

State of New Mexico
CITY OF DEMING
Annual Financial Report
June 30, 2015



(This page intentionally left blank)

INTRODUCTORY SECTION

STATE OF NEW MEXICO
City of Deming
Table of Contents
For the Year Ended June 30, 2015

	<u>Exhibit</u>	<u>Page</u>
INTRODUCTORY SECTION		
Table of Contents		4-5
Official Roster		7
FINANCIAL SECTION		
Independent Auditor's Report		10-11
Management's Discussion and Analysis		12-19
BASIC FINANCIAL STATEMENTS		
Government-wide Financial Statements		
Statement of Net Position	A-1	22-23
Statement of Activities	A-2	24-25
Fund Financial Statements		
Balance Sheet – Governmental Funds	B-1	26
Reconciliation of the Balance Sheet to the Statement of Net Position		27
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	B-2	28
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities		29
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – General Fund	C-1	30
Street Special Revenue Fund	C-2	31
Statement of Net Position-Proprietary Funds	D-1	32-35
Statement of Revenues, Expenses and Changes in Net Position-Proprietary Funds	D-2	36-37
Statement of Cash Flows –Proprietary Funds	D-3	38-39
Statement of Fiduciary Assets and Liabilities – Agency Funds	E-1	41
NOTES TO THE FINANCIAL STATEMENTS		43-70
REQUIRED SUPPLEMENTARY INFORMATION		
Schedule of the City's Proportionate Share of the Net Pension Liability	I	72-74
Schedule of the City's Contributions – Public Employees Retirement Association Plan	II	75-77
Notes to Required Supplementary Information		78
SUPPLEMENTARY INFORMATION		
Nonmajor Fund Descriptions	<u>Statement</u>	80-81
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES		
Combining Balance Sheet – Nonmajor Governmental Funds	A-1	82-85
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	A-2	86-89
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual		
Emergency Medical Services Special Revenue Fund	B-1	90
Fire Special Revenue Fund	B-2	91
Law Enforcement Protection Special Revenue Fund	B-3	92
Library Special Revenue Fund	B-4	93
Lodgers' Tax Special Revenue Fund	B-5	94
Lodgers' Tax Promotional Special Revenue Fund	B-6	95
Recreation Special Revenue Fund	B-7	96

STATE OF NEW MEXICO
City of Deming
Table of Contents
For the Year Ended June 30, 2015

	<u>Statement</u>	<u>Page</u>
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES (CONTINUED)		
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual		
Library Donation Special Revenue Fund	B-8	97
Economic Development Special Revenue Fund	B-9	98
Community Center Special Revenue Fund	B-10	99
Swimming Pool Special Revenue Fund	B-11	100
CDBG Grant 13/14	B-12	101
CDBG Planning Grant 2010/2011 Capital Projects Fund	B-13	102
Park Acquisition Capital Projects Fund	B-14	103
City/Court Remodel Loan-NMFA Debt Service Fund	B-15	104
Fire Station Remodel Loan-NMFA Debt Service Fund	B-16	105
Statement of Revenues, Expenses, and Changes in Net Position – Budget (Non-GAAP Budgetary Basis) and Actual –Proprietary Funds		
Gas Enterprise Fund	C-1	106
Sewer Enterprise Fund	C-2	107
Solid Waste Enterprise Fund	C-3	108
Water Enterprise Fund	C-4	109
Cemetery Enterprise Fund	C-5	110
Airport Enterprise Fund	C-6	111
<u>Schedule</u>		
SUPPORTING SCHEDULES		
Schedule of Deposit and Investment Accounts	III	114-115
Schedule of Collateral Pledged by Depository for Public Funds	IV	116-117
Schedule of Changes in Fiduciary Assets and Liabilities-Agency Fund	V	119
Schedule of Vendor Information for Purchases Exceeding \$60,000 (Excluding GRT)	VI	120-123
COMPLIANCE SECTION		
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		126-127
FEDERAL FINANCIAL ASSISTANCE		
Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance		130-131
Schedule of Expenditures of Federal Awards	VII	132-133
Schedule of Findings and Questioned Costs	VIII	134-136
OTHER DISCLOSURES		137

(This page intentionally left blank)

STATE OF NEW MEXICO

City of Deming

Official Roster

June 30, 2015

<u>Name</u>	<u>Elected Officials</u>	<u>Title</u>
Benny Jasso		Mayor
Joe Milo		Mayor Pro-Tem
David Sanchez		City Councilor
Roxana Rincon		City Councilor
Dr. Victor Cruz		City Councilor
Frank M. Van Gundy		Municipal Judge

Department Heads

Aaron Sera	City Administrator/Clerk
Jim Massengill	Director of Public Works
Wesley Hooper	Director of Community Service (Through November 2015)
Brandon M. Gigante	Chief of Police
Raul Mercado	Chief of Fire/EMS
Laura Holguin	Finance Director/Treasurer
Bryan Reedy	Director of Community Service (Hired October 2015)

Administration

Vicki Engle	Assistant Deputy Clerk/HR/Safety
Patty Ciccotelli	Accountant
Lila Jasso	Administrative Assistant/Assistant Deputy Clerk

(This page intentionally left blank)

FINANCIAL SECTION



Accounting & Consulting Group, LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Timothy M. Keller
New Mexico State Auditor
The Office of Management and Budget
City Council
City of Deming
Deming, New Mexico

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue fund of the City of Deming (the City), as of and for the year ended June 30, 2015, and the related notes to the financial statements which collectively comprise City's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the City's nonmajor governmental funds and the budgetary comparisons for the major proprietary funds and all nonmajor funds presented as supplementary information, as defined by the Governmental Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2015, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2015, and the respective changes in financial position and where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and the major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the City as of June 30, 2015, and the respective changes in financial position thereof and the respective budgetary comparisons for the major proprietary funds and all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 12 through 19 and the GASB required supplementary pension schedules on pages 72 through 78 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the City's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The Schedule of Expenditures of Federal Awards as required by Office of Management and Budget *Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, introductory section and Supporting Schedules III through VI required by Section 2.2.2.NMAC* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards and Supporting Schedules III through V 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 Schedule of Expenditures of Federal Awards and Supporting Schedules III through V required by Section 2.2.2 NMAC are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2015 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP
El Paso, Texas
December 7, 2015

STATE OF NEW MEXICO
City of Deming
Management's Discussion and Analysis
June 30, 2015

As management of the City of Deming, we offer readers of the City of Deming financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with the financial statements of the City of Deming and additional information provided.

FINANCIAL HIGHLIGHTS

- The assets of the City of Deming exceeded its liabilities at the close of the most recent fiscal year by \$91,651,438 (*net position*). Of this amount, \$9,922,612 (*unrestricted net position*) may be used to meet the City's ongoing obligations to citizens and creditors.
- During the fiscal year, the total assets for the City of Deming increased by \$6,168,340.
- As of June 30, 2015, the City's governmental activities funds reported combined ending net position of \$45,292,286. The total consists of \$42,513,301 of net invested in capital assets; \$2,953,554 restricted for capital projects and special revenues; and \$(174,569) unrestricted.
- The City's business-type activities fund reported a combined ending net position of \$46,359,152 as of June 30, 2015. Of this amount, \$336,261,971 of net invested in capital assets; and \$10,097,181 unrestricted.
- The City of Deming's total debt as of June 30, 2015 is \$4,458,729. Additions were \$1,661,464; Additions for NMFA #14 was \$941,477 (classified as a construction loan), NMFA #15 was \$312,905, and NMFA #18 was \$407,082 during the current fiscal year. The Rural Infrastructure Revolving Loan (RIP) debt balance decreased by \$66,988. Debt payments on NMFA loan #10, #11, #15, and RIP were \$209,640.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Deming's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The *statement of net assets* presents information on all of the City of Deming's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether or not the financial position of the City of Deming is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the City of Deming that are principally supported in a majority by taxes and a minimal amount from other miscellaneous receipts (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Deming include general government, public safety, public works, culture and recreation, and health and welfare. The business-type activities of the City include Water Services, Sewer Services, Solid Waste Services, Natural Gas Services, Cemetery Operations, and Airport Operations.

The government-wide financial statements can be found in Exhibits A-1 and A-2 of this report.

STATE OF NEW MEXICO
City of Deming
Management's Discussion and Analysis
June 30, 2015

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Deming, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Deming can be divided into two categories: governmental funds and proprietary funds.

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

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

The City of Deming maintains 17 individual governmental funds organized according to their type (special revenue, and capital projects). The City of Deming adopts an annual appropriated budget for its general fund, special revenue funds, and all other funds. A budgetary comparison statement has been provided for the General Fund and Street Special Revenue Fund to demonstrate compliance with this budget. In addition, the individual financial statements of the nonmajor governmental fund types include budgetary comparison data.

The basic governmental fund financial statements can be found in Exhibits B-1 and B-2 of this report.

Enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the water services, sewer services, solid waste services, natural gas services, cemetery operations, and airport operations for the City. The enterprise funds are considered to be major funds of the City and can be found in Exhibits D-1 through D-3 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 43-70 of this report.

Combining statements. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 82-111 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Analysis of Net Position

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Deming, assets exceeded liabilities by \$93,426,838 at the close of the current fiscal year.

The significant portion of the City of Deming's net assets represents the City's investment of \$78,775,272 in capital assets (e.g., land improvements, buildings, infrastructure and machinery & equipment) less any related outstanding debt used to acquire those assets. The City of Deming uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Deming's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

STATE OF NEW MEXICO
City of Deming
Management's Discussion and Analysis
June 30, 2015

**Condensed Statement of Net Position
June 30, 2015**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Assets</u>			
Current and other assets	\$ 12,422,824	\$ 12,517,138	\$ 24,939,962
Restricted cash, cash equivalents & investments	99,373	541,067	640,440
Capital assets, net of accumulated depreciation	43,544,658	39,689,343	83,234,001
Total assets	56,066,855	52,747,548	108,814,403
<u>Deferred Outflows of Resources</u>	864,855	155,162	1,020,017
Total Assets and Deferred Outflows of Resources	\$ 56,931,710	\$ 52,902,710	\$ 109,834,420
<u>Liabilities</u>			
Current Liabilities	\$ 844,464	\$ 484,278	\$ 1,328,742
Non-current liabilities	8,424,773	5,634,050	14,058,823
Total liabilities	9,269,237	6,118,328	15,387,565
<u>Deferred Inflows of Resources</u>	2,370,187	425,230	2,795,417
<u>Net Position</u>			
Net investment in capital assets	42,513,301	36,261,971	78,775,272
Restricted	2,953,554	-	2,953,554
Unrestricted	(174,569)	10,097,181	9,922,612
Total net position	\$ 45,292,286	\$ 46,359,152	\$ 91,651,438
Total Liabilities, Deferred Outflows of Resources and Net Position	\$ 56,931,710	\$ 52,902,710	\$ 109,834,420

A portion of the City of Deming's total net position (\$2,953,554 or 0.06 percent) represents resources that are subject to restrictions. The restrictions relate to covenants provided by the City's long-term debt issuance and capital projects. The remaining balance of *unrestricted net position*, \$9,922,612 may be used to meet the government's ongoing obligations to citizens and creditors.

State of New Mexico
City of Deming
Management's Discussion and Analysis
June 30, 2015

Analysis of Changes in Net position

During the current fiscal year, the City's net position increased by \$5,204,290 as a result of operations. These increases are explained in the government and business-type activities discussion below, and are primarily a result of increase in revenues from charges for services and tax revenues in gross receipts, property, and gasoline and motor vehicle during the fiscal year.

Condensed Statement of Activities
For the Year Ended June 30, 2015

<u>Revenues</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Program revenues:			
Charges for service	\$ 3,301,420	\$ 8,838,152	\$ 12,139,572
Operating grants and contributions	2,172,759	545,681	2,718,440
Capital grants and contributions	500,000	1,763,668	2,263,668
General revenues:			
Property taxes, levied for general purposes	1,199,819	-	1,199,819
Gross receipts taxes	7,278,252	-	7,278,252
Gasoline and auto distribution taxes	591,184	-	591,184
Other taxes	426,330	-	426,330
Interest income (loss)	28,455	10,219	38,674
Miscellaneous income	150,300	38,331	188,631
Gain on sale of capital assets	33,152	-	33,152
Transfers	(534,670)	534,670	-
Total Revenues	<u>15,147,001</u>	<u>11,730,721</u>	<u>26,877,722</u>
Program expenses:			
General government	\$ 3,849,795	\$ -	\$ 3,849,795
Public safety	5,723,246	-	5,723,246
Public works	917,437	-	917,437
Culture and recreation	1,944,792	-	1,944,792
Health and welfare	805,507	-	805,507
Interest on long-term debt	31,154	-	31,154
Gas	-	3,530,827	3,530,827
Sewer	-	1,253,518	1,253,518
Solid waste	-	1,646,687	1,646,687
Water	-	1,706,837	1,706,837
Cemetery	-	105,331	105,331
Airport	-	158,301	158,301
	<u>13,271,931</u>	<u>8,401,501</u>	<u>21,673,432</u>
Change in net position	1,875,070	3,329,220	5,204,290
Net Position, beginning	<u>52,447,736</u>	<u>44,650,078</u>	<u>97,097,814</u>
Net Position, restatement (note 16)	(9,030,520)	(1,620,146)	(10,650,666)
Net Position, beginning as restated	<u>43,417,216</u>	<u>43,029,932</u>	<u>86,447,148</u>
Net Position, ending	<u>\$ 45,292,286</u>	<u>\$ 46,359,152</u>	<u>\$ 91,651,438</u>

STATE OF NEW MEXICO
City of Deming
Management's Discussion and Analysis
June 30, 2015

The City had a prior period restatement of (\$10,650,666) related to the implementation of GASB Statements No. 68 and No. 71, which was required in order to reflect the addition of the City's Net Pension Liability due to their participation in the Public Employees Retirement Association. The City's net position overall decreased by (\$5,446,376) when considering the results of operations and the prior period restatement. See Note 16 in the accompanying Notes to the Financial Statements for further information on this restatement.

Governmental activities. In the governmental activities the City of Deming's net position increased by \$1,875,070. The key elements of this increase are as follows:

- Tax revenues increased by \$361,572. The tax revenues consist of property, gross receipts, gasoline and motor vehicle and other taxes.
- The operating grants and contributions increased \$991,886 during the current fiscal year.
- The increase of \$521,612 is compiled from other revenues e.g. miscellaneous, gain on sale of fixed assets, and special items.
- The governmental portion of the City's prior period restatement is (\$9,030,520).

Business-type activities. Business-type activities increased the City's net position by 3,329,220. The following areas of revenues attribute the increase:

- The increase for business-type activities in the capital grants and contributions in the amount of \$1,047,913. The city was awarded Water Trust Board grants in conjunction with a loan component for projects within the enterprise funds.
- The increase of \$2,281,307 is derived from other revenues consisting of operating grants and contributions, charges for services and other revenues e.g. miscellaneous and gain on sale of fixed assets.
- The business-type activity portion of the City's prior period restatement is (\$1,620,146).

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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

Revenues for governmental functions overall totaled approximately \$15,613,261 in the fiscal year ended June 30, 2015, which represents an increase of \$1,720,069 from the fiscal year ended June 30, 2014.

Expenditures for governmental functions, totaling \$14,481,079, increasing by approximately \$541,267 from the fiscal year ended June 30, 2014. This is largely due to the increase in expenditures within public safety.

The General Fund is the chief operating fund of the City of Deming. At the end of the current fiscal year, *unassigned* fund balance of the general fund was \$6,190,953.

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Revenues for proprietary funds overall totaled \$11,842,124 in the fiscal year ended June 30, 2015, which represents an increase of \$2,051,180 from the fiscal year ended June 30, 2014.

Expenditures for business-type, totaling \$8,512,904, decreasing of \$1,943,225 from the fiscal year ended June 30, 2014. This is due to efficiency of management making better decision in operating expenses and utilities in.

At the end of the fiscal year, the unrestricted net position for enterprise funds were \$10,097,181. The total decrease in net position for the enterprise funds was \$189,243.

STATE OF NEW MEXICO
City of Deming
Management's Discussion and Analysis
June 30, 2015

General Fund Budgetary Highlights

City budgets reflect the same pattern as seen in the revenue and expenditures of the City. The State of New Mexico budget process is defined under state law and regulation. To enhance the process of developing a budget at the City level, the City utilizes goals and objectives defined by the City Council, community input meetings, long term plans and input from various staff groups to develop the City budget. City priorities are well defined through this process.

GASB Statement No. 34 does not require a statement presenting the overall result of the budget for each year; however, all major budgetary funds are required to be reported as a separate statement.

The following table examines the summary budget performance of the general fund for the fiscal year ending June 30, 2015. Detailed budget performance is examined through the Statement of Revenues, Expenditures, and Changes in Fund Balance Budget (Non-GAAP Budgetary Basis) and Actual for the general fund found at Exhibit C-1. The City's final budget differs from the original budget due to budget increases and decreases that were made during the fiscal year and expenditures not needed. Actual general fund expenditures were \$543,374 less than the final budget amount (favorable variance). This was primarily due to the net difference in Public Safety and General Government favorable variance of \$347,043 and a favorable variance of \$110,028 in Culture and Recreation and \$86,303 in Health and Welfare and Capital Outlay. The difference between actual expenditures and budgeted expenditures is due to various expenditures that were expected to occur during the year ended June 30, 2015, but were deferred for various reasons.

	<u>Budget Amounts</u>		Actual (GAAP Basis)	Favorable (Unfavorable) Variance
	<u>Original</u>	<u>Final</u>		
<i>Expenditures:</i>				
General government	3,290,645	3,357,974	2,744,787	\$ 613,187
Public safety	5,000,201	5,099,471	5,365,615	(266,144)
Culture and recreation	759,112	769,872	659,844	110,028
Health and Welfare	235,699	235,699	223,805	11,894
Capital outlay	486,000	471,540	397,131	74,409
 <i>Total Expenditures</i>	 <u>\$ 9,771,657</u>	 <u>\$ 9,934,556</u>	 <u>\$ 9,391,182</u>	 <u>\$ 543,374</u>

STATE OF NEW MEXICO
City of Deming
Management's Discussion and Analysis
June 30, 2015

Capital Assets and Debt Administration

Capital assets. The City of Deming's capital assets for its governmental and business-type activities as of June 30, 2015 amount to \$57,552,222 (net of accumulated depreciation). Capital assets include land, land improvements, buildings and improvements, furniture, fixtures and equipment, and infrastructure. Capital additions for the City were \$2,661,570 for governmental activities and \$3,957,454 for business-type activities.

Capital assets, net of depreciation

City of Deming's Capital Assets, Net of Depreciation
June 30, 2015

	<u>Governmental Activities</u>	<u>Business-like Activities</u>	<u>Total</u>
Land	\$ 6,355,499	\$ 7,264,650	\$ 13,620,149
Constuction in progress	1,255,257	5,462,502	6,717,759
Buildings and improvements	14,080,743	12,897,858	26,978,601
Equipment	56,025,504	6,445,088	62,470,592
Infrastructure	9,165,525	2,771,147	11,936,672
Utility System		25,681,778	
Total capital assets	<u>86,882,528</u>	<u>60,523,023</u>	<u>121,723,773</u>
Less: accumulated depreciation	<u>(43,337,871)</u>	<u>(20,833,680)</u>	<u>(64,171,551)</u>
Total property, plant and equipment, net of accumulated depreciation	<u>\$ 43,544,657</u>	<u>\$ 39,689,343</u>	<u>\$ 57,552,222</u>

For government-wide financial statement presentation, all depreciable capital assets were depreciated from acquisition date to the end of the current fiscal year. Fund financial statements record capital asset purchases as expenditures. See Note 6 in the accompanying Notes to the Financial Statements for further information regarding capital assets.

Debt Administration. At the end of the current fiscal year, the City of Deming had total debt obligations outstanding of \$4,458,729.

The significant changes to long term debt during the year were as follows:

- \$941,477 addition for a NMFA loan #14, \$719,987 additions for NMFA loan #15 and #18
- \$209,640 debt payments of NMFA loan #10, #11, and #15, and Rural Infrastructure Revolving Loan

STATE OF NEW MEXICO
City of Deming
Management's Discussion and Analysis
June 30, 2015

Outstanding debt

**City of Deming's Outstanding Debt
June 30, 2015**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
NMFA Loan # Deming 10	\$ 102,357	\$ -	\$ 102,357
NMFA Loan # Deming 11	929,000	-	929,000
NMFA Loan # Deming 14	-	974,373	974,373
NMFA Loan # Deming 15		312,905	312,905
NMFA Loan # Deming 18		407,082	407,082
Rural Infrastructure Revolving Loan	-	1,733,012	1,733,012
Landfill Closure Liability	-	432,485	432,485
Compensated absences	<u>393,953</u>	<u>101,515</u>	<u>495,468</u>
 Total long-term liabilities	 <u>\$ 1,425,310</u>	 <u>\$ 3,961,372</u>	 <u>\$ 5,386,682</u>

See Note 7 in the accompanying Notes to the Financial Statements for further information regarding the City of Deming's long-term debt.

The City knows of no currently known facts, decisions or conditions that are expected to have a significant effect on financial position or results of operations.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Deming's finances for all of those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Deming, Laura Holguin - Treasurer, 309 South Gold Ave., Deming, New Mexico, 88030, Phone (575) 546-8848.

(This page intentionally left blank)

**BASIC
FINANCIAL STATEMENTS**

STATE OF NEW MEXICO

City of Deming

Statement of Net Position

June 30, 2015

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 4,526,867	\$ 6,786,033	\$ 11,312,900
Investments	5,882,712	4,585,252	10,467,964
Receivables:			
Ambulance receivable, net	197,067	-	197,067
Customer receivable, net	-	767,180	767,180
Taxes receivable	1,618,285	-	1,618,285
Due from other governments	117,925	-	117,925
Inventory	79,968	378,673	458,641
Total current assets	<u>12,422,824</u>	<u>12,517,138</u>	<u>24,939,962</u>
Noncurrent assets			
Restricted cash and cash equivalents	99,373	541,067	640,440
Non-depreciable capital assets	7,610,756	12,727,152	20,337,908
Depreciable capital assets	79,271,773	47,795,871	127,067,644
Less: accumulated depreciation	<u>(43,337,871)</u>	<u>(20,833,680)</u>	<u>(64,171,551)</u>
Total noncurrent assets	<u>43,644,031</u>	<u>40,230,410</u>	<u>83,874,441</u>
Total assets	<u>56,066,855</u>	<u>52,747,548</u>	<u>108,814,403</u>
Deferred inflows of resources			
Contributions subsequent to the measurement date	779,236	139,801	919,037
Change of assumptions	<u>85,619</u>	<u>15,361</u>	<u>100,980</u>
Total deferred outflows of resources	<u>864,855</u>	<u>155,162</u>	<u>1,020,017</u>
Total assets and deferred outflows of resources	<u>\$ 56,931,710</u>	<u>\$ 52,902,710</u>	<u>\$ 109,834,420</u>

The accompanying notes are an integral part of these financial statements

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Liabilities			
Current liabilities			
Accounts payable	\$ 166,051	\$ 202,598	\$ 368,649
Accrued payroll expenses	342,740	76,616	419,356
Accrued compensated absences	189,459	48,041	237,500
Meter deposits	-	511,259	511,259
Accrued interest	8,757	52,073	60,830
Current portion of loans payable	137,457	159,191	296,648
Total current liabilities	844,464	1,049,778	1,894,242
Noncurrent liabilities			
Accrued compensated absences	204,493	53,474	257,967
Landfill closure and postclosure	-	432,485	432,485
Loans payable	893,900	3,268,181	4,162,081
Net pension liability	7,326,380	1,314,410	8,640,790
Total noncurrent liabilities	8,424,773	5,068,550	13,493,323
Total liabilities	9,269,237	6,118,328	15,387,565
Deferred inflows of resources			
Net difference between projected and actual investment earnings on pension plan investments			
	2,203,709	395,362	2,599,071
Change of assumptions	166,478	29,868	196,346
Total deferred inflows of resources	2,370,187	425,230	2,795,417
Net Position			
Net investment in capital assets	42,513,301	36,261,971	78,775,272
Restricted for:			
Capital projects	100	-	100
Special revenue	2,953,454	-	2,953,454
Unrestricted	(174,569)	10,097,181	9,922,612
Total net position	45,292,286	46,359,152	91,651,438
Total liabilities, deferred inflows of resources and net position	\$ 56,931,710	\$ 52,902,710	\$ 109,834,420

STATE OF NEW MEXICO
City of Deming
Statement of Activities
For the Year Ended June 30, 2015

<u>Functions/Programs</u>	<u>Program Revenues</u>			
Primary Government	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental Activities:				
General government	\$ 3,849,795	\$ 2,702,701	\$ 681,000	\$ -
Public safety	5,723,246	541,963	307,120	-
Public works	917,437	278	1,110,867	500,000
Culture and recreation	1,944,792	41,227	73,772	-
Health and welfare	805,507	-	-	-
Interest on long-term debt	31,154	-	-	-
<i>Total governmental activities</i>	<u>13,271,931</u>	<u>3,286,169</u>	<u>2,172,759</u>	<u>500,000</u>
Business-type Activities:				
Gas	3,530,827	3,463,381	-	-
Sewer	1,253,518	1,277,456	180,923	434,403
Solid waste	1,646,687	2,079,592	290,037	6,791
Water	1,706,837	1,840,568	-	1,322,474
Cemetery	105,331	90,939	-	-
Airport	158,301	86,216	74,721	-
<i>Total business-type activities</i>	<u>8,401,501</u>	<u>8,838,152</u>	<u>545,681</u>	<u>1,763,668</u>
<i>Total</i>	<u>\$ 21,673,432</u>	<u>\$ 12,124,321</u>	<u>\$ 2,718,440</u>	<u>\$ 2,263,668</u>

General Revenues, Transfers, and Special Item:

Taxes

 Gross receipts taxes

 Property taxes, levied for general purposes

 Gasoline, franchise and motor vehicle

 Other

Investment income

Miscellaneous revenue

Gain on sale of capital assets

Transfers

Total general revenues, transfers, and special item

Change in net position

Net position, beginning

Net position, restatement (note 16)

Net position, as restated

Net position, ending

The accompanying notes are an integral part of these financial statements

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (466,094)	\$ -	\$ (466,094)
(4,874,163)	-	(4,874,163)
693,708	-	693,708
(1,829,793)	-	(1,829,793)
(805,507)	-	(805,507)
(31,154)	-	(31,154)
(7,313,003)	-	(7,313,003)
-	(67,446)	(67,446)
-	639,264	639,264
-	729,733	729,733
-	1,456,205	1,456,205
-	(14,392)	(14,392)
-	2,636	2,636
-	2,746,000	2,746,000
(7,313,003)	2,746,000	(4,567,003)
7,278,252	-	7,278,252
1,199,819	-	1,199,819
591,184	-	591,184
426,330	-	426,330
28,455	10,219	38,674
165,551	38,331	203,882
33,152	-	33,152
(534,670)	534,670	-
9,188,073	583,220	9,771,293
1,875,070	3,329,220	5,204,290
52,447,736	44,650,078	97,097,814
(9,030,520)	(1,620,146)	(10,650,666)
43,417,216	43,029,932	86,447,148
\$ 45,292,286	\$ 46,359,152	\$ 91,651,438

STATE OF NEW MEXICO

City of Deming
Balance Sheet
Governmental Funds
June 30, 2015Exhibit B-1
Page 1 of 2

	General Fund	Street Fund	Other Governmental Funds	Total
<i>Assets</i>				
Cash and cash equivalents	\$ 4,020,540	\$ 35,217	\$ 570,483	\$ 4,626,240
Investments	5,851,144	-	31,568	5,882,712
Receivables:				
Ambulance receivable, net	197,067	-	-	197,067
Taxes receivable	1,545,217	49,045	24,023	1,618,285
Due from other governments	117,925	-	-	117,925
Inventory	79,968	-	-	79,968
<i>Total assets</i>	<u>\$ 11,811,861</u>	<u>\$ 84,262</u>	<u>\$ 626,074</u>	<u>\$ 12,522,197</u>
<i>Liabilities, deferred inflows of resources, and fund balances</i>				
<i>Liabilities</i>				
Accounts payable	\$ 108,498	\$ 22,525	\$ 35,028	\$ 166,051
Accrued payroll expenses	312,937	10,922	18,881	342,740
<i>Total liabilities</i>	<u>421,435</u>	<u>33,447</u>	<u>53,909</u>	<u>508,791</u>
<i>Deferred inflows of resources</i>				
Unavailable revenue-property taxes	310,407	-	-	310,407
<i>Total deferred inflows of resources</i>	<u>310,407</u>	<u>-</u>	<u>-</u>	<u>310,407</u>
<i>Fund balances</i>				
Nonspendable				
Inventory	79,968	-	-	79,968
Spendable				
Restricted for:				
Public safety	-	-	206,062	206,062
Culture and recreation	-	-	210,769	210,769
Promotion	-	-	144,238	144,238
Transportation and roads	-	50,815	100	50,915
Capital improvements	-	-	100	100
Economic development	-	-	10,896	10,896
Committed to:				
Minimum fund balance	788,558	-	-	788,558
Subsequent year's expenditures	4,020,540	-	-	4,020,540
Unassigned	6,190,953	-	-	6,190,953
<i>Total fund balances</i>	<u>11,080,019</u>	<u>50,815</u>	<u>572,165</u>	<u>11,702,999</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 11,811,861</u>	<u>\$ 84,262</u>	<u>\$ 626,074</u>	<u>\$ 12,522,197</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

City of Deming

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Position
June 30, 2015

Exhibit B-1

Page 2 of 2

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

Fund balances - total governmental funds	\$	11,702,999
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		43,544,658
Delinquent property taxes not collected within sixty days after year end are not considered "available" revenues and are considered to be unavailable revenue in the fund financial statements, but are considered revenue in the Statement of Activities		310,407
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 employer contributions subsequent to measurement date		779,236
Deferred outflows of resources related to changes in assumptions		85,619
Deferred inflows of resources related to projected and actual earnings on pension assets		(2,203,709)
Deferred inflows of resources related to changes in assumptions		(166,478)
Certain liabilities, including loans payable and related components, accrued interest, and current and long-term portions of accrued compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds		
Accrued compensated absences		(393,952)
Accrued interest		(8,757)
Loans payable		(1,031,357)
Net pension liability		(7,326,380)
		(8,736,451)
Net position of governmental activities	\$	45,292,286

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Deming
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2015

	<u>General Fund</u>	<u>Street Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<i>Revenues</i>				
Taxes:				
Property	\$ 1,164,561	\$ -	-	\$ 1,164,561
Gross receipts	7,278,252	-	-	7,278,252
Gasoline, franchise and motor vehicle	329,673	261,511	-	591,184
Other	-	-	426,330	426,330
Intergovernmental				
Federal operating grants	600,351	811,459	-	1,411,810
Federal capital grants	-	-	500,000	500,000
State operating grants	72,209	299,408	389,332	760,949
Charges for services	3,162,176	68,496	55,497	3,286,169
Investment income	28,394	-	61	28,455
Miscellaneous	104,254	34,980	26,317	165,551
<i>Total revenues</i>	<u>12,739,870</u>	<u>1,475,854</u>	<u>1,397,537</u>	<u>15,613,261</u>
<i>Expenditures</i>				
Current:				
General government	2,822,211	-	-	2,822,211
Public safety	5,361,766	-	128,107	5,489,873
Public works	-	863,606	-	863,606
Culture and recreation	654,319	-	1,053,739	1,708,058
Health and welfare	227,268	-	542,692	769,960
Capital outlay	397,131	1,366,414	898,025	2,661,570
Debt service:				
Principal	-	-	135,415	135,415
Interest	-	-	30,386	30,386
<i>Total expenditures</i>	<u>9,462,695</u>	<u>2,230,020</u>	<u>2,788,364</u>	<u>14,481,079</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>3,277,175</u>	<u>(754,166)</u>	<u>(1,390,827)</u>	<u>1,132,182</u>
<i>Other financing sources (uses)</i>				
Proceeds from sale of capital assets	41,454	1,152	-	42,606
Transfers in	-	800,000	1,452,461	2,252,461
Transfers (out)	(1,927,328)	-	(213,730)	(2,141,058)
<i>Total other financing sources (uses)</i>	<u>(1,885,874)</u>	<u>801,152</u>	<u>1,238,731</u>	<u>154,009</u>
<i>Net change in fund balance</i>	1,391,301	46,986	(152,096)	1,286,191
<i>Fund balance - beginning of year</i>	<u>9,688,718</u>	<u>3,829</u>	<u>724,261</u>	<u>10,416,808</u>
<i>Fund balance - end of year</i>	<u>\$ 11,080,019</u>	<u>\$ 50,815</u>	<u>\$ 572,165</u>	<u>\$ 11,702,999</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

City of Deming

Governmental Funds

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, 2015

Exhibit B-2

Page 2 of 2

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

Net change in fund balances - total governmental funds	\$	1,286,191
--	----	-----------

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 outlay additions reported in capital outlay expenditures		2,661,570
Depreciation expense		(1,813,772)
Book value of assets sold		(9,454)
Transfer of capital asset to business-type activities		(646,073)

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

Change in deferred inflows related to the property taxes receivable		35,258
---	--	--------

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

City pension contributions		779,236
Pension expense		(580,428)

Expenses in the Statement of Activities that do not require current financial
resources are not reported as expenditures in the funds:

Decrease in accrued compensated absences		27,895
Increase in accrued interest		(768)

The issuance of long-term debt (e.g. bonds, notes, leases) provides current financial
resources to governmental funds, while the repayment of the principal of long-term
debt consumes the current financial resources of governmental funds. Neither
transaction, however, has any effect on net position. Also, governmental funds
report the effect of premiums and similar items when debt is first issued, whereas
these amounts are deferred and amortized in the Statement of Activities:

Principal payments on bonds, loans and notes payable		135,415
--	--	---------

Change in net position of governmental activities	\$	1,875,070
---	----	-----------

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Exhibit C-1

City of Deming

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ 1,093,983	\$ 1,093,983	\$ 1,155,320	\$ 61,337
Gross receipts	7,035,000	7,035,000	7,239,530	204,530
Gasoline, franchise and motor vehicle	315,000	315,000	326,117	11,117
Intergovernmental:				
Federal operating grants	542,386	589,906	482,426	(107,480)
State operating grants	118,681	118,681	38,209	(80,472)
Charges for services	3,026,902	3,083,414	3,113,203	29,789
Licenses and fees	-	-	-	-
Investment income	30,000	30,000	28,394	(1,606)
Miscellaneous	30,000	37,488	145,708	108,220
<i>Total revenues</i>	<u>12,191,952</u>	<u>12,303,472</u>	<u>12,528,907</u>	<u>225,435</u>
<i>Expenditures</i>				
Current:				
General government	3,290,645	3,357,974	2,744,787	613,187
Public safety	5,000,201	5,099,471	5,365,615	(266,144)
Culture and recreation	759,112	769,872	659,844	110,028
Health and welfare	235,699	235,699	223,805	11,894
Capital outlay	486,000	471,540	397,131	74,409
<i>Total expenditures</i>	<u>9,771,657</u>	<u>9,934,556</u>	<u>9,391,182</u>	<u>543,374</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>2,420,295</u>	<u>2,368,916</u>	<u>3,137,725</u>	<u>768,809</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	(97,972)	1,880,735	-	(1,880,735)
Transfers in	144,360	144,360	-	(144,360)
Transfers (out)	(2,466,683)	(4,394,011)	(1,927,328)	2,466,683
<i>Total other financing sources (uses)</i>	<u>(2,420,295)</u>	<u>(2,368,916)</u>	<u>(1,927,328)</u>	<u>441,588</u>
<i>Net change in fund balance</i>	-	-	1,210,397	1,210,397
<i>Fund balance - beginning of year</i>	-	-	8,661,287	8,661,287
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,871,684</u>	<u>\$ 9,871,684</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ 1,210,397	
Adjustments to revenues for gross receipt taxes, other taxes and federal grants.			252,417	
Adjustments to expenditures for salaries and operating expenses.			(71,513)	
Net change in fund balance (GAAP)			<u>\$ 1,391,301</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Exhibit C-2

City of Deming

Street Fund

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline, franchise and motor vehicle	280,000	280,000	256,305	(23,695)
Intergovernmental:				
Federal operating grants	467,000	877,000	946,720	69,720
State operating grants	858,000	858,000	299,408	(558,592)
Charges for services	63,300	63,300	68,496	5,196
Sale of fixed assets	200	200	1,152	952
Miscellaneous	35,000	35,000	34,980	(20)
<i>Total revenues</i>	<u>1,704,500</u>	<u>2,114,500</u>	<u>1,607,061</u>	<u>(507,439)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	1,197,500	1,306,500	1,008,117	298,383
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	1,786,000	2,087,000	1,366,414	720,586
<i>Total expenditures</i>	<u>2,983,500</u>	<u>3,393,500</u>	<u>2,374,531</u>	<u>1,018,969</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,279,000)</u>	<u>(1,279,000)</u>	<u>(767,470)</u>	<u>511,530</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	(14,655)	(14,655)	-	14,655
Transfers in	1,293,655	1,293,655	800,000	(493,655)
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,279,000</u>	<u>1,279,000</u>	<u>800,000</u>	<u>(479,000)</u>
<i>Net change in fund balance</i>	-	-	32,530	32,530
<i>Fund balance - beginning of year</i>	-	-	2,687	2,687
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,217</u>	<u>\$ 35,217</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ 32,530	
Adjustments to revenues for oil and gas receipt taxes and federal operating grants.			(130,055)	
Adjustments to expenditures for salaries and operating expenses.			144,511	
Net change in fund balance (GAAP)			<u>\$ 46,986</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

City of Deming

Statement of Net Position

Proprietary Funds

June 30, 2015

	<u>Gas</u>	<u>Sewer</u>	<u>Solid Waste</u>
<i>Assets</i>			
<i>Current assets</i>			
Cash and cash equivalents	\$ 1,575,868	\$ 1,637,255	\$ 1,549,295
Investments	2,515,343	262,459	538,369
Customer receivables, net	200,591	122,354	185,830
Inventory	100,418	26,854	-
<i>Total current assets</i>	<u>4,392,220</u>	<u>2,048,922</u>	<u>2,273,494</u>
<i>Noncurrent assets</i>			
Restricted cash and cash equivalents	511,259	22,309	-
Capital assets	7,061,527	18,254,661	6,994,913
Accumulated depreciation	(3,952,878)	(6,572,658)	(2,562,291)
<i>Total noncurrent assets</i>	<u>3,619,908</u>	<u>11,704,312</u>	<u>4,432,622</u>
<i>Total assets</i>	<u>8,012,128</u>	<u>13,753,234</u>	<u>6,706,116</u>
<i>Deferred inflows of resources</i>			
Contributions subsequent to the measurement date	27,996	17,881	58,011
Change of assumptions	3,076	1,965	6,374
<i>Total deferred outflows of resources</i>	<u>31,072</u>	<u>19,846</u>	<u>64,385</u>
<i>Total assets and deferred outflows of resources</i>	<u>\$ 8,043,200</u>	<u>\$ 13,773,080</u>	<u>\$ 6,770,501</u>

The accompanying notes are an integral part of these financial statements

<u>Water</u>	<u>Cemetery</u>	<u>Airport</u>	<u>Total</u>
\$ 1,738,285	\$ 94,506	\$ 190,824	\$ 6,786,033
1,010,999	197,239	60,843	4,585,252
251,117	-	7,288	767,180
251,401	-	-	378,673
<u>3,251,802</u>	<u>291,745</u>	<u>258,955</u>	<u>12,517,138</u>
7,499	-	-	541,067
17,597,734	532,286	10,081,902	60,523,023
(4,504,788)	(184,477)	(3,056,588)	(20,833,680)
<u>13,100,445</u>	<u>347,809</u>	<u>7,025,314</u>	<u>40,230,410</u>
<u>16,352,247</u>	<u>639,554</u>	<u>7,284,269</u>	<u>52,747,548</u>
33,001	2,912	-	139,801
<u>3,626</u>	<u>320</u>	<u>-</u>	<u>15,361</u>
<u>36,627</u>	<u>3,232</u>	<u>-</u>	<u>155,162</u>
<u>\$ 16,388,874</u>	<u>\$ 642,786</u>	<u>\$ 7,284,269</u>	<u>\$ 52,902,710</u>

STATE OF NEW MEXICO

City of Deming

Statement of Net Position

Proprietary Funds

June 30, 2015

	Gas	Sewer	Solid Waste
<i>Liabilities, Deferred Inflows and Net Position</i>			
<i>Liabilities</i>			
<i>Current liabilities</i>			
Accounts payable	\$ 25,860	\$ 30,630	\$ 13,233
Accrued payroll expenses	19,990	10,922	31,101
Accrued compensated absences	11,991	4,564	20,338
Meter deposits	511,259	-	-
Accrued interest	-	49,889	-
Current maturity of loans payable	-	85,099	-
<i>Total current liabilities</i>	569,100	181,104	64,672
<i>Noncurrent liabilities</i>			
Accrued compensated absences	11,140	12,857	16,406
Landfill closure and post-closure costs	-	-	432,485
Loans payable	-	1,960,818	-
Net pension liability	263,219	168,117	545,420
<i>Total noncurrent liabilities</i>	274,359	2,141,792	994,311
<i>Total liabilities</i>	843,459	2,322,896	1,058,983
<i>Deferred inflows of resources</i>			
Net difference between projected and actual investment earnings on pension plan investments	79,174	50,568	164,057
Change of assumptions	5,981	3,820	12,394
<i>Total deferred inflows of resources</i>	85,155	54,388	176,451
<i>Net position</i>			
Net investment in capital assets	3,108,649	9,636,086	4,432,622
Unrestricted	4,005,937	1,759,710	1,102,445
<i>Total net position</i>	7,114,586	11,395,796	5,535,067
<i>Total liabilities and net position</i>	\$ 8,043,200	\$ 13,773,080	\$ 6,770,501

The accompanying notes are an integral part of these financial statements

<u>Water</u>	<u>Cemetery</u>	<u>Airport</u>	<u>Total</u>
\$ 122,274	\$ -	\$ 10,601	\$ 202,598
14,603	-	-	76,616
10,772	376	-	48,041
-	-	-	511,259
2,184	-	-	52,073
74,092	-	-	159,191
<u>223,925</u>	<u>376</u>	<u>10,601</u>	<u>1,049,778</u>
13,071	-	-	53,474
-	-	-	432,485
1,307,363	-	-	3,268,181
310,276	27,378	-	1,314,410
<u>1,630,710</u>	<u>27,378</u>	<u>-</u>	<u>5,068,550</u>
<u>1,854,635</u>	<u>27,754</u>	<u>10,601</u>	<u>6,118,328</u>
93,328	8,235	-	395,362
7,050	623	-	29,868
<u>100,378</u>	<u>8,858</u>	<u>-</u>	<u>425,230</u>
11,711,491	347,809	7,025,314	36,261,971
2,722,370	258,365	248,354	10,097,181
<u>14,433,861</u>	<u>606,174</u>	<u>7,273,668</u>	<u>46,359,152</u>
<u>\$ 16,388,874</u>	<u>\$ 642,786</u>	<u>\$ 7,284,269</u>	<u>\$ 52,902,710</u>

STATE OF NEW MEXICO
City of Deming
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2015

	Gas	Sewer	Solid Waste
<i>Operating revenues</i>			
Charges for services	\$ 3,463,381	\$ 1,277,456	\$ 2,079,592
<i>Total operating revenues</i>	<u>3,463,381</u>	<u>1,277,456</u>	<u>2,079,592</u>
<i>Operating expenses</i>			
Depreciation	264,462	340,684	176,169
Personnel services	339,755	226,651	733,285
Contractual services	17,988	8,356	158,075
Supplies and purchases	2,047,331	22,000	55,337
Maintenance and materials	76,224	87,163	3,370
Administrative fees	599,058	323,555	508,780
Utilities	28,372	143,840	9,787
Equipment	2,030	1,520	1,884
Gross receipts taxes	155,607	-	-
<i>Total operating expenses</i>	<u>3,530,827</u>	<u>1,153,769</u>	<u>1,646,687</u>
<i>Operating income (loss)</i>	<u>(67,446)</u>	<u>123,687</u>	<u>432,905</u>
<i>Non-operating revenues (expenses)</i>			
Interest expense	-	(99,749)	-
Investment income	5,738	819	1,046
Miscellaneous income (expense)	791	29,002	5,692
<i>Total non-operating revenues (expenses)</i>	<u>6,529</u>	<u>(69,928)</u>	<u>6,738</u>
<i>Income (loss) before contributions and transfers</i>	<u>(60,917)</u>	<u>53,759</u>	<u>439,643</u>
Government contributions	-	615,326	296,828
Transfers in	-	646,073	-
Transfers (out)	-	(111,403)	-
<i>Change in net position</i>	<u>(60,917)</u>	<u>1,203,755</u>	<u>736,471</u>
<i>Total net position, beginning of year</i>	7,499,947	10,399,263	5,470,882
<i>Total net position, restatement (Note 16)</i>	<u>(324,444)</u>	<u>(207,222)</u>	<u>(672,286)</u>
<i>Total net position, beginning as restated</i>	<u>7,175,503</u>	<u>10,192,041</u>	<u>4,798,596</u>
<i>Total net position, end of year</i>	<u>\$ 7,114,586</u>	<u>\$ 11,395,796</u>	<u>\$ 5,535,067</u>

The accompanying notes are an integral part of these financial statements

<u>Water</u>	<u>Cemetery</u>	<u>Airport</u>	<u>Total</u>
\$ 1,840,568	90,939	\$ 86,216	\$ 8,838,152
<u>1,840,568</u>	<u>90,939</u>	<u>86,216</u>	<u>8,838,152</u>
216,822	8,319	104,281	1,110,737
451,090	40,692	659	1,792,132
11,323	2,500	3,123	201,365
15,966	3,405	237	2,144,276
135,525	42,290	13,463	358,035
438,262	5,855	12,757	1,888,267
309,022	2,018	13,180	506,219
127,033	252	10,601	143,320
<u>-</u>	<u>-</u>	<u>-</u>	<u>155,607</u>
<u>1,705,043</u>	<u>105,331</u>	<u>158,301</u>	<u>8,299,958</u>
<u>135,525</u>	<u>(14,392)</u>	<u>(72,085)</u>	<u>538,194</u>
(1,794)	-	-	(101,543)
2,120	379	117	10,219
<u>2,453</u>	<u>393</u>	<u>-</u>	<u>38,331</u>
<u>2,779</u>	<u>772</u>	<u>117</u>	<u>(52,993)</u>
<u>138,304</u>	<u>(13,620)</u>	<u>(71,968)</u>	<u>485,201</u>
1,322,474	-	74,721	2,309,349
-	-	-	646,073
<u>-</u>	<u>-</u>	<u>-</u>	<u>(111,403)</u>
<u>1,460,778</u>	<u>(13,620)</u>	<u>2,753</u>	<u>3,329,220</u>
13,355,530	653,541	7,270,915	44,650,078
<u>(382,447)</u>	<u>(33,747)</u>	<u>-</u>	<u>(1,620,146)</u>
<u>12,973,083</u>	<u>619,794</u>	<u>7,270,915</u>	<u>43,029,932</u>
<u>\$ 14,433,861</u>	<u>\$ 606,174</u>	<u>\$ 7,273,668</u>	<u>\$ 46,359,152</u>

STATE OF NEW MEXICO
City of Deming
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2015

	Gas	Sewer	Solid Waste
<i>Cash flows from operating activities:</i>			
Cash received from user charges	\$ 3,486,127	\$ 1,287,631	\$ 2,109,922
Cash payments to employees for services	(337,454)	(222,584)	(745,530)
Cash payments to suppliers for goods and services	(2,902,474)	(729,343)	(736,082)
<i>Net cash provided (used) by operating activities</i>	<u>246,199</u>	<u>335,704</u>	<u>628,310</u>
<i>Cash flows from noncapital financing activities:</i>			
Government contributions	-	615,326	296,828
Miscellaneous income	791	29,002	5,692
Landfill closure costs	-	-	(200,543)
Transfers (net)	-	(111,403)	-
<i>Net cash provided (used) by noncapital financing activities</i>	<u>791</u>	<u>532,925</u>	<u>101,977</u>
<i>Cash flows from investing activities:</i>			
Purchase of investments	-	419	-
Interest on investments	5,738	819	1,046
<i>Net cash provided by investing activities</i>	<u>5,738</u>	<u>1,238</u>	<u>1,046</u>
<i>Cash flows from capital and related financing activities:</i>			
Interest paid	-	(54,360)	-
Acquisition of capital assets	(532,690)	(461,999)	(555,378)
Proceeds from issuance of long-term debt	-	320,142	-
Principal payments on bonds, loans and notes payable	-	(74,225)	-
<i>Net cash (used) by capital and related financing activities</i>	<u>(532,690)</u>	<u>(270,442)</u>	<u>(555,378)</u>
<i>Net increase (decrease) in cash and cash equivalents</i>	(279,962)	599,425	175,955
<i>Cash and cash equivalents - beginning of year</i>	<u>2,367,089</u>	<u>1,060,139</u>	<u>1,373,340</u>
<i>Cash and cash equivalents - end of year</i>	<u>\$ 2,087,127</u>	<u>\$ 1,659,564</u>	<u>\$ 1,549,295</u>
<i>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</i>			
Operating income (loss)	\$ (67,446)	\$ 123,687	\$ 432,905
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	264,462	340,684	176,169
Net pension expense	(7,142)	(4,563)	(14,800)
Changes in assets and liabilities			
Receivables	(1,525)	10,175	30,330
Inventory	8,287	19,032	-
Accounts payable	15,849	(161,941)	1,151
Accrued payroll expenses	2,346	3,450	755
Customer deposits	24,271	-	-
Accrued compensated absences	7,097	5,180	1,800
<i>Net cash provided (used) by operating activities</i>	<u>\$ 246,199</u>	<u>\$ 335,704</u>	<u>\$ 628,310</u>

The accompanying notes are an integral part of these financial statements

Water	Cemetery	Airport	Total
\$ 1,863,630	\$ 90,939	\$ 89,540	\$ 8,927,789
(452,504)	(41,996)	(659)	(1,800,727)
(996,282)	(56,320)	(43,972)	(5,464,473)
<u>414,844</u>	<u>(7,377)</u>	<u>44,909</u>	<u>1,662,589</u>
1,322,474	-	74,721	2,309,349
2,453	393	-	38,331
-	-	-	(200,543)
-	-	-	(111,403)
<u>1,324,927</u>	<u>393</u>	<u>74,721</u>	<u>2,035,734</u>
-	-	-	419
2,120	379	117	10,219
<u>2,120</u>	<u>379</u>	<u>117</u>	<u>10,638</u>
(3,016)	-	-	(57,376)
(2,342,088)	-	(65,302)	(3,957,457)
1,348,559	-	-	1,668,701
-	-	-	(74,225)
<u>(996,545)</u>	<u>-</u>	<u>(65,302)</u>	<u>(2,420,357)</u>
745,346	(6,605)	54,445	1,288,604
<u>1,000,438</u>	<u>101,111</u>	<u>136,379</u>	<u>6,038,496</u>
<u>\$ 1,745,784</u>	<u>\$ 94,506</u>	<u>\$ 190,824</u>	<u>\$ 7,327,100</u>
\$ 135,525	\$ (14,392)	\$ (72,085)	\$ 538,194
216,822	8,319	104,281	1,110,737
(8,420)	(743)	-	(35,668)
23,062	-	3,324	65,366
(30,773)	-	-	(3,454)
71,622	(152)	-	(73,471)
2,920	(409)	9,389	18,451
-	-	-	24,271
<u>4,086</u>	<u>-</u>	<u>-</u>	<u>18,163</u>
<u>\$ 414,844</u>	<u>\$ (7,377)</u>	<u>\$ 44,909</u>	<u>\$ 1,662,589</u>

(This page intentionally left blank)

STATE OF NEW MEXICO
City of Deming
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2015

Exhibit E-1

<i>Assets</i>	
Cash	<u>\$ 6,244</u>
<i>Total assets</i>	<u><u>\$ 6,244</u></u>
<i>Liabilities</i>	
Due to other entities	<u>\$ 6,244</u>
<i>Total liabilities</i>	<u><u>\$ 6,244</u></u>

The accompanying notes are an integral part of these financial statements

(This page intentionally left blank)

STATE OF NEW MEXICO
City of Deming
Notes to the Financial Statements
June 30, 2015

NOTE 1. Summary of Significant Accounting Policies

The City of Deming (the City) was incorporated in 1902 under provisions of Chapter 3, Article 2, NMSA, 1978 as amended and regulated by the constitution of the State of New Mexico. The City operates under a Council-mayor form of government and provides the following services as authorized by public law: public safety (police and fire), public works, water, sanitation, health and welfare, culture and recreation, public improvements, planning and zoning and general administrative services.

The City of Deming 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 City and its inhabitants;
7. Preserve peace and order within the City; and
8. Establish rates for services provided by the City utilities and revenue-producing projects, including amounts which the governing body determines to be reasonable in the operation of similar facilities.

This summary of significant accounting policies of City of Deming is presented to assist in the understanding of City of Deming's financial statements. The financial statements and notes are the representation of City of Deming'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 entities.

During the year ended June 30, 2015, the City adopted GASB Statements No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27* (“GASB 68”), and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68* (“GASB 71”). These two Statements are required to be implemented at the same time. GASB 68 addresses accounting and financial reporting for pensions that are provided to the employees of state and local governments through pension plans that are administered through trusts that have the following characteristics:

- Contributions from employers and nonemployer contributing entities to the pension plan and earnings on those contributions are irrevocable.
- Pension plan assets are dedicated to providing pensions to plan members in accordance with the benefit terms.
- Pension plan assets are legally protected from the creditors of employers, nonemployer contributing entities, and the pension plan administrator. If the plan is a defined benefit plan, plan assets are also legally protected from creditors of the plan members.

GASB 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to pensions. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. As a result of the implementation of GASB 68, the government recognized a net pension liability (“NPL”) measured as of a date no later than the end of its prior fiscal year. If the government employer makes a contribution to the pension plan subsequent to the measurement date but prior to the end of the current fiscal year, GASB 68 requires the government to recognize that contribution as a deferred outflow of resources. In addition, GASB 68 requires the recognition of deferred outflows of resources and deferred inflows of resources for changes in the NPL that arise from other types of events, but does not require the government to recognize beginning deferred outflows of resources or deferred inflows of resources if the amounts are not practical to estimate. At transition to Statement 68, Statement 71 requires the employer or nonemployer contributing entity to recognize a beginning deferred outflow of resources for its pension contributions made subsequent to the measurement date of the beginning net pension liability but before the start of the government's fiscal year, thus avoiding possible understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

STATE OF NEW MEXICO
City of Deming
Notes to the Financial Statements
June 30, 2015

NOTE 1. Summary of Significant Accounting Policies (continued)

This pronouncement has materially impacted the financial statements and additional disclosures are included in the notes to the financial statements to highlight the effects.

A. Financial Reporting Entity

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 and GASB Statement No. 61. Blended component units, although legally separate entities, are in substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

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

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

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

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

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and

STATE OF NEW MEXICO
City of Deming
Notes to the Financial Statements
June 30, 2015

NOTE 1. Summary of Significant Accounting Policies (continued)

B. Government-wide and fund financial statements (continued)

2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental 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 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 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 of time, reimbursement and contingencies imposed by the provider are 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. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. 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. 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. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met. All other revenue items are considered to be measurable and available only when cash is received by the City.

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

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.

STATE OF NEW MEXICO
City of Deming
Notes to the Financial Statements
June 30, 2015

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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

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

Under the requirements of GASB Statement No. 34, the City is required to present certain of its governmental funds as major based upon certain criteria. The major funds presented in the fund financial statements include the following, which includes funds that were not required to be presented as major but were at the discretion of management:

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. Revenues are provided through property and other taxes, federal sources, state sources, charges for services, licenses and fees, and other miscellaneous recoveries and revenue. Expenditures include all costs associated with the daily operation of the City except for items included in other funds.

The *Street Special Revenue Fund* is used to account for the receipts and disbursements for City street improvements. Financing is provided by motor vehicle and state grants. The fund is authorized by Section 7-1-6.27, NMSA 1978.

The City reports its proprietary funds as major funds. Proprietary funds include:

The *Gas Fund* accounts for the provision of gas services to the City residents. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, billing and collection.

The *Sewer Fund* accounts for the provision of sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, billing and collection.

The *Solid Waste Fund* accounts for the disposal of solid waste for the City residents.

The *Water Fund* accounts for the provision of water services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, billing and collection.

The *Cemetery Trust Fund* accounts for the receipts and disbursements for the maintenance of the City's cemetery. Financing is provided by private donations. The fund is authorized by City Council.

The *Airport Fund* accounts for the operations and maintenance of the airport. Financing is provided by fuel sales and fees for services. The fund is authorized by City Council.

Additionally, the City reports the following agency funds:

The *Judicial Bond Fund* accounts for monies held and disbursed on behalf of local law enforcement agencies.

STATE OF NEW MEXICO
City of Deming
Notes to the Financial Statements
June 30, 2015

NOTE 1. Summary of Significant Accounting Policies (continued)

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

The *Gila/San Francisco Water Commission Arizona Water Settlement Act Reservation Fee Fund* accounts for monies held and disbursed on behalf of the Gila San Francisco Water Commission to manage reservation fee to develop 14,000 acres of allocated water for citizens.

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

D. Assets, 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.

Investments for the City are reported at fair value. The State Treasurer's Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

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 funds and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental 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.

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. In the government-wide and governmental fund financial statements, delinquent property taxes are recorded as revenue when levied net of estimated refunds and uncollectable amounts.

Property taxes are levied on November 1 based on the assessed value of property as listed on the previous January 1 and are due in two payments by November 10th and April 10th. Property taxes uncollected after May 10th are considered delinquent. The taxes attach as an enforceable lien on property as of January 1st.

Prepaid Expenses: Prepaid expenses include insurance and contract payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

Inventory: The City's method of accounting for inventory is the consumption method. Under the consumption approach, governments report inventories they purchase as an asset and defer the recognition of the expenditures until the period in which the inventories actually are consumed. Inventory is valued at cost and consists of items held for later use by the City for maintenance or other operational purposes.

STATE OF NEW MEXICO
City of Deming
Notes to the Financial Statements
June 30, 2015

NOTE 1. Summary of Significant Accounting Policies (continued)

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

Restricted Assets: Restricted assets consist of those funds expendable for operating purposes but restricted by donors or other outside agencies as to the specific purpose for which they may be expended. Restricted cash in the amount of \$640,440 at June 30, 2015 reported in the statement of net position consist of meter deposits in the amount of \$541,067 and amounts restricted for investment and reserve requirements in the amount of \$99,373.

Capital Assets: Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental 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. City of Deming was a phase II government for purposes of implementing GASB 34. Therefore, the City was required to report its major general infrastructure assets retroactively to June 30, 1980. The City has made the required restatement for infrastructure assets retroactive to June 30, 1980, in order to properly implement GASB 34. Information Technology Equipment including software is being capitalized and included in furniture, fixtures and equipment in accordance with NMAC 2.20.1.9 C (5). Donated assets are recorded at fair market value when received. The City received no donated assets during the year ended June 30, 2015.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. 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	10-50
Utility system	40
Infrastructure	40-50
Equipment	5-10

Accrued Expenses: Accrued expenses are comprised of the payroll expenditures based on amounts earned by the employees through June 30, 2015, along with applicable PERA, FICA, RHC and Medicare payable.

Deferred Outflow of Resources: In addition to assets, the balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a use of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until that time. The City has two types of items that qualify for reporting in this category: employer contributions subsequent to measurement date in the amount of \$919,037 and changes in assumptions in the amount of \$100,980. These amounts are reported in the Statement of Net Position. These amounts are deferred and recognized as an outflow of resources in future periods.

Deferred Inflow of Resources: In addition to liabilities, the balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element 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 deferred inflow of resources.

STATE OF NEW MEXICO
City of Deming
Notes to the Financial Statements
June 30, 2015

NOTE 1. Summary of Significant Accounting Policies (continued)

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

The City has one item, which arises under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue – property taxes is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City has recorded \$310,407 related to property taxes considered “unavailable.” In addition, the City has two 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. Accordingly, the items, Net difference between projected and actual earnings on pension assets in the amount of \$2,599,071 and Change in Assumptions in the amount of \$196,346 are reported on the Statement of Net Position. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Compensated Absences: Qualified employees are entitled to accumulate annual leave according to a graduated leave schedule of ten days to twenty days per year, depending on length of service. No more than thirty (30) working days, or two hundred forty (240) hours of annual leave, may be carried forward from one fiscal year to the next. All excess annual leave shall be forfeited, if not used, unless extenuating circumstances warrant approval of an extension by the Mayor and Council of the City of Deming.

Qualified employees are entitled to accumulate regular sick leave at a rate of ten days per year. Regular sick leave can be carried over with no limit. Upon termination employees receive no pay for sick time. Employees eligible for retirement who still maintain an "old sick" leave balance will be paid for the entire balance.

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it.

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. For bonds issued after GASB 34 was implemented, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. For fund financial reporting, bond premiums, 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.

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 (PERA) and additions to/deductions from PERA’s fiduciary net position have been determined on the same basis as they are reported by PERA, 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.

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

For assigned fund balance, the City Council or an official or body to which the City Council 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.

STATE OF NEW MEXICO
City of Deming
Notes to the Financial Statements
June 30, 2015

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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 consists of inventory in the amount of \$79,968.

Restricted: At June 30, 2015, the City has presented restricted fund balance on the governmental funds balance sheet in the amount of \$206,062 for public safety; \$210,769 for culture and recreation; \$144,238 for promotion; \$50,915 for transportation and roads; \$100 for capital improvements and \$10,896 for economic development.

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. The City has also presented committed fund balance on the governmental funds balance sheet including \$788,558 for minimum fund balance and \$4,020,540 for subsequent year's expenditures.

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

- a. **Net Investment in Capital Assets:** Net investment in capital assets consist 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, and capital projects" are described on pages 46 and 80-81.
- c. **Unrestricted Net Position:** All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates for the City include the depreciable lives of capital assets, estimated allowance for uncollectible accounts receivables, the City's estimated landfill capacity used to date and the remaining life of the landfill, and the City's net pension liability.

STATE OF NEW MEXICO
City of Deming
Notes to the Financial Statements
June 30, 2015

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 City Council, 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 City Commissioners 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 at the fund level.

Both proprietary and governmental fund budgets are prepared on the Non-GAAP cash budgetary basis. Budgetary basis expenditures exclude encumbrances. The budget secures appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year.

The budgetary information presented in these financial statements has been properly amended by City Commissioners in accordance with the above procedures. These amendments resulted in the following changes:

	Excess (deficiency) of revenues over expenditures Operating income (loss)	
	Original Budget	Final Budget
Budgeted Funds:		
General Fund	\$ 2,420,295	\$ 2,368,916
Street Fund	\$ (1,279,000)	\$ (1,279,000)
Other Governmental Funds	\$ (3,483,320)	\$ (3,943,549)
Gas Enterprise Fund	\$ (872,470)	\$ (827,470)
Sewer Enterprise Fund	\$ (1,260,621)	\$ (1,259,418)
Solid Waste Enterprise Fund	\$ (2,393,714)	\$ (2,393,714)
Water Enterprise Fund	\$ (3,664,870)	\$ (3,664,870)
Cemetery Enterprise Fund	\$ (61,050)	\$ (61,300)
Airport Enterprise Fund	\$ (107,800)	\$ (209,151)

The accompanying Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual and Statements of Revenues, Expenses and Changes in Net Position – Budget (Non-GAAP Budgetary Basis) and Actual present comparisons of the legally adopted budget with actual data on a budgetary basis.

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP), a reconciliation of resultant basis, perspective, equity and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2015 is presented. Reconciliations between the Non-GAAP budgetary basis amounts and the financial statements on the GAAP basis by fund can be found on each individual budgetary statement.

NOTE 3. Deposits and Investments

State statutes authorize the investment of City funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested funds of the City properly followed State investment requirements as of June 30, 2015. There are no specific state laws governing the ability to spend net appreciation and investment income.

STATE OF NEW MEXICO
City of Deming
Notes to the Financial Statements
June 30, 2015

NOTE 3. Deposits and Investments (continued)

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 on 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.

Beginning January 1, 2013, all of the City's accounts at an insured depository institution, including all noninterest-bearing transaction accounts, will be insured by the FDIC up to the standard maximum deposit insurance amount of \$250,000.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk, other than following state statutes as set forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). Section 6-10-17, New Mexico Statutes Annotated, 1978 Compilation requires that all depositories provide collateral equal to at least one-half of the amount of public monies on deposit that are uninsured by FDIC limits. All depositories, had collateral exceeding the amount required by law. As of June 30, 2015, \$20,561,666 of the City's bank balance of \$21,782,641 was exposed to custodial credit risk. Although the \$20,561,666 was uninsured, \$17,702,238 of this amount was collateralized by collateral held by the pledging bank's trust department, not in the City's name. The remaining \$2,859,428 of the City's deposits were uninsured and uncollateralized at June 30, 2015.

	First New Mexico Bank	First Savings Bank	Wells Fargo Bank	Western Heritage Bank	Total
Amount of deposits	\$ 14,703,913	\$ 4,757,753	\$ 2,117,278	\$ 203,697	\$ 21,782,641
FDIC Coverage	(500,000)	(250,000)	(267,278)	(203,697)	(1,220,975)
Total uninsured public funds	<u>14,203,913</u>	<u>4,507,753</u>	<u>1,850,000</u>	<u>-</u>	<u>20,561,666</u>
Collateralized by securities held by pledging institution or by its trust department or agent in other than the City's name	<u>11,344,485</u>	<u>4,507,753</u>	<u>1,850,000</u>	<u>-</u>	<u>17,702,238</u>
Uninsured and uncollateralized	<u>\$ 2,859,428</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,859,428</u>
Collateral requirement (50% of uninsured funds)	\$ 7,101,957	\$ 2,253,877	\$ 925,000	\$ -	\$ 10,280,834
Pledged Collateral	<u>11,344,485</u>	<u>4,684,084</u>	<u>2,095,306</u>	<u>-</u>	<u>18,123,875</u>
Over (Under) collateralized	<u>\$ 4,242,528</u>	<u>\$ 2,430,207</u>	<u>\$ 1,170,306</u>	<u>\$ -</u>	<u>\$ 7,843,041</u>

The collateral pledged is listed on Schedule IV of this report. The types of collateral 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.

STATE OF NEW MEXICO
City of Deming
Notes to the Financial Statements
June 30, 2015

NOTE 3. Deposits and Investments (continued)

Investments

As of June 30, 2015, the City had the following investments and maturities:

Investment Type	Weighted Average Maturities	Fair Value	Rating**
Government National Mortgage Association Securities	<1 year	\$ 4,397	Not Rated
U.S. Treasury Money Market Mutual Funds*	<1 year	1,049,199	AA+
		<u>\$ 1,053,596</u>	

*Restricted Cash per Exhibit A-1
**Based of Standard & Poor's rating

The investments are listed on Schedule III of this report. The types of investment, interest rate, maturity date and fair value per security are included in the schedule.

The City has presented certificates of deposits of and interest bearing savings accounts of \$10,463,567 as investments in the Statement of Net Position; however, these are classified as deposits for disclosure purposes.

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 U.S. Treasury Money Market Mutual Funds represent 98% of the investment portfolio. Since the City only purchases investments with the highest credit rating, the 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).

The City utilizes pooled accounts for their funds. The General, Special Revenue, Capital Projects, and Agency Funds are all in multiple accounts.

STATE OF NEW MEXICO
City of Deming
Notes to the Financial Statements
June 30, 2015

NOTE 3. Deposits and Investments (continued)

Reconciliation of Cash, Investments and Cash Equivalents

Cash and cash equivalents per Exhibit A-1	\$ 11,312,900
Restricted cash and cash equivalents per Exhibit A-1	640,440
Cash - Statement of Fiduciary Assets and Liabilities per Exhibit E-1	6,244
Investments per Exhibit A-1	<u>10,467,964</u>
 Total cash, investments, and cash equivalents	 <u>22,427,548</u>
 Add: outstanding checks	 726,352
Less: U.S. Treasury Money Market Mutual Funds	(1,049,199)
Less: Government National Mortgage Association Securities	(4,397)
Less: deposits in transit and other reconciling items	(313,938)
Less: petty cash	<u>(3,725)</u>
 Bank balance of deposits	 <u>\$ 21,782,641</u>

NOTE 4. Receivables

Governmental receivables as of June 30, 2015 are comprised of the following:

	General	Street	Other Governmental Funds	Total
Ambulance receivable	\$ 365,539	\$ -	\$ -	\$ 365,539
Less: allowance for uncollectable	(168,472)	-	-	(168,472)
Ambulance receivable, net	<u>197,067</u>	<u>-</u>	<u>-</u>	<u>197,067</u>
Taxes receivable:				
Gross receipts taxes	1,173,414	-	-	1,173,414
Property taxes	335,671	-	-	335,671
Franchise taxes	36,132	-	-	36,132
Lodger's taxes	-	-	24,023	24,023
Oil and gas taxes	-	49,045	-	49,045
Total taxes receivable	<u>1,545,217</u>	<u>49,045</u>	<u>24,023</u>	<u>1,618,285</u>
Due from other governments:				
State grants	117,925	-	-	117,925
Total due from other governments	<u>117,925</u>	<u>-</u>	<u>-</u>	<u>117,925</u>
 Net accounts receivable	 <u>\$ 1,860,209</u>	 <u>\$ 49,045</u>	 <u>\$ 24,023</u>	 <u>\$ 1,933,277</u>

In accordance with GASB Statement No. 33, property tax revenues in the amount of \$310,407 that were not collected within the period of availability have been reclassified as unearned revenue in the governmental fund financial statements as of June 30, 2015.

STATE OF NEW MEXICO
City of Deming
Notes to the Financial Statements
June 30, 2015

NOTE 4. Receivables (continued)

Business-type activity receivables as of June 30, 2015 are comprised of the following:

	<u>Gas</u>	<u>Sewer</u>	<u>Solid Waste</u>	<u>Water</u>
Customer receivable	\$ 249,735	\$ 132,256	\$ 204,931	\$ 278,073
Less: allowance for uncollectable	(49,144)	(9,902)	(19,101)	(26,956)
Customer receivable, net	<u>\$ 200,591</u>	<u>\$ 122,354</u>	<u>\$ 185,830</u>	<u>\$ 251,117</u>
	<u>Cemetery</u>	<u>Airport</u>	<u>Total</u>	
Customer receivable	\$ 3,371	\$ 7,288	\$ 875,654	
Less: allowance for uncollectable	(3,371)	-	(108,474)	
Customer receivable, net	<u>\$ -</u>	<u>\$ 7,288</u>	<u>\$ 767,180</u>	

The allowance for uncollectable accounts as of June 30, 2015 is \$108,474.

NOTE 5. Interfund Receivables, Payables, and Transfers

Net operating transfers, made to close out funds and to supplement other funding sources, were as follows:

<u>Transfers Out</u>	<u>Transfers In</u>	<u>Amount</u>
General Fund	Library Fund	\$ 225,000
General Fund	Street Fund	800,000
General Fund	Recreation Fund	130,000
General Fund	EDC Fund	170,000
General Fund	Community Building Fund	395,000
General Fund	Swimming Pool Fund	103,000
General Fund	Debt Service	104,328
Fire Protection Fund	Debt Service-Fire	61,473
Lodger's Tax Non-Promotional	Lodger's Tax Promotional	152,257
Sewer Fund	CDBG	111,403
	Total	<u>\$ 2,252,461</u>

During the year ended June 30, 2015, the City made the following transfer of capital assets (as described in Note 6) from the Governmental Activities to the Proprietary Activities:

<u>Transfers Out</u>	<u>Transfers In</u>	<u>Amount</u>
Government Wide - Governmental Activity	Sewer Fund	\$ 646,073
	Total	<u>\$ 646,073</u>

STATE OF NEW MEXICO
City of Deming
Notes to the Financial Statements
June 30, 2015

NOTE 6. Capital Assets

The following is a summary of capital assets and changes occurring during the year ended June 30, 2015. Land and construction in progress are not subject to depreciation.

Governmental Activities:

	Balance June 30, 2014	Additions	Deletions	Transfers	Balance June 30, 2015
Capital assets not being depreciated:					
Land	\$ 6,309,700	\$ 55,253	\$ (9,454)	\$ -	\$ 6,355,499
Construction in progress	2,013,662	1,886,412	-	(2,644,817)	1,255,257
Total not being depreciated	8,323,362	1,941,665	(9,454)	(2,644,817)	7,610,756
Capital assets being depreciated:					
Buildings and improvements	13,950,898	129,845	-	-	14,080,743
Equipment	8,575,466	590,060	-	-	9,165,526
Infrastructure	54,026,760	-	-	1,998,744	56,025,504
Total being depreciated	76,553,124	719,905	-	1,998,744	79,271,773
Total capital assets	84,876,486	2,661,570	(9,454)	(646,073)	86,882,529
Accumulated depreciation:					
Buildings and improvements	4,432,489	319,789	-	-	4,752,278
Equipment	6,988,478	392,017	-	-	7,380,495
Infrastructure	30,103,132	1,101,966	-	-	31,205,098
Total accumulated depreciation	41,524,099	1,813,772	-	-	43,337,871
Net Capital Assets	\$ 43,352,387	\$ 847,798	\$ (9,454)	\$ (646,073)	\$ 43,544,658

During the year, the City paid for construction services in the amount of \$646,073 in the CDBG Grant 13/14 fund. This construction was on the wastewater treatment plant, which is a business type activity. In order to properly classify this capital asset, a transfer of \$646,073 in construction in progress was recorded on the statement of activities.

Depreciation expense for the year ended June 30, 2015 was charged to the functions of the governmental activities as follows:

General	\$ 1,093,754
Public Safety	367,336
Public works	60,537
Culture and Recreation	246,710
Health and Welfare	45,435
Total	\$ 1,813,772

STATE OF NEW MEXICO
City of Deming
Notes to the Financial Statements
June 30, 2015

NOTE 6. Capital Assets (continued)

	Balance June 30, 2014	Additions	Deletions	Transfers	Balance June 30, 2015
Capital assets not being depreciated:					
Land	\$ 7,257,007	\$ 7,643	\$ -	\$ -	\$ 7,264,650
Construction in progress	2,517,497	3,497,687	-	(552,682)	5,462,502
Total not being depreciated	<u>9,774,504</u>	<u>3,505,330</u>	<u>-</u>	<u>(552,682)</u>	<u>12,727,152</u>
Capital assets being depreciated:					
Buildings and improvements	12,897,858	-	-	-	12,897,858
Utility System	24,483,023	-	-	1,198,755	25,681,778
Airport infrastructure	2,771,147	-	-	-	2,771,147
Equipment	5,992,961	452,127	-	-	6,445,088
Total being depreciated	<u>46,144,989</u>	<u>452,127</u>	<u>-</u>	<u>1,198,755</u>	<u>47,795,871</u>
 Total capital assets	 <u>55,919,493</u>	 <u>3,957,457</u>	 <u>-</u>	 <u>646,073</u>	 <u>60,523,023</u>
Accumulated depreciation:					
Buildings and improvements	3,530,444	237,359	-	-	3,767,803
Utility System	11,211,153	518,942	-	-	11,730,095
Airport infrastructure	445,728	67,718	-	-	513,446
Equipment	4,535,618	286,718	-	-	4,822,336
Total accumulated depreciation	<u>19,722,943</u>	<u>1,110,737</u>	<u>-</u>	<u>-</u>	<u>20,833,680</u>
 Net Book Value	 <u>\$ 36,196,550</u>	 <u>\$ 2,846,720</u>	 <u>\$ -</u>	 <u>\$ 646,073</u>	 <u>\$ 39,689,343</u>

Depreciation expense for the year ended June 30, 2015 was charged to the functions of the proprietary activities as follows:

Gas	\$ 264,462
Sewer	340,684
Solid Waste	176,169
Water	216,822
Cemetery	8,319
Airport	104,281
Total	<u>\$ 1,110,737</u>

STATE OF NEW MEXICO
City of Deming
Notes to the Financial Statements
June 30, 2015

NOTE 7. Long-term Debt

During the year ended June 30, 2015, the following changes occurred in the liabilities reported in the government-wide statement of net position:

Governmental Activities:	Balance June 30, 2014	Additions	Retirements	Balance June 30, 2015	Due Within One Year
NMFA Loan # Deming 10	\$ 203,072	\$ -	\$ 100,715	\$ 102,357	\$ 102,357
NMFA Loan # Deming 11	963,700	-	34,700	929,000	35,100
Compensated Absences	421,847	161,564	189,459	393,952	189,459
Total long-term liabilities	\$ 1,588,619	\$ 161,564	\$ 324,874	\$ 1,425,309	\$ 326,916

During the year ended June 30, 2015, the following changes occurred in the liabilities reported in the business-type activities:

Business-type Activities:	Balance June 30, 2014	Additions	Retirements	Balance June 30, 2015	Due Within One Year
NMFA Loan # Deming 14	\$ 32,896	\$ 941,477	\$ -	\$ 974,373	\$ 54,241
NMFA Loan # Deming 15	-	320,142	7,237	312,905	16,101
NMFA Loan # Deming 18	-	407,082		407,082	19,851
Rural Infrastructure Revolving Loan	1,800,000	-	66,988	1,733,012	68,998
Landfill closure and postclosure	633,028		200,543	432,485	-
Compensated Absences	83,761	65,795	48,041	101,515	48,041
Total	\$ 2,549,686	\$ 1,734,496	\$ 322,809	\$ 3,961,373	\$ 207,232

Loans

The City entered into a loan agreement with the New Mexico Finance Authority in the amount of \$2,412,284 from the Drinking Water State Revolving Loan Fund for water meter replacements. A portion of the loan fund made available pursuant to the DWSRLF Act and the Safe Drinking Water Act may be forgiven and, if forgiven, will not be required to be repaid. The maximum aggregate forgiven amount is \$1,206,142, and the maximum aggregate repayable principal is \$1,206,142. The loan matures May 1, 2035 and has a monthly interest rate of 1.149%. At June 30, 2014, \$974,373 of the repayable portion of this loan was drawn down. The remaining balance was spent after June 30, 2015. The City first spends the money and then New Mexico Finance Authority reimburses the City. Payment on the full \$1,206,142 repayable balance of the loan starts two years after completion of the project and is amortized over twenty years.

The City entered into a loan agreement with the New Mexico Environment Department in the amount of \$1,800,000 from the Rural Infrastructure Revolving Loan Fund for Wastewater Treatment Plant liner replacement. The loan matures July 9, 2033 and has a monthly interest rate of 3%. At June 30, 2014, \$1,800,000 of the loan was drawn down. The City first spent the money and then New Mexico Environment Department reimbursed the City. Payment on the full \$1,800,000 loan started during the year ended June 30, 2015.

The City has entered into several loan agreements with the New Mexico Finance Authority for fire station and City Hall court remodeling and expansion, wherein the City pledged revenue derived from New Mexico Fire Protection Allotments to cover debt service.

STATE OF NEW MEXICO
City of Deming
Notes to the Financial Statements
June 30, 2015

NOTE 7. Long-term Debt (continued)

Description	Date of Issue	Maturity Date	Interest Rate	Original Amount of Issue	Balance June 30, 2015
NMFA Loan #10	05/13/11	05/13/16	1.476%	60,000	\$ 102,357
NMFA Loan #11	06/24/11	05/01/35	2.634%	499,389	929,000
NMFA Loan #14	09/20/13	05/01/16	1.149%	1,206,142	974,373
NMFA Loan #15	12/19/14	06/01/34	0.250%	320,142	312,905
NMFA Loan #18	05/01/15	06/01/35	0.250%	407,082	407,082
Rural Infrastructure Revolving Loan	02/02/12	07/09/33	3.000%	1,800,000	1,733,012
Total NMFA Loans					<u>\$ 4,458,729</u>

There are no federal arbitrage regulations applicable to the loans at June 30, 2015. The annual requirements to amortize the governmental activity loans as of June 30, 2015, including interest payments are as follows:

Fiscal Year Ending	Governmental Activities				Total
	Principal		Interest		
	NMFA Loan 10	NMFA Loan 11	NMFA Loan 10	NMFA Loan 11	
June 30, 2016	\$ 102,357	\$ 35,100	\$ 1,966	\$ 26,270	\$ 165,693
2017	-	35,700	-	25,663	61,363
2018	-	36,100	-	24,922	61,022
2019	-	37,100	-	24,058	61,158
2020	-	37,900	-	23,060	60,960
2021-2025	-	208,000	-	46,928	254,928
2026-2030	-	248,100	-	30,137	278,237
2031-2035	-	291,000	-	11,770	302,770
Total	<u>\$ 102,357</u>	<u>\$ 929,000</u>	<u>\$ 1,966</u>	<u>\$ 212,808</u>	<u>\$ 1,246,131</u>

The annual requirements to amortize the business-type activity loans as of June 30, 2015, including interest payments are as follows:

Fiscal Year Ending June 30,	Business-type Activities				Total
	Principal		Interest		
	NMFA Loan 14	NMFA Loan 15	NMFA Loan 14	NMFA Loan 15	
2016	\$ 5,421	\$ 16,101	\$ 13,623	\$ 782	\$ 35,927
2017	54,813	16,142	13,051	742	84,748
2018	55,395	16,182	12,468	702	84,747
2019	55,988	16,222	11,876	661	84,747
2020	56,591	16,263	11,272	621	84,747
2021-2025	292,388	81,926	46,928	2,490	423,732
2026-2030	309,179	82,955	30,137	1,462	423,733
2031-2035	144,598	67,114	9,374	420	221,506
	<u>\$ 974,373</u>	<u>\$ 312,905</u>	<u>\$ 148,729</u>	<u>\$ 7,880</u>	<u>\$ 1,443,887</u>

STATE OF NEW MEXICO
City of Deming
Notes to the Financial Statements
June 30, 2015

NOTE 7. Long-term Debt (continued)

Fiscal Year Ending June 30,	Business-type Activities					Total
	Principal		Interest			
	NMFA Loan 18	Rural Infrastructure Revolving Loan	NMFA Loan 18	Rural Infrastructure Revolving Loan		
2016	\$ 19,851	68,998	\$ 1,043	49,920	\$ 139,812	
2017	19,926	71,068	968	47,788	139,750	
2018	19,976	73,200	918	45,593	139,687	
2019	20,025	75,396	868	43,330	139,619	
2020	20,076	77,658	818	41,001	139,553	
2021-2025	101,133	424,665	3,336	167,537	696,671	
2026-2030	102,404	492,303	2,065	97,870	694,642	
2031-2035	103,691	449,724	779	20,737	574,931	
	<u>\$ 407,082</u>	<u>\$ 1,733,012</u>	<u>\$ 10,795</u>	<u>\$ 513,776</u>	<u>\$ 2,664,665</u>	

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, 2015, compensated absences for governmental activities decreased \$27,894 over the prior year accrual. For business-type activities compensated absences increased by \$17,754.

Landfill Closure and Post-Closure Costs

State and federal laws and regulations require that upon closing, the City place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure of the landfill site. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and post-closure care costs that will be incurred near or after the date the landfill no longer accepts waste.

Butterfield Landfill

The recognition of these landfill closure and post-closure care costs is based on the estimated capacity of the landfill used to date compared to the total estimated capacity. The liability for landfill closure and post-closure costs for the Butterfield Landfill as of June 30, 2015 is \$134,602. The closure and post-closure liability is based on a cumulative capacity used to date for operating landfills as a percentage of projected capacity at the time of landfill closure. The estimated percent of the landfill used to date is 15% and the estimated remaining life of the landfill is estimated to be 27 years. The estimated total current costs of closure and post-closure costs to be recognized is \$1,187,007. Actual cost of post-closure care may be higher due to inflation, changes in technology, or changes in state and federal landfill laws and regulations. The City is required by the state of New Mexico Environmental Regulation Board to demonstrate financial assurance for post-closure costs.

Old Deming Landfill

In the prior year the old Deming landfill was closed. The total remaining liability relating to the post closure costs yet to be amortized is \$297,883 and the post closure cost recognized during the current fiscal year is \$190,391.

STATE OF NEW MEXICO
City of Deming
Notes to the Financial Statements
June 30, 2015

NOTE 8. Risk Management

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries and natural disasters. The City is a member and is insured through the New Mexico City Insurance Authority. The Authority was created to provide comprehensive core insurance programs by expanding the pool of subscribers to maximize cost containment opportunities for required insurance coverage. The Authority acts as the common carrier for the State of New Mexico cities. The City pays an annual premium to the Authority based on claim experience and the status of the pool. The Risk Management Program includes Workers Compensation, General and Automobile Liability, Automobile Physical Damage, and Property and Crime coverage. The City is not liable for more than the premiums paid. The City has not had any insurance settlements that exceeded insurance coverage amounts in the preceding three fiscal years.

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. There were no funds with a deficit fund balance for the year ended June 30, 2015.
- B. Excess of expenditures over appropriations. There were no funds with expenditures in excess of the budgeted appropriations for the year ended June 30, 2015.
- C. Designated cash appropriations in excess of available balances. There was one fund with designated cash appropriation in excess of available balances for the year ended June 30, 2015:

	Designated Cash	Beginning Cash	Prior Year AR	Cash Appropriations in Excess of Available
Community Center Special Revenue Fund	\$ 166,100	\$ 134,005	\$ -	\$ 32,095

NOTE 10. Pension Plan – Public Employees Retirement Association

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.

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, 2014 available at http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2014.pdf.

STATE OF NEW MEXICO
City of Deming
Notes to the Financial Statements
June 30, 2015

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

Contributions. The contribution requirements of defined benefit plan members and the City of Deming 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 FY14 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures on pages 29 through 31 of the PERA FY14 annual audit report at [http://osanm.org/media/audits/366 Public Employees Retirement Association 2014.pdf](http://osanm.org/media/audits/366_Public_Employees_Retirement_Association_2014.pdf). The PERA coverage options that apply to the City of Deming are Municipal General Division, Municipal Police Division and Municipal Fire Division. Statutorily required contributions to the pension plan from the City of Deming were \$760,382, and there were \$158,655 employer paid member benefits that were “picked up” by the employer for the year ended June 30, 2015.

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, 2013. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2014, using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date June 30, 2014.

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.

The City of Deming’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, 2014. Only employer contributions for the pay period end dates that fell within the period of July 1, 2013 to June 30, 2014 were included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to FY 2014 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, 2015, the City of Deming reported a liability of \$3,342,760 for its proportionate share of the net pension liability. At June 30, 2014, the City of Deming’s proportion was 0.4285 percent, which was unchanged from its proportion measured as of June 30, 2013 due to the insignificance of the difference.

STATE OF NEW MEXICO
City of Deming
Notes to the Financial Statements
June 30, 2015

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

For the year ended June 30, 2015, the City of Deming recognized PERA Fund Municipal General Division pension expense of \$396,813. At June 30, 2015, the City of Deming reported PERA Fund Municipal General Division deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Changes of assumptions	\$ -	\$ 2,265
Net difference between projected and actual earnings on pension plan investments	-	1,307,775
City's contributions subsequent to the measurement date	393,966	-
Total	\$ 393,966	\$ 1,310,040

\$393,966 reported as deferred outflows of resources related to pensions resulting from the City of Deming's contributions subsequent to the measurement date June 30, 2014 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$ (327,508)
2017	(327,508)
2018	(327,508)
2019	(327,508)
2020	(8)
Total	\$ (1,310,040)

For PERA Fund Municipal Police Division, at June 30, 2015, the City of Deming reported a liability of \$2,389,174 for its proportionate share of the net pension liability. At June 30, 2014, the City of Deming's proportion was 0.7329 percent, which was unchanged from its proportion measured as of June 30, 2013, due to the insignificance of the difference.

For the year ended June 30, 2015, the City of Deming recognized PERA Fund Municipal Police Division pension expense of \$292,846. At June 30, 2015, the City of Deming reported PERA Fund Municipal Police Division deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Changes of assumptions	\$ -	\$ 194,081
Net difference between projected and actual earnings on pension plan investments	-	888,400
City's contributions subsequent to the measurement date	333,380	-
Total	\$ 333,380	\$ 1,082,481

STATE OF NEW MEXICO
City of Deming
Notes to the Financial Statements
June 30, 2015

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

\$333,380 reported as deferred outflows of resources related to pensions resulting from the City of Deming’s contributions subsequent to the measurement date June 30, 2015 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$ (270,379)
2017	(270,379)
2018	(270,379)
2019	(270,379)
2020	(965)
Total	<u><u>\$ (1,082,481)</u></u>

For PERA Fund Municipal Fire Division, at June 30, 2015, the City of Deming reported a liability of \$2,908,856 for its proportionate share of the net pension liability. At June 30, 2014, the City of Deming’s proportion was 0.6969 percent, which was unchanged from its proportion measured as of June 30, 2013, due to the insignificance of the difference.

For the year ended June 30, 2015, the City of Deming recognized PERA Fund Municipal Fire Division pension expense of \$182,407. At June 30, 2015, the City of Deming reported PERA Fund Municipal Fire Division deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Changes of assumptions	\$ 100,960	\$ -
Net difference between projected and actual earnings on pension plan investments	-	402,896
City's contributions subsequent to the measurement date	191,691	-
Total	<u>\$ 292,651</u>	<u>\$ 402,896</u>

\$191,691 reported as deferred outflows of resources related to pensions resulting from the City of Deming’s contributions subsequent to the measurement date June 30, 2015 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$ (75,484)
2017	(75,484)
2018	(75,484)
2019	(75,484)
2020	-
	<u><u>\$ (301,936)</u></u>

STATE OF NEW MEXICO
City of Deming
Notes to the Financial Statements
June 30, 2015

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

Actuarial assumptions. As described above, the PERA Fund member group pension liabilities and net pension liabilities are based on actuarial valuations performed as of June 30, 2013 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, 2014 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, 2014. These actuarial methods and assumptions were adopted by the Board for use in the June 30, 2014 actuarial valuation.

Actuarial valuation date	June 30, 2013
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
Payroll growth	3.50% annual rate
Projected salary increases	3.50 to 14.25% annual rate
Includes inflation at	3.00% annual rate

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
US Equity	21.10%	5.00%
International Equity	24.80	5.20
Private Equity	7.00	8.20
Core and Global Fixed Income	26.10	1.85
Fixed Income Plus Sectors	5.00	4.80
Real Estate	5.00	5.30
Real Assets	7.00	5.70
Absolute Return	4.00	4.15
Total	100.00%	

Discount Rate. The discount rate used to measure the total pension liability was 7.75 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 7.75% 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 Deming's net pension liability in each PERA Fund Division that City of Deming participates in, under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.75%) or one percentage point higher (8.75%) than the single discount rate.

STATE OF NEW MEXICO
City of Deming
Notes to the Financial Statements
June 30, 2015

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

PERA Fund Municipal General Division	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
City's proportionate share of the net pension liability	\$ 6,303,854	\$ 3,342,760	\$ 1,056,718
 PERA Fund Municipal Police Division	 1% Decrease (6.75%)	 Current Discount Rate (7.75%)	 1% Increase (8.75%)
City's proportionate share of the net pension liability	\$ 4,556,159	\$ 2,389,174	\$ 771,116
 PERA Fund Municipal Fire Division	 1% Decrease (6.75%)	 Current Discount Rate (7.75%)	 1% Increase (8.75%)
City's proportionate share of the net pension liability	\$ 4,109,996	\$ 2,908,856	\$ 2,022,969

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued FY14 Restated PERA financial report. The report is available at <http://www.pera.state.nm.us/publications.html>.

Payables to the pension plan. City of Deming remits the legally required employer and employee contributions on a monthly basis to PERA. PERA requires that the contributions be remitted by the 15th day of the month following the month for which contributions are withheld. At June 30, 2015 the City owed the PERA \$61,044 for the contributions withheld in the month of June 2015.

NOTE 11. Post-Employment Benefits – State Retiree Health Care Plan

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

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

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

STATE OF NEW MEXICO
City of Deming
Notes to the Financial Statements
June 30, 2015

NOTE 11. Post-Employment Benefits – State Retiree Health Care Plan (continued)

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

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

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

The City of Deming's contributions to the RHCA for the years ended June 30, 2015, 2014 and 2013 were \$122,791, \$123,868, and \$126,345, respectively, which equal the required contributions for each year.

NOTE 12. Joint Powers Agreements

City of Deming and Luna County Multi-Services Agreement 2014-2015

Participants	City of Deming, Luna County
Responsible party	City of Deming, Luna County
Description	Luna County has the exclusive rights, licensee, and privilege to provide care of city prisoners, consolidated dispatch, and use of special events center. The City will pay Luna County set hourly fees for these services. Luna County agrees to pay the City of Deming for library operation costs, ETZ administrative services, recreation programs, solid waste management and ambulance service. For fire prevention and suppression, Luna County and the City of Deming agree to render mutual aid.
Term of agreement	July 1, 2014 through June 30, 2017, renewable
Amount of project	Unknown
City contributions	Unknown
Audit responsibility	City of Deming

STATE OF NEW MEXICO
City of Deming
Notes to the Financial Statements
June 30, 2015

NOTE 12. Joint Powers Agreements (continued)

City of Deming and Rural Transportation District

Participants	City of Deming, Grant County, City of Luna, Town of Silver City
Responsible party	Grant County
Description	The Grant City Public Transportation System will operate public transportation services within Grant and Luna County, City of Deming and Silver City as resources permit; thereby creating increased access to the enterprises, services, and events of the area.
Term of agreement	July 1, 2014 through June 30, 2015, renewable
Amount of project	Unknown
City contributions	\$60,000 initial contribution
Audit responsibility	Grant County Auditors

Affordable Solar Energy

Participants	City of Deming, Grant County, Affordable Solar Installation, Inc., a New Mexico Corporation.
Responsible party	City of Deming, Affordable Solar Installation, Inc.
Description	Affordable Solar Installation, Inc. to build, finance, own and operate a solar energy facility (the "SEF") on City of Deming property. City of Deming will purchase energy output from this facility.
Term of agreement	June 26, 2013 through June 30, 2038, twenty-five year contract
Amount of project	Unknown

NOTE 13. Contingent Liabilities

The City is party to various claims and lawsuits arising in the normal course of business. The City is insured through the New Mexico City Insurance Authority. In the opinion of management, the outcome of these matters will not have a material effect on the financial position of the City.

STATE OF NEW MEXICO
City of Deming
Notes to the Financial Statements
June 30, 2015

NOTE 14. Construction and Other Significant Commitments

The City has committed to pay for several construction contracts that were not completed at June 30, 2015 in the amount of \$2,064,807 as follows:

<u>Contract</u>	<u>Year Ending</u>	<u>Amount</u>
4th of July Firework Display	6/30/2016	6,000
Animal Gardians	6/30/2016	6,000
Blue Collar	6/30/2016	39,405
CES	6/30/2016	371,856
Complete Care Cleaning	6/30/2016	66,861
Deming Luna County Arts Council	6/30/2016	1,000
Deming Luna County Commission on Aging	6/30/2016	85,000
Deming Luna County Humane Society	6/30/2016	105,000
Deming MainStreet Program	6/30/2016	30,000
Deming Public Schools	6/30/2016	99,500
Deming Soccer League	6/30/2016	1,000
Dennis Engineering	6/30/2016	129,571
EMS Billing	6/30/2016	195,000
Engineers Inc	6/30/2016	124,923
Entomology Consultants	6/30/2016	15,047
Gem & Mineral Society	6/30/2016	6,135
Great American Duck Races	6/30/2016	5,500
Gunter Miller Enterprise LTD	6/30/2030	5,240
Historical Society	6/30/2016	60,000
HK Advertising	6/30/2016	150,000
KSA	6/30/2016	126,637
Luna County Historical Society	6/30/2016	57,500
New Mexico Main Street Program	6/30/2016	15,000
New Mexico Mounted Patrol	6/30/2016	15,000
Old Timers	6/30/2016	1,000
Optimist Club	6/30/2016	1,000
Rio Mimbres Corporation	6/30/2016	89,000
Robert Benavidez-Desert Aviation	6/25/2016	10,800
Rural Transportation District	6/30/2016	60,000
Souder Miller & Associates	6/30/2016	98,332
SWNM Fair Board	6/30/2016	5,000
USDA	6/30/2016	7,500
Visitor's Center	6/30/2016	75,000
		<u>\$ 2,064,807</u>

STATE OF NEW MEXICO
City of Deming
Notes to the Financial Statements
June 30, 2015

NOTE 15. Restricted Net Position

The government-wide statement of net position reports \$2,953,554 of restricted net position, all of which is restricted by enabling legislation. For descriptions of the related enabling legislation for special revenue and capital projects funds see pages 46 and 80-81.

NOTE 16. Net Position Restatement

The City has restated government-wide statement of net position in the amount of (\$10,650,666) for the implementation of GASB Statement No. 68, which requires the inclusion of the City's proportionate share of the net pension liability related to the City's participation in the Public Employees Retirement Association. As of June 30, 2013 the proportionate share was \$11,522,730.

NOTE 17. Subsequent Events

The date to which events occurring after June 30, 2015, the date of the most recent statement of net position, have been evaluated for possible adjustment to the financial statements or disclosures is December 7, 2015 which is the date on which the financial statements were issued. No issues were noted for disclosure at December 7, 2015.

NOTE 18. 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 specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal and State Appropriations.

NOTE 19. Subsequent Pronouncements

In February 2015, GASB Statement No. 72 Fair Value Measurement and Application, was issued. Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2015. Earlier application is encouraged. The City will implement this standard during the fiscal year ended June 30, 2016. The City is still evaluating how this pronouncement will affect the financial statements.

In June 2015, GASB Statement No. 73 Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, was issued. Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2016. Earlier application is encouraged. The City is still evaluating how this pronouncement will affect the financial statements.

In June 2015, GASB Statement No. 74 Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans was issued. Effective Date: The provisions of this Statement are effective for fiscal years beginning after June 15, 2016. This pronouncement will not effect the City's financial statements.

In June 2015, GASB Statement No. 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, was issued. Effective Date: The provisions of this Statement are effective for fiscal years beginning after June 15, 2017. The standard will be implemented during the fiscal year ended June 30, 2018. The City expects this pronouncement to have an effect on the financial statements.

In June 2015, GASB Statement No. 76 The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments, was issued. Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2015. Earlier application is encouraged. The City will implement this standard during the fiscal year ended June 30, 2016. The City expects the pronouncement to have a material effect on the financial statements.

In August 2015, GASB Statement No. 77 Tax Abatement Disclosures, was issued. Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2015. Earlier application is encouraged. The City will implement this standard during the fiscal year ended June 30, 2017. The City is still evaluating how this pronouncement will effect the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
City of Deming
Schedule of the City's Proportionate Share of the Net Pension Liability
of PERA Fund Municipal General Division
Public Employees Retirement Association (PERA) Plan
Last 10 Fiscal Years*

Schedule I
Page 1 of 3

	2015 Measurement Date (As of and for the year ended <u>June 30, 2014</u>)
City of Deming's proportion of the net pension liability	42.8500%
City of Deming's proportionate share of the net pension liability	\$ 3,342,760
City of Deming's covered-employee payroll	\$ 3,406,825
City of Deming's proportionate share of the net pension liability as a percentage of its covered-employee payroll	98.12%
Plan fiduciary net position as a percentage of the total pension liability	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 Deming will present information for those years for which information is available.

See independent auditors' report
See notes to required supplementary information

STATE OF NEW MEXICO
City of Deming
Schedule of the City's Proportionate Share of the Net Pension Liability
of PERA Fund Municipal Police Division
Public Employees Retirement Association (PERA) Plan
Last 10 Fiscal Years*

Schedule I
Page 2 of 3

	2015 Measurement Date (As of and for the year ended <u>June 30, 2014</u>)
City of Deming's proportion of the net pension liability	0.7329%
City of Deming's proportionate share of the net pension liability	\$ 2,389,174
City of Deming's covered-employee payroll	\$ 1,440,802
City of Deming's proportionate share of the net pension liability as a percentage of its covered-employee payroll	165.82%
Plan fiduciary net position as a percentage of the total pension liability	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 Deming will present information for those years for which information is available.

See independent auditors' report
See notes to required supplementary information

STATE OF NEW MEXICO
City of Deming
Schedule of the City's Proportionate Share of the Net Pension Liability
of PERA Fund Municipal Fire Division
Public Employees Retirement Association (PERA) Plan
Last 10 Fiscal Years*

	2015 Measurement Date (As of and for the year ended <u>June 30, 2014</u>)
City of Deming's proportion of the net pension liability	0.6969%
City of Deming's proportionate share of the net pension liability	\$ 2,908,856
City of Deming's covered-employee payroll	\$ 775,656
City of Deming's proportionate share of the net pension liability as a percentage of its covered-employee payroll	375.02%
Plan fiduciary net position as a percentage of the total pension liability	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 Deming will present information for those years for which information is available.

STATE OF NEW MEXICO
 City of Deming
 Schedule of the City's Contributions
 Public Employees Retirement Association (PERA) Plan
 PERA Fund Municipal General Division
 Last 10 Fiscal Years*

Schedule II
 Page 1 of 3

	As of and for the year ended <u>June 30, 2015</u>
Contractually required contribution	\$ 393,966
Contributions in relation to the contractually required contribution	<u>(393,966)</u>
Contribution deficiency (excess)	<u>\$ -</u>
City of Deming's covered-employee payroll	\$ 3,406,825
Contributions as a percentage of covered-employee payroll	12%

* 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 Deming will present information for those years for which information is available.

See independent auditors' report
 See notes to required supplementary information

STATE OF NEW MEXICO
 City of Deming
 Schedule of the City's Contributions
 Public Employees Retirement Association (PERA) Plan
 PERA Fund Municipal Police Division
 Last 10 Fiscal Years*

	As of and for the year ended <u>June 30, 2015</u>
Contractually required contribution	\$ 333,380
Contributions in relation to the contractually required contribution	<u>(333,380)</u>
Contribution deficiency (excess)	<u>\$ -</u>
City of Deming's covered-employee payroll	\$ 1,440,802
Contributions as a percentage of covered-employee payroll	23%

* 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 Deming will present information for those years for which information is available.

STATE OF NEW MEXICO
 City of Deming
 Schedule of the City's Contributions
 Public Employees Retirement Association (PERA) Plan
 PERA Fund Municipal Fire Division
 Last 10 Fiscal Years*

Schedule II
 Page 3 of 3

	As of and for the year ended <u>June 30, 2015</u>
Contractually required contribution	\$ 191,691
Contributions in relation to the contractually required contribution	<u>(191,691)</u>
Contribution deficiency (excess)	<u>\$ -</u>
City of Deming's covered-employee payroll	\$ 775,657
Contributions as a percentage of covered-employee payroll	25%

* 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 Deming will present information for those years for which information is available.

STATE OF NEW MEXICO
City of Deming
Notes to Required Supplementary Information
For the Year Ended June 30, 2015

Changes of benefit terms. The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA FY14 audit available at: http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2014.pdf.

Changes of assumptions. Changes of assumptions. The Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation as of June 30, 2014 report is available at: http://www.pera.state.nm.us/pdf/Investments/RetirementFundValuationReports/6-30-2014%20PERA%20Valuation%20Report_FINAL.pdf.

The summary of Key Findings for the PERA Fund (on page 2 of the report) states “based on a recent experience study for the five-year period ending June 30, 2013, the economic and demographic assumptions were updated for this valuation. The changes in assumptions resulted in a decrease of \$30.8 million to Fund liabilities and an increase of 0.13% to the funded ratio. For details about changes in the actuarial assumptions, see Appendix B on page 60 of the report.

SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
City of Deming
Nonmajor Fund Descriptions
June 30, 2015

Special Revenue Funds

Emergency Medical Services Fund

To account for the acquisition of emergency medical equipment financed through a grant from the state of New Mexico. The fund is authorized by Emergency Medical Fund Act, 24-10A-6, NMSA 1978.

Fire Fund

The fire fund accounts for the operation and acquisition of assets for the fire department. This fund is financed through the state fire allotment. The fund is authorized by the Fire Protection Act 59A-53-1 NMSA 1978.

Law Enforcement Protection Fund

To account for receipts and disbursements of State Funds Chapter 289, Law of 1983. These funds are to enhance the efficiency and effectiveness of the police force. The fund is authorized by Law Enforcement Protection Fund Act, 29-13-3, NMSA 1978.

Library Fund

To account for the receipts and disbursements for operations of the City's public library. Financing is provided from state grants and private donations. The fund is authorized by 3-18-14, NMSA 1978.

Lodger's Tax Fund

To account for the operations of promotional activities of the City of Deming. Financing is provided primarily by specific tax levy on area motels and hotels. The fund is authorized by 14-37-16, NMSA 1969.

Lodger's Tax Promotional Fund

To account for the disbursements for advertising, publicizing, and promoting such facilities of the City of Deming and tourist facilities within the City. The fund is authorized by 14-37-16, NMSA 1978.

Recreation Fund

To account for the operations and maintenance of City owned recreation facilities. Financing is provided by a cigarette tax levy to the extent that other revenues are not sufficient to provide such services. The fund is authorized by 7-12-15 and 16, NMSA 1978.

Library Donation Special Revenue Fund

To account for library donations. The fund is authorized by City Council.

Economic Development Fund

To account for the receipts and disbursements for City economic development projects. Financing is provided from state grants and transfers from the general fund. The fund is authorized by City Council.

Community Center Fund

To account for the receipts and disbursements for operations of the City's community youth center. Financing is provided from user fees of the community center. The fund is authorized by City Council.

Swimming Pool Fund

To account for the receipts and disbursements for operations of the City's swimming pool. Financing is provided by user fees of the swimming pool and transfers from the general fund. The fund is authorized by City Council.

STATE OF NEW MEXICO
City of Deming
Nonmajor Fund Descriptions
June 30, 2015

Capital Projects Funds

Community Development Block Grants (two funds)

To account for the receipts and disbursements for various planning improvements to areas such as comprehensive planning, street and drainage improvements and geographical information systems including building and structure improvements for the Morgan Hall project. Financing is provided by federal grants. The fund is authorized by City Council.

Park Acquisition Fund

To account for the receipts and disbursements for the acquisition of land for City parks. Financing is provided by fees received from real estate developers. The fund is authorized by City Council.

Debt Service Fund

City Court Remodel Loan Fund-NMFA

To account for principal and interest payments due to NMFA loan for city court remodel. The fund is authorized by City Council.

Fire Station Remodel Loan Fund-NMFA

To account for principal and interest payments due to NMFA on \$1,000,000 loan for fire station remodel. The fund is authorized by City Council.

STATE OF NEW MEXICO
City of Deming
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2015

Special Revenue

	Emergency Medical Services Fund	Fire Fund	Law Enforcement Protection Fund	Library Fund
<i>Assets</i>				
Cash and cash equivalents	\$ 3,865	\$ 202,197	\$ -	\$ 34,196
Investments	-	-	-	31,568
Receivables:				
Taxes receivable	-	-	-	-
<i>Total assets</i>	<u>\$ 3,865</u>	<u>\$ 202,197</u>	<u>\$ -</u>	<u>\$ 65,764</u>
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll expenses	-	-	-	7,804
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,804</u>
<i>Fund balances</i>				
Restricted for:				
Public Safety	3,865	202,197	-	-
Culture and recreation	-	-	-	57,960
Promotion	-	-	-	-
Transportation and roads	-	-	-	-
Capital improvements	-	-	-	-
Economic development	-	-	-	-
<i>Total fund balances</i>	<u>3,865</u>	<u>202,197</u>	<u>-</u>	<u>57,960</u>
<i>Total liabilities and fund balances</i>	<u>\$ 3,865</u>	<u>\$ 202,197</u>	<u>\$ -</u>	<u>\$ 65,764</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

Lodgers' Tax Fund	Lodgers' Tax Promotional Fund	Recreation Fund	Library Donation Fund	Economic Development Fund
\$ 105,678	\$ 23,683	\$ 21,382	\$ 71,620	\$ 10,990
-	-	-	-	-
<u>24,023</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 129,701</u>	<u>\$ 23,683</u>	<u>\$ 21,382</u>	<u>\$ 71,620</u>	<u>\$ 10,990</u>
\$ 9,146	\$ -	\$ 84	\$ 25,611	\$ 94
-	-	-	-	-
<u>9,146</u>	<u>-</u>	<u>84</u>	<u>25,611</u>	<u>94</u>
-	-	-	-	-
-	-	21,298	46,009	-
120,555	23,683	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,896</u>
<u>120,555</u>	<u>23,683</u>	<u>21,298</u>	<u>46,009</u>	<u>10,896</u>
<u>\$ 129,701</u>	<u>\$ 23,683</u>	<u>\$ 21,382</u>	<u>\$ 71,620</u>	<u>\$ 10,990</u>

STATE OF NEW MEXICO
City of Deming
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2015

	Special Revenue		Capital Projects	
	Community Center Fund	Swimming Pool Fund	CDBG Grant 13/14	CDBG Planning Grant 2010/2011 Fund
<i>Assets</i>				
Cash and cash equivalents	\$ 72,462	\$ 24,210	\$ -	\$ 100
Investments	-	-	-	-
Receivables:				
Taxes receivable	-	-	-	-
<i>Total assets</i>	\$ 72,462	\$ 24,210	\$ -	\$ 100
<i>Liabilities</i>				
Accounts payable	\$ 13	\$ 80	\$ -	\$ -
Accrued payroll expenses	11,077	-	-	-
<i>Total liabilities</i>	11,090	80	-	-
<i>Fund balances</i>				
Restricted for:				
Public Safety	-	-	-	-
Culture and recreation	61,372	24,130	-	-
Promotion	-	-	-	-
Transportation and roads	-	-	-	100
Capital improvements	-	-	-	-
Economic development	-	-	-	-
<i>Total fund balances</i>	61,372	24,130	-	100
<i>Total liabilities and fund balances</i>	\$ 72,462	\$ 24,210	\$ -	\$ 100

The accompanying notes are an integral part of these financial statements

<u>Capital Projects</u>	<u>Debt Service</u>		
Park Acquisition Fund	City/Court Remodel Loan - NMFA	Fire Station Remodel Loan - NMFA	Total Nonmajor Governmental Funds
\$ 100	\$ -	\$ -	\$ 570,483
-	-	-	31,568
-	-	-	24,023
<u>\$ 100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 626,074</u>
\$ -	\$ -	\$ -	\$ 35,028
-	-	-	18,881
-	-	-	53,909
-	-	-	206,062
-	-	-	210,769
-	-	-	144,238
-	-	-	100
100	-	-	100
-	-	-	10,896
<u>100</u>	<u>-</u>	<u>-</u>	<u>572,165</u>
<u>\$ 100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 626,074</u>

STATE OF NEW MEXICO
City of Deming
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2015

	Special Revenue			
	Emergency Medical Services Fund	Fire Fund	Law Enforcement Protection Fund	Library Fund
<i>Revenues</i>				
Taxes:				
Other	\$ -	\$ -	\$ -	\$ -
Intergovernmental:				
Federal capital grants	-	-	-	-
State operating grants	29,873	274,687	-	43,772
Charges for services	-	-	-	9,670
Investment income	-	-	-	61
Miscellaneous	-	97	-	776
<i>Total revenues</i>	<u>29,873</u>	<u>274,784</u>	<u>-</u>	<u>54,279</u>
<i>Expenditures</i>				
Current:				
Public safety	16,992	51,020	60,095	-
Culture and recreation	-	-	-	254,733
Health and welfare	-	-	-	-
Capital outlay	14,996	125,580	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>31,988</u>	<u>176,600</u>	<u>60,095</u>	<u>254,733</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(2,115)</u>	<u>98,184</u>	<u>(60,095)</u>	<u>(200,454)</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	225,000
Transfers (out)	-	(61,473)	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(61,473)</u>	<u>-</u>	<u>225,000</u>
<i>Net change in fund balances</i>	(2,115)	36,711	(60,095)	24,546
<i>Fund balances - beginning of year</i>	<u>5,980</u>	<u>165,486</u>	<u>60,095</u>	<u>33,414</u>
<i>Fund balances - end of year</i>	<u>\$ 3,865</u>	<u>\$ 202,197</u>	<u>\$ -</u>	<u>\$ 57,960</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

Lodgers' Tax Fund	Lodgers' Tax Promotional Fund	Recreation Fund	Library Donation Fund	Economic Development Fund
\$ 426,330	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	30,000	-	11,000
-	-	-	-	-
-	-	-	-	-
-	-	2,100	19,790	135
<u>426,330</u>	<u>-</u>	<u>32,100</u>	<u>19,790</u>	<u>11,135</u>
-	-	-	-	-
301,691	141,200	140,279	40,670	-
-	-	-	-	83,416
41,248	-	15,000	-	89,798
-	-	-	-	-
-	-	-	-	-
<u>342,939</u>	<u>141,200</u>	<u>155,279</u>	<u>40,670</u>	<u>173,214</u>
<u>83,391</u>	<u>(141,200)</u>	<u>(123,179)</u>	<u>(20,880)</u>	<u>(162,079)</u>
-	152,257	130,000	-	170,000
(152,257)	-	-	-	-
<u>(152,257)</u>	<u>152,257</u>	<u>130,000</u>	<u>-</u>	<u>170,000</u>
(68,866)	11,057	6,821	(20,880)	7,921
189,421	12,626	14,477	66,889	2,975
<u>\$ 120,555</u>	<u>\$ 23,683</u>	<u>\$ 21,298</u>	<u>\$ 46,009</u>	<u>\$ 10,896</u>

STATE OF NEW MEXICO
City of Deming
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2015

	Special Revenue		Capital Projects	
	Community Center Fund	Swimming Pool Fund	CDBG Grant 13/14	CDBG Planning Grant 2010/2011 Fund
<i>Revenues</i>				
Taxes:				
Other	\$ -	\$ -	\$ -	\$ -
Intergovernmental:				
Federal capital grants	-	-	500,000	-
State operating grants	-	-	-	-
Charges for services	4,600	41,227	-	-
Investment income	-	-	-	-
Miscellaneous	3,419	-	-	-
<i>Total revenues</i>	8,019	41,227	500,000	-
<i>Expenditures</i>				
Current:				
Public safety	-	-	-	-
Culture and recreation	-	175,166	-	-
Health and welfare	459,276	-	-	-
Capital outlay	-	-	611,403	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	459,276	175,166	611,403	-
<i>Excess (deficiency) of revenues over expenditures</i>	(451,257)	(133,939)	(111,403)	-
<i>Other financing sources (uses)</i>				
Transfers in	395,000	103,000	111,403	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	395,000	103,000	111,403	-
<i>Net change in fund balances</i>	(56,257)	(30,939)	-	-
<i>Fund balances - beginning of year</i>	117,629	55,069	-	100
<i>Fund balances - end of year</i>	\$ 61,372	\$ 24,130	\$ -	\$ 100

The accompanying notes are an integral part of these financial statements

<u>Capital Projects</u>	<u>Debt Service Fund</u>		
<u>Park Acquisition Fund</u>	<u>City/Court Remodel Loan - NMFA</u>	<u>Fire Station Remodel Loan - NMFA</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ -	\$ 426,330
-	-	-	500,000
-	-	-	389,332
-	-	-	55,497
-	-	-	61
-	-	-	26,317
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,397,537</u>
-	-	-	128,107
-	-	-	1,053,739
-	-	-	542,692
-	-	-	898,025
-	100,715	34,700	135,415
-	3,613	26,773	30,386
<u>-</u>	<u>104,328</u>	<u>61,473</u>	<u>2,788,364</u>
<u>-</u>	<u>(104,328)</u>	<u>(61,473)</u>	<u>(1,390,827)</u>
-	104,328	61,473	1,452,461
-	-	-	(213,730)
<u>-</u>	<u>104,328</u>	<u>61,473</u>	<u>1,238,731</u>
-	-	-	(152,096)
<u>100</u>	<u>-</u>	<u>-</u>	<u>724,261</u>
<u>\$ 100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 572,165</u>

STATE OF NEW MEXICO

Statement B-1

City of Deming
 Emergency Medical Services Special Revenue Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues</i>				
Taxes:				
Other	\$ -	\$ -	\$ -	\$ -
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	29,600	29,600	29,873	273
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>29,600</u>	<u>29,600</u>	<u>29,873</u>	<u>273</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	20,580	20,580	16,992	3,588
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	15,000	15,000	14,996	4
<i>Total expenditures</i>	<u>35,580</u>	<u>35,580</u>	<u>31,988</u>	<u>3,592</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(5,980)</u>	<u>(5,980)</u>	<u>(2,115)</u>	<u>3,865</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	5,980	5,980	-	(5,980)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>5,980</u>	<u>5,980</u>	<u>-</u>	<u>(5,980)</u>
<i>Net change in fund balance</i>	-	-	(2,115)	(2,115)
<i>Fund balance - beginning of year</i>	-	-	5,980	5,980
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,865</u>	<u>\$ 3,865</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ (2,115)	
No adjustments to revenue.			-	
No adjustments to expenditures.			-	
Net change in fund balance (GAAP)			<u>\$ (2,115)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-2

City of Deming

Fire Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues</i>				
Taxes:				
Other	\$ -	\$ -	\$ -	\$ -
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	185,000	264,996	274,687	9,691
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	97	97
<i>Total revenues</i>	<u>185,000</u>	<u>264,996</u>	<u>274,784</u>	<u>9,788</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	124,671	206,067	51,379	154,688
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	224,674	223,274	125,580	97,694
<i>Total expenditures</i>	<u>349,345</u>	<u>429,341</u>	<u>176,959</u>	<u>252,382</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(164,345)</u>	<u>(164,345)</u>	<u>97,825</u>	<u>262,170</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	225,845	225,845	-	(225,845)
Transfers in	-	-	-	-
Transfers (out)	(61,500)	(61,500)	(61,473)	27
<i>Total other financing sources (uses)</i>	<u>164,345</u>	<u>164,345</u>	<u>(61,473)</u>	<u>(225,818)</u>
<i>Net change in fund balance</i>	-	-	36,352	36,352
<i>Fund balance - beginning of year</i>	-	-	165,845	165,845
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 202,197</u>	<u>\$ 202,197</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ 36,352	
No adjustments to revenue.			-	
Adjustments to expenditures for employee training and office supplies.			359	
Net change in fund balance (GAAP)			<u>\$ 36,711</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-3

City of Deming
Law Enforcement Protection Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues</i>				
Taxes:				
Other	\$ -	\$ -	\$ -	\$ -
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	38,000	37,400	37,400	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>38,000</u>	<u>37,400</u>	<u>37,400</u>	<u>-</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	60,095	60,095	60,095	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>60,095</u>	<u>60,095</u>	<u>60,095</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(22,095)</u>	<u>(22,695)</u>	<u>(22,695)</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	22,095	22,695	-	(22,695)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>22,095</u>	<u>22,695</u>	<u>-</u>	<u>(22,695)</u>
<i>Net change in fund balance</i>	-	-	(22,695)	(22,695)
<i>Fund balance - beginning of year</i>	-	-	22,695	22,695
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ (22,695)	
Adjustments to revenue for state law enforcement.			(37,400)	
No adjustments to expenditures.			-	
Net change in fund balance (GAAP)			<u>\$ (60,095)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-4

City of Deming

Library Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues</i>				
Taxes:				
Other	\$ -	\$ -	\$ -	\$ -
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	46,715	46,715	43,772	(2,943)
Charges for services	-	-	-	-
Licenses and fees	10,000	10,000	9,670	(330)
Investment income	200	200	61	(139)
Miscellaneous	600	700	776	76
<i>Total revenues</i>	<u>57,515</u>	<u>57,615</u>	<u>54,279</u>	<u>(3,336)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	285,300	285,300	248,379	36,921
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	7,715	7,715	6,851	864
<i>Total expenditures</i>	<u>293,015</u>	<u>293,015</u>	<u>255,230</u>	<u>37,785</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(235,500)</u>	<u>(235,400)</u>	<u>(200,951)</u>	<u>34,449</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	9,336	9,236	-	(9,236)
Transfers in	226,164	226,164	225,000	(1,164)
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>235,500</u>	<u>235,400</u>	<u>225,000</u>	<u>(10,400)</u>
<i>Net change in fund balance</i>	-	-	24,049	24,049
<i>Fund balance - beginning of year</i>	-	-	41,715	41,715
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,764</u>	<u>\$ 65,764</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ 24,049	
No adjustments to revenue.			-	
Adjustments to expenditures for salaries, telephone and utilities.			497	
Net change in fund balance (GAAP)			<u>\$ 24,546</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-5

City of Deming

Lodgers' Tax Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues</i>				
Taxes:				
Other	\$ 360,000	\$ 374,350	\$ 433,120	\$ 58,770
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	200	200	-	(200)
Miscellaneous	8,000	20,000	-	(20,000)
<i>Total revenues</i>	<u>368,200</u>	<u>394,550</u>	<u>433,120</u>	<u>38,570</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	299,550	312,650	292,827	19,823
Health and welfare	-	-	-	-
Capital outlay	16,000	41,250	41,248	2
<i>Total expenditures</i>	<u>315,550</u>	<u>353,900</u>	<u>334,075</u>	<u>19,825</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>52,650</u>	<u>40,650</u>	<u>99,045</u>	<u>58,395</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	102,150	114,150	-	(114,150)
Transfers in	-	-	-	-
Transfers (out)	(154,800)	(154,800)	(152,257)	2,543
<i>Total other financing sources (uses)</i>	<u>(52,650)</u>	<u>(40,650)</u>	<u>(152,257)</u>	<u>(111,607)</u>
<i>Net change in fund balance</i>	-	-	(53,212)	(53,212)
<i>Fund balance - beginning of year</i>	-	-	158,890	158,890
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 105,678</u>	<u>\$ 105,678</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ (53,212)	
Adjustments to revenues for lodgers' tax.			(6,790)	
Adjustments to expenditures for utilities.			(8,864)	
Net change in fund balance (GAAP)			<u>\$ (68,866)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-6

City of Deming
Lodgers' Tax Promotional Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues</i>				
Taxes:				
Other	\$ -	\$ -	\$ -	\$ -
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	100	100	-	(100)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>100</u>	<u>100</u>	<u>-</u>	<u>(100)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	151,700	151,700	141,200	10,500
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>151,700</u>	<u>151,700</u>	<u>141,200</u>	<u>10,500</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(151,600)</u>	<u>(151,600)</u>	<u>(141,200)</u>	<u>10,400</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	11,800	11,800	-	(11,800)
Transfers in	139,800	139,800	152,257	12,457
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>151,600</u>	<u>151,600</u>	<u>152,257</u>	<u>657</u>
<i>Net change in fund balance</i>	-	-	11,057	11,057
<i>Fund balance - beginning of year</i>	-	-	12,626	12,626
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,683</u>	<u>\$ 23,683</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ 11,057	
No adjustments to revenue			-	
No adjustments to expenditures			-	
Net change in fund balance (GAAP)			<u>\$ 11,057</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-7

City of Deming

Recreation Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues</i>				
Taxes:				
Other	\$ -	\$ -	\$ -	\$ -
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	30,000	30,000	30,000	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	100	100	-	(100)
Miscellaneous	100	100	2,100	2,000
<i>Total revenues</i>	<u>30,200</u>	<u>30,200</u>	<u>32,100</u>	<u>1,900</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	147,350	148,750	144,541	4,209
Health and welfare	-	-	-	-
Capital outlay	115,000	113,600	15,000	98,600
<i>Total expenditures</i>	<u>262,350</u>	<u>262,350</u>	<u>159,541</u>	<u>102,809</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(232,150)</u>	<u>(232,150)</u>	<u>(127,441)</u>	<u>104,709</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	1,986	1,986	-	(1,986)
Transfers in	230,164	230,164	130,000	(100,164)
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>232,150</u>	<u>232,150</u>	<u>130,000</u>	<u>(102,150)</u>
<i>Net change in fund balance</i>	-	-	2,559	2,559
<i>Fund balance - beginning of year</i>	-	-	18,823	18,823
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,382</u>	<u>\$ 21,382</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ 2,559	
No adjustments to revenue.			-	
Adjustments to expenditures for summer recreation program and utilities.			4,262	
Net change in fund balance (GAAP)			<u>\$ 6,821</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-8

City of Deming

Library Donation Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues</i>				
Taxes:				
Other	\$ -	\$ -	\$ -	\$ -
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	8,000	95,679	19,790	(75,889)
<i>Total revenues</i>	<u>8,000</u>	<u>95,679</u>	<u>19,790</u>	<u>(75,889)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	72,000	15,059	56,941
Health and welfare	-	-	-	-
Capital outlay	-	0	0	-
<i>Total expenditures</i>	<u>-</u>	<u>72,000</u>	<u>15,059</u>	<u>56,941</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>8,000</u>	<u>23,679</u>	<u>4,731</u>	<u>(18,948)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	(8,000)	(23,679)	-	23,679
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(8,000)</u>	<u>(23,679)</u>	<u>-</u>	<u>23,679</u>
<i>Net change in fund balance</i>	-	-	4,731	4,731
<i>Fund balance - beginning of year</i>	-	-	66,889	66,889
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 71,620</u>	<u>\$ 71,620</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ 4,731	
No adjustments to revenue.			-	
Adjustments to expenditures for accounts payable.			(25,611)	
Net change in fund balance (GAAP)			<u>\$ (20,880)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-9

City of Deming
Economic Development Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues</i>				
Taxes:				
Other	\$ -	\$ -	\$ -	\$ -
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	500,000	500,000	-	(500,000)
State operating grants	-	-	11,000	11,000
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	135	135
<i>Total revenues</i>	<u>500,000</u>	<u>500,000</u>	<u>11,135</u>	<u>(488,865)</u>
<i>Expenditures</i>				
Current:				
General government	107,600	107,600	83,322	24,278
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	500,000	500,000	89,798	410,202
<i>Total expenditures</i>	<u>607,600</u>	<u>607,600</u>	<u>173,120</u>	<u>434,480</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(107,600)</u>	<u>(107,600)</u>	<u>(161,985)</u>	<u>(54,385)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	(12,400)	(12,400)	-	12,400
Transfers in	120,000	120,000	170,000	50,000
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>107,600</u>	<u>107,600</u>	<u>170,000</u>	<u>62,400</u>
<i>Net change in fund balance</i>	-	-	8,015	8,015
<i>Fund balance - beginning of year</i>	-	-	2,975	2,975
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,990</u>	<u>\$ 10,990</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ 8,015	
No adjustments to revenue.			-	
Adjustments to expenditures for accounts payable			(94)	
Net change in fund balance (GAAP)			<u>\$ 7,921</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-10

City of Deming
Community Center Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues</i>				
Taxes:				
Other	\$ -	\$ -	\$ -	\$ -
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
Charges for services	3,000	3,000	4,600	1,600
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	100	100	3,419	3,319
<i>Total revenues</i>	<u>3,100</u>	<u>3,100</u>	<u>8,019</u>	<u>4,919</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	514,500	564,200	464,562	99,638
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>514,500</u>	<u>564,200</u>	<u>464,562</u>	<u>99,638</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(511,400)</u>	<u>(561,100)</u>	<u>(456,543)</u>	<u>104,557</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	116,400	166,100	-	(166,100)
Transfers in	395,000	395,000	395,000	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>511,400</u>	<u>561,100</u>	<u>395,000</u>	<u>(166,100)</u>
<i>Net change in fund balance</i>	-	-	(61,543)	(61,543)
<i>Fund balance - beginning of year</i>	-	-	134,005	134,005
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,462</u>	<u>\$ 72,462</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ (61,543)	
No adjustments to revenue.			-	
Adjustments to expenditures for salaries and maintenance.			5,286	
Net change in fund balance (GAAP)			<u>\$ (56,257)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-11

City of Deming

Swimming Pool Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues</i>				
Charges for services	\$ 45,000	\$ 59,000	\$ 41,227	\$ (17,773)
Investment income	-	-	-	-
Miscellaneous	-	2,800	-	(2,800)
<i>Total revenues</i>	<u>45,000</u>	<u>61,800</u>	<u>41,227</u>	<u>(20,573)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	171,100	187,900	178,355	9,545
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>171,100</u>	<u>187,900</u>	<u>178,355</u>	<u>9,545</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(126,100)</u>	<u>(126,100)</u>	<u>(137,128)</u>	<u>(11,028)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	23,100	23,100	-	(23,100)
Transfers in	103,000	103,000	103,000	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>126,100</u>	<u>126,100</u>	<u>103,000</u>	<u>(23,100)</u>
<i>Net change in fund balance</i>	-	-	(34,128)	(34,128)
<i>Fund balance - beginning of year</i>	-	-	58,338	58,338
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,210</u>	<u>\$ 24,210</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ (34,128)	
No adjustments to revenue.			-	
Adjustments to expenditures for utilities.			3,189	
Net change in fund balance (GAAP)			<u>\$ (30,939)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-12

City of Deming

CDBG Grant 13/14 Capital Projects Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Intergovernmental:				
Federal operating grants	\$ 500,000	\$ 500,000	500,000	\$ -
<i>Total revenues</i>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	610,000	611,403	611,403	-
<i>Total expenditures</i>	<u>610,000</u>	<u>611,403</u>	<u>611,403</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(110,000)</u>	<u>(111,403)</u>	<u>(111,403)</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	(100)	-	-	-
Transfers in	110,100	111,403	111,403	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>110,000</u>	<u>111,403</u>	<u>111,403</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	-	-	-	-
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (non-GAAP budgetary basis)			-	
No adjustments to revenue.			-	
No adjustments to expenditures.			-	
Net change in fund balance (GAAP)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-13

City of Deming
 CDBG Planning Grant 2010/2011 Capital Projects Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues</i>				
Taxes:				
Other	\$ -	\$ -	\$ -	\$ -
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	-	-	100	100
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ 100</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ -	
No adjustments to revenue.			-	
No adjustments to expenditures.			-	
Net change in fund balance (GAAP)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-14

City of Deming

Park Acquisition Capital Projects Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues</i>				
Taxes:				
Other	\$ -	\$ -	\$ -	\$ -
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	-	-	100	100
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ 100</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ -	
No adjustments to revenue.			-	
No adjustments to expenditures.			-	
Net change in fund balance (GAAP)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-15

City of Deming
City/Court Remodel Loan - NMFA Debt Service Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues</i>				
Investment income	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	99,600	99,600	100,715	(1,115)
Interest	5,100	5,100	3,613	1,487
<i>Total expenditures</i>	<u>104,700</u>	<u>104,700</u>	<u>104,328</u>	<u>372</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(104,700)</u>	<u>(104,700)</u>	<u>(104,328)</u>	<u>372</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	-	-	-	-
Transfers in	104,700	104,700	104,328	(372)
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>104,700</u>	<u>104,700</u>	<u>104,328</u>	<u>(372)</u>
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	-	-	-	-
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ -	
No adjustments to revenue.			-	
No adjustments to expenditures.			-	
Net change in fund balance (GAAP)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-16

City of Deming

Fire Station Remodel Loan - NMFA Debt Service Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues</i>				
Taxes:				
Gasoline, franchise and motor vehicle	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	34,700	34,700	34,700	-
Interest	26,800	26,800	26,773	27
<i>Total expenditures</i>	<u>61,500</u>	<u>61,500</u>	<u>61,473</u>	<u>27</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(61,500)</u>	<u>(61,500)</u>	<u>(61,473)</u>	<u>27</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	-	-	-	-
Transfers in	61,500	61,500	61,473	(27)
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>61,500</u>	<u>61,500</u>	<u>61,473</u>	<u>(27)</u>
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	-	-	-	-
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ -	
No adjustments to revenue.			-	
No adjustments to expenditures.			-	
Net change in fund balance (GAAP)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement C-1

City of Deming
Gas Enterprise FundStatement of Revenues, Expenses and Changes in Net Position
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances Favorable
	Original	Final	(Non-GAAP Budgetary Basis)	(Unfavorable)
				Final to Actual
<i>Operating revenues</i>				
Charges for services	\$ 3,467,000	\$ 3,512,000	\$ 3,423,972	\$ (88,028)
<i>Total operating revenues</i>	3,467,000	3,512,000	3,423,972	(88,028)
<i>Operating expenses</i>				
Personnel services	390,650	388,150	337,789	50,361
Contractual services	55,000	19,900	17,988	1,912
Supplies and purchased power	2,432,500	2,432,500	1,987,804	444,696
Maintenance and materials	89,800	124,900	80,257	44,643
Miscellaneous	446,220	448,720	583,453	(134,733)
Utilities	15,000	15,000	9,674	5,326
Equipment	910,300	910,300	537,891	372,409
<i>Total operating expenses</i>	4,339,470	4,339,470	3,710,463	629,007
<i>Operating income (loss)</i>	(872,470)	(827,470)	(286,491)	540,979
<i>Non-operating revenues (expenses)</i>				
Interest expense	-	-	-	-
Interest income	12,000	12,000	5,738	(6,262)
Miscellaneous income	2,300	2,300	791	(1,509)
<i>Income (loss) before special item, contributions and transfers</i>	14,300	14,300	6,529	(7,771)
Government contributions	-	-	-	-
Designated cash (budgeted cash increase)	880,170	835,170	-	(835,170)
Transfers	(22,000)	(22,000)	-	22,000
Change in net position (Non-GAAP budgetary basis)	-	-	(279,962)	(279,962)
<i>Total net position, beginning of year</i>	-	-	4,882,432	4,882,432
<i>Total net position, end of year</i>	\$ -	\$ -	\$ 4,602,470	\$ 4,602,470
Change in net position (Non-GAAP budgetary basis)			\$ (279,962)	
Adjustments to revenues for charges for services.			39,409	
Adjustments to expenses for supplies, capital outlay, and depreciation expenses.			179,636	
Change in net position (GAAP)			\$ (60,917)	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement C-2

City of Deming

Sewer Enterprise Fund

Statement of Revenues, Expenses and Changes in Net Position
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Operating revenues</i>				
Charges for services	\$ 1,173,000	\$ 1,173,000	\$ 1,145,200	\$ 27,800
<i>Total operating revenues</i>	1,173,000	1,173,000	1,145,200	27,800
<i>Operating expenses</i>				
Personnel services	236,400	240,200	222,952	17,248
Contractual services	181,200	16,200	8,356	7,844
Supplies and purchased power	5,000	5,000	2,968	2,032
Maintenance and materials	1,442,595	1,619,195	531,203	1,087,992
Miscellaneous	378,826	378,476	357,341	21,135
Utilities	171,500	158,000	147,537	10,463
Equipment	18,100	15,347	1,520	13,827
<i>Total operating expenses</i>	2,433,621	2,432,418	1,271,877	1,160,541
<i>Operating income (loss)</i>	(1,260,621)	(1,259,418)	(126,677)	1,188,341
<i>Non-operating revenues (expenses)</i>				
Interest expense	(121,000)	(121,000)	(128,585)	(7,585)
Interest income	1,400	1,400	819	(581)
Miscellaneous income	25,050	25,050	29,384	4,334
<i>Income (loss) before special item, contributions and transfers</i>	(94,550)	(94,550)	(98,382)	(3,832)
Designated cash (budgeted cash increase)	(22,775)	(22,675)	-	22,675
Government contributions	1,510,046	1,510,046	935,468	(574,578)
Transfers	(132,100)	(133,403)	(111,403)	22,000
Change in net position (Non-GAAP budgetary basis)	-	-	599,006	599,006
<i>Total net position, beginning of year</i>	-	-	1,323,017	1,323,017
<i>Total net position, end of year</i>	\$ -	\$ -	\$ 1,922,023	\$ 1,922,023
Change in net position (Non-GAAP budgetary basis)			\$ 599,006	
Adjustments to revenues for charges for services and loan proceeds.			457,805	
Adjustments to expenses for salaries, operating and depreciation expenses.			146,944	
Change in net position (GAAP)			\$ 1,203,755	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement C-3

City of Deming

Solid Waste Enterprise Fund

Statement of Revenues, Expenses and Changes in Net Position

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Operating revenues</i>				
Charges for services	\$ 2,125,500	\$ 2,125,500	\$ 2,102,882	\$ (22,618)
<i>Total operating revenues</i>	2,125,500	2,125,500	2,102,882	(22,618)
<i>Operating expenses</i>				
Personnel services	894,700	898,125	745,530	152,595
Contractual services	220,750	220,753	164,489	56,264
Supplies and purchased power	53,100	53,100	42,169	10,931
Maintenance and materials	268,500	310,897	217,741	93,156
Miscellaneous	577,676	574,251	507,514	66,737
Utilities	9,600	12,000	10,535	1,465
Equipment	2,494,888	2,450,088	543,887	1,906,201
<i>Total operating expenses</i>	4,519,214	4,519,214	2,231,865	2,287,349
<i>Operating income (loss)</i>	(2,393,714)	(2,393,714)	(128,983)	2,264,731
<i>Non-operating revenues (expenses)</i>				
Interest income	1,500	1,500	1,046	(454)
Miscellaneous income	2,900	2,900	5,692	2,792
Sale of fixed assets	-	-	-	-
<i>Income (loss) before special item, contributions and transfers</i>	4,400	4,400	6,738	2,338
Designated cash (budgeted cash increase)	295,026	1,365,314	-	(1,365,314)
Government contributions	2,094,288	1,024,000	298,200	(725,800)
Transfers	-	-	-	-
Change in net position (Non-GAAP budgetary basis)	-	-	175,955	175,955
<i>Total net position, beginning of year</i>	-	-	1,911,709	1,911,709
<i>Total net position, end of year</i>	\$ -	\$ -	\$ 2,087,664	\$ 2,087,664
Net change in net position			\$ 175,955	
Adjustments to revenues for charges for services.			(24,662)	
Adjustments to expenses for salaries, capital outlay and depreciation expenses.			585,178	
Change in net position (GAAP)			\$ 736,471	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement C-4

City of Deming

Water Enterprise Fund

Statement of Revenues, Expenses and Changes in Net Position
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Operating revenues</i>				
Charges for services	\$ 1,878,000	\$ 1,878,000	\$ 1,860,233	\$ (17,767)
<i>Total operating revenues</i>	1,878,000	1,878,000	1,860,233	(17,767)
<i>Operating expenses</i>				
Personnel services	496,100	491,400	452,504	38,896
Contractual services	61,000	48,175	13,135	35,040
Supplies and purchased power	8,500	16,700	15,966	734
Maintenance and materials	1,457,900	1,417,000	255,202	1,161,798
Miscellaneous	501,870	491,970	429,853	62,117
Utilities	275,000	334,700	333,730	970
Equipment	2,742,500	2,742,925	2,287,087	455,838
<i>Total operating expenses</i>	5,542,870	5,542,870	3,787,477	1,755,393
<i>Operating income (loss)</i>	(3,664,870)	(3,664,870)	(1,927,244)	1,737,626
<i>Non-operating revenues (expenses)</i>				
Interest expense	(14,000)	(14,000)	(3,016)	10,984
Interest income (loss)	3,500	3,500	2,120	(1,380)
Miscellaneous	3,280	3,280	2,453	(827)
Sale of fixed assets	-	-	-	-
<i>Income (loss) before special item, contributions and transfers</i>	(7,220)	(7,220)	1,557	8,777
Designated cash (budgeted cash increase)	2,718,245	2,718,245	-	(2,718,245)
Government contributions	1,105,205	1,105,205	2,671,033	1,565,828
Transfers	(151,360)	(151,360)	-	151,360
Change in net position (Non-GAAP budgetary basis)	-	-	745,346	745,346
<i>Total net position, beginning of year</i>	-	-	2,011,437	2,011,437
<i>Total net position, end of year</i>	\$ -	\$ -	\$ 2,756,783	\$ 2,756,783
Net change in net position			\$ 745,346	
Adjustments to revenues for charges for services			(1,368,224)	
Adjustments to expenses for salaries, operating, and depreciation expenses.			2,083,656	
Change in net position (GAAP)			\$ 1,460,778	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement C-5

City of Deming

Cemetery Enterprise Fund

Statement of Revenues, Expenses and Changes in Net Position
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Operating revenues</i>				
Charges for services	\$ 66,000	\$ 65,750	\$ 90,939	\$ 25,189
<i>Total operating revenues</i>	66,000	65,750	90,939	25,189
<i>Operating expenses</i>				
Personnel services	43,300	43,300	41,844	1,456
Contractual services	3,250	3,250	2,500	750
Supplies and purchased power	14,500	14,500	3,415	11,085
Maintenance and materials	52,900	52,900	42,290	10,610
Miscellaneous	8,300	8,280	5,855	2,425
Utilities	2,300	2,320	2,160	160
Equipment	2,500	2,500	252	2,248
<i>Total operating expenses</i>	127,050	127,050	98,316	28,734
<i>Operating income (loss)</i>	(61,050)	(61,300)	(7,377)	53,923
<i>Non-operating revenues (expenses)</i>				
Interest income	500	500	379	(121)
Miscellaneous income	100	100	393	293
<i>Income (loss) before special item, contributions and transfers</i>	600	600	772	172
Designated cash (budgeted cash increase)	60,450	60,700	-	(60,700)
Change in net position (Non-GAAP budgetary basis)	-	-	(6,605)	(6,605)
<i>Total net position, beginning of year</i>	-	-	298,350	298,350
<i>Total net position, end of year</i>	\$ -	\$ -	\$ 291,745	\$ 291,745
Change in net position (Non-GAAP budgetary basis)			\$ (6,605)	
No adjustments to revenue.			-	
Adjustments to expenses for salaries, operating, and depreciation expenses.			(7,015)	
Change in net position (GAAP)			\$ (13,620)	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement C-6

City of Deming

Airport Enterprise Fund

Statement of Revenues, Expenses and Changes in Net Position
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Operating revenues</i>				
Charges for services	\$ 72,800	\$ 72,800	\$ 87,828	\$ 15,028
<i>Total operating revenues</i>	72,800	72,800	87,828	15,028
<i>Operating expenses</i>				
Personnel services	1,500	1,500	676	824
Contractual services	4,000	115,757	3,123	112,634
Supplies and purchased power	1,000	1,000	237	763
Maintenance and materials	27,000	27,500	13,463	14,037
Miscellaneous	15,200	16,700	12,857	3,843
Utilities	20,900	18,700	14,275	4,425
Equipment	111,000	100,794	65,302	35,492
<i>Total operating expenses</i>	180,600	281,951	109,933	172,018
<i>Operating income (loss)</i>	(107,800)	(209,151)	(22,105)	187,046
<i>Non-operating revenues (expenses)</i>				
Interest income	200	200	117	(83)
Miscellaneous income	-	-	-	-
<i>Income (loss) before special item, contributions and transfers</i>	200	200	117	(83)
Designated cash (budgeted cash increase)	(1,400)	(1,400)	-	1,400
Government contributions	109,000	210,351	76,433	(133,918)
Change in net position (Non-GAAP budgetary basis)	-	-	54,445	54,445
<i>Total net position, beginning of year</i>	-	-	197,222	197,222
<i>Total net position, end of year</i>	\$ -	\$ -	\$ 251,667	\$ 251,667
Change in net position (Non-GAAP budgetary basis)			\$ 54,445	
Adjustments to revenues for charges for services and state funds.			(3,324)	
Adjustments to expenses for capital outlay, operating, and depreciation expenses.			(48,368)	
Change in net position (GAAP)			\$ 2,753	

The accompanying notes are an integral part of these financial statements

(This page intentionally left blank)

SUPPORTING SCHEDULES

STATE OF NEW MEXICO
City of Deming
Schedule of Deposit and Investment Accounts
June 30, 2015

Bank Name/Account Name	Account Type	Bank Balance	Deposits in Transit	Outstanding Checks	Book Balance
First New Mexico Bank-cash accounts					
General Operating	Checking	\$ 5,183,836	\$ 273,358	\$ 131,346	\$ 5,325,848
Ambulance Billing	Checking	873,408	800	-	874,208
Payroll Clearing	Checking	475,897	-	317,201	158,696
CDBG Planning	Checking	100	-	-	100
Judicial Bond	Checking	4,026	-	900	3,126
GSFWC	Checking	3,118	-	-	3,118
Bank CD	Certificate of Deposit	8,154,887	-	3,659	8,151,228
Bank CD	Certificate of Deposit	7,614	-	-	7,614
Bank CD	Certificate of Deposit	1,027	-	-	1,027
Total First New Mexico Bank		<u>14,703,913</u>	<u>274,158</u>	<u>453,106</u>	<u>14,524,965</u>
First Savings Bank					
Utility Operating	Checking	4,120,931	39,780	258,322	3,902,389
Meter Deposit	Checking	607,013	-	14,924	592,089
Prepaid Energy	Checking	29,809	-	-	29,809
Total First Savings Bank		<u>4,757,753</u>	<u>39,780</u>	<u>273,246</u>	<u>4,524,287</u>
Wells Fargo Bank					
General Fund - Payroll	Checking	17,278	-	-	17,278
WF Bank CD	Certificate of Deposit	2,100,000	-	-	2,100,000
Total Wells Fargo Bank		<u>2,117,278</u>	<u>-</u>	<u>-</u>	<u>2,117,278</u>
Western Heritage Bank					
Bank CD	Certificate of Deposit	203,697	-	-	203,697
Total Western Heritage Bank Securities		<u>203,697</u>	<u>-</u>	<u>-</u>	<u>203,697</u>
Bank balance of deposits		<u>\$ 21,782,641</u>	<u>\$ 313,938</u>	<u>\$ 726,352</u>	<u>\$ 21,370,227</u>
New Mexico Finance Authority-Investment					
Deming 10 - Cash Program Funds held in NMFA		\$ 68,391	\$ -	\$ -	\$ 68,391
Deming 11 - Cash Program Funds held in NMFA		30,982	-	-	30,982
Deming 14 - Cash Program Funds held in NMFA		241,416	-	-	241,416
Deming 15 - Cash Program Funds held in NMFA		301,328	-	-	301,328
Deming 18 - Cash Program Funds held in NMFA		407,082	-	-	407,082
Total New Mexico Finance Authority		<u>1,049,199</u>	<u>-</u>	<u>-</u>	<u>1,049,199</u>

*All checking accounts are non-interest bearing

See independent auditor's report

Bank Name/Account Name	Account Type	Bank Balance	Deposits in Transit	Outstanding Checks	Book Balance
Multi-Bank Securities-Investments					
GNMA Security	Investment	1,788		-	1,788
GNMA Security	Investment	2,609		-	2,609
Total Multi-Bank Securities		<u>4,397</u>	<u>-</u>	<u>-</u>	<u>4,397</u>
Total investments		<u>1,053,596</u>	<u>-</u>	<u>-</u>	<u>1,053,596</u>
Total		<u>\$ 22,836,237</u>	<u>\$ 313,938</u>	<u>\$ 726,352</u>	<u>\$ 22,423,823</u>
Add: petty cash					<u>3,725</u>
Total deposits and investments					<u>\$ 22,427,548</u>
Deposits and investments per financial statements:					
Cash and cash equivalents - Exhibit A-1					\$ 11,312,900
Investments - Exhibit A-1					10,467,964
Restricted cash and cash equivalents - Exhibit A-1					640,440
Fiduciary funds cash- Exhibit E-1					<u>6,244</u>
Total cash, cash equivalents and investments					<u>\$ 22,427,548</u>

STATE OF NEW MEXICO
City of Deming
Schedule of Collateral Pledged by Depository
For Public Funds
June 30, 2015

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value at June 30, 2015
First New Mexico Bank				
	FHLB	3/11/2016	3133XXP43	\$ 2,040,710
	LAS VEG	7/15/2016	51778FCG2	516,325
	FFCB	2/10/2017	31331KBX7	2,070,480
	ARTESIA	8/1/2017	04310KAL6	501,095
	FFCB	10/18/2017	31331VCY0	2,182,314
	SAND	12/15/2017	80004PCUA	358,113
	CHAVES	8/1/2018	162634BN8	524,230
	RUID	8/1/2020	781338GM4	460,337
	FFCB	10/23/2020	31331VA30	1,189,423
	FFCB	4/1/2022	31331YA26	1,501,458
	Total First New Mexico Bank			<u>11,344,485</u>

The location of the safekeeper of the above securities is TIB, P.O. Box 560528, Dallas, Texas 75356-0528

First Savings Bank				
	FNMA Agency Notes	12/30/2015	3136FPKH9	302,650
	FNMA Agency Notes	11/15/2016	3135G0ES8	151,736
	MBS FNMA 10-YR	7/1/2017	31371NGQ2	24,152
	MBS FNMA 15-Yr	9/1/2019	31403X4P7	77,552
	MBS FHLMC 15 Yr Relocator	4/1/2020	31282CA98	54,747
	FHLMC 10YR	4/1/2022	31294MN72	198,609
	MBS FNMA 15-Yr	6/1/2022	31410GBG7	117,701
	MBS FHLMC Gold 10 Yr	3/1/2023	31307BJV3	137,943
	MBS FHLMC Gold 10 Yr	3/1/2023	31307BJV3	137,943
	MBS FNMA 15-Yr	7/1/2026	31417Y3H8	154,102
	MBS FNMA 15-Yr	2/1/2027	3138E4X71	84,967
	MBS FNMA 15-Yr	4/1/2027	3138EBH40	268,870
	MBS FNMA 15-Yr	4/1/2027	3138EBH40	501,891
	FNMA 15YR	11/1/2027	3138MJWW5	188,451
	MBS FHLMC Gold 15 Yr	1/1/2028	3128MDNRO	177,538
	MBS FNMA 15-Yr	1/1/2028	3138EKJA4	192,036
	MBS FNMA 15-Yr	1/1/2028	3138EKJA4	115,222
	MBS FNMA 15-Yr	1/1/2028	3138EKJA4	115,222
	FNR 2012-145 DC	1/25/2028	3136AA2L8	167,792
	FNR 2012-145 DC	1/25/2028	3136AA2L8	167,792
	FHLMC 15YR	6/1/2028	31307DB62	204,638
	FHLMC 15YR	6/1/2028	31307DB62	396,027
	FHR 3048 PC	3/15/2035	31396C5M3	34,649
	FHR 3048 PC	3/15/2035	31396C5M3	17,325
	GNR 2010-20 GH	9/16/2038	38376VCT2	91,238
	GNR 2011-4 MD	11/20/2038	38377TBL4	153,636
	GNR 2010-150 GJ	9/20/2039	38377NLJ1	188,246
	GNR 2010-150 GJ	9/20/2039	38377NLJ1	104,581
	FNR 2010-135 CH	4/25/2040	31398SN66	95,637
	GNR 2011-62 AE	10/20/2040	38377U5F1	24,476
	GNR 2011-62 AE	10/20/2040	38377U5F1	36,715
	Total First Savings Bank			<u>4,684,084</u>

The location of the safekeeper of the above securities is IPA at 8500 Freeport Parkway, South Irving, TX.

See independent auditor's report

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value at June 30, 2015
Wells Fargo Bank				
	FG Q07153	4/1/2042	3132GSH69	37,287
	FNR 2012-44FE	6/25/2041	3136A5E93	818
	FN AI8345	8/1/2041	3138ANHX4	13,740
	FN AK8066	3/1/2042	3138EC6C2	2,203
	FN AL0959	11/1/2041	3138EHB50	4,192
	FN AP9609	10/1/2042	3138MDVB5	15,032
	FN AR4839	1/1/2043	3138W2LV5	1,816,344
	FN AR9199	3/1/2043	3138W7GH1	8,553
	FN AS0316	8/1/2043	3138W9K66	175,999
	FN AS1763	2/1/2034	3138WA5Z6	2,438
	FN AB4103	12/1/2041	31417ARZ4	7,811
	FN MA0693	4/1/2041	31417YXX0	10,889
	Total Wells Fargo Bank			<u>2,095,306</u>
The location of the safekeeper of the above securities is BNY Mellon at One Wall Street, 4th Floor, New York, NY 10286				
	Total Pledged Collateral			<u><u>\$ 18,123,875</u></u>

(This page intentionally left blank)

STATE OF NEW MEXICO
City of Deming
Schedule of Changes in Fiduciary Assets and Liabilities
Agency Fund
For the Year Ended June 30, 2015

Schedule V

	Balance June 30, 2014	Receipts	Disbursements	Balance June 30, 2015
<i>Assets</i>				
Cash - Judicial Bond Fund	\$ 1,204	\$ 1,922	\$ -	\$ 3,126
Cash - Gila Water fund	14,635	1,013	12,530	3,118
Total	<u>\$ 15,839</u>	<u>\$ 2,935</u>	<u>\$ 12,530</u>	<u>\$ 6,244</u>
 <i>Liabilities</i>				
Due to other entities	<u>\$ 15,839</u>	<u>\$ 2,935</u>	<u>\$ 12,530</u>	<u>\$ 6,244</u>
Total	<u>\$ 15,839</u>	<u>\$ 2,935</u>	<u>\$ 12,530</u>	<u>\$ 6,244</u>

See independent auditor's report

STATE OF NEW MEXICO
City of Deming
Schedule of Vendor Information for Purchases Exceeding \$60,000 (excluding GRT)
For the Year Ended June 30, 2015

Prepared by: City of Deming Title: Finance Director

Date: 12/7/2015

RFP#/ RFB#	Type of Procurement	Awarded Vendor	\$ Amount of Awarded Contract	\$ Amount of Amended Contract
15-02	RFP	FILE CONSTRUCTION 119 INDUSTRIAL AVE NE ALBUQUERQUE NM 87107	\$ 1,972,523	\$ 1,972,523
15-02	RFP			
15-02	RFP			
15-02	RFP			
15-02	RFP			
14-15	RFP	TATSCH CONSTRUCTION, INC. 208 HWY 180 W SILVER CITY NM 88061	\$ 578,708	\$ 578,708
14-15	RFP			
14-15	RFP			
15-06	RFP	RENEGADE CONSTRUCTION LLC PO BOX 830 FAIRACRES NM 88033	\$ 124,960	\$ 124,960
15-06	RFP			
15-06	RFP			
15-06	RFP			
15-06	RFP	See independent auditors' report		

Name and Physical Address per the Procurement Documentation, of <u>ALL</u> Vendors that Responded	In-State/ Out-of-State Vendor (Y or N) (Based on Statutory Definition)	Was the Vendor In- State and Chose Veteran's Preference (Y or N) For	Brief Description of the Scope of Work
FILE CONSTRUCTION 119 INDUSTRIAL AVE NE ALBUQUERQUE NM 87107	Y	N	Automatic Meter Reading System
UTLITY METERING SOLUTIONS (Not Awarded) 8812 FREY RD HOUSTON TX 77034	N	N	Automatic Meter Reading System
SMITH CO CONSTRUCTION (Not Awarded) BOX 2 CABALLO NM 87931	Y	N	Automatic Meter Reading System
DEMING EXCAVATING, INC. (Not Awarded) 3635 COLUMBUS SE DEMING NM 88030	Y	N	Automatic Meter Reading System
MORROW ENTERPRISES, INC. (Not Awarded) PO BOX 1747 LAS CRUCES NM 88004	Y	N	Automatic Meter Reading System
TATSCH CONSTRUCTION, INC. 208 HWY 180 W SILVER CITY NM 88061	Y	N	General Construction Services
MORROW ENTERPRISES, INC. (Not Awarded) PO BOX 1747 LAS CRUCES NM 88004	Y	N	General Construction Services
SMITH CO CONSTRUCTION (Not Awarded) BOX 2 CABALLO NM 87931	Y	N	General Construction Services
RENEGADE CONSTRUCTION LLC PO BOX 830 FAIRACRES NM 88033	Y	N	Florida Ave Multi-Use Path
DEMING EXCAVATING, INC. 3635 COLUMBUS SE DEMING NM 88030	Y	N	Florida Ave Multi-Use Path
SW CONCRETE & PAVING, INC. PO BOX 2278 SILVER CITY NM 88062	Y	N	Florida Ave Multi-Use Path
SMITH & AGUIRRE CONSTRUCTION CO., INC. PO DRAWER 2276 LAS CRUCES NM 88004	Y	N	Florida Ave Multi-Use Path
BURN CONSTRUCTION CO. INC. PO BOX 1869 LAS CRUCES NM 88004	Y	N	Florida Ave Multi-Use Path
See independent	auditors' report	N	Florida Ave Multi-Use Path

STATE OF NEW MEXICO
City of Deming
Schedule of Vendor Information for Purchases Exceeding \$60,000 (excluding GRT)
For the Year Ended June 30, 2015

Prepared by: City of Deming Title: Finance Director

Date: 12/7/2015

RFP#/ RFB#	Type of Procurement	Awarded Vendor	\$ Amount of Awarded Contract	\$ Amount of Amended Contract
		DIAMOND CONSTRUCTION, INC. 2705 W HADLEY LAS CRUCES NM 88007		
15-04	RFP		\$ 190,000	\$ 190,000
15-04	RFP			
15-04	RFP			
15-04	RFP			
15-04	RFP			
15-04	RFP			
15-04	RFP			
15-04	RFP			

See independent auditors' report

Name and Physical Address per the Procurement Documentation, of <u>ALL</u> Vendors that Responded	In-State/ Out-of-State Vendor (Y or N) (Based on Statutory Definition)	Was the Vendor In- State and Chose Veteran's Preference (Y or N) For	Brief Description of the Scope of Work
DIAMOND CONSTRUCTION, INC. 2705 W HADLEY	Y	N	Florida St. Phase II Project
LAS CRUCES NM 88007 DEMING EXCAVATING, INC. 3635 COLUMBUS SE	Y	N	Florida St. Phase II Project
DEMING NM 88030 SW CONCRETE & PAVING, INC. PO BOX 2278	Y	N	Florida St. Phase II Project
SILVER CITY NM 88062 RENEGADE CONSTRUCTION LLC PO BOX 830	Y	N	Florida St. Phase II Project
FAIRACRES NM 88033 SMITH & AGUIRRE CONSTRUCTION CO., INC. PO DRAWER 2276	Y	N	Florida St. Phase II Project
LAS CRUCES NM 88004 BURN CONSTRUCTION CO. INC. PO BOX 1869	Y	N	Florida St. Phase II Project
LAS CRUCES NM 88004 SPARTAN CONSTRUCTION, LLC 109 SUNDANCE CT.	Y	N	Florida St. Phase II Project
SANTA TERESA, NM 88008 CENTURY CLUB CONSTRUCTION 8201 GOLF COURSE NW SUITE D3-295 ALBUQUERQUE, NM 87120	Y	N	Florida St. Phase II Project

See independent auditors' report

(This page intentionally left blank)

COMPLIANCE SECTION



Accounting & Consulting Group, LLP
Certified Public Accountants

**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

Timothy M. Keller
New Mexico State Auditor
The Office of Management and Budget and
City Council
City of Deming
Deming, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the General Fund and major special revenue fund of the City of Deming (the City), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and the combining and individual funds and related budgetary comparisons of the City presented as supplementary information, and have issued our report thereon dated December 7, 2015.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which are described in the schedule of findings and questioned costs as items FS 2013-004 and FS 2015-001.

City of Deming's Responses to Findings

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

Purpose of this Report

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

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP
El Paso, Texas
December 7, 2015

(This page intentionally left blank)

FEDERAL FINANCIAL ASSISTANCE



Accounting & Consulting Group, LLP
Certified Public Accountants

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

INDEPENDENT AUDITORS' REPORT

Timothy M. Keller
New Mexico State Auditor
The Office of Management and Budget and
City Council
City of Deming
Deming, New Mexico

Report on Compliance for Each Major Federal Program

We have audited the City of Deming's (the City) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2015. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Deming complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP
El Paso, Texas
December 7, 2015

STATE OF NEW MEXICO
City of Deming
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2015

Funding Source/Grant or Contact Name	CFDA Number	Federal Grant Number	Expenditures
U.S. Department of Housing and Urban Development Passed through the New Mexico Department of Finance and Administration			
Community Development Block Grants/State's Program	14.228	13-C-NR-I-07-G-006	\$ 465,330
U.S. Department of Justice Bureau of Justice Assistance			
Bulletproof Vest Partnership Program	16.607	2012BUBX12060604	3,260
U.S. Department of Homeland Security Passed through the New Mexico Department of Homeland Security and Emergency Management			
Homeland Security Grant Program - Operation Stonegarden	97.067	2010-SS-T0-0011	11,836
Homeland Security Grant Program - Operation Stonegarden	97.067	2011-SS-009401	96,533
Homeland Security Grant Program - Operation Stonegarden	97.067	2012-SS00097	147,646
U. S. Environmental Protection Agency Passed through the New Mexico Finance Authority			
Capitalizaion Grants for Drinking Water State Revolving Funds (1)	66.468	2864-DW	2,180,209
U.S. Department of Transportation (FHWA) Passed through the New Mexico Department of Transportation			
Recreational Trails Program	20.219	W100071	229,141
Highway Planning and Construction (1)	20.205	I100190	<u>503,551</u>
Total Federal Financial Assistance			<u><u>\$ 3,637,506</u></u>

(1) Denotes Major Federal Financial Assistance Program

Notes to Schedule of Expenditures of Federal Awards

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of the City of Deming (the City) and is presented on a modified accrual basis of accounting, which is the same basis as was used to prepare the fund financial statements except for the proprietary funds. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* .

2. Subrecipients

The City did not provide any federal awards to subrecipients during the year.

3. Non-Cash Federal Assistance

The City did not receive any non-cash federal assistance during the year.

4. Federally Funded Insurance or Federally Guaranteed Loans

The City did not receive any federally funded insurance or federally insured loans during the year.

Reconciliation of Schedule of Expenditures of Federal Awards to Financial Statements:

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 3,637,506
Total expenditures funded by other sources	<u>18,018,015</u>
Total expenditures per Statement of Activities Exhibit A-2	<u><u>\$21,655,521</u></u>

STATE OF NEW MEXICO
City of Deming
Schedule of Findings and Questioned Costs
June 30, 2015

Section I – Summary of Auditors’ Results

Financial Statements:

- | | |
|--|------------|
| 1. Type of auditors’ report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | None Noted |
| b. Significant deficiencies identified not considered to be material weaknesses? | None Noted |
| c. Noncompliance material to the financial statements noted? | None Noted |

Federal Awards:

- | | |
|---|------------|
| 1. Internal control over major programs: | |
| a. Material weaknesses identified? | None Noted |
| b. Significant deficiencies identified not considered to be material weaknesses? | None Noted |
| 2. Type of auditors’ report issued on compliance for major programs | Unmodified |
| 3. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? | None Noted |
| 4. Identification of major programs: | |

CFDA Number	Federal Program
20.205	Highway Planning and Construction
66.468	Capitalization Grants for Drinking Water State Revolving Funds

- | | |
|--|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$300,000 |
| 6. Auditee qualified as low-risk auditee under the requirements set forth by OMB Circular A-133 section 530? | Yes |

STATE OF NEW MEXICO
City of Deming
Schedule of Findings and Questioned Costs
June 30, 2015

Section II – Prior Year Audit Findings

Prior Year Audit Findings

FS 2013-004 – Cash Appropriations in Excess of Available Cash Balances – Other Matter (Repeated/Modified)
FS 2014-001 – Miscounts during Inventory Observation – Significant Deficiency (Resolved)
FS 2014-002 – Stale Dated Checks – Other Matter (Resolved)
FA 2014-001 – Inaccurate Financial Reporting for Statewide Transportation Improvement Package – Significant Deficiency (Resolved)

Section III – Findings - Financial Statement Audit

FS 2013-004 – Cash Appropriations in Excess of Available Cash Balances – Other Noncompliance (Repeated/Modified)

Condition: The City rebudgeted “cash balances” in excess of available cash balances in the following funds:

	Designated Cash	Beginning Cash	Prior Year AR	Cash Appropriations in Excess of Available
Community Center Special Revenue Fund	\$ 166,100	\$ 134,005	\$ -	\$ 32,095

The City has made progress in clearing this finding from the prior year. There were less funds with this condition and less cash appropriations made in excess of cash balances.

Criteria: Per Section 6-6-11 NMSA, it is unlawful for any board of City commissioners, municipal governing body or any purpose whatsoever to become indebted or contract any debts of any kind or mature whatsoever during any current year which, at the end of such current year, is not and cannot then be paid out of the money actually collected and belonging to that current year.

Effect: The City has budgeted cash balances that do not exist. If the City expends all budgeted expenditures it could incur debt if the budgeted designated cash does not exist.

Cause: The reason for these deficits is inadequate monitoring of cash available to be rebudgeted.

Auditors’ Recommendations: The budget should be reviewed to insure all funds have adequate budget authority and cash balances for budgeted expenditures. Greater attention should be given to the budget monitoring process end-of-the year cash balance estimates for all funds. Budgets should be amended for over-appropriated funds once a year.

Management’s Response: Management is already changing the current format for budget adjustments. A new format will be implemented in FY2016 to be used by the Finance Department (Finance Director/Treasurer and Accountant) when budgets are adjusted during the fiscal year. The new format will take into account all areas of the funds budget to ensure that the City does not rebudget cash balances in excess of available cash balances.

Section III – Findings - Financial Statement Audit (continued)

FS 2015-001 – Internal Controls over Utility Receivables – Finding that does not rise to the level of Significant Deficiency

Condition: The City has deficiencies in its internal control structure, operation and oversight. We noted the following areas in which the City did not have sufficient key internal controls in place:

- The City does not have a procedure in place to ensure that ‘real time’ reports are printed for utilities at the end of each month. The City was unable to provide a break down of accounts receivable for each utility fund. Data was only able to be provided for the utilities as a whole, but not by fund for financial reporting purposes.

Criteria: The (COSO) internal control integrated framework consists of five critical elements that must be present in an organization in order for it to achieve its objectives. These elements consist of the entity's control environment, risk assessment, control activities, information and communication and monitoring.

Effect: The City has a deficiency in internal controls over financial reporting. The City is exposed to the possibility that a material misstatement could occur that may not be detected and corrected in a timely manner by current internal control practices.

Cause: The City does not have a policy to print and retain ‘real time’ reports for each individual utility fund receivables at the end of each reporting period.

Auditor’s Recommendation: We recommend that the City implement procedures to print and retain ‘real time’ reports for utility receivables on a monthly basis.

Management’s Response: The Utility Office Manager will update the written billing procedures to include the printing (electronic format) of the aging report at the end of each month. The report is currently being processed routinely after each billing cycle has been posted to the subsidiary ledger. The Finance Department (Finance Director/Treasurer, Accountant, and Utility Office Manager) will verify that at the end of each fiscal year the accounts receivable report for every utility service fund is processed. The procedures for year-end reports will be reviewed and updated to ensure that all reports are processed timely and accurately.

Section IV – Findings – Federal Awards

None Noted

STATE OF NEW MEXICO

City of Deming
Other Disclosures
June 30, 2015

Exit Conference

An exit conference was held on December 7, 2015. In attendance were the following:

Representing the City of Deming:

Benny Jasso, Mayor
Aaron Sera, City Administrator
Laura Holguin, Finance Director/Treasurer
Patty Ciccotelli, Accountant

Representing Accounting & Consulting Group, LLP:

Roxie Samaniego, Partner

Auditor Prepared Financial Statements

Accounting and Consulting Group, LLP prepared the GAAP-basis financial statements and footnotes of City of Deming from the original books and records provided to them by the management of the City. The responsibility for the financial statements remains with the City.