \$130.57		Dona Ana County

## COMPLIANCE SECTION



# Beasley, Mitchell & Co.

Certified Public Accountants

Donald A. Beasley, CPA, Partner  
Christine Wright, CPA, Partner  
Beth Fant, EA, Partner  
Brad Beasley, CPA, Partner  
Tony Morán, CPA, Partner  
Christopher Salcido, CPA, Partner  
J. David Beasley, J.D., Partner

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

Wayne Johnson, State Auditor  
and the Mayor and City Council of the  
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 the 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 of the business activity fund of City of Anthony, New Mexico as of and for the year ended June 30, 2018 and the related notes to the financial statements, which collectively comprise the City's basic financial statements and the combined and individual funds presented as supplementary information, and have issued our report thereon dated December 14, 2018.

### **Internal Control Over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. Given the limitations, during our audit we did not identify any deficiencies in internal control that we considered to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we considered to be significant efficiencies 2013-006.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether City of Anthony, New Mexico'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 result of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and responses as items 2018-001 and 2018-002.

### **Purpose of this Report**

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

### **City of Anthony, New Mexico's Response to Findings**

City of Anthony, New Mexico's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. City of Anthony, New Mexico's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

*Beasley Mitchell & Co LLP*  
Beasley, Mitchell & Co.  
Las Cruces, New Mexico  
December 14, 2018

STATE OF NEW MEXICO  
CITY OF ANTHONY  
SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2018

**Section II - Financial Statement Findings**

PRIOR YEAR FINDINGS

2013-006	Design Deficiencies in Internal Control - Significant Deficiencies	Modified and Repeated
2015-004	Travel and Per Diem - Other Matters	Resolved
2016-001	Cash Appropriations in Excess of Available Cash Balances - Other Matters	Resolved
2017-001	Budgetary Conditions - Significant Deficiencies	Resolved
2017-002	Personal Use of Vehicles - Other Matters	Resolved
2017-003	Public Monies - Other Matters	Resolved
2017-004	Annual Inventory Certification - Other Matters	Resolved

CURRENT YEAR FINDINGS

2018-001	Internal Control Payroll - Material Non-Compliance	New
2018-002	Procurement - Material Non-Compliance	New

STATE OF NEW MEXICO  
CITY OF ANTHONY  
SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2018

**Designed Deficiencies in Internal Control ( 2013-006) - Significant Deficiency**

---

<b>CONDITION</b>	<p>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. The City had the following internal control deficiencies:</p> <p style="padding-left: 40px;">The City does not have a routine close and reporting process to ensure all significant accounts are reconciled timely.</p> <p style="padding-left: 40px;">Budget adjustments are not being reviewed consistently by someone other than the individual entering the budget adjustment.</p> <p style="padding-left: 40px;">Adequate controls for access to computer programs and data have not been established by management for physical security and access to programs and data. Lack of such controls exist in the following areas:</p> <ol style="list-style-type: none"><li>1. Information Security Policy/User Awareness</li><li>2. Configuration of Access Rules/Access Administration</li></ol> <p style="padding-left: 40px;">Adequate controls are not in place to ensure recoverability from interruptions in service in a timely manner and to restore critical information services in the event of a disaster.</p> <p>The city is currently developing a new and improved Employee and book. This will list all the policies and procedures for the city and will be provided to the employees. The department in charge to develop the new Employee Handbook is the City Clerk department and we are expecting to have it ready and implemented by June 30, 2018. As well, the Finance department is currently developing a manual for the accounting and finance policies and procedures. These will outline the necessary policies and procedures to ensure that GASB standards are followed. An IT manager was hire during FY2017 and an IT manual is currently under development.</p>
<b>CRITERIA</b>	<p>The Committee of Sponsoring Organizations (COSO) internal control integrated framework consists of five critical elements that must be present in carrying out the achievement objectives of an organization. These elements are known as the control environment, risk assessment, control activities, information and communication, and monitoring elements of internal control.</p>
<b>CAUSE</b>	<p>For the fiscal year 2017, management did not have a documented policy to ensure internal controls were in place and working properly, which resulted in various errors.</p>
<b>EFFECT</b>	<p>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 and fraudulent access to computer systems.</p>

STATE OF NEW MEXICO  
CITY OF ANTHONY  
SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2018

**Designed Deficiencies in Internal Control ( 2013-006) - Significant Deficiency (continued)**

---

**RECOMMENDATION**      The City should ensure that a comprehensive internal control structure over financial information is designed, documented, and implemented. The City's Council is charged with governance and should provide effective oversight of the internal control and financial reporting process.

- RESPONSE**
- A process for closing month, including proper reconciliation for balance accounts monthly will be created. A creation of check list and process for recurring activities for Payroll, Accounts Payable, Accounts Receivable and Accounting.
  - Training will be suggested and provided for User Awareness and Theft Information Awareness by Finance Manager, City Clerk and IT Manager.
  - Finance Manager will work with IT Manager to create a plan to protect/restore Data in the event of disaster.
  - In order to keep information safe, Finance department will be isolated, this, to prevent intentional misstatements of accounting information and fraudulent use of the City's information.

**IMPLEMENTATION**      **Expected Completion:** January 2018      **Employee Responsible:** Treasurer

STATE OF NEW MEXICO  
CITY OF ANTHONY  
SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2018

**Internal Control Payroll ( 2018-001) - Material Non-Compliance**

---

<b>CONDITION</b>	During payroll testing it was noted that 4 out of the 5 employee personnel files were not completed.
<b>CRITERIA</b>	The Auditing Standards (AU) Section 325 Exhibit B lists the following circumstance as a possible control deficiency, significant deficiency, or material weakness: "inadequate documentation of the components of internal control.
<b>CAUSE</b>	City does not have adequate procedures in place for employee file retention.
<b>EFFECT</b>	Improper file retention may cause abuse by employees, in particular without wage documentation, it created difficulty to identify unauthorized modification of wages.
<b>RECOMMENDATION</b>	It is recommended that the Village review all employee files for missing documentation.
<b>RESPONSE</b>	Finance department will review employee files and will proceed to recover missing documents and create procedure for employee file retention.
<b>IMPLEMENTATION</b>	<b>Expected Completion:</b> January 2018 <b>Employee Responsible:</b> Finance

STATE OF NEW MEXICO  
CITY OF ANTHONY  
SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2018

**Procurement ( 2018-002) - Finding that does not rise to the level of significant deficiency**

<b>CONDITION</b>	During procurement testing it was noted that one HR consulting service contract retained was not properly procured.	
<b>CRITERIA</b>	The City of Anthony's Finance Department Policies and Procedures section 13 state that department Heads, staff, and Elected Officials will sign and submit a Requisition Form for the expense along with a quote for the services or goods to purchase. When the expense is over \$5,000 three quotes are required. For professional services over \$20,000 but less than \$60,000 a RFP process needs to be followed based in the State of New Mexico Procurement Code. An open bid process needs to be followed for expenses over \$60,000. The State of New Mexico procurement code exemptions apply to this policy.	
<b>CAUSE</b>	City trustees approved a contracted service without following the proper procurement process.	
<b>EFFECT</b>	Improper procurement leaves the City to be susceptible to fraud and abuse by increasing the chance of under the table agreements.	
<b>RECOMMENDATION</b>	It is recommended that the City mandate their finance personnel and board of trustees review the finance department policies and procedures.	
<b>RESPONSE</b>	Finance Department will review the existing policies and procedures. If necessary, modifications will be made in order to keep good practices for the City of Anthony	
<b>IMPLEMENTATION</b>	<b>Expected Completion:</b> January 2018	<b>Employee Responsible:</b> Finance

STATE OF NEW MEXICO  
CITY OF ANTHONY  
EXIT CONFERENCE  
FOR THE YEAR ENDED JUNE 30, 2018

An entrance conference was held on October 1, 2018 in a closed meeting with Beasley, Mitchell & Co., LLP and with the following City officials:

Diana Trujillo	Mayor
Fernando Ramirez	Financial Director

Beasley, Mitchell & Co., LLP

Juan Garcia	Senior Accountant
-------------	-------------------

An exit conference was held on December 14, 2018 in a closed meeting with Beasley, Mitchell & Co., LLP and with the following City officials:

Diana Trujillo	Mayor
Gloria Gameros	Mayor-Pro Tem
Beatriz Landin	Finance Director
Esther Montongo	Human Resources

Beasley, Mitchell & Co., LLP

Juan Garcia	Senior Accountant
-------------	-------------------

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