

STATE OF NEW MEXICO
CITY OF ROSWELL

ANNUAL FINANCIAL REPORT

JUNE 30, 2014



AXIOM
*Certified Public Accountants
and Business Advisors LLC*

INTRODUCTORY SECTION

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STATE OF NEW MEXICO CITY OF ROSWELL

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**STATE OF NEW MEXICO
CITY OF ROSWELL
OFFICIAL ROSTER
JUNE 30, 2014**

<u>Name</u>	<u>City Council</u>	<u>Title</u>
Dennis J. Kintigh		Mayor
Natasha Mackey		Councilor
Juan Oropesa		Councilor
Caleb T. Grant		Councilor
Steve Henderson		Councilor
Art Sandoval		Councilor
Jeanine Best		Councilor
Savino Sanchez Jr.		Councilor
Jason Perry		Councilor
Elena Velasquez		Councilor
Tabitha D. Denny		Councilor

Administration

Steve Polasek	City Manager
Sharon Coll	City Clerk
Monica Garcia	Finance Officer
Toni Reeves	Budget Director
William Zarr	City Attorney

FINANCIAL SECTION

Independent Auditor's Report

Mr. Hector H. Balderas
New Mexico State Auditor,
Mayor, City Manager and City Council Members
City of Roswell
Roswell, 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 the major special revenue fund of the City of Roswell, New Mexico (the City), as of and for the year ended June 30, 2014, and the related notes to the financial statements which collectively comprise the City's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the City's nonmajor governmental funds and the budgetary comparisons for the major capital project fund, major proprietary funds, and all nonmajor funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2014, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2014, and the respective changes in financial position and where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and 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, 2014, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the major proprietary funds, major capital project fund, 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 9 – 17 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*, and the other schedules required by Section 2.2.2. NMAC are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The *Schedule of Expenditures of federal awards and other schedules 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 and other schedules required by Section 2.2.2 NMAC* are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Change in Accounting Principle

As discussed in Note 18 to the financial statements, in 2014 the City adopted new accounting guidance, GASB Statement No. 65, Items Previously Reported as Assets and Liabilities. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2014 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Axiom CPAs and Business Advisors, LLC

Albuquerque, New Mexico

November 26, 2014

**STATE OF NEW MEXICO
CITY OF ROSWELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

As management of the City of Roswell (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with the financial statements of the City of Roswell and additional information provided.

Financial Highlights

- The assets of the City of Roswell exceeded its liabilities at the close of the most recent fiscal year by \$155,484,164 (*net position*).
Of this amount, \$29,503,878 (*unrestricted net position*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position decreased by \$3,553,827. The majority of this decrease is due to increase in expenditures incurred before the end of the fiscal year and grant revenues being curtailed due to significant cuts in federal and state funding.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$34,873,309, an increase of \$338,314 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$15,048,234 or 39 percent of total general fund expenditures.
- The City's total debt decreased slightly by \$1,646,036 (10.19 percent) during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Roswell'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 Roswell's finances, in a manner similar to a private-sector business.

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

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. 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 vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally

**STATE OF NEW MEXICO
CITY OF ROSWELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*).

The governmental activities of the City include general government, public safety, public works, health and welfare, and culture and recreation. The business-type activities of the City include an airport, solid waste, and water and sewer utility.

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

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 Roswell, 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 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 *near-term 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 evaluating the City's near-term financing requirements.

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 City'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 Roswell maintains twenty-eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances for the general fund, road fund, and capital improvements fund, which are considered to be major governmental funds. Data from the other twenty-five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of Roswell adopts an annual appropriated budget for its general fund and all other governmental funds. A budgetary comparison statement has been provided for the general fund, road fund, and capital improvement 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 at exhibits B-1 through C-2 of this report.

Proprietary Funds. The City of Roswell maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial

**STATE OF NEW MEXICO
CITY OF ROSWELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

statements. The City of Roswell uses enterprise funds to account for its airport, solid waste, and water and sewer utility funds.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the airport, solid waste, and water and sewer utility, all of which are considered major funds of the City of Roswell.

The basic proprietary fund financial statements can be found at exhibits D-1, D-2 and 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 39-64 of this report.

Other Information. 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 68-106 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Roswell, assets exceeded liabilities by \$155,484,164 at the close of the most recent fiscal year.

The largest portion of the City of Roswell's net position (\$109,724,665 or 70 percent) reflect its investment in capital assets (e.g., land, improvements, buildings, machinery and equipment, furniture, vehicles, and infrastructure); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City'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.

The City's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

The following table presents a summary of the City's net position for the fiscal years ended June 30, 2014 and June 30, 2013.

**STATE OF NEW MEXICO
CITY OF ROSWELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

CITY OF ROSWELL'S NET POSITION
(In Thousands)

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current assets	\$ 37,727	\$ 37,178	\$ 20,194	\$ 19,174	\$ 57,921	\$ 56,352
Noncurrent assets other than capital assets	85	215	214	594	299	809
Capital assets, net	60,555	64,804	65,028	63,420	125,583	128,224
Total assets	98,367	102,197	85,436	83,188	183,803	185,385
Current liabilities	5,694	5,194	2,486	2,341	8,180	7,535
Noncurrent liabilities	6,879	6,587	13,260	12,224	20,139	18,811
Total liabilities	12,573	11,781	15,746	14,565	28,319	26,346
Net investment in capital assets	55,256	58,957	54,468	51,464	109,724	110,421
Restricted	16,256	16,874	0	0	16,256	16,874
Unrestricted	14,282	14,584	15,222	17,159	29,504	31,743
Total net position	\$ 85,794	\$ 90,415	\$ 69,690	\$ 68,623	\$ 155,484	\$ 159,038

An additional portion of the City of Roswell's net position of \$16,255,621 (10 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$29,616,300 or 19 percent) may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Roswell is able to report positive balances in all three categories of net position, both for the City as a whole as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Governmental Activities. Governmental activities decreased the City of Roswell's net position by \$3,554 (in thousands). Key elements of this decrease are as follows:

- Expenses were up \$6,683 (in thousands), with \$3,314 (in thousands) of this increased due to increases in general government expenditures.
- Public safety expenditures were up by \$3,192 (in thousands).

Business-type Activities. Business-type activities increased the City's net position by \$1,067 (in thousands). Key elements of this increase are as follows:

- Revenues increased significantly by \$2,311 (in thousands) while expenditures increased by \$2,170 (in thousands).

**STATE OF NEW MEXICO
CITY OF ROSWELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

CITY OF ROSWELL'S CHANGES IN NET POSITION
(In Thousands)

	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	2014	2013	2014	2013	2014	2013
Revenues						
Taxes	\$ 38,762	\$ 35,284	\$ 773	\$ 695	\$ 39,535	\$ 35,979
Intergovernmental	3,392	3,423	1,720	2,471	5,112	5,894
Charges for services	2,548	4,617	19,950	17,408	22,498	22,025
Other	236	554	489	1,466	725	2,020
Total revenues	44,938	46,109	22,932	22,040	67,870	65,918
Expenses						
General government	9,475	8,600	-	-	9,475	8,600
Public safety	21,606	18,567	-	-	21,606	18,567
Public works	9,848	9,497	-	-	9,848	9,497
Culture and recreation	7,714	7,715	-	-	7,714	7,715
Health and welfare	-	7	-	-	-	7
Interest on long term debt	154	195	742	-	896	195
Other	1,186	-	-	-	1,186	-
Airport	-	-	2,807	2,532	2,807	2,532
Solid waste	-	-	7,376	5,025	7,376	5,025
Water and sewer	-	-	10,517	11,571	10,517	11,571
Total expenses	49,983	44,581	21,442	19,128	71,425	63,709
Transfers	423	557	(423)	(557)	-	-
Changes in net position	\$ (4,622)	\$ (146)	\$ 1,067	\$ 2,355	\$ (3,555)	\$ 2,209

Financial Analysis of the Government's Funds

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

Governmental Funds. The focus of the City'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's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a City's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Roswell's governmental funds reported combined ending fund balances of \$34,873,309, an increase of \$338,314 in comparison with the prior year. Approximately 43.12 percent of this total amount, \$15,038,184, constitutes *unassigned fund balance*, which is available

**STATE OF NEW MEXICO
CITY OF ROSWELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

for spending at the City's discretion. Approximately 1.33 percent of the total amount, \$464,344 is *assigned for subsequent year's* expenditures which is an internal designation of spendable fund balance. Approximately 2.83 percent of the total amount, \$986,687 is *committed for subsequent year's* expenditures which is an internal limitation of spendable fund balance. Approximately 49.24 percent of the total amount, \$17,171,963 is *restricted for subsequent year's* expenditures which have externally enforceable limitations imposed on the spendable fund balance. The remaining \$1,212,131 or approximately 3.48% is *nonspendable fund balance*.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the fund balance totaled \$18,617,688, of which \$15,048,234 was unassigned. This represents 46.27 percent of total general fund expenditures.

The fund balance of the City's general fund decreased by \$699,313 during the current fiscal year.

Proprietary Funds. The City of Roswell's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The net position of the three Enterprise Funds at the end of the year amounted to \$69,689,498, an increase of \$1,066,876 from the prior fiscal year.

General Fund Budgetary Highlights

There were several amendments to the City of Roswell's fiscal year 2014 operating and capital budget. A statement reporting the original and final budget amount compared to the City's actual financial activity for the general fund is provided in this report at Exhibit C-1.

The net favorable variance of \$8,346,016 in general fund expenditures was primarily due to not expending all the funds budgeted. There was \$2,524,993 not expended in general government, \$1,020,005 not expended in public safety, \$515,352 not expended in culture and recreation, and \$3,909,261 not expended in capital outlays.

**STATE OF NEW MEXICO
CITY OF ROSWELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

Capital Asset and Debt Administration

Capital Assets. The City of Roswell's investment in capital assets for its governmental and business type activities as of June 30, 2014, amounts to \$125,583 (in thousands, net of accumulated depreciation). This investment in capital assets includes land, land-right of ways, land improvements, library collection, historical treasures, buildings and improvements, computers, machinery and equipment, furniture and fixtures, vehicles, and infrastructure.

The significant additions to capital assets, which increased \$9,688 (in thousands) during the year, were as follows:

- \$221,152 for new books at the library
- \$4,442,559 for improvements at the Airport
- \$495,833 for rubber removal equipment at the Airport
- \$551,920 for various new vehicles

CITY OF ROSWELL'S CAPITAL ASSETS
(In thousand's)

	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	2014	2013	2014	2013	2014	2013
Land	\$ 3,275	\$ 3,280	\$ 4,609	\$ 4,582	\$ 7,884	\$ 7,862
Land-right of way	5,143	5,143	-	-	5,143	5,143
Construction in progress	163	268	58	33	221	301
Library collection	2,692	2,903	-	-	2,692	2,903
Historical treasures	437	437	-	-	437	437
Water rights- intangible assets	-	-	11,786	11,786	11,786	11,786
Land improvements	13,229	12,080	10,595	8,474	23,824	20,554
Buildings and improvements	31,607	31,343	80,287	77,399	111,894	108,742
Machinery and equipment	11,447	11,800	16,814	16,935	28,261	28,735
Furniture and fixtures	129	162	119	121	248	283
Vehicles	14,607	14,061	8,150	7,516	22,757	21,577
Infrastructure	164,486	164,695	53,667	53,487	218,153	218,182
Total capital assets	247,215	246,172	186,085	180,333	433,300	426,505
Less: accumulated depreciation	186,659	181,368	121,059	116,913	307,718	298,281
Capital assets, net	\$ 60,556	\$ 64,804	\$ 65,026	\$ 63,420	\$ 125,582	\$ 128,224

Additional information on the City of Roswell's capital assets can be found in Notes 1 and 7 on pages 38 and 47-48 of this report.

**STATE OF NEW MEXICO
CITY OF ROSWELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

Debt Administration. At the end of the current fiscal year, the City of Roswell had total debt from outstanding bonds of \$13,565,325 and capital leases outstanding of \$2,181,000, all of which is secured by pledged ad valorem (property) tax, gross receipts tax, or operating revenues.

CITY OF ROSWELL'S DEBT
(In thousand's)

	Governmental		Business-type		Total	
	2014	2013	2014	2013	2014	2013
Bonds	\$ 3,700	\$ 3,980	\$ 10,275	\$ 11,225	\$ 13,975	\$ 15,205
Loans	0	0	0	0	0	0
Capital Leases	1,683	1,867	498	731	2,181	2,598
Total debt outstanding	\$ 5,383	\$ 5,847	\$ 10,773	\$ 11,956	\$ 16,156	\$ 17,803

State statutes currently limit the amount of general obligation debt the City may issue to 4 percent of its total assessed valuation for general purposes. The current debt limitation for general purposes for the City is approximately \$20.0 million. State statute currently does not limit the amount of revenue bond debt a City may issue for business-type activities, such as a water and sewer system. Additional information on the City of Roswell's debt can be found in Note 9 on pages 55-59 of this report.

Economic Factors and Next Year's Budget

The City of Roswell is located in Chaves County, where it serves as the county seat. The area has a diversified economy including agriculture, oil and gas, as well as tourism and manufacturing. Chaves County, like the rest of urban New Mexico, has a fairly strong and balanced economy. Employment in the area has held fairly stable in the current nationwide economic down turn.

The City of Roswell is the commercial hub and largest city in eastern New Mexico. It receives approximately 44% of its annual operating budget for governmental funds from gross receipts taxes. The amount increased from fiscal year 2012 to 2013. The City has been one of very few municipalities in the state that have maintained a positive level of gross receipts revenues over the past five years.

The adopted combined operating and capital expenditure budget for the fiscal year 2015 totals \$110,332,668, an increase of \$19,258,552 or 21% more than fiscal year 2014. The budget remained similar to last year. Revenues are projected to remain fairly flat due to the economy and ongoing reduction in available state and federal funding, especially in the area of capital outlays.

Request for Information

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the resources it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Officer, City of Roswell, 425 N. Richardson Ave., or P.O. Box 1838, Roswell, New Mexico 88202-1838.

BASIC FINANCIAL STATEMENTS

**STATE OF NEW MEXICO
CITY OF ROSWELL
STATEMENT OF NET POSITION
June 30, 2014**

Exhibit A-1
(1 of 2)

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets			
Cash, cash equivalents and investments	\$ 29,815,167	17,030,373	46,845,540
Receivables:			
Property taxes receivable	237,748	-	237,748
Other taxes receivable	5,107,277	-	5,107,277
Other receivables, net of allowance of \$387,920 and \$0, respectively	2,370,335	-	2,370,335
Customer receivables, net of allowance of \$0 and \$353,880, respectively	-	1,599,125	1,599,125
Note receivable	90,000	233,370	323,370
Inventory	106,882	1,331,981	1,438,863
Total current assets	<u>37,727,409</u>	<u>20,194,849</u>	<u>57,922,258</u>
Noncurrent assets			
Notes receivable	84,542	213,553	298,095
Capital assets	247,214,878	186,086,450	433,301,328
Less: accumulated depreciation	<u>(186,659,493)</u>	<u>(121,058,630)</u>	<u>(307,718,123)</u>
Total noncurrent assets	<u>60,639,927</u>	<u>65,241,373</u>	<u>125,881,300</u>
Total Assets	<u>98,367,336</u>	<u>85,436,222</u>	<u>183,803,558</u>

See Notes to Financial Statements.

**STATE OF NEW MEXICO
CITY OF ROSWELL
STATEMENT OF NET POSITION
June 30, 2014**

Exhibit A-1
(2 of 2)

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
Liabilities			
Current liabilities			
Accounts payable	924,360	423,913	1,348,273
Accrued payroll expenses	1,578,351	307,811	1,886,162
Accrued compensated absences	966,290	186,273	1,152,563
Accrued interest	114,673	196,756	311,429
Meter and other deposits	235,880	143,009	378,889
Workers' compensation liability	853,819	-	853,819
Current portion of bonds and notes payable	1,020,724	1,228,541	2,249,265
Total current liabilities	<u>5,694,097</u>	<u>2,486,303</u>	<u>8,180,400</u>
Noncurrent liabilities			
Accrued compensated absences	-	5,101	5,101
Landfill closure	-	1,298,727	1,298,727
Worker's compensation liability	2,515,874	-	2,515,874
Bonds and notes payable	4,362,699	9,544,671	13,907,370
Total noncurrent liabilities	<u>6,878,573</u>	<u>10,848,499</u>	<u>17,727,072</u>
Total liabilities	<u>12,572,670</u>	<u>13,334,802</u>	<u>25,907,472</u>
Net Position			
Net investment in capital assets	55,256,504	54,468,161	109,724,665
Restricted for			
Debt service	756,554	-	756,554
Capital projects	10,512,828	-	10,512,828
Other purposes - special revenue	4,986,239	-	4,986,239
Unrestricted	14,282,541	17,633,259	31,915,800
Total Net Position	<u>\$ 85,794,666</u>	<u>72,101,420</u>	<u>157,896,086</u>

See Notes to Financial Statements.

STATE OF NEW MEXICO
CITY OF ROSWELL
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2014

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 9,475,061	1,398,957	941,005	-
Public safety	21,605,734	132,730	851,436	-
Public works	9,847,924	837,307	576,633	1,002,257
Culture and recreation	7,714,331	179,247	20,973	-
Health and welfare	-	-	-	-
Interest on long-term debt	153,933	-	-	-
<i>Total government activities</i>	<u>48,796,983</u>	<u>2,548,241</u>	<u>2,390,047</u>	<u>1,002,257</u>
Business-type Activities				
Airport	2,806,546	2,890,518	1,719,929	-
Solid Waste	4,964,400	4,984,105	-	-
Water and sewer	10,517,000	12,075,213	-	-
<i>Total business-type activities</i>	<u>18,287,946</u>	<u>19,949,836</u>	<u>1,719,929</u>	<u>-</u>
<i>Total primary government</i>	<u>\$ 67,084,929</u>	<u>22,498,077</u>	<u>4,109,976</u>	<u>1,002,257</u>
General Revenues				
Taxes:				
Property taxes, levied for general purposes				
Property taxes, levied for debt service				
Gross receipts taxes				
Gasoline and motor vehicle taxes				
Other taxes				
Investment Income				
Miscellaneous income				
(Loss) gain on sale of capital assets				
Transfers in (out)				
Total general revenues and transfers				
Change in net position				
Net position, beginning				
Net position, ending				

See Notes to Financial Statements.

Exhibit A-2

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
(7,135,099)	-	(7,135,099)
(20,621,568)	-	(20,621,568)
(7,431,727)	-	(7,431,727)
(7,514,111)	-	(7,514,111)
-	-	-
<u>(153,933)</u>	<u>(742,148)</u>	<u>(896,081)</u>
<u>(42,856,438)</u>	<u>(742,148)</u>	<u>(43,598,586)</u>
-	1,803,901	1,803,901
-	19,705	19,705
-	1,558,213	1,558,213
<u>-</u>	<u>3,381,819</u>	<u>3,381,819</u>
<u>(42,856,438)</u>	<u>2,639,671</u>	<u>(40,216,767)</u>
4,694,969	-	4,694,969
815,913	-	815,913
29,180,651	773,398	29,954,049
958,259	-	958,259
3,111,927	-	3,111,927
43,792	69,582	113,374
193,858	418,826	612,684
(1,186,967)	654	(1,186,313)
<u>423,333</u>	<u>(423,333)</u>	<u>-</u>
<u>38,235,735</u>	<u>839,127</u>	<u>39,074,862</u>
(4,620,703)	3,478,798	(1,141,905)
<u>90,415,369</u>	<u>68,622,622</u>	<u>159,037,991</u>
<u>\$ 85,794,666</u>	<u>72,101,420</u>	<u>157,896,086</u>

STATE OF NEW MEXICO
CITY OF ROSWELL
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2014

	General Fund 101	Road Fund 223	Capital Improvement Fund 301	Other Governmental Funds	Total Governmental Funds
<i>Assets</i>					
Cash, cash equivalents and investments	\$ 13,335,243	\$ 457,452	\$ 10,649,083	\$ 5,373,389	\$ 29,815,167
Receivables:					
Property taxes	187,791	-	-	49,957	237,748
Other taxes receivable	4,972,899	134,378	-	-	5,107,277
Other receivables	2,117,246	2,171	38,782	212,136	2,370,335
Inventory	106,882	-	-	-	106,882
Due from other funds	30,970	-	-	-	30,970
<i>Total assets</i>	<u>\$ 20,751,031</u>	<u>\$ 594,001</u>	<u>\$ 10,687,865</u>	<u>\$ 5,635,482</u>	<u>\$ 37,668,379</u>
<i>Liabilities and Fund Balances</i>					
<i>Liabilities</i>					
Accounts payable	\$ 557,557	\$ 61,587	\$ 122,176	\$ 183,040	\$ 924,360
Accrued payroll expenses	1,339,906	59,754	52,861	125,830	1,578,351
Accrued sales tax payable	-	-	-	-	-
Deposits payable	235,880	-	-	-	235,880
Due to other funds	-	-	-	30,970	30,970
<i>Total liabilities</i>	<u>2,133,343</u>	<u>121,341</u>	<u>175,037</u>	<u>339,840</u>	<u>2,769,561</u>
<i>Deferred Inflows - Property Taxes</i>					
Unearned revenue - property taxes	-	-	-	25,509	25,509
<i>Total Deferred Inflows</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,509</u>	<u>25,509</u>
<i>Total Liabilities and Deferred Inflows</i>	<u>2,133,343</u>	<u>121,341</u>	<u>175,037</u>	<u>365,349</u>	<u>2,795,070</u>
<i>Fund balances</i>					
Nonspendable	107,822	-	-	345,000	452,822
Spendable					
Restricted	3,461,632	-	10,512,828	3,956,812	17,931,272
Committed	-	472,660	-	514,027	986,687
Assigned	-	-	-	464,344	464,344
Unassigned	15,048,234	-	-	(10,050)	15,038,184
<i>Total fund balances</i>	<u>18,617,688</u>	<u>472,660</u>	<u>10,512,828</u>	<u>5,270,133</u>	<u>34,873,309</u>
<i>Total liabilities and fund balances</i>	<u>\$ 20,751,031</u>	<u>\$ 594,001</u>	<u>\$ 10,687,865</u>	<u>\$ 5,635,482</u>	<u>\$ 37,668,379</u>

See Notes to Financial Statements.

STATE OF NEW MEXICO
CITY OF ROSWELL
GOVERNMENTAL FUNDS
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2014

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

Fund balances - total governmental funds	\$	34,873,309
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		60,555,385
Notes receivable used in the governmental activities are not financial resources and, therefore, are not reported in the funds		174,542
Delinquent property taxes not collected within sixty days after year end are not considered "available" revenues and are considered unearned revenue in the fund financial statements, but are considered revenue in the Statement of Activities		25,509
Certain liabilities, including bonds and notes payable, are not due and payable in the current period and, therefore, are not reported in the funds		
Accrued interest		(114,673)
Worker's comp liability		(3,369,693)
Accrued compensated absences		(966,290)
Bonds and notes payable		(5,383,423)
Net position of governmental activities	\$	<u>85,794,666</u>

See Notes to Financial Statements.

STATE OF NEW MEXICO
CITY OF ROSWELL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2014

	General Fund 101	Road Fund 223	Capital Improvement Fund 301	Other Governmental Funds	Total Governmental Funds
<i>Revenues</i>					
<i>Taxes:</i>					
Property	\$ 4,901,802	-	-	815,913	5,717,715
Gross receipts	29,280,990	-	-	-	29,280,990
Gasoline and motor vehicle	186,973	771,286	-	-	958,259
Other taxes	2,060,079	-	119	1,051,729	3,111,927
<i>Intergovernmental</i>					
Federal operating grants	69,337	-	-	594,993	664,330
Federal capital grants	-	-	-	-	-
State operating grants	871,668	-	1,002,257	854,049	2,727,974
State capital grants	-	-	-	-	-
Charges for services	698,774	-	-	1,138,096	1,836,870
Licenses and fees	408,960	-	-	-	408,960
Fines, forfeitures, and penalties	291,223	-	-	11,188	302,411
Investment income	14,955	662	10,984	17,191	43,792
Miscellaneous	78,631	9,504	23	105,700	193,858
<i>Total revenues</i>	<u>38,863,392</u>	<u>781,452</u>	<u>1,013,383</u>	<u>4,588,859</u>	<u>45,247,086</u>
<i>Expenditures:</i>					
<i>Current:</i>					
General government	4,744,624	-	-	445,618	5,190,242
Public safety	20,914,900	-	-	690,834	21,605,734
Public works	-	3,833,193	1,201,989	1,807,061	6,842,243
Culture and recreation	5,599,715	1,413	-	1,943,779	7,544,907
Health and welfare	-	-	-	-	-
Capital outlay	957,803	10,605	1,607,234	1,000,463	3,576,105
Debt service					
Principal	302,137	-	-	655,000	957,137
Interest and other charges	1,781	-	-	138,971	140,752
<i>Total expenditures</i>	<u>32,520,960</u>	<u>3,845,211</u>	<u>2,809,223</u>	<u>6,681,726</u>	<u>45,857,120</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>6,342,432</u>	<u>(3,063,759)</u>	<u>(1,795,840)</u>	<u>(2,092,867)</u>	<u>(610,034)</u>
<i>Other Financing Sources (Uses)</i>					
Proceeds from loans	493,999	-	-	-	493,999
Transfers, in	1,112,000	3,257,711	2,670,057	2,350,427	9,390,195
Transfers, out	(8,674,618)	(292,244)	-	-	(8,966,862)
Proceeds from sale of capital assets	26,874	-	2,390	1,752	31,016
<i>Total other financing sources (uses)</i>	<u>(7,041,745)</u>	<u>2,965,467</u>	<u>2,672,447</u>	<u>2,352,179</u>	<u>948,348</u>
<i>Net change in fund balances</i>	(699,313)	(98,292)	876,607	259,312	338,314
<i>Fund balances - beginning of year</i>	<u>19,317,001</u>	<u>570,952</u>	<u>9,636,221</u>	<u>5,010,821</u>	<u>34,534,995</u>
<i>Fund balances, end of year</i>	<u>\$ 18,617,688</u>	<u>472,660</u>	<u>10,512,828</u>	<u>5,270,133</u>	<u>34,873,309</u>

See Notes to Financial Statements.

STATE OF NEW MEXICO
CITY OF ROSWELL
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, 2014

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

Net change in fund balances - total governmental funds	\$ 338,314
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Governmental funds reported capital outlays as expenditures. However, in
the statement of activities, the cost of those assets is allocated over their
estimated useful lives and reported as depreciation expense:

Capital expenditures recorded in capital outlay	3,576,105
Depreciation expense	(6,606,600)

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

Decrease in deferred revenue	(206,833)
Decrease in notes receivable	(100,339)

Expenses reported in the statement of activities that do require the use of
current financial resources and therefore are not reported as expenditures in
the governmental funds:

Increase in accrued compensated absences	(23,001)
Increase in accrued interest	(13,181)
Increase in worker's comp liability	(830,323)
Loss on disposal of capital assets	(1,217,983)

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 assets. 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:

Proceeds from loan payable	(493,999)
Principal payments on bonds and notes payable	957,137

Change in net position of governmental activities	<u>\$ (4,620,703)</u>
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See Notes to Financial Statements.

STATE OF NEW MEXICO
CITY OF ROSWELL
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2014

Exhibit C-1

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
<i>Taxes:</i>				
Property	\$ 540,335	4,722,583	4,901,802	179,219
Gross receipts	3,413,130	29,274,163	36,665,808	7,391,645
Gasoline and motor vehicle	13,326	186,973	186,973	-
Other taxes	191,171	2,060,079	2,060,079	-
<i>Intergovernmental</i>				
Federal operating grants	11,655	69,337	69,337	-
Federal capital grants	-	-	-	-
State operating grants	88,514	871,668	871,668	-
State capital grants	-	-	-	-
Charges for services	67,082	698,774	698,774	-
Licenses and fees	32,144	408,960	408,960	-
Fines, forfeitures, and penalties	24,205	291,223	291,223	-
Investment income	1,703	14,955	14,955	-
Miscellaneous	60,427	78,631	78,631	-
<i>Total revenues</i>	<u>4,443,692</u>	<u>38,677,346</u>	<u>46,248,210</u>	<u>7,570,864</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General government	484,984	6,108,317	3,583,324	2,524,993
Public safety	1,663,116	21,934,905	20,914,900	1,020,005
Public works	-	-	-	-
Culture and recreation	464,933	6,115,067	5,599,715	515,352
Health and welfare	-	-	-	-
Capital outlay	799,825	6,212,137	4,436,219	1,775,918
Debt service				
Principal	10,027	120,379	118,364	2,015
Interest	339	4,079	1,781	2,298
<i>Total expenditures</i>	<u>3,423,224</u>	<u>40,494,884</u>	<u>34,654,303</u>	<u>5,840,581</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>1,020,468</u>	<u>(1,817,538)</u>	<u>11,593,907</u>	<u>13,411,445</u>
<i>Other Financing Sources (Uses)</i>				
Designated cash (budget cash increase)	(305,060)	8,886,157	-	(8,886,157)
Proceeds from loans	-	493,999	493,999	-
Transfers, in	35,633	1,112,000	1,112,000	-
Transfers, out	(751,041)	(8,674,618)	(8,674,618)	-
Proceeds from sale of capital assets	27,659	26,874	26,874	-
<i>Total other financing sources (uses)</i>	<u>(992,809)</u>	<u>1,844,412</u>	<u>(7,041,745)</u>	<u>(8,886,157)</u>
<i>Net change in fund balances</i>	27,659	26,874	4,552,162	4,525,288
<i>Fund balances - beginning of year</i>	-	-	19,317,001	19,317,001
<i>Fund balances, end of year</i>	\$ <u>27,659</u>	<u>26,874</u>	<u>23,869,163</u>	<u>23,842,289</u>
Net change in fund balance (non-GAAP budgetary basis)				4,552,162
Adjustments to revenues for receivables, deferred property tax revenue and debt proceeds				(7,384,818)
Adjustments to expenditures for prepaid expenses, accounts payable and accrued payroll				2,133,343
Net change in fund balance (GAAP)				\$ <u>(699,313)</u>

See Notes to Financial Statements.

STATE OF NEW MEXICO
CITY OF ROSWELL
ROAD FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2014

Exhibit C-2

	Budgeted Amounts		Actual	Variations
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Gasoline and motor vehicle	64,587	752,871	907,835	154,964
Other taxes	-	-	-	-
Intergovernmental				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Fines, forfeitures, and penalties	-	-	-	-
Investment income	87	662	662	-
Miscellaneous	2,666	12,885	9,504	(3,381)
Total revenues	67,340	766,418	918,001	151,583
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	450,735	4,184,268	3,954,534	229,734
Culture and recreation	163	2,000	1,413	587
Health and welfare	-	-	-	-
Capital outlay	(98,475)	10,605	10,605	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	352,423	4,196,873	3,966,552	230,321
<i>Excess (deficiency) of revenue: over (under) expenditures</i>	(285,083)	(3,430,455)	(3,048,551)	381,904
Other Financing Sources (Uses)				
Designated cash (budget cash increase)	(305,060)	8,886,157	-	(8,886,157)
Proceeds from loans	-	-	-	-
Transfers, in	259,309	3,257,711	3,257,711	-
Transfers, out	(25,000)	(292,244)	(292,244)	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	(70,751)	11,851,624	2,965,467	(8,886,157)
Net change in fund balances	(355,834)	8,421,169	(83,084)	(8,504,253)
<i>Fund balances - beginning of year</i>	-	-	570,952	570,952
<i>Fund balances, end of year</i>	\$ (355,834)	8,421,169	487,868	(7,933,301)
Net change in fund balance (non-GAAP budgetary basis)				(83,084)
Adjustments to revenues for receivables, deferred property tax revenue and debt proceeds				(136,549)
Adjustments to expenditures for prepaid expenses, accounts payable and accrued payroll				121,341
Net change in fund balance (GAAP)				\$ (98,292)

See Notes to Financial Statements.

**STATE OF NEW MEXICO
CITY OF ROSWELL
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2014**

Exhibit D-1

	Airport	Solid Waste	Water and Sewer	Total
Assets				
<i>Current Assets</i>				
Cash, cash equivalents and investments	\$ 2,717,740	4,080,989	10,231,644	17,030,373
Customer receivables, net of allowance	341,118	358,913	899,094	1,599,125
Notes receivable	233,370	-	-	233,370
Inventory	-	-	1,331,981	1,331,981
Due from other funds	-	-	269,242	269,242
<i>Total current assets</i>	<u>3,292,228</u>	<u>4,439,902</u>	<u>12,731,961</u>	<u>20,464,091</u>
<i>Noncurrent assets</i>				
Notes receivable	213,553	-	-	213,553
Capital assets	58,672,137	15,881,328	111,532,985	186,086,450
Less: accumulated depreciation	(39,676,659)	(9,560,181)	(71,821,790)	(121,058,630)
<i>Total noncurrent assets</i>	<u>19,209,031</u>	<u>6,321,147</u>	<u>39,711,195</u>	<u>65,241,373</u>
Total assets	<u>\$ 22,501,259</u>	<u>10,761,049</u>	<u>52,443,156</u>	<u>85,705,464</u>
Liabilities and Net Assets				
<i>Liabilities</i>				
<i>Current Liabilities</i>				
Accounts payable	\$ 103,247	69,656	251,010	423,913
Accrued payroll expenses	38,220	85,068	184,523	307,811
Accrued sales tax payable	-	-	-	-
Accrued compensated absences	34,152	45,905	106,216	186,273
Accrued interest	-	31,850	164,906	196,756
Meter and other deposits	141,009	2,000	-	143,009
Due to other funds	269,242	-	-	269,242
Current portion of bonds and notes payable	243,541	350,000	635,000	1,228,541
<i>Total current liabilities</i>	<u>829,411</u>	<u>584,479</u>	<u>1,341,655</u>	<u>2,755,545</u>
<i>Noncurrent Liabilities</i>				
Accrued compensated absences	-	5,101	-	5,101
Landfill closure	-	1,298,727	-	1,298,727
Bonds and notes payable	254,671	1,130,000	8,160,000	9,544,671
<i>Total noncurrent liabilities</i>	<u>254,671</u>	<u>2,433,828</u>	<u>8,160,000</u>	<u>10,848,499</u>
<i>Net Position</i>				
Net investment in capital assets	18,710,819	4,841,147	30,916,195	54,468,161
Unrestricted net position	2,706,358	2,901,595	12,025,306	17,633,259
<i>Total net position</i>	<u>21,417,177</u>	<u>7,742,742</u>	<u>42,941,501</u>	<u>72,101,420</u>
Total Liabilities and Net Position	<u>\$ 22,501,259</u>	<u>10,761,049</u>	<u>52,443,156</u>	<u>85,705,464</u>

See Notes to Financial Statements.

STATE OF NEW MEXICO
CITY OF ROSWELL
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2014

Exhibit D-2

	Airport	Solid Waste	Water and Sewer	Total
<i>Operating Revenues</i>				
Charges for Services	\$ 2,890,518	4,984,105	12,075,213	19,949,836
Operating Grants	1,719,929	-	-	1,719,929
Total operating revenues	4,610,447	4,984,105	12,075,213	21,669,765
<i>Operating Expenses</i>				
General and administrative	36,613	185,766	688,390	910,769
Personnel services	669,977	1,508,217	3,450,581	5,628,775
Contractual services	367,911	304,122	397,523	1,069,556
Supplies and purchased power	20,681	168,236	1,530,300	1,719,217
Maintenance and materials	280,650	1,490,477	1,036,274	2,807,401
Utilities	151,567	37,241	664,846	853,654
Gross receipts tax expense	19,389	241,070	517,601	778,060
Amortization	-	-	-	-
Closure costs	-	74,213	-	74,213
Depreciation	1,259,758	955,058	2,231,485	4,446,301
<i>Total operating expenses</i>	2,806,546	4,964,400	10,517,000	18,287,946
<i>Operation income (loss)</i>	1,803,901	19,705	1,558,213	3,381,819
<i>Non-operating revenues (expenses)</i>				
Interest income	33,518	4,875	31,189	69,582
Interest expense	(52,432)	(101,940)	(587,776)	(742,148)
Gross receipts tax revenue	18,629	247,154	507,615	773,398
Miscellaneous	104,602	55,543	258,681	418,826
Gain (loss) from sale of capital assets	97	119	438	654
<i>Total non-operating revenues (expenses)</i>	104,414	205,751	210,147	520,312
Income (Loss) Before Contributions and Transfers	1,908,315	225,456	1,768,360	3,902,131
Transfers in	161,970	1,127,187	1,033,600	2,322,757
Transfers out	(608,714)	(740,000)	(1,397,376)	(2,746,090)
<i>Net transfers</i>	(446,744)	387,187	(363,776)	(423,333)
Change in net position	1,461,571	612,643	1,404,584	3,478,798
<i>Beginning net position</i>	19,955,606	7,130,099	41,536,917	68,622,622
<i>Net position, end of year</i>	\$ 21,417,177	7,742,742	42,941,501	72,101,420

See Notes to Financial Statements.

STATE OF NEW MEXICO
CITY OF ROSWELL
COMBINED STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
Year Ended June 30, 2014

	Airport	Solid Waste	Water Sewer	Total
Cash Flows From Operating Activities				
Cash received from customers and others	\$ 4,936,302	4,347,477	12,173,171	21,456,950
Cash paid for goods and services	(1,119,144)	(1,742,519)	(5,048,886)	(7,910,549)
Cash paid to employees	(694,688)	(1,548,278)	(3,534,218)	(5,777,184)
Net cash provided by operating activities	3,122,470	1,056,680	3,590,067	7,769,217
Cash Flows From Investing Activities				
Interest income	33,518	4,875	31,189	69,582
Payments received on notes	274,410	-	-	274,410
Net cash used by investing activities	307,928	4,875	31,189	343,992
Cash Flows From Non-Capital Financing				
Gross receipts taxes and other income received	123,231	302,697	766,296	1,192,224
Internal transfers and loans	(601,560)	387,187	(208,960)	(423,333)
Net cash used by non-capital financing activities	(478,329)	689,884	557,336	768,891
Cash Flows From Capital and Related Financing Activities				
Purchases of capital assets	(4,990,372)	(544,033)	(519,494)	(6,053,899)
Gain on sale of capital assets	97	119	438	654
Debt payment	(232,898)	(341,738)	(833,806)	(1,408,442)
Interest paid	(52,432)	(101,940)	(587,776)	(742,148)
Net cash used by capital and related financing activities	(5,275,605)	(987,592)	(1,940,638)	(8,203,835)
Net (decrease) increase in cash and cash equivalents	(2,323,536)	763,847	2,237,954	678,265
Cash and restricted cash and cash equivalents, beginning of year	5,041,276	3,317,142	7,993,690	16,352,108
Cash and restricted cash and cash equivalents, end of year	\$ 2,717,740	4,080,989	10,231,644	17,030,373
Reconciliation of Operating (Loss) Income to Net Cash Provided by Operating Activities				
Operating income	\$ 1,803,901	19,705	1,558,213	3,381,819
Adjustments to operating (loss) income to net cash provided by operating activities:				
Depreciation	1,259,758	955,058	2,231,485	4,446,301
Change in assets and liabilities:				
Receivables	10,362	(43,690)	(49,959)	(83,287)
Inventory	-	-	(153,389)	(153,389)
Accounts payable	25,958	(8,480)	(168,785)	(151,307)
Accrued Payroll	18,778	39,719	83,116	141,613
Other Accrued expenses	(2,647)	19,813	94,577	111,743
Accrued compensated absences	5,933	342	521	6,796
Meter other refundable deposits	27,264	-	-	27,264
Landfill closure Liability	-	74,213	-	74,213
Unearned revenue	(26,837)	-	(5,712)	(32,549)
Net cash used by operating activities	\$ 3,122,470	1,056,680	3,590,067	7,769,217

See Notes to Financial Statements.

STATE OF NEW MEXICO
CITY OF ROSWELL
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS
June 30, 2014

Exhibit E-1

<i>Assets</i>	
Cash	\$ <u>512,042</u>
 <i>Liabilities</i>	
Deposits held in trust for others	\$ <u>512,042</u>

See Notes to Financial Statements.

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Roswell (the “City”) is a political subdivision of the State of New Mexico established and regulated by the constitution of the State of New Mexico. The City was incorporated during 1914 under the laws of the State of New Mexico. The City operates under an elected Mayor-Council form of government. The City provides the following services as authorized by its charter: public law, public safety (police and fire); highways and streets, sanitation, health and social services, cultural and recreation, public infrastructure improvements, planning and zoning, water supply, airport operations, and general administrative services.

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

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

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

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

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statement No. 14, as amended by GASB Statement No. 39 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.

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the City of Roswell 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 City 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 does not have any component units.

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

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

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The City reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. The City does not currently employ indirect cost allocation systems. Depreciation expense is 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.

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.

Governmental funds are used to account for the City's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of capital assets and the servicing of general long-term debt.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenue of the City's enterprise funds is charges for services for the City's airport, solid waste, and water and sewer services. 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.

Under the requirements of GASB Statement No. 34, the City is required to present certain of its governmental funds as major based upon specific criteria.

The City reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. 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 *Road Fund* accounts for the operations of the City as it is related to the receipt of the gasoline tax, which is to be used only for additions and improvements to the City's streets and highways. Authority for creation of this fund is Section 7-24A-1 to 7-24A-21, NMSA 1978.

The *Capital Improvement Capital Projects Fund* accounts for the construction of street, sidewalks and curbs, parking lot paving, ADA improvements to intersections, channel reconstruction and related activities for the City. Overall administration and construction as well as all other activities necessary to manage and complete these projects are accounted for in this fund.

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The *Airport Fund* accounts provision of airport services to the residents of the City. Overall administration and construction as well as all other activities necessary to provide such services are accounted for in this fund.

The *Solid Waste Fund* accounts for garbage and refuse removal services to the residents of the City. All activities necessary to provide such services are accounted for in this fund.

The *Water and Sewer Fund* accounts for the provisions of water and sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund.

Additionally, the government reports the following fund types:

The *Special Revenue Funds* account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

The *Debt Service Funds* account for the services of general long-term debt not being financed by proprietary or nonexpendable trust funds.

The *Capital Projects Funds* account for the overall administration and construction as well as other activities necessary to manage and complete capital projects.

The *Proprietary Funds* are used to account for activities similar to those found in the private sector where the determination of net income is necessary or useful for sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

The *Fiduciary Funds* are purely custodial (assets equal liabilities) and do not involve measurement of results of operations. The City's fiduciary funds are used to account for the collection and payment of payroll taxes, water meter deposits, and bail bond fees.

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, because elimination of these charges would distort the direct costs and program revenues reported in the Statement of Activities.

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

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources. In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Also, in addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, 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. At June 30, 2014, the City reported no deferred outflows. Deferred inflows are reported in the governmental funds regarding property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Assets, Liabilities 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 one year 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. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

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

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

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. In the government-wide and governmental fund financial statements, delinquent property taxes are recorded when levied, net of estimated refunds and uncollectible 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 November 10th and April 10th are considered delinquent. The taxes attach as an

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

enforceable lien on property thirty (30) days thereafter, at which time they become delinquent. Property taxes are collected by Chaves County and remitted monthly to the City.

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 supplies and materials. The cost of purchased supplies and materials is recorded as an expenditure at the time individual inventory items are consumed. Inventory at June 30, 2014 in the proprietary funds was \$1,331,981 and \$106,882 in the governmental funds.

Prepaid Items. Certain 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.

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.

Capital Assets: Capital assets, which include property, plant, and equipment, are reported in the applicable governmental column 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 if purchased or constructed. The City was a phase III government for purposes of implementing GASB 34 and therefore was not required to include the historical cost of infrastructure assets retroactive to 1980. Since the implementation of GASB 34, the City includes infrastructure in its capital assets. Information Technology Equipment including software is being capitalized and included in furniture, fixtures and equipment in accordance with NMAC 2.2.20.1.9 C (5). Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Construction related interest is capitalized only in the proprietary funds.

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>
Building and Improvements	20
Infrastructure	20
Machinery and equipment	7
Furniture and fixtures	7
Vehicles	5

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accrued Expenses. Accrued expenses are comprised of payroll expenditures based on amounts earned by the employees through June 30, 2014, along with applicable PERA and Retiree Health Care benefits.

Unearned Revenue. There are two types of unearned revenue. Under both the accrual and modified accrual basis of accounting, revenue may be recognized only when it is earned. If assets are recognized in connection with a transaction before the earnings process is complete, then those assets must be offset by a corresponding liability for unearned revenue. The other type of unearned revenue is "unavailable revenue." Under the modified accrual basis of accounting, it is not enough that revenue has been earned if it is to be recognized as revenue of the current period. It must also be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period). If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding liability for unearned revenue.

Compensated Absences. The City's employee vacation and sick leave policies generally provide for granting vacation and sick leave with pay. With minor exceptions, the City allows 40-hour week employees to accumulate unused sick leave to a maximum of 1,040 hours. Fire department employees may accumulate 1,456 hours of unused sick leave. Hours accumulated above these thresholds are forfeited. Accumulated unused sick leave, however, is not paid upon termination from employment or retirement, but will be paid only upon illness while in the employment of the City. The current and long-term liabilities for accumulated vacation leave are reported on the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee leave, resignations and retirements. Resources from the general fund are typically used to pay for compensated absences.

Long-term Obligations. In the government-wide fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. For bonds issued after the City implemented GASB Statement No. 34, bond premiums and discounts, as well as issuance costs related to insurance, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. For fund financial reporting, bond premiums and discounts, as well as issuance costs related to insurance, 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 (other than insurance), even if withheld from the actual net proceeds received, are expensed and not capitalized in the period incurred.

Fund Balance Classification Policies and Procedures. For committed fund balance the City has self-imposed limitations for specific purposes set in place by formal action of the City Council. Committed resources cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same form of action it used to impose the limitation. Committed fund balance at June 30, 2014 on the governmental funds balance sheet is \$986,687

For assigned fund balance the City includes amounts that are intended to be spent for a specific purpose, but are not restricted or committed. The City has latitude in spending the funds for general

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

fund requirements if the City Council approves such in the budget. Assigned fund balance at June 30, 2014 on the governmental funds balance sheet is \$464,344.

For the classification of fund balances the City will expend resources as follows: restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance.

Nonspendable Fund Balance. At June 30, 2014, the Nonspendable fund balance in the general fund is made up of inventory in the amount of \$107,822 that is not in spendable form. The Nonspendable fund balance in the South Park Cemetery special revenue fund is segregated for the Perpetual Care Fund in the amount of \$345,000 that is legally required to be maintained intact and not available to be expended.

Restricted Fund Balance. At June 30, 2014, the restricted fund balance on the governmental funds balance sheet is made up of \$17,931,272 for purposes mandated by externally enforceable limitations.

Equity Classifications.

Government-wide Statements

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

- a. *Net investment in capital assets*
Net position invested in 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*
Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Descriptions for the related restrictions for net position restricted for “special revenue, debt service, and capital projects” are described on pages 42 and 66-67.
- c. *Unrestricted net position*
All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

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

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

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates in the City's financial statements include management's estimate of depreciation on assets over their estimated useful lives, accrued compensated absences, the allowance for uncollectible accounts, and landfill liabilities.

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 Councilors 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.

The governmental funds budgetary comparisons are presented on the cash basis of accounting which is a comprehensive basis of accounting other than generally accepted accounting principles. The proprietary funds budgetary comparisons are presented in accordance with generally accepted accounting principles except for amortization and depreciation that is not budgeted for. The budgetary information presented in these financial statements has been amended in accordance with the above procedures.

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

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

The governmental funds budgetary comparisons are presented on the cash basis of accounting which is a comprehensive basis of accounting other than generally accepted accounting principles. Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of 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, 2014 is presented. The proprietary funds budgetary comparisons are presented in accordance with generally accepted accounting principles. 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.

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

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, 2014.

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 are collateralized as required by statute. The financial institution must provide pledged collateral for 50% of the deposit amount in excess of the deposit insurance.

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

Excess of 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.

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

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk, other than following state statutes as set forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2014, \$36,479, of the City’s bank balances of \$36,311,068 were exposed to custodial credit risk. \$19,806,197 was uninsured and collateralized by securities held by the pledging bank’s trust department, not in the City’s name and \$16,673,514 was uninsured and uncollateralized.

	NM Finance Authority	Pioneer Bank	Washington Federal Bank	Total
Amount of Deposits	\$ 81,357	\$ 20,638,530	\$ 16,591,181	\$ 37,311,068
Less: FDIC Coverage	81,357	500,000	250,000	831,357
Total uninsured public funds	-	20,138,530	16,341,181	36,479,711
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the City’s name	-	10,884,496	8,921,701	19,806,197
Uninsured and uncollateralized	\$ -	\$ 9,254,034	\$ 7,419,480	\$ 16,673,514
Collateral requirement (50% of uninsured public funds)				
Pledged collateral	\$ -	\$ 10,069,265	\$ 8,170,591	\$ 18,239,855
Over (under) collateralized	\$ -	\$ 815,231	\$ 751,111	\$ 1,566,342

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

Investments. The City invests in the New MexiGROW Local Government Investment Pool’s (LGIP) in an effort to distribute their interest bearing accounts among various entities. The (LGIP) investments are valued at fair value based on quoted market prices as of the valuation date. The LGIP is not SEC registered. The New Mexico State Treasurer is authorized to invest the short-term investment funds, with the advice and consent of the State Board of Finance, in accordance with Sections 6-10-10 I through 6-10-10 P and Sections 6-10-10.1 A and E, NMSA 1978. The pool does not have unit shares. Per Section 6-10-10.1F, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested. Participation in the LGIP is voluntary.

The City’s investments at June 30, 2014 include the following:

Investments	Rated	Weighted Average Maturity (R)	Weighted Average Maturity (M)	Fair Market Value
LGIP	*AAAm	48.6 Days	116.2 Days	\$ <u>11,266,343</u>
				\$ <u>11,266,343</u>

**Based off Standard & Poor’s rating*

Interest Rate Risk – Investments. The City’s policy related to interest rate risk with investments is to comply with the state as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978).

Concentration of Credit Risk – Investments. For an investment, concentration credit risk is when any one issuer is 5% or more of the investment portfolio of the City. The investments in the New MexiGROW LGIP represent 100% of the investment portfolio. Since the City only purchase investments with the highest credit rating, the additional concentration is not viewed to be an additional risk by the City. The City’s policy related to concentration 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).

Unrestricted cash, cash equivalents and investments per Exhibit A-1	\$ 46,845,540
Agency funds cash per Exhibit E-1	512,042
Plus outstanding checks	1,401,949
Less: deposits in transit	(177,770)
Less: petty cash	(4,350)
Less: investments	<u>(11,266,343)</u>
Bank balance of deposits	<u>\$ 37,311,068</u>

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 4 – RECIEVABLES

Governmental funds receivables as of June 30, 2014 are shown as follows:

	General	Road Fund	Capital Improvements	Nonmajor Governmental Funds	Total
Property Taxes	\$ 187,791	\$ -	\$ -	\$ 49,957	\$ 237,748
Other Taxes:					
Gross receipts taxes	4,972,899	-	-	-	4,972,899
Gasoline and oil taxes	-	134,378	-	-	134,378
Other receivables:					
Intergovernmental grants:					
State	226,566	-	38,782	-	265,348
Licenses and fees	2,278,600	2,171	-	212,136	2,492,907
Allowance for doubtful accounts	(387,920)	-	-	-	(387,920)
Totals by category	\$ 7,277,936	\$ 136,549	\$ 38,782	\$ 262,093	\$ 7,715,360

In accordance with GASB 33 property tax revenues in the amount of \$25,509 that were not collected within the period of availability have been reclassified as deferred inflows in the governmental fund financial statements.

Proprietary fund receivables are shown as follows:

	Airport	Solid Waste	Water and Sewer	Total
Customer receivables	\$ 366,249	\$ 432,336	\$ 1,154,420	\$ 1,953,005
Less: Allowance for doubtful accounts	25,131	73,423	255,326	353,880
Total by category	\$ 341,118	\$ 358,913	\$ 899,094	\$ 1,599,125

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Internal balances have primarily been recorded when funds overdraw their share of pooled cash. The composition of interfund balances as of June 30, 2014 is as follows:

Due from Other Funds	Due to Other Funds	Amount
Water and Sewer Fund	Airport Fund	\$ 269,242
Beautification	General	30,185
HIDTA	General	785
		\$ 300,212

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

Operating transfers that occurred during the year were made to close out funds and to supplement other funding sources as follows:

Major Funds	Transfers In	Transfers Out
<i>Governmental Activities</i>		
General	\$ 1,112,000	\$ 8,674,618
Road	3,257,711	292,244
Capital Improvement	2,670,057	-
<i>Business-type Activities</i>		
Airport	161,970	608,714
Solid Waste	1,127,187	740,000
Water and Sewer	1,033,600	1,397,376
Total Major Funds	<u>9,362,525</u>	<u>11,712,952</u>
Non-Major Funds		
<i>Governmental Activities</i>		
	<u>2,350,427</u>	-
	<u>\$ 11,712,952</u>	<u>\$ 11,712,952</u>

All interfund balances are intended to be repaid within one year.

NOTE 6 – NOTES RECEIVABLE

The City had the following long-term notes receivable at year end:

	Original Amount	Interest Rate	Term	Outstanding Receivable June 30, 2014	Due Within One Year
<i>Governmental Activities:</i>					
Millenium Transit Services, LLC	724,993	prime + 2.25%	2004-2017	\$ 174,542	\$ 90,000
Total				<u>\$ 174,542</u>	<u>\$ 90,000</u>
<i>Business-Type Activities:</i>					
Dean Baldwin Painting	528,406	4.00%	2006-2016	\$ 108,332	\$ 58,588
Millenium Transit Services, LLC	1,345,007	prime + 2.25%	2004-2017	323,809	160,000
Mistic, Inc.	74,001	2.25%	2012-2015	14,782	14,782
Total				<u>\$ 446,923</u>	<u>\$ 233,370</u>

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 6 – NOTES RECEIVABLE (CONTINUED)

Principal and interest revenues for the governmental and business-type activities notes receivable at year end are summarized as follows:

Governmental Activities				
Fiscal year				
Ending June 30,		Principal	Interest	Total
2015	\$	90,000	22,500	\$ 112,500
2016		84,542	21,136	105,678
Total	\$	174,542	43,636	\$ 218,178
Business-Type Activities				
Fiscal Year				
Ending June 30,		Principal	Interest	Total
2015	\$	233,370	43,593	\$ 276,963
2016		213,503	39,046	252,599
Total	\$	446,923	82,639	\$ 529,562

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 7 – CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2014, including those changes pursuant to the implementation of GASB Statement No. 34, follow. Land, art, and construction in progress are not subject to depreciation.

	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014
Governmental Activities				
Capital Assets not being depreciated:				
Land	\$ 3,279,882	\$ -	\$ 5,000	\$ 3,274,882
Land-right of way	5,143,067	-	-	5,143,067
Construction in Progress	268,027	159,505	264,385	163,147
Library Collection	2,902,991	221,152	432,280	2,691,863
Historical Treasures	437,204	-	-	437,204
Total	<u>12,031,171</u>	<u>380,657</u>	<u>701,665</u>	<u>11,710,163</u>
Capital Assets being depreciated:				
Land improvements	12,079,879	1,149,241	550	13,228,570
Buildings and improvements	31,342,897	342,667	78,223	31,607,341
Machinery and equipment	11,799,930	635,380	988,299	11,447,011
Furniture and fixtures	161,983	1,750	35,044	128,689
Vehicles	14,061,263	994,512	448,875	14,606,900
Infrastructure	164,695,293	71,898	280,987	164,486,204
Total	<u>234,141,245</u>	<u>3,195,448</u>	<u>1,831,978</u>	<u>235,504,715</u>
Less accumulated depreciation:				
Land improvements	6,160,632	550,157	48	6,710,741
Buildings and improvements	18,066,200	1,197,083	31,218	19,232,065
Machinery and equipment	8,455,597	1,066,122	830,090	8,691,629
Furniture and fixtures	161,983	1,750	35,044	128,689
Vehicles	10,453,308	1,478,773	419,260	11,512,821
Infrastructure	138,070,833	2,312,715	-	140,383,548
Total	<u>181,368,553</u>	<u>6,606,600</u>	<u>1,315,660</u>	<u>186,659,493</u>
Total capital assets, net	<u>\$ 64,803,863</u>	<u>\$ (3,030,495)</u>	<u>\$ (1,217,983)</u>	<u>\$ 60,555,385</u>

Depreciation expense for the year ended June 30, 2014 was charged to governmental activities as follows:

General government	\$ 3,431,495
Public works	3,005,681
Culture and recreation	169,424
Total depreciation expense	<u>\$ 6,606,600</u>

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 7 – CAPITAL ASSETS (CONTINUED)

	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014
Business-Type Activities				
Capital assets not being depreciated:				
Land	\$ 4,581,474	\$ 27,585	\$ -	\$ 4,609,059
Construction in progress	33,217	58,466	33,217	58,466
Water rights-intangible assets	11,786,410	-	-	11,786,410
Total	16,401,101	86,051	33,217	16,453,935
Capital assets being depreciated:				
Land improvements	8,473,632	2,121,541	-	10,595,173
Buildings and improvements	77,398,975	2,965,048	76,847	80,287,176
Machinery and equipment	16,935,241	88,982	210,386	16,813,837
Furniture and fixtures	120,993	-	2,277	118,716
Vehicles	7,516,149	690,518	56,370	8,150,297
Infrastructure	53,486,937	246,197	65,819	53,667,315
Total	163,931,927	6,112,286	411,699	169,632,514
Less accumulated depreciation:				
Land improvements	2,493,740	468,805	-	2,962,545
Buildings and improvements	55,123,636	1,971,991	61,000	57,034,627
Machinery and equipment	14,982,435	539,059	208,889	15,312,605
Furniture and fixtures	99,385	10,245	7,636	101,994
Vehicles	5,773,206	574,414	10,997	6,336,623
Infrastructure	38,440,404	881,787	11,954	39,310,237
Total	116,912,806	4,446,301	300,476	121,058,631
Total capital assets, net of depreciation	\$ 63,420,222	\$ 1,752,036	\$ (144,440)	\$ 65,027,818

Depreciation expense for the year ended June 30, 2014 was charged to business-type activities as follows:

Airport Fund	\$ 1,259,758
Solid Waste Fund	955,058
Water and Sewer Fund	2,231,485
Total	<u>4,446,301</u>

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 8 – LONG TERM DEBT

Governmental Activities. During the year ended June 30, 2014, the following changes occurred in the liabilities reported in the government-wide statement of net position:

	Balance June 30, 2013	Additions	Retirements	Balance June 30, 2014	Due Within One Year
Bonds Payable	\$ 3,980,000	\$ -	\$ 655,000	\$ 3,325,000	\$ 645,000
Notes Payable	-	493,999	118,364	375,635	187,246
Capital leases payable	1,866,561	-	183,773	1,682,788	188,478
Workers' Compensation	2,539,370	1,176,504	346,181	3,369,693	853,819
Compensated Absences	943,289	979,332	956,331	966,290	966,290
Totals	\$ 9,329,220	\$ 2,649,835	\$ 2,259,649	\$ 9,719,406	\$ 2,840,833

Compensated Absences – Employees of the City are able to accrue a limited amount of vacation and other compensatory time during the year. During the fiscal year 2014, compensated absences increased \$23,001 from the prior year accrual. In prior years, the general fund was typically used to liquidate such long-term liabilities

Bonds. The General Obligation Bonds, Series August 1, 1999, were issued to provide funds to defray, in part (i) the cost of constructing, rehabilitating, and remodeling the Roswell Public Library, including additions and improvements thereto, (ii) the cost of constructing, purchasing, rehabilitating, or any combination thereof, municipal fire stations, including additions and improvements thereto, and (iii) all costs incidental to the foregoing and the issuance of the Bonds. The Bonds were issued pursuant to Sections 3-3 1-1 through 3-3 1-12 NMSA 1978, as amended. The 1999 Bonds and all payments of principal, premium, and interest thereon whether at maturity or on a redemption date shall be paid with pledged revenues payable from the revenues distributed to it by the New Mexico Taxation and Revenue Department pursuant to Sections 7-9-4, NMSA 1978, as amended, 7- 1-6.1 and 7- 1-6.4 NMSA, as amended and 7-1 -6.17 NMSA, 1978 as amended.

The General Obligation Bonds, Series July 17, 2008, were issued to provide funds, in part to (i) replace, construct, equip, and improve an animal control shelter and (ii) to replace, construct, equip, and improve fire stations in the City of Roswell. The Bonds were issued pursuant to Sections 3-30-1 through 3-30-9 NMSA 1978, the provisions of Sections 6-15-1 through 6-1 5-22 NMSA 1978, and acts amendatory and supplemental thereto. In order to pay the 2008 Bonds and all payments of principal and interest thereon whether at maturity or on a redemption date, there shall be an annual assessment and levy upon all the taxable property of the City subject to taxation.

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 8 – LONG TERM DEBT (CONTINUED)

Revenue bonds outstanding at year end for governmental activities are as follows:

Description	Original Issue	Final Maturity	Interest Rate	Balance June 30, 2014
General Obligation Series 1999	\$ 6,600,000	8/1/2014	4.85-4.90%	\$ 375,000
General Obligation Series 2008	4,100,000	8/1/2022	3.05-5.30%	2,950,000
Total				\$ <u>3,325,000</u>

Capital Leases. On July 3, 2009 the City negotiated a lease purchase agreement with Suntrust Equipment Finance & Leasing Corp. for a 2008 Fire Pumper Truck in the amount of \$375,052 with an interest rate of 4.28%. The lease calls for annual payments of \$46,876 and will be paid in full in fiscal year 2019. On September 14, 2012 the City negotiated a lease purchase agreement with Suntrust Equipment Finance & Leasing Corp. for three 2012 Fire Trucks in the amount of \$1,623,422 with an interest rate of 2.125%. The lease calls for annual payments of \$181,914 and will be paid in full in fiscal year 2023.

Outstanding capital leases payable at the end of the year for governmental activities are as follows:

Description	Original Issue	Final Maturity	Interest Rate	Balance June 30, 2014
Sun Trust Equipment Finance (fire truck)	\$ 375,052	7/3/2018	4.28%	\$ 206,782
Sun Trust Equipment Finance (fire truck)	1,623,422	9/14/2022	2.13%	1,476,006
Total				\$ <u>1,682,788</u>

Debt Service Requirements. Debt service requirements on long-term debt for governmental activities at June 30, 2014 are as follows:

Bonds Payable			
Fiscal Year Ending	Principal Payment	Interest Payment	Total Debt Service
June 30,			
2015	\$ 645,000	\$ 111,648	\$ 756,648
2016	280,000	93,520	373,520
2017	295,000	83,811	378,811
2018	310,000	73,298	383,298
2019	325,000	62,104	387,104
2020-2024	1,470,000	118,318	1,588,318
Total	\$ 3,325,000	\$ 542,699	\$ 3,867,699

Capital Leases Payable			
Fiscal Year Ending	Principal Payment	Interest Payment	Total Debt Service
June 30,			
2015	\$ 188,478	\$ 40,312	\$ 228,790
2016	193,319	35,471	228,790
2017	198,298	30,492	228,790
2018	203,420	25,640	228,790
2019	208,691	20,099	228,790
2020-2024	690,583	37,073	727,656
Total	\$ 1,682,789	\$ 189,087	\$ 1,871,606

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 8 – LONG TERM DEBT (CONTINUED)

Worker's Compensation. The Worker's Compensation liability of \$3,369,693 reported at June 30, 2014 is based on the requirements of GASB Statements No. 10 and No. 30, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probably that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The liability also includes an estimate for claims incurred but not reported.

Changes in the Worker's Compensation liability amount in fiscal year 2013 and 2014 are summarized below:

		Compensation
Claims Liability, June 30, 2012	\$	3,047,514
Current year claims, insurance and changes in estimates		462,192
Claims and insurance payments		(970,336)
Claims liability June 30, 2013	\$	2,539,370
Current year claims insurance and changes in estimates		1,176,504
Claims and insurance payments		(346,181)
Claims liability, June 30, 2014	\$	3,369,693

Business-Type Activities. During the year ended June 30, 2014, the following changes occurred in the liabilities reported in the proprietary funds statement of net position:

	Balance June 30, 2013	Additions	Retirements	Balance June 30, 2014	Due Within One Year
Bonds payable	\$ 11,225,000	\$ -	\$ 950,000	\$ 10,275,000	\$ 985,000
Capital leases payable	731,110	-	232,898	498,212	243,541
Landfill closure and post closure	1,224,514	74,213	-	1,298,727	-
Compensated absences	184,578	11,897	5,101	191,374	5,101
Totals	\$ 13,365,202	\$ 86,110	\$ 1,187,999	\$ 12,263,313	\$ 1,233,642

Compensated Absences – Employees of the City are able to accrue a limited amount of vacation and other compensatory time during the year. During the fiscal year 2014, compensated absences increased \$6,796 from the prior year. Long-term compensated absences are paid out of the fund that incurs the related payroll expense.

Revenue Bonds. The Joint Water and Sewer Improvement Revenue Bonds, Series July 14, 2005, were issued to provide funds to extend, enlarge, better, repair, and otherwise improve the City's Joint Water and Sewer System and all costs incidental to the foregoing and the issuance of the Bonds. The Bonds were issued pursuant to Sections 3-3 1-1 through 3-3 1-12 NMSA 1978, as amended. The 2005 Bonds and all payments of principal, premium, and interest thereon whether at maturity or on a redemption date shall be paid with Net Revenues of the Joint Systems.

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 8 – LONG TERM DEBT (CONTINUED)

The Gross Receipts Tax Improvement Revenue Bonds, Series December 30, 2008, were issued to provide funds to defray the cost of acquiring, constructing, and improving solid waste disposal and recycling facilities and all costs incidental to the foregoing and the issuance of the Bonds. The Bonds were issued pursuant to Sections 3-3 1-1 through 3-1- 1-12 NMSA 1978, as amended. The 2008 Bonds and all payments of principal, premium, and interest thereon whether at maturity or on a redemption date shall be paid with pledged revenues payable from the revenues distributed to it by the New Mexico Taxation and Revenue Department pursuant to Sections 7-1-6.4 NMSA 1978, as amended.

Revenue bonds outstanding at year end for business-type activities are as follows:

Description	Original Issue	Final Maturity	Interest Rate	Balance June 30, 2014
Joint Utility System Series 2005	\$ 13,710,000	6/1/2025	3.125-5.00%	\$ 8,795,000
Gross Receipts Tax Improvement Series 2008	3,190,000	6/1/2018	3.00-4.10%	1,480,000
Total				\$ <u>10,275,000</u>

Capital Leases. On June 28, 2006 the City negotiated a lease purchase agreement with Suntrust Leasing Corp. for a Fire Suppression System at the Roswell Industrial Air Center in the amount of \$2,100,000 with an interest rate of 4.57%. The lease calls for annual payments of \$266,310 and will be paid in full in fiscal year 2016. Outstanding capital leases payable at the end of the year for governmental activities are as follows:

Description	Original Issue	Final Maturity	Interest Rate	Balance June 30, 2014
Sun Trust Equipment Finance (fire truck)	\$ 2,100,000	6/28/2016	4.75%	\$ 498,212
Total				\$ <u>498,212</u>

Debt Service Requirements. Debt service requirements on long-term debt for business-type activities at June 30, 2014 are as follows:

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 8 - LONG TERM DEBT (CONTINUED)

Bonds Payable

Fiscal Year Ending June 30,	Principal Payment	Interest Payment	Total Debt Service
2015	\$ 985,000	\$ 458,184	\$ 1,443,184
2016	1,025,000	421,771	1,446,771
2017	1,065,000	374,171	1,439,171
2018	1,115,000	324,671	1,439,671
2019	755,000	279,681	1,034,681
2020-2024	4340,000	834,656	5,174,656
Thereafter	990,000	40,838	1,030,838
Total	\$ 10,275,000	\$ 2,733,973	\$ 13,008,973

Capital Leases Payable

Fiscal Year Ending June 30,	Principal Payment	Interest Payment	Total Debt Service
2015	\$ 243,541	\$ 22,768	\$ 266,309
2016	254,671	11,638	266,309
Total	\$ 498,212	\$ 34,406	\$ 532,618

Landfill Closure and Post-Closure Care Costs. State and federal laws and regulations require the City to place a final cover on the City-operated landfill when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be incurred after the date the landfill stops accepting waste, the City reports these closure and postclosure care costs as a liability as of each balance sheet date. The City's estimated landfill closure and post-closure care costs as of the year end are as follows:

Estimated closure construction	\$	283,009
Landfill maintenance		725,400
Environmental monitoring		1,153,440
Phase I & II assessment		1,521,800
Total estimated closure and post closure costs		3,710,649
Total capacity used to date (approx. 79.1 acres) as a % of total capacity (229 acres)		35.00%
Estimated closure and post closure costs		1,298,727
Prior liability recognized		1,224,514
Total current year addition to liability		74,213
Estimated liability for the year ended June 30, 2014	\$	1,298,727

NOTE 9 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of property; errors and omissions; injuries to employees; and natural disasters. Therefore, the City joined the New Mexico Self-Insurer's Fund Risk Pool (Pool), together with other cities and towns in the State for its property and liability insurance. The pool is a public entity risk pool currently operating as a common risk management and insurance program for member cities and towns. The City pays an annual

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 9 – RISK MANAGEMENT (CONTINUED)

premium to the Pool for its general insurance coverage. The agreement provides that the Pool will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of the annual aggregate per policy for general liability and property claims.

The City also participates in the New Mexico Self-Insurers' Fund (the Fund), which services the City's worker's compensation claims. Through this arrangement, the City retains risks associated with worker's compensation claims up to \$250,000 per accident.

The City currently reports all of its risk management activities in its General Fund. The General Fund pays the worker's compensation claims and premiums, which are then reimbursed by the City's other funds.

The Fund charges a "premium" to the City to cover expenses of the Fund (including, but not limited to, reinsurance expenses, claims adjusting, rating, underwriting, safety and loss control, reporting, and administration). This "premium" is equal to 20% of the earned normal premium, which is based on a percentage of the City's current payroll. Additionally, the "premium" charge includes a factor for recent actual claims experience.

Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The estimated claims payable of \$2,539,370 is recorded on the government-wide financial statements. These liabilities are based on actuarial information provided by the Fund.

The City's employees have health and accident insurance coverage with the Risk Management Division of the New Mexico General Services Department (RMD). RMD is a public entity risk pool currently operating as a common risk management and insurance program for entities in the State. The City pays a monthly premium to RMD for employees' health and accident insurance coverage. The agreement provides that RMD will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of specified amounts.

The City carries commercial insurance for all other risks of loss including some property and liability insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 10 – PERA PENSION PLAN

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

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 10 – PERA PENSION PLAN (CONTINUED)

Funding Policy. Plan members are required to contribute the following percentages of their gross salary: 17.80% for law enforcement, 17.7% for fire protection employees, and 10.65% for municipal employees. The City was required to contribute the following percentages of the gross covered salary: 21.25% for fire protection plan members, 18.5% for law enforcement plan members, and 9.15% for municipal plan members. The contribution requirements of plan members and the City are established in State Statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The City's contributions to PERA for the fiscal years ending June 30, 2014, 2013, and 2012 were \$2,968,409, \$2,973,844, and \$2,800,331, respectively, which were equal to the amount of the required contributions for each fiscal year.

NOTE 11 – POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN

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

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

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

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

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

**NOTE 11 – POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN
(CONTINUED)**

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 contribution 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's contributions to the RHCA for the years ended June 30, 2014, 2013 and 2012 were \$432,809, \$416,674 and \$375,723, respectively, which equaled the required contribution for each year.

NOTE 12 – CONTINGENT LIABILITIES

The City is a defendant in a number of lawsuits as of June 30, 2014. It is the opinion of management and City council that the amount of losses resulting from these litigations at year end would not be material to the financial position of the City.

NOTE 13 – FEDERAL AND STATE GRANTS

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

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 14 – 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 was a deficit fund balance of \$10,050 in the Beautification Grant

- B. Excess of expenditures over revenues were noted as follows:

Nonmajor Funds:	
Correction Fees	274,312
HIDTA Grant	1,914
2008 GO Bonds	<u>24,949</u>
Subtotal, Nonmajor Funds	<u>301,175</u>
Total	<u>\$ 301,175</u>

- C. Designated cash appropriations did not exceed prior year available balances.

NOTE 15 – RESTRICTED NET POSITION

The government-wide statement of net position reports \$16,225,621 of restricted net position, of which \$756,554 is restricted for debt service, \$10,512,828 is restricted for capital projects and \$4,986,239 is restricted by enabling legislation referred to in the special revenue fund descriptions on pages 36 and 62 to 65.

NOTE 16 – 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 17 – SUBSEQUENT EVENTS

Subsequent to June 30, 2014, the City entered into the following Debt Agreement:

- The City has entered into a new debt agreement in October, for \$9.8 million. The purpose of the loan shall be to refund 2005 bonds and improvements.

The date to which events occurring after June 30, 2013, the date of the most recent statement of net position, have been evaluated for possible adjustment to the financial statements or disclosures is November 26, 2014 which is the date on which the financial statements were issued.

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 18 – SUBSEQUENT PRONOUNCEMENTS

In March 2012, GASB Statement No. 65 *Items Previously Reported as Assets and Liabilities*, was issued. Effective Date: This statement, which is effective for financial statements for periods beginning after December 15, 2012, establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The requirements of this Statement will improve financial reporting by clarifying the appropriate use of the financial statement elements deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. The City adopted GASB Statement No. 65 during fiscal year 2014. The City currently has no deferred outflows. Deferred inflows are reported regarding property taxes.

In March 2012, GASB Statement No. 66 *Technical Corrections-2012—an amendment of GASB Statements No. 10 and No. 62*, was issued. Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012.. The adoption of GASB Statement No. 66 had no effect on the City’s financial statements.

In June 2012, the GASB issued Statement No. 67, *Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25*. This statement, which is effective for financial statements for periods beginning after June 15, 2013, replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of this Statement will improve financial reporting primarily through enhanced note disclosures and schedules of required supplementary information that will be presented by the pension plans that are within its scope. The City is a participant in the State of New Mexico’s Public Employee Retirement Association (PERA). PERA as the plan’s administrator, implemented this new pronouncement during fiscal year 2014.

In April 2013, the GASB issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. This statement, which is effective for financial statements for periods beginning after June 15, 2013, requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. This Statement requires a government that has issued an obligation guaranteed in a nonexchange transaction to recognize revenue to the extent of the reduction in its guaranteed liabilities. The requirements of this Statement will enhance comparability of financial statements among governments by requiring consistent reporting by those governments that extend nonexchange financial guarantees and by those governments that receive nonexchange financial guarantees. The adoption of this pronouncement had no effect on the City’s financial statements.

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 19- NEW ACCOUNTING PRONOUNCEMENTS

The following GASB pronouncements have been issued, but are not yet effective at June 30, 2014.

- GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. Upon adoption of this statement for the year ended June 30, 2015, the Statement of Net Position will include a material liability for pension participation in fiscal year 2015.
- GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*
- GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*

The City will implement the new GASB pronouncements in the fiscal year no later than the required effective date. The City believes that GASB Statement No. 69 and 71 will not have a significant financial impact to the City or in issuing its financial statements

NOTE 20 – GOVERNMENTAL FUND BALANCE

Fund Balance. In the fund financial statements, governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Some governments may not have policies or procedures that are comparable to those policies that underlie the classifications and therefore would not report amounts in all possible fund balance classifications.

In the governmental financial statements, fund balance is classified and is displayed in five components:

Nonspendable: Consists of amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted: Consists of amounts that are restricted to specific purposes as a result of a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed: Consist of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the government removes or change the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

Assigned: Consist of amounts that are constrained by the government's *intent* to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 20- GOVERNMENTAL FUND BALANCE (CONTINUED)

which the governing body has delegated the authority to assign amounts to be used for specific purposes.

Unassigned: Represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

Detail relating to the fund balance classifications is displayed below:

Fund Balances	General Fund	Road Fund	Capital Improvements Fund	Other Governmental Funds	Total
Nonspendable:					
Inventory	\$ 107,822	\$ -	\$ -	\$ -	\$ 107,822
South park cemetery	-	-	-	345,000	345,000
Resticted:					
Library	-	-	-	44	44
Housing of prisoners	-	-	-	124,977	124,977
Law enforcement	-	-	-	75,944	75,944
State Narcotics	-	-	-	553	553
JAG Grant	-	-	-	2,202	2,202
GO Bond	-	-	-	385,371	385,371
2008 GO BOND	-	-	-	371,183	371,183
Emergency services	-	-	-	74	74
Fire department	-	-	-	739,309	739,309
Public safety	-	-	-	51,089	51,089
Culture & recreation	-	-	-	1,083,394	1,083,394
Civic center	-	-	-	357,401	357,401
Capital projects	-	-	10,512,828	-	10,512,828
Debt service	-	-	-	-	-
Government operations	3,461,632	-	-	765,271	4,226,903
Committed:					
Roads	-	472,660	-	-	472,660
Transit services	-	-	-	514,027	514,027
Assigned:	-	-	-	464,344	464,344
Unassigned:	15,048,234	-	-	(10,050)	15,038,184
Total fund balances:	\$ 18,617,688	\$ 472,660	\$ 10,512,828	\$ 5,270,133	\$ 34,873,309

SUPPLEMENTARY INFORMATION

**STATE OF NEW MEXICO
CITY OF ROSWELL
NONMAJOR FUND DESCRIPTIONS
JUNE 30, 2014**

SPECIAL REVENUE FUNDS

LibraryGrants

To account for grant proceeds from the New Mexico State Library Division. The funds may be used for library collections, library staff salaries, library staff training, library equipment, or other operational expenditures associated with delivery of library services. Authority for creation of this fund is Section 18-2-4B, NMSA 1978; Section 4.5.2 NMAC.

SouthParkCemetery

To more accurately and efficiently account for the operation and maintenance of the City's cemetery. Financing is provided through lot sales, fees for services, and a transfer from the General Fund. Authority for creation of this fund is City Resolution 11-39.

MassTransit

To account for the operation and maintenance of the Pecos Trails Transit Service. Financing is provided through federal and state grants, rider fares, advertising, and transfers from the General Fund and Road Fund. Authority for creation of this fund is Section 67-3-69, NMSA 1978; 49 U.S.C. Section 5311.

Recreation

To account for the operation and maintenance of all City owned recreational facilities. Financing is provided by miscellaneous revenues (primary use fees), grants, and a transfer from the General Fund. Authority for creation of this fund is City Resolution 11-39.

Convention Center

To account for the operations of the Civic Center and other promotional activities for the City of Roswell. Financing is provided primarily by user fees on area motels and hotels. Authority for creation of this fund is Section 3-38-21, NMSA 1978.

Correction Fees

To account for the collection of correction fees by the municipal judge which shall be used to pay the cost of housing municipal prisoners in a county jail or detention facility or housing juveniles in a detention facility. Authority for creation of this fund is Section 35-14-11, NMSA 1978; City Ordinance #09-08.

Lodger'sTax

To account for the operations of the Civic Center and other promotional activities for the City of Roswell. Financing is provided primarily by a specific tax levy on area motels and hotels. Authority for creation of this fund is Section 3-38-21, NMSA 1978.

UnemploymentCompensation

To more accurately and efficiently account for unemployment claims filed by City employees. Financing is provided through transfers from the General, Airport, Road, Capital Improvements, and Water and Sewer Funds. Authority for the creation of this fund is City Resolution 11-39.

**STATE OF NEW MEXICO
CITY OF ROSWELL
NONMAJOR FUND DESCRIPTIONS
JUNE 30, 2014**

SPECIAL REVENUE FUNDS (CONTINUED)

CommunityDevelopmentRevolvingLoan

To account for the disposition of program income received from the Community Development Block Grant Economic Development Set-aside Program from the State of New Mexico. Authority for creation of this fund is Title I of the Housing and Community Development Act of 1974 as amended in 1993 and City Resolution #2070, August 9, 1988.

BeautificationGrant

To account for the grant proceeds from the New Mexico Cooperative Marketing Grant Program. The funds may be used for beautification and recycling education and promotion, weed eradication, graffiti removal, litter control, and other related expenditures. Authority for creation of this fund is Section 67-16-1 through 14, NMSA 1978.

LawEnforcementGrant

To account for the state treasurer funds distributed through the New Mexico Finance Authority to the City. The funds may be used for the maintenance and improvement of the police department in order to enhance the efficiency and effectiveness of law enforcement services. Authority for creation of this fund is Section 29-13-1 through 9, NMSA 1978.

HIDTAGrant

To account for High Intensity Drug Trafficking Grant proceeds from state and federal agencies, with special accounting and control procedures as stipulated by the grant agreements for confidential expenditures and to assure fiscal control, property management, and effective disbursement of funds received. Authority for creation of this fund is the Office of National Drug Control Policy, HIDTA Program Policy & Budget Guidance and the State of New Mexico Department of Public Safety Grant #18PSNP564Z.

EmergencyMedicalServices

To account for emergency medical training, supplies, and equipment purchased for contract ambulance services. Financing is provided through state grants. Authority for creation of this fund is Section 24-10A-1 through 10, NMSA 1978.

EMSGrant–Fire

To account for emergency medical training, supplies, and equipment purchased for the fire department. Financing is provided through state grants. Authority for creation of this fund is Section 24-10A-1 through 10, NMSA 1978.

HazardousMaterialsEmergencyResponse

To account for grant proceeds received from federal agencies to enlist cooperation among the tribes, the southern, western, and midwestern states on the Waste Isolation Pilot Plant (WIPP) shipping corridors, and DOE in developing plans and procedures for the safe and uneventful transportation of transuranic waste from current temporary storage facilities to the WIPP. Authority for creation of this fund is the U.S. Department of Energy Guidelines.

**STATE OF NEW MEXICO
CITY OF ROSWELL
NONMAJOR FUND DESCRIPTIONS
JUNE 30, 2014**

SPECIAL REVENUE FUNDS (CONTINUED)

FireProtection

To account for the state treasurer funds distributed through the New Mexico Finance Authority to the City pursuant to the passing of a resolution. The funds may be used for the operation, maintenance and betterment of the local fire department, to the end that the hazard of loss by fire and fire insurance rates may be reduced and the public safety thereby promoted. Authority for creation of this fund is Section 59A-53-1 through 19, NMSA 1978.

FederalNarcoticSeizure

To account for separately the Federal share of seized monies or monies derived from sale of seized property, which must not be commingled with other funds as stipulated by the grant agreement. The money may be used to supplement project costs or may be refunded to the Federal government. Authority for creation of this fund is U.S. Department of Justice and the Treasury Federal Equitable Sharing Agreement #NM0030 102.

StateNarcoticSeizure

To account for separately the State share of seized monies or monies derived from sale of seized property, which must not be commingled with other fund sources as specified in individual court case documentation. Authority for creation of this fund is the State of New Mexico District Court.

JAGGrant

To account for, track, and report the funds from the JAG grant receipts for the police department to ensure that these funds are not commingled with funds from any other source as stipulated by the grant agreement. Authority for creation of this fund is U.S. Department of Justice Project Grant Agreement #2009-SB-B9-0 104.

DEBT SERVICE FUNDS

GOBonds

To account for the accumulation of resources for the payment of general long-term debt principal, interest, and related costs specifically for the general obligation bonds. The fund's source of revenue is a dedicated portion of ad valorem (property) tax approved by the citizens of Chaves County for bond repayment.

2008GOBonds

To account for the accumulation of resources for the payment of general long-term debt principal, interest, and related costs specifically for the 2008 general obligation bonds. The fund's source of revenue is a dedicated portion of ad valorem (property) tax approved by the citizens of Chaves County for bond repayment.

**STATE OF NEW MEXICO
CITY OF ROSWELL
NONMAJOR FUND DESCRIPTIONS
JUNE 30, 2014**

CAPITAL PROJECTS FUNDS

2008GOBondsConstruction

To account for the receipt of general obligation bond proceeds, and the replacement, construction, improvement, and equipping of an animal control shelter and fire stations.

CommunityDevelopmentBlockGrant

To account for the receipt of grant proceeds to help fund neighborhood improvement projects to provide adequate services to the community. Authority for creation of this fund is Section 9-14-4 NMSA 1978.

**STATE OF NEW MEXICO
CITY OF ROSWELL
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2014**

	Special Revenue			
	Library Grants 103	South Park Cemetary 202	Mass Transit 210	Recreation 215
<i>Assets</i>				
Cash and cash equivalents	\$ 44	400,121	537,533	316,755
Receivables:				
Property taxes	-	-	-	-
Other receivables	-	93,660	51,806	19,840
<i>Total assets</i>	<u>\$ 44</u>	<u>493,781</u>	<u>589,339</u>	<u>336,595</u>
<i>Liabilities</i>				
Accounts payable	\$ -	562	24,121	50,953
Accrued payroll expenses	-	22,523	51,191	50,844
Accrued sales tax payable	-	-	-	-
Due to other funds	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>23,085</u>	<u>75,312</u>	<u>101,797</u>
<i>Deferred Inflows - Property Taxes</i>				
Unearned revenue - property taxes	-	-	-	-
<i>Total Deferred Inflows</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total Liabilities and Deferred Inflows</i>	<u>-</u>	<u>23,085</u>	<u>75,312</u>	<u>101,797</u>
<i>Fund balances</i>				
Nonspendable	-	345,000	-	-
Spendable				
Restricted	44	-	-	-
Committed	-	-	514,027	-
Assigned	-	125,696	-	234,798
Unassigned	-	-	-	-
<i>Total fund balances</i>	<u>44</u>	<u>470,696</u>	<u>514,027</u>	<u>234,798</u>
<i>Total liabilities and fund balances</i>	<u>\$ 44</u>	<u>493,781</u>	<u>589,339</u>	<u>336,595</u>

Special Revenue

Correction Fees 220	Convention Center 221	Lodger's Tax 222	Unemployment Compensation 226
143,187	357,401	784,120	103,850
-	-	-	-
-	-	-	-
<u>143,187</u>	<u>357,401</u>	<u>784,120</u>	<u>103,850</u>
18,210	-	18,849	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>18,210</u>	<u>-</u>	<u>18,849</u>	<u>-</u>
-	-	-	-
-	-	-	-
<u>18,210</u>	<u>-</u>	<u>18,849</u>	<u>-</u>
-	-	-	-
124,977	357,401	765,271	-
-	-	-	-
-	-	-	103,850
-	-	-	-
<u>124,977</u>	<u>357,401</u>	<u>765,271</u>	<u>103,850</u>
<u>143,187</u>	<u>357,401</u>	<u>784,120</u>	<u>103,850</u>

**STATE OF NEW MEXICO
CITY OF ROSWELL
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2014**

	Special Revenue			
	Community Development Revolving Loan 230	Beautification Grant 240	Law Enforcement Grant 255	HIDTA Grant 258
<i>Assets</i>				
Cash and cash equivalents	\$ 1,083,394	-	28,214	-
Receivables:				
Property taxes	-	-	-	-
Other receivables	-	20,135	-	26,695
Total assets	\$ 1,083,394	20,135	28,214	26,695
<i>Liabilities</i>				
Accounts payable	\$ -	-	6,640	1,324
Accrued payroll expenses	-	-	-	1,272
Accrued sales tax payable	-	-	-	-
Due to other funds	-	30,185	-	785
Total liabilities	-	30,185	6,640	3,381
<i>Deferred Inflows - Property Taxes</i>				
Unearned revenue - property taxes	-	-	-	-
Total Deferred Inflows	-	-	-	-
Total Liabilities and Deferred Inflows	-	30,185	6,640	3,381
<i>Fund balances</i>				
Nonspendable	-	-	-	-
Spendable				
Restricted	1,083,394	-	21,574	23,314
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	(10,050)	-	-
Total fund balances	1,083,394	(10,050)	21,574	23,314
Total liabilities and fund balances	\$ 1,083,394	20,135	28,214	26,695

Special Revenue

Emergency Medical Services 260	EMS Grant-Fire 261	Hazardous Materials Emergency Resp. 262	Fire Protection 265	Federal Narcotic Seizure 512
74	13,660	27,775	786,592	55,808
-	-	-	-	-
-	-	-	-	-
<u>74</u>	<u>13,660</u>	<u>27,775</u>	<u>786,592</u>	<u>55,808</u>
-	365	-	60,578	1,438
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>365</u>	<u>-</u>	<u>60,578</u>	<u>1,438</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>365</u>	<u>-</u>	<u>60,578</u>	<u>1,438</u>
-	-	-	-	-
74	13,295	27,775	726,014	54,370
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>74</u>	<u>13,295</u>	<u>27,775</u>	<u>726,014</u>	<u>54,370</u>
<u>74</u>	<u>13,660</u>	<u>27,775</u>	<u>786,592</u>	<u>55,808</u>

**STATE OF NEW MEXICO
CITY OF ROSWELL
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2014**

	Special Revenue		Debt Service	
	State			
	Narcotic Seizure 513	JAG Grant 514	GO Bonds 104	2008 GO Bonds 106
<i>Assets</i>				
Cash and cash equivalents	\$ 553	2,202	385,371	346,735
Receivables:				
Property taxes	-	-	-	49,957
Other receivables	-	-	-	-
Total assets	\$ 553	2,202	385,371	396,692
<i>Liabilities</i>				
Accounts payable	\$ -	-	-	-
Accrued payroll expenses	-	-	-	-
Accrued sales tax payable	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	-	-	-	-
<i>Deferred Inflows - Property Taxes</i>				
Unearned revenue - property taxes	-	-	-	25,509
Total Deferred Inflows	-	-	-	25,509
Total Liabilities and Deferred Inflows	-	-	-	25,509
<i>Fund balances</i>				
Nonspendable	-	-	-	-
Spendable				
Restricted	553	2,202	385,371	371,183
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	553	2,202	385,371	371,183
Total liabilities and fund balances	\$ 553	2,202	385,371	396,692

2008 GO Bonds Construction 105	Community Development Block Grant 305	Total Nonmajor Governmental Funds
-	-	5,373,389
-	-	49,957
-	-	212,136
-	-	<u>5,635,482</u>
-	-	183,040
-	-	125,830
-	-	-
-	-	30,970
-	-	<u>339,840</u>
-	-	25,509
-	-	25,509
-	-	<u>365,349</u>
-	-	345,000
-	-	-
-	-	3,956,812
-	-	514,027
-	-	464,344
-	-	(10,050)
-	-	<u>5,270,133</u>
-	-	5,635,482
-	-	<u><u>5,635,482</u></u>

**STATE OF NEW MEXICO
CITY OF ROSWELL
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2014**

	Special Revenue			
	Library Grants 103	South Park Cemetery 202	Mass Transit 210	Recreation 215
<i>Revenues</i>				
Taxes:				
Property	\$ -	-	-	-
Gross Receipts	-	-	-	-
Other	-	-	-	8,474
Intergovernmental				
Federal operating grants	-	-	565,244	-
Federal capital grants	-	-	-	-
State operating grants	6,853	-	-	-
State capital grants	-	-	-	-
Charges for services	-	385,570	94,336	179,247
Licenses and fees	-	-	-	-
Investment income	-	1,026	570	367
Fines, forfeitures, and penalties	-	-	-	-
Miscellaneous	-	2,000	3,361	-
<i>Total revenues</i>	<u>6,853</u>	<u>388,596</u>	<u>663,511</u>	<u>188,088</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	543,024	1,252,648	-
Culture and recreation	10,491	-	-	1,480,858
Health and welfare	-	-	-	-
Capital outlay	-	13,720	-	380,729
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>10,491</u>	<u>556,744</u>	<u>1,252,648</u>	<u>1,861,587</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(3,638)</u>	<u>(168,148)</u>	<u>(589,137)</u>	<u>(1,673,499)</u>
Other Financing Sources (Uses)				
Proceeds from loans	-	-	-	-
Transfers, in	-	106,507	633,106	1,610,814
Transfers, out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	1,752
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>106,507</u>	<u>633,106</u>	<u>1,612,566</u>
<i>Net change in fund balances</i>	(3,638)	(61,641)	43,969	(60,933)
<i>Fund balances - beginning of year</i>	<u>3,682</u>	<u>532,337</u>	<u>470,058</u>	<u>295,731</u>
<i>Fund balances, end of year</i>	<u>\$ 44</u>	<u>470,696</u>	<u>514,027</u>	<u>234,798</u>

Special Revenue

Correction Fees 220	Convention Center 221	Lodger's Tax 222	Unemployment Compensation 226
-	-	-	-
-	-	-	-
-	-	1,043,255	-
-	-	-	-
-	-	-	-
-	-	-	-
121,542	357,401	-	-
-	-	-	-
-	-	917	-
-	-	-	-
-	-	-	-
121,542	357,401	1,044,172	-
-	-	408,058	29,494
256,102	-	-	-
-	-	-	-
-	-	428,260	-
-	-	-	-
-	-	66,116	-
-	-	-	-
-	-	-	-
256,102	-	902,434	29,494
(134,560)	357,401	141,738	(29,494)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
(134,560)	357,401	141,738	(29,494)
259,537	-	623,533	133,344
124,977	357,401	765,271	103,850

**STATE OF NEW MEXICO
CITY OF ROSWELL
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2014**

	Special Revenue			
	Community Development Revolving Loan	Beautification Grant	Law Enforcement Grant	HIDTA Grant
	230	240	255	258
<i>Revenues</i>				
Taxes:				
Property	\$ -	-	-	-
Gross Receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	14,120	77,400	151,150
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	12,327	-	-	-
Fines, forfeitures, and penalties	-	-	-	-
Miscellaneous	100,339	-	-	-
<i>Total revenues</i>	<u>112,666</u>	<u>14,120</u>	<u>77,400</u>	<u>151,150</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	40,296	113,357
Public works	-	-	-	-
Culture and recreation	-	24,170	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	23,265	23,015
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>24,170</u>	<u>63,561</u>	<u>136,372</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>112,666</u>	<u>(10,050)</u>	<u>13,839</u>	<u>14,778</u>
Other Financing Sources (Uses)				
Proceeds from loans	-	-	-	-
Transfers, in	-	-	-	-
Transfers, out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	112,666	(10,050)	13,839	14,778
<i>Fund balances - beginning of year</i>	<u>970,728</u>	<u>-</u>	<u>7,735</u>	<u>8,536</u>
<i>Fund balances, end of year</i>	<u>\$ 1,083,394</u>	<u>(10,050)</u>	<u>21,574</u>	<u>23,314</u>

Special Revenue

Emergency Medical Services 260	EMS Grant-Fire 261	Hazardous Materials Emergency Resp. 262	Fire Protection 265	Federal Narcotic Seizure 512
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
20,000	20,000	7,000	546,137	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	1,218	-
-	-	-	-	11,131
-	-	-	-	-
<u>20,000</u>	<u>20,000</u>	<u>7,000</u>	<u>547,355</u>	<u>11,131</u>
-	-	-	-	-
19,926	7,229	-	201,717	20,698
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	445,692	33,845
-	-	-	-	-
-	-	-	-	-
<u>19,926</u>	<u>7,229</u>	<u>-</u>	<u>647,409</u>	<u>54,543</u>
<u>74</u>	<u>12,771</u>	<u>7,000</u>	<u>(100,054)</u>	<u>(43,412)</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>74</u>	<u>12,771</u>	<u>7,000</u>	<u>(100,054)</u>	<u>(43,412)</u>
-	524	20,775	826,068	97,782
<u>74</u>	<u>13,295</u>	<u>27,775</u>	<u>726,014</u>	<u>54,370</u>

**STATE OF NEW MEXICO
CITY OF ROSWELL
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2014**

	Special Revenue		Debt Service	
	State Narcotic Seizure	JAG Grant	GO Bonds	2008 GO Bonds
	513	514	104	106
<i>Revenues</i>				
Taxes:				
Property	\$ -	-	417,061	398,852
Gross Receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental				
Federal operating grants	-	29,749	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	278	488
Fines, forfeitures, and penalties	57	-	-	-
Miscellaneous	-	-	-	-
Total revenues	57	29,749	417,339	399,340
<i>Expenditures:</i>				
Current:				
General government	-	-	4,025	4,041
Public safety	611	30,898	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	400,000	255,000
Interest	-	-	28,175	110,796
Total expenditures	611	30,898	432,200	369,837
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(554)	(1,149)	(14,861)	29,503
Other Financing Sources (Uses)				
Proceeds from loans	-	-	-	-
Transfers, in	-	-	-	-
Transfers, out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(554)	(1,149)	(14,861)	29,503
Fund balances - beginning of year	1,107	3,351	400,232	341,680
Fund balances, end of year	\$ 553	2,202	385,371	371,183

Capital Projects

2008 GO Bonds Construction 105	Community Development Block Grant 305	Total Nonmajor Governmental Funds
-	-	815,913
-	-	-
-	-	1,051,729
-	-	594,993
-	-	-
-	11,389	854,049
-	-	-
-	-	1,138,096
-	-	-
-	-	17,191
-	-	11,188
-	-	105,700
-	11,389	4,588,859
-	-	445,618
-	-	690,834
-	11,389	1,807,061
-	-	1,943,779
-	-	-
14,081	-	1,000,463
-	-	655,000
-	-	138,971
14,081	11,389	6,681,726
(14,081)	-	(2,092,867)
-	-	-
-	-	2,350,427
-	-	-
-	-	1,752
-	-	2,352,179
(14,081)	-	259,312
14,081	-	5,010,821
-	-	5,270,133

STATE OF NEW MEXICO
CITY OF ROSWELL
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, 2014

Statement B-1

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	1,142	6,853	6,853	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,142</u>	<u>6,853</u>	<u>6,853</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	1,444	10,531	10,491	40
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,444</u>	<u>10,531</u>	<u>10,491</u>	<u>40</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(302)</u>	<u>(3,678)</u>	<u>(3,638)</u>	<u>40</u>
<i>Other Financing Sources (Uses)</i>				
Designated cash (budget cash increase)	302	3,678	-	(3,678)
Transfers, in	-	-	-	-
Transfers, out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>302</u>	<u>3,678</u>	<u>-</u>	<u>(3,678)</u>
<i>Net change in fund balances</i>	-	-	(3,638)	(3,638)
<i>Fund balances - beginning of year</i>	-	-	3,682	3,682
<i>Fund balances, end of year</i>	<u>\$ -</u>	<u>-</u>	<u>44</u>	<u>44</u>
Net change in fund balance (non-GAAP budgetary basis)			\$	(3,638)
Adjustments to revenues				-
Adjustments to expenditures				-
Net change in fund balance (GAAP)			\$	<u>(3,638)</u>

STATE OF NEW MEXICO
CITY OF ROSWELL
SOUTH PARK CEMETARY 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, 2014

Statement B-2

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	36,940	398,799	479,230	80,431
Licenses and fees	-	-	-	-
Investment income	93	1,026	1,026	-
Fines, forfeitures and penalties	-	-	-	-
Miscellaneous	-	2,000	2,000	-
<i>Total revenues</i>	<u>37,033</u>	<u>401,825</u>	<u>482,256</u>	<u>80,431</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	57,355	601,476	566,109	35,367
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	21,040	13,720	7,320
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>57,355</u>	<u>622,516</u>	<u>579,829</u>	<u>42,687</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(20,322)</u>	<u>(220,691)</u>	<u>(97,573)</u>	<u>123,118</u>
<i>Other Financing Sources (Uses)</i>				
Designated cash (budget cash increase)	5,662	114,184	-	(114,184)
Transfers, in	12,787	106,507	106,507	-
Transfers, out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>18,449</u>	<u>220,691</u>	<u>106,507</u>	<u>(114,184)</u>
<i>Net change in fund balances</i>	(1,873)	-	8,934	8,934
<i>Fund balances - beginning of year</i>	-	-	532,337	532,337
<i>Fund balances, end of year</i>	\$ <u>(1,873)</u>	<u>-</u>	<u>541,271</u>	<u>541,271</u>
Net change in fund balance (non-GAAP budgetary basis)			\$	8,934
Adjustments to revenues				(93,660)
Adjustments to expenditures				23,085
Net change in fund balance (GAAP)			\$	<u>(61,641)</u>

STATE OF NEW MEXICO
CITY OF ROSWELL
MASS TRANSIT 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, 2014

Statement B-3

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental income:				
Federal operating grants	171,460	646,331	617,050	(29,281)
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	9,000	94,336	94,336	-
Licenses and fees	-	-	-	-
Investment income	38	570	570	-
Fines, forfeitures and penalties	-	-	-	-
Miscellaneous	338	3,361	3,361	-
<i>Total revenues</i>	<u>180,836</u>	<u>744,598</u>	<u>715,317</u>	<u>(29,281)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	123,255	1,499,048	1,327,960	171,088
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	47,500	570,000	-	570,000
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>170,755</u>	<u>2,069,048</u>	<u>1,327,960</u>	<u>741,088</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>10,081</u>	<u>(1,324,450)</u>	<u>(612,643)</u>	<u>711,807</u>
<i>Other Financing Sources (Uses)</i>				
Designated cash (budget cash increase)	(62,331)	691,344	-	(691,344)
Transfers, in	52,250	633,106	633,106	-
Transfers, out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(10,081)</u>	<u>1,324,450</u>	<u>633,106</u>	<u>(691,344)</u>
<i>Net change in fund balances</i>	-	-	20,463	20,463
<i>Fund balances - beginning of year</i>	-	-	470,058	470,058
<i>Fund balances, end of year</i>	\$ -	-	<u>490,521</u>	<u>490,521</u>
Net change in fund balance (non-GAAP budgetary basis)			\$	20,463
Adjustments to revenues				(51,806)
Adjustments to expenditures				75,312
Net change in fund balance (GAAP)			\$	<u>43,969</u>

STATE OF NEW MEXICO
CITY OF ROSWELL
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, 2014

Statement B-4

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Other	638	8,474	8,474	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	14,242	179,247	179,247	-
Licenses and fees	-	-	-	-
Investment income	25	367	367	-
Fines, forfeitures and penalties	-	-	-	-
Miscellaneous	3,409	10,323	7,928	(2,395)
Total revenues	18,314	198,411	196,016	(2,395)
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	136,274	1,702,696	1,570,743	131,953
Health and welfare	-	-	-	-
Capital outlay	82,189	434,866	380,729	54,137
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	218,463	2,137,562	1,951,472	186,090
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(200,149)	(1,939,151)	(1,755,456)	183,695
<i>Other Financing Sources (Uses)</i>				
Designated cash (budget cash increase)	23,364	326,585	-	(326,585)
Transfers, in	176,785	1,610,814	1,610,814	-
Transfers, out	-	-	-	-
Proceeds from sale of capital assets	-	1,752	1,752	-
Total other financing sources (uses)	200,149	1,939,151	1,612,566	(326,585)
<i>Net change in fund balances</i>	-	-	(142,890)	(142,890)
<i>Fund balances - beginning of year</i>	-	-	295,731	295,731
<i>Fund balances, end of year</i>	\$ -	-	152,841	152,841
Net change in fund balance (non-GAAP budgetary basis)			\$	(142,890)
Adjustments to revenues				(19,840)
Adjustments to expenditures				101,797
Net change in fund balance (GAAP)			\$	(60,933)

STATE OF NEW MEXICO
CITY OF ROSWELL
CORRECTION FEES 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, 2014

Statement B-5

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	10,913	121,542	121,542	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	10,913	121,542	121,542	-
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	299,265	274,312	24,953
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	299,265	274,312	24,953
<i>Excess (deficiency) of revenues over (under) expenditures</i>	10,913	(177,723)	(152,770)	24,953
<i>Other Financing Sources (Uses)</i>				
Designated cash (budget cash increase)	(10,913)	(121,542)	-	121,542
Transfers, in	-	-	-	-
Transfers, out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	(10,913)	(121,542)	-	121,542
<i>Net change in fund balances</i>	-	(299,265)	(152,770)	146,495
<i>Fund balances - beginning of year</i>	-	-	259,537	259,537
<i>Fund balances, end of year</i>	\$ -	(299,265)	106,767	406,032
Net change in fund balance (non-GAAP budgetary basis)			\$	(152,770)
Adjustments to revenues				-
Adjustments to expenditures				18,210
Net change in fund balance (GAAP)			\$	(134,560)

STATE OF NEW MEXICO
CITY OF ROSWELL
CONVENTION 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, 2014

Statement B-15

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	24,283	357,402	357,401	(1)
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>24,283</u>	<u>357,402</u>	<u>357,401</u>	<u>(1)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>24,283</u>	<u>357,402</u>	<u>357,401</u>	<u>(1)</u>
<i>Other Financing Sources (Uses)</i>				
Designated cash (budget cash increase)	(24,283)	(357,402)	-	357,402
Transfers, in	-	-	-	-
Transfers, out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(24,283)</u>	<u>(357,402)</u>	<u>-</u>	<u>357,402</u>
<i>Net change in fund balances</i>	-	-	357,401	357,401
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances, end of year</i>	\$ <u>-</u>	<u>-</u>	<u>357,401</u>	<u>357,401</u>
Net change in fund balance (non-GAAP budgetary basis)			\$	357,401
Adjustments to revenues				-
Adjustments to expenditures				-
Net change in fund balance (GAAP)			\$	<u>357,401</u>

STATE OF NEW MEXICO
CITY OF ROSWELL
LODGER'S 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, 2014

Statement B-6

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Other	245,210	1,062,105	1,043,255	(18,850)
Intergovernmental income:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	87	917	917	-
Fines, forfeitures and penalties	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>245,297</u>	<u>1,063,022</u>	<u>1,044,172</u>	<u>(18,850)</u>
<i>Expenditures:</i>				
Current:				
General government	155,938	707,171	408,058	299,113
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	65,961	498,766	447,109	51,657
Health and welfare	-	-	-	-
Capital outlay	14,056	101,734	66,116	35,618
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>235,955</u>	<u>1,307,671</u>	<u>921,283</u>	<u>386,388</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>9,342</u>	<u>(244,649)</u>	<u>122,889</u>	<u>367,538</u>
<i>Other Financing Sources (Uses)</i>				
Designated cash (budget cash increase)	(71,372)	244,649	-	(244,649)
Transfers, in	-	-	-	-
Transfers, out	62,030	-	-	-
Proceeds from sale of capital assets	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(9,342)</u>	<u>244,649</u>	<u>-</u>	<u>(244,649)</u>
<i>Net change in fund balances</i>	-	-	122,889	122,889
<i>Fund balances - beginning of year</i>	-	-	623,533	623,533
<i>Fund balances, end of year</i>	\$ -	-	<u>746,422</u>	<u>746,422</u>
Net change in fund balance (non-GAAP budgetary basis)			\$	122,889
Adjustments to revenues				-
Adjustments to expenditures				18,849
Net change in fund balance (GAAP)			\$	<u>141,738</u>

STATE OF NEW MEXICO
CITY OF ROSWELL
UNEMPLOYMENT COMPENSATION 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, 2014

Statement B-7

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	13	139	-	(139)
Fines, forfeitures and penalties	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>13</u>	<u>139</u>	<u>-</u>	<u>(139)</u>
<i>Expenditures:</i>				
Current:				
General government	6,675	80,100	29,494	50,606
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>6,675</u>	<u>80,100</u>	<u>29,494</u>	<u>50,606</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(6,662)</u>	<u>(79,961)</u>	<u>(29,494)</u>	<u>50,467</u>
<i>Other Financing Sources (Uses)</i>				
Designated cash (budget cash increase)	6,662	79,961	-	(79,961)
Transfers, in	-	-	-	-
Transfers, out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>6,662</u>	<u>79,961</u>	<u>-</u>	<u>(79,961)</u>
<i>Net change in fund balances</i>	-	-	(29,494)	(29,494)
<i>Fund balances - beginning of year</i>	-	-	133,344	133,344
<i>Fund balances, end of year</i>	<u>\$ -</u>	<u>-</u>	<u>103,850</u>	<u>103,850</u>
Net change in fund balance (non-GAAP budgetary basis)			\$	(29,494)
Adjustments to revenues				-
Adjustments to expenditures				-
Net change in fund balance (GAAP)			\$	<u>(29,494)</u>

STATE OF NEW MEXICO
CITY OF ROSWELL
COMMUNITY DEVELOPMENT REVOLVING LOAN 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, 2014

Statement B-15

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	1,250	12,327	12,327	-
Fines, forfeitures and penalties	-	-	-	-
Miscellaneous	7,500	100,339	100,339	-
<i>Total revenues</i>	<u>8,750</u>	<u>112,666</u>	<u>112,666</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>8,750</u>	<u>112,666</u>	<u>112,666</u>	<u>-</u>
<i>Other Financing Sources (Uses)</i>				
Designated cash (budget cash increase)	(8,750)	(112,666)	-	112,666
Transfers, in	-	-	-	-
Transfers, out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(8,750)</u>	<u>(112,666)</u>	<u>-</u>	<u>112,666</u>
<i>Net change in fund balances</i>	-	-	112,666	112,666
<i>Fund balances - beginning of year</i>	-	-	970,728	970,728
<i>Fund balances, end of year</i>	\$ <u>-</u>	<u>-</u>	<u>1,083,394</u>	<u>1,083,394</u>
Net change in fund balance (non-GAAP budgetary basis)			\$	112,666
Adjustments to revenues				-
Adjustments to expenditures				-
Net change in fund balance (GAAP)			\$	<u>112,666</u>

STATE OF NEW MEXICO
CITY OF ROSWELL
BEAUTIFICATION GRANT 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, 2014

Statement B-8

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	4,418	-	34,255	34,255
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>4,418</u>	<u>-</u>	<u>34,255</u>	<u>34,255</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	3,902	47,000	24,170	22,830
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>3,902</u>	<u>47,000</u>	<u>24,170</u>	<u>22,830</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>516</u>	<u>(47,000)</u>	<u>10,085</u>	<u>57,085</u>
<i>Other Financing Sources (Uses)</i>				
Designated cash (budget cash increase)	(516)	47,000	-	(47,000)
Transfers, in	-	-	-	-
Transfers, out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(516)</u>	<u>47,000</u>	<u>-</u>	<u>(47,000)</u>
<i>Net change in fund balances</i>	-	-	10,085	10,085
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances, end of year</i>	<u>\$ -</u>	<u>-</u>	<u>10,085</u>	<u>10,085</u>
Net change in fund balance (non-GAAP budgetary basis)			\$	10,085
Adjustments to revenues				(20,135)
Adjustments to expenditures				-
Net change in fund balance (GAAP)			\$	<u>(10,050)</u>

STATE OF NEW MEXICO
CITY OF ROSWELL
LAW ENFORCEMENT GRANT 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, 2014

Statement B-9

	Budgeted Amounts		Actual	Variations
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	6,843	77,400	77,400	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	6,843	77,400	77,400	-
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	(9,248)	50,764	46,936	3,828
Public works	-	-	-	-
Health and welfare	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	16,731	34,371	23,265	11,106
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	7,483	85,135	70,201	14,934
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(640)	(7,735)	7,199	14,934
<i>Other Financing Sources (Uses)</i>				
Designated cash (budget cash increase)	640	7,735	-	(7,735)
Transfers, in	-	-	-	-
Transfers, out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	640	7,735	-	(7,735)
<i>Net change in fund balances</i>	-	-	7,199	7,199
<i>Fund balances - beginning of year</i>	-	-	7,735	7,735
<i>Fund balances, end of year</i>	\$ -	-	14,934	14,934
Net change in fund balance (non-GAAP budgetary basis)			\$	7,199
Adjustments to revenues				-
Adjustments to expenditures				6,640
Net change in fund balance (GAAP)			\$	13,839

STATE OF NEW MEXICO
CITY OF ROSWELL
HIDTA GRANT 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, 2014

Statement B-10

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	19,074	158,812	177,845	19,033
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>19,074</u>	<u>158,812</u>	<u>177,845</u>	<u>19,033</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	14,636	114,039	113,896	143
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	2,499	23,015	23,015	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>17,135</u>	<u>137,054</u>	<u>136,911</u>	<u>143</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>1,939</u>	<u>21,758</u>	<u>40,934</u>	<u>19,176</u>
<i>Other Financing Sources (Uses)</i>				
Designated cash (budget cash increase)	(1,939)	(21,758)	-	21,758
Transfers, in	-	-	-	-
Transfers, out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	<u>(1,939)</u>	<u>(21,758)</u>	<u>-</u>	<u>21,758</u>
<i>Net change in fund balances</i>	-	-	40,934	40,934
<i>Fund balances - beginning of year</i>	-	-	8,536	8,536
<i>Fund balances, end of year</i>	<u>\$ -</u>	<u>-</u>	<u>49,470</u>	<u>49,470</u>
Net change in fund balance (non-GAAP budgetary basis)			\$	40,934
Adjustments to revenues				(26,695)
Adjustments to expenditures				539
Net change in fund balance (GAAP)			\$	<u>14,778</u>

STATE OF NEW MEXICO
CITY OF ROSWELL
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, 2014

Statement B-11

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	1,663	20,000	20,000	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,663</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	1,663	20,000	19,926	74
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,663</u>	<u>20,000</u>	<u>19,926</u>	<u>74</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>74</u>	<u>74</u>
<i>Other Financing Sources (Uses)</i>				
Designated cash (budget cash increase)	-	-	-	-
Transfers, in	-	-	-	-
Transfers, out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	74	74
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances, end of year</i>	<u>\$ -</u>	<u>-</u>	<u>74</u>	<u>74</u>
Net change in fund balance (non-GAAP budgetary basis)			\$	74
Adjustments to revenues				-
Adjustments to expenditures				-
Net change in fund balance (GAAP)			\$	<u>74</u>

STATE OF NEW MEXICO
CITY OF ROSWELL
EMS GRANT - 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, 2014

Statement B-12

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	1,663	20,000	20,000	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	1,663	20,000	20,000	-
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	1,699	20,520	7,594	12,926
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	1,699	20,520	7,594	12,926
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(36)	(520)	12,406	12,926
<i>Other Financing Sources (Uses)</i>				
Designated cash (budget cash increase)	36	520	-	(520)
Transfers, in	-	-	-	-
Transfers, out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	36	520	-	(520)
<i>Net change in fund balances</i>	-	-	12,406	12,406
<i>Fund balances - beginning of year</i>	-	-	524	524
<i>Fund balances, end of year</i>	\$ -	-	12,930	12,930
Net change in fund balance (non-GAAP budgetary basis)			\$	12,406
Adjustments to revenues				-
Adjustments to expenditures				365
Net change in fund balance (GAAP)			\$	12,771

STATE OF NEW MEXICO
CITY OF ROSWELL
HAZARDOUS MATERIALS EMERGENCY RESPONSE 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, 2014

Statement B-13

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	7,000	7,000	7,000	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	8,733	27,774	-	27,774
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>8,733</u>	<u>27,774</u>	<u>-</u>	<u>27,774</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(1,733)</u>	<u>(20,774)</u>	<u>7,000</u>	<u>27,774</u>
<i>Other Financing Sources (Uses)</i>				
Designated cash (budget cash increase)	1,733	20,774	-	(20,774)
Transfers, in	-	-	-	-
Transfers, out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,733</u>	<u>20,774</u>	<u>-</u>	<u>(20,774)</u>
<i>Net change in fund balances</i>	-	-	7,000	7,000
<i>Fund balances - beginning of year</i>	-	-	20,775	20,775
<i>Fund balances, end of year</i>	<u>\$ -</u>	<u>-</u>	<u>27,775</u>	<u>27,775</u>
Net change in fund balance (non-GAAP budgetary basis)			\$	7,000
Adjustments to revenues				-
Adjustments to expenditures				-
Net change in fund balance (GAAP)			\$	<u>7,000</u>

STATE OF NEW MEXICO
CITY OF ROSWELL
FIRE 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, 2014

Statement B-14

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	61,750	600,439	546,137	(54,302)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	125	1,218	1,218	-
Fines, forfeitures and penalties	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>61,875</u>	<u>601,657</u>	<u>547,355</u>	<u>(54,302)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	157,347	539,924	201,717	338,207
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	(26,139)	894,330	506,270	388,060
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>131,208</u>	<u>1,434,254</u>	<u>707,987</u>	<u>726,267</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(69,333)</u>	<u>(832,597)</u>	<u>(160,632)</u>	<u>671,965</u>
<i>Other Financing Sources (Uses)</i>				
Designated cash (budget cash increase)	69,333	832,597	-	(832,597)
Transfers, in	-	-	-	-
Transfers, out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>69,333</u>	<u>832,597</u>	<u>-</u>	<u>(832,597)</u>
<i>Net change in fund balances</i>	-	-	(160,632)	(160,632)
<i>Fund balances - beginning of year</i>	-	-	826,068	826,068
<i>Fund balances, end of year</i>	\$ -	-	<u>665,436</u>	<u>665,436</u>
Net change in fund balance (non-GAAP budgetary basis)			\$	(160,632)
Adjustments to revenues				-
Adjustments to expenditures				60,578
Net change in fund balance (GAAP)			\$	<u>(100,054)</u>

STATE OF NEW MEXICO
CITY OF ROSWELL
FEDERAL NARCOTIC SEIZURE 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, 2014

Exhibit C-4

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Other taxes	-	-	-	-
Intergovernmental				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	6	-	(6)
Fines, forfeitures and penalties	2,000	11,131	11,131	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>2,000</u>	<u>11,137</u>	<u>11,131</u>	<u>(6)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	5,659	74,095	22,136	51,959
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	4,800	33,845	33,845	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>10,459</u>	<u>107,940</u>	<u>55,981</u>	<u>51,959</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(8,459)</u>	<u>(96,803)</u>	<u>(44,850)</u>	<u>51,953</u>
Other Financing Sources (Uses)				
Designated cash (budget cash increase)	8,459	96,803	-	(96,803)
Transfers, in	-	-	-	-
Transfers, out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>8,459</u>	<u>96,803</u>	<u>-</u>	<u>(96,803)</u>
<i>Net change in fund balances</i>	-	-	(44,850)	(44,850)
<i>Fund balances - beginning of year</i>	-	-	97,782	97,782
<i>Fund balances, end of year</i>	<u>\$ -</u>	<u>-</u>	<u>52,932</u>	<u>52,932</u>
Net change in fund balance (non-GAAP budgetary basis)				(44,850)
Adjustments to revenues for receivables, deferred property tax revenue and debt proceeds				-
Adjustments to expenditures for prepaid expenses, accounts payable and accrued payroll				1,438
Net change in fund balance (GAAP)				<u>\$ (43,412)</u>

STATE OF NEW MEXICO
CITY OF ROSWELL
STATE NARCOTIC SEIZURE 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, 2014

Statement B-15

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Fines, forfeitures and penalties	-	-	57	57
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>57</u>	<u>57</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	97	1,164	611	553
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>97</u>	<u>1,164</u>	<u>611</u>	<u>553</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(97)</u>	<u>(1,164)</u>	<u>(554)</u>	<u>(496)</u>
<i>Other Financing Sources (Uses)</i>				
Designated cash (budget cash increase)	97	1,164	-	(1,164)
Transfers, in	-	-	-	-
Transfers, out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>97</u>	<u>1,164</u>	<u>-</u>	<u>(1,164)</u>
<i>Net change in fund balances</i>	-	-	(554)	(1,660)
<i>Fund balances - beginning of year</i>	-	-	1,107	1,107
<i>Fund balances, end of year</i>	<u>\$ -</u>	<u>-</u>	<u>553</u>	<u>(553)</u>
Net change in fund balance (non-GAAP budgetary basis)			\$	(554)
Adjustments to revenues				-
Adjustments to expenditures				-
Net change in fund balance (GAAP)			\$	<u>(554)</u>

STATE OF NEW MEXICO
CITY OF ROSWELL
JAG GRANT 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, 2014

Statement B-15

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental income:				
Federal operating grants	3,717	29,749	29,749	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	3,717	29,749	29,749	-
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	5,735	33,096	30,898	2,198
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	5,735	33,096	30,898	2,198
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(2,018)	(3,347)	(1,149)	(2,198)
<i>Other Financing Sources (Uses)</i>				
Designated cash (budget cash increase)	2,018	3,347	-	(3,347)
Transfers, in	-	-	-	-
Transfers, out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	2,018	3,347	-	(3,347)
<i>Net change in fund balances</i>	-	-	(1,149)	(5,545)
<i>Fund balances - beginning of year</i>	-	-	3,351	3,351
<i>Fund balances, end of year</i>	\$ -	-	2,202	(2,194)
Net change in fund balance (non-GAAP budgetary basis)			\$	(1,149)
Adjustments to revenues				-
Adjustments to expenditures				-
Net change in fund balance (GAAP)			\$	(1,149)

STATE OF NEW MEXICO
CITY OF ROSWELL
GO BONDS 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, 2014

Statement B-15

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ 36,087	417,061	417,061	-
Gross receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	25	278	278	-
Fines, forfeitures and penalties	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>36,112</u>	<u>417,339</u>	<u>417,339</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	1,062	4,700	4,025	675
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	33,337	400,000	400,000	-
Interest	2,347	28,175	28,175	-
<i>Total expenditures</i>	<u>36,746</u>	<u>432,875</u>	<u>432,200</u>	<u>675</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(634)</u>	<u>(15,536)</u>	<u>(14,861)</u>	<u>(675)</u>
<i>Other Financing Sources (Uses)</i>				
Designated cash (budget cash increase)	634	15,536	-	(15,536)
Transfers, in	-	-	-	-
Transfers, out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	<u>634</u>	<u>15,536</u>	<u>-</u>	<u>(15,536)</u>
<i>Net change in fund balances</i>	-	-	(14,861)	(16,211)
<i>Fund balances - beginning of year</i>	-	-	400,232	400,232
<i>Fund balances, end of year</i>	<u>\$ -</u>	<u>-</u>	<u>385,371</u>	<u>384,021</u>
Net change in fund balance (non-GAAP budgetary basis)			\$	(14,861)
Adjustments to revenues				-
Adjustments to expenditures				-
Net change in fund balance (GAAP)			\$	<u>(14,861)</u>

STATE OF NEW MEXICO
CITY OF ROSWELL
2008 GO BONDS 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, 2014

Statement B-15

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ 30,413	388,252	448,809	60,557
Gross receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	25	488	488	-
Fines, forfeitures and penalties	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	30,438	388,740	449,297	60,557
<i>Expenditures:</i>				
Current:				
General government	1,012	4,600	4,041	559
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	21,250	255,000	255,000	-
Interest	9,234	110,797	110,796	1
Total expenditures	31,496	370,397	369,837	560
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(1,058)	18,343	79,460	59,997
<i>Other Financing Sources (Uses)</i>				
Designated cash (budget cash increase)	1,058	(18,343)	-	18,343
Transfers, in	-	-	-	-
Transfers, out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	1,058	(18,343)	-	18,343
<i>Net change in fund balances</i>	-	-	79,460	78,340
<i>Fund balances - beginning of year</i>	-	-	341,680	341,680
<i>Fund balances, end of year</i>	\$ -	\$ -	421,140	420,020
Net change in fund balance (non-GAAP budgetary basis)			\$ 79,460	
Adjustments to revenues				(49,957)
Adjustments to expenditures				-
Net change in fund balance (GAAP)			\$ 29,503	

STATE OF NEW MEXICO
CITY OF ROSWELL
2008 GO BOND CONSTRUCTION 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, 2014

Statement B-15

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	-	-
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	1,179	14,082	14,081	1
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	1,179	14,082	14,081	1
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(1,179)	(14,082)	(14,081)	(1)
<i>Other Financing Sources (Uses)</i>				
Designated cash (budget cash increase)	1,179	14,082	-	(14,082)
Transfers, in	-	-	-	-
Transfers, out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	1,179	14,082	-	(14,082)
<i>Net change in fund balances</i>	-	-	(14,081)	(14,083)
<i>Fund balances - beginning of year</i>	-	-	14,081	14,081
<i>Fund balances, end of year</i>	\$ -	-	-	(2)
Net change in fund balance (non-GAAP budgetary basis)			\$	(14,081)
Adjustments to revenues				-
Adjustments to expenditures				-
Net change in fund balance (GAAP)			\$	(14,081)

STATE OF NEW MEXICO
CITY OF ROSWELL
COMMUNITY DEVELOPMENT BLOCK GRANT 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, 2014

Statement B-15

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	144,977	11,389	11,389	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	144,977	11,389	11,389	-
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	144,977	579,905	11,389	568,516
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	144,977	579,905	11,389	568,516
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	(568,516)	-	(568,516)
<i>Other Financing Sources (Uses)</i>				
Designated cash (budget cash increase)	-	568,516	-	(568,516)
Transfers, in	-	-	-	-
Transfers, out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	568,516	-	(568,516)
<i>Net change in fund balances</i>	-	-	-	(1,137,032)
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances, end of year</i>	\$ -	-	-	(1,137,032)
Net change in fund balance (non-GAAP budgetary basis)			\$	-
Adjustments to revenues				-
Adjustments to expenditures				-
Net change in fund balance (GAAP)			\$	-

STATE OF NEW MEXICO
CITY OF ROSWELL
AIRPORT PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2014

Statement C-1

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Operating Revenues</i>				
Charges for services	\$ 223,015	2,862,004	2,890,518	28,514
Operating grants	7,939,720	1,719,929	1,719,929	-
<i>Total operating revenues</i>	<u>8,162,735</u>	<u>4,581,933</u>	<u>4,610,447</u>	<u>28,514</u>
<i>Operating expenses</i>				
General and administrative	3,689	43,520	36,613	6,907
Personnel services	52,853	719,647	669,977	49,670
Contractual services	59,929	507,751	367,911	139,840
Supplies and purchased power	9,095,407	14,841,291	20,681	14,820,610
Maintenance and materials	58,807	679,295	280,650	398,645
Utilities	17,732	212,850	151,567	61,283
<i>Total operating expenses</i>	<u>9,288,417</u>	<u>17,004,354</u>	<u>1,527,399</u>	<u>15,476,955</u>
<i>Operating income (loss)</i>	<u>(1,125,682)</u>	<u>(12,422,421)</u>	<u>3,083,048</u>	<u>(15,448,441)</u>
<i>Non-operating revenues (expenses)</i>				
Investment income	3,719	33,518	33,518	-
Interest expense	-	-	-	-
Other tax revenue	2,500	18,629	18,629	-
Gross receipts tax expense	(2,625)	(31,500)	(19,389)	12,111
Fines, forfeitures and penalties	-	-	-	-
Miscellaneous revenue	30,890	148,152	104,602	(43,550)
Proceeds from sale of capital assets	-	97	97	-
Principle payment on debt service	-	-	-	-
Interest payment on debt service	(2,788)	(33,412)	(52,432)	(19,020)
<i>Total non-operating revenues (expenses)</i>	<u>31,696</u>	<u>135,484</u>	<u>85,025</u>	<u>(50,459)</u>
<i>Income (loss) before transfers</i>	<u>(1,093,986)</u>	<u>(12,286,937)</u>	<u>3,168,073</u>	<u>15,455,010</u>
Transfers, in	41,183	161,970	161,970	-
Transfers, out	(78,389)	(608,714)	(608,714)	-
<i>Capital grants and net transfers</i>	<u>(37,206)</u>	<u>(446,744)</u>	<u>(446,744)</u>	<u>-</u>
<i>Change in net position</i>	<u>(1,131,192)</u>	<u>(12,733,681)</u>	<u>2,721,329</u>	<u>15,455,010</u>
Designated cash	963,588	11,386,429		
<i>Net position - beginning of year</i>	<u>-</u>	<u>-</u>	<u>19,955,606</u>	<u>19,955,606</u>
<i>Net position - end of year</i>	<u>\$ (167,604)</u>	<u>(1,347,252)</u>	<u>22,676,935</u>	<u>35,410,616</u>
<i>Net change in net position, above</i>			\$ 2,721,329	
Depreciation and amortization			(1,259,758)	
<i>Change in net position</i>			<u>\$ 1,461,571</u>	

STATE OF NEW MEXICO
CITY OF ROSWELL
SOLID WASTE PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2014

Statement C-2

	Budgeted Amounts		Actual (Non-GAAP Budgetary Basis)	Variations Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Operating Revenues</i>				
Charges for services	\$ 777,155	-	4,984,105	4,984,105
Operating grants	-	-	-	-
Total operating revenues	777,155	-	4,984,105	4,984,105
<i>Operating expenses</i>				
General and administrative	30,878	189,305	185,766	3,539
Personnel services	132,132	1,517,856	1,508,217	9,639
Contractual services	27,230	594,309	304,122	290,187
Supplies and purchased power	186,790	1,705,019	168,236	1,536,783
Maintenance and materials	137,282	1,758,090	1,490,477	267,613
Closure costs	74,213	74,213	74,213	-
Utilities	4,372	40,375	37,241	3,134
Total operating expenses	592,897	5,879,167	3,768,272	2,110,895
Operating income (loss)	184,258	(5,879,167)	1,215,833	2,873,210
<i>Non-operating revenues (expenses)</i>				
Investment income	375	4,392	4,875	483
Interest expense	(101,940)	(101,940)	(101,940)	-
Other tax revenue	19,163	247,154	247,154	-
Gross receipts tax expense	(38,257)	(249,083)	(241,070)	8,013
Fines, forfeitures and penalties	-	-	-	-
Miscellaneous	13,326	55,543	55,543	-
Proceeds from sale of capital assets	-	119	119	-
Principle payment on debt service	-	-	-	-
Interest payment on debt service	-	-	-	-
Total non-operating revenues (expenses)	(107,333)	(43,815)	(35,319)	8,496
Income (loss) before transfers	76,925	(5,922,982)	1,180,514	7,103,496
Transfers, in	56,845	687,187	1,127,187	440,000
Transfers, out	(300,000)	(740,000)	(740,000)	-
Capital grants and net transfers	(243,155)	(52,813)	387,187	440,000
Change in net position	(166,230)	(5,975,795)	1,567,701	7,543,496
Designated cash	2,578,152	8,387,717		
Net position - beginning of year	-	-	7,130,099	7,130,099
Net position - end of year	\$ 2,411,922	2,411,922	8,697,800	14,673,595
Net change in net position, above			\$ 1,567,701	
Depreciation and amortization			(955,058)	
Change in net position			\$ 612,643	

STATE OF NEW MEXICO
CITY OF ROSWELL
WATER AND SEWER PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2014

Statement C-3

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Operating Revenues</i>				
Charges for services	\$ 1,847,594	-	12,075,213	12,075,213
Operating grants	-	-	-	-
<i>Total operating revenues</i>	<u>1,847,594</u>	<u>-</u>	<u>12,075,213</u>	<u>12,075,213</u>
<i>Operating expenses</i>				
General and administrative	90,545	724,720	688,390	36,330
Personnel services	215,533	3,637,416	3,450,581	186,835
Contractual services	18,099	544,639	397,523	147,116
Supplies and purchased power	232,905	2,803,625	1,530,300	1,273,325
Maintenance and materials	105,254	1,440,957	1,036,274	404,683
Utilities	86,320	687,973	664,846	23,127
<i>Total operating expenses</i>	<u>748,656</u>	<u>9,839,330</u>	<u>7,767,914</u>	<u>2,071,416</u>
<i>Operating income (loss)</i>	<u>1,098,938</u>	<u>(9,839,330)</u>	<u>4,307,299</u>	<u>10,003,797</u>
<i>Non-operating revenues (expenses)</i>				
Investment income	2,881	28,848	31,189	2,341
Interest expense	(422,869)	(587,776)	(587,776)	-
Other tax revenue	41,663	507,615	507,615	-
Gross receipts tax expense	(56,663)	(515,000)	(517,601)	(2,601)
Fines, forfeitures and penalties	-	-	-	-
Miscellaneous	57,830	258,681	258,681	-
Proceeds from sale of capital assets	-	438	438	-
Principle payment on debt service	-	-	-	-
Interest payment on debt service	-	-	-	-
<i>Total non-operating revenues (expenses)</i>	<u>(377,158)</u>	<u>(307,194)</u>	<u>(307,454)</u>	<u>(260)</u>
<i>Income (loss) before transfers</i>	<u>721,780</u>	<u>(10,146,524)</u>	<u>3,999,845</u>	<u>14,146,369</u>
Transfers, in	86,137	1,033,600	1,033,600	-
Transfers, out	(116,466)	(1,397,376)	(1,397,376)	-
<i>Capital grants and net transfers</i>	<u>(30,329)</u>	<u>(363,776)</u>	<u>(363,776)</u>	<u>-</u>
<i>Change in net position</i>	<u>691,451</u>	<u>(10,510,300)</u>	<u>3,636,069</u>	<u>14,146,369</u>
Designated cash	(691,451)	10,510,300		
<i>Net position - beginning of year</i>	<u>-</u>	<u>-</u>	<u>41,536,917</u>	<u>41,536,917</u>
<i>Net position - end of year</i>	<u>\$ -</u>	<u>-</u>	<u>45,172,986</u>	<u>55,683,286</u>
<i>Net change in net position, above</i>			\$ 3,636,069	
Depreciation and amortization			(2,231,485)	
<i>Change in net position</i>			<u>\$ 1,404,584</u>	

STATE OF NEW MEXICO
CITY OF ROSWELL
CAPITAL IMPROVEMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2014

Exhibit C-3

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other taxes	-	119	119	-
Intergovernmental				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	1,169,170	2,107,522	1,041,039	(1,066,483)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Fines, forfeitures, and penalties	-	-	-	-
Investment income	1,000	10,984	10,984	-
Miscellaneous	10	23	23	-
<i>Total revenues</i>	<u>1,170,180</u>	<u>2,118,648</u>	<u>1,052,165</u>	<u>(1,066,483)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	104,986	1,470,045	1,201,989	268,056
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	759,089	8,863,946	1,782,271	7,081,675
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>864,075</u>	<u>10,333,991</u>	<u>2,984,260</u>	<u>7,349,731</u>
<i>Excess (deficiency) of revenue: over (under) expenditures</i>	<u>306,105</u>	<u>(8,215,343)</u>	<u>(1,932,095)</u>	<u>6,283,248</u>
Other Financing Sources (Uses)				
Designated cash (budget cash increase)	(305,060)	8,886,157	-	(8,886,157)
Proceeds from loans	-	-	-	-
Transfers, in	217,937	2,670,057	2,670,057	-
Transfers, out	-	-	-	-
Proceeds from sale of capital assets	-	2,390	2,390	-
<i>Total other financing sources (uses)</i>	<u>(87,123)</u>	<u>11,558,604</u>	<u>2,672,447</u>	<u>(8,886,157)</u>
<i>Net change in fund balances</i>	<u>218,982</u>	<u>3,343,261</u>	<u>740,352</u>	<u>(2,602,909)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>9,636,221</u>	<u>9,636,221</u>
<i>Fund balances, end of year</i>	<u>\$ 218,982</u>	<u>3,343,261</u>	<u>10,376,573</u>	<u>7,033,312</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 740,352
Adjustments to revenues for receivables, deferred property tax revenue and debt proceeds				(38,782)
Adjustments to expenditures for prepaid expenses, accounts payable and accrued payroll				175,037
Net change in fund balance (GAAP)				<u>\$ 876,607</u>

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SUPPORTING SCHEDULES

**STATE OF NEW MEXICO
CITY OF ROSWELL
SCHEDULE OF DEPOSIT AND INVESTMENT ACCOUNTS
For the Year Ended June 30, 2014**

Schedule I

	Pioneer Bank	New Mexico Finance Authority	Washington Mutual	Totals
Deposits				
Pooled Cash Equity	\$ 13,452,225	-	-	13,452,225
1999 GO Bond Debt Service	385,371	-	-	385,371
GO Bond Debt Service Series 2008	346,735	-	-	346,735
Federal Narcotic Seizure Fund	57,019	-	-	57,019
State Narcotics Forfeiture Fund	553	-	-	553
JAG Grant	2,202	-	-	2,202
Airport Passenger Facility Charge Account	61,149	-	-	61,149
GRT Bond Debt Service Series 2008	32,313	-	-	32,313
2005 WWTP - Debt Service	167,013	-	-	167,013
Municipal Courts Bail Bonds	77,078	-	-	77,078
Payroll Cash Account	6,871	-	-	6,871
Fin Authority DS PD	-	31,704	-	31,704
Fin Authority Prog Funds PD	-	49,581	-	49,581
Fin Authority Res Fund PD	-	72	-	72
Certificates of Deposit	6,050,000	-	16,591,181	22,641,181
Total on deposit	20,638,530	81,357	16,591,181	37,311,068
Outstanding items	(1,402,510)	-	-	(1,401,949)
Deposits in transit	177,770	-	-	177,770
Book balance	\$ 19,413,790	81,357	16,591,181	36,086,889
Investments				
Local Government Investment Pool	\$ -	11,266,343	-	11,266,343
Petty Cash			4,350	4,350
			\$ 47,357,582	\$ 47,357,582
Total cash and cash equivalents primary government per Exhibit A-1				\$ 46,845,540
Total restricted cash and cash equivalents per Exhibit A-1				-
Total investments primary government per Exhibit A-1				-
Total agency funds cash and cash equivalents per Exhibit E-1				512,042
Total cash, cash equivalents and investments				\$ 47,357,582

STATE OF NEW MEXICO
CITY OF ROSWELL
SCHEDULE OF PLEDGED COLLATERAL
For the Year Ended June 30, 2014

Schedule II

Name of Depository	Description	Maturity	CUSIP or Security ID Number	Fair Market Value	Name and Location of Safe Keeper
Pioneer Bank	FHLB FIXED	12/10/2021	313381AV7	\$ 4,060,963	Federal Home Loan Bank Dallas, TX
Pioneer Bank	FHLB FIXED	1/17/2020	313381T88	2,415,525	Federal Home Loan Bank Dallas, TX
Pioneer Bank	FNMA 1 YR CMT	1/1/2034	31403VWN5	341,359	Federal Home Loan Bank Dallas, TX
Pioneer Bank	FHLMC H15T1Y	1/1/2033	31342AG29	217,816	Federal Home Loan Bank Dallas, TX
Pioneer Bank	FHLMC 1 YR TR	12/1/2033	31349SF32	554,556	Federal Home Loan Bank Dallas, TX
Pioneer Bank	FNMA 1 YR LIBOR	12/1/2035	31408ALJ7	1,436,666	Federal Home Loan Bank Dallas, TX
Pioneer Bank	FNMA	10/11/2026	3138ASYU0	<u>1,857,611</u>	Federal Home Loan Bank Dallas, TX
				<u>10,884,496</u>	
Washington Federal Bank	FHLMC GOLD PC A94288	8/20/2061	3620E0NW2	8,921,701	Federal Home Loan Bank Dallas, TX
Total Collateral Pledged				<u>\$ 19,806,197</u>	

STATE OF NEW MEXICO
CITY OF ROSWELL
SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
Year Ended June 30, 2014

Schedule III

	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014
<i>Water & Sewer Meter Deposits</i>				
Assets				
Cash and cash equivalents	\$ 370,598	192,012	170,532	392,078
<i>Total assets</i>	<u>\$ 370,598</u>	<u>192,012</u>	<u>170,532</u>	<u>392,078</u>
Liabilities				
Deposits held and due to others	\$ 370,598	192,012	170,532	392,078
<i>Total liabilities</i>	<u>\$ 370,598</u>	<u>192,012</u>	<u>170,532</u>	<u>392,078</u>
<i>Bail Bonds Deposits</i>				
Assets				
Cash and cash equivalents	\$ 61,959	178,295	161,691	78,563
<i>Total assets</i>	<u>\$ 61,959</u>	<u>178,295</u>	<u>161,691</u>	<u>78,563</u>
Liabilities				
Deposits held and due to others	\$ 61,959	178,295	161,691	78,563
<i>Total liabilities</i>	<u>\$ 61,959</u>	<u>178,295</u>	<u>161,691</u>	<u>78,563</u>
<i>Payroll Payables</i>				
Assets				
Cash and cash equivalents	\$ 41,153	18,649,290	18,649,042	41,401
<i>Total assets</i>	<u>\$ 41,153</u>	<u>18,649,290</u>	<u>18,649,042</u>	<u>41,401</u>
Liabilities				
Deposits held and due to others	\$ 41,153	18,649,290	18,649,042	41,401
<i>Total liabilities</i>	<u>\$ 41,153</u>	<u>18,649,290</u>	<u>18,649,042</u>	<u>41,401</u>
<i>Total Agency Funds</i>				
Assets				
Cash and cash equivalents	\$ 473,710	19,019,597	18,981,265	512,042
<i>Total assets</i>	<u>\$ 473,710</u>	<u>19,019,597</u>	<u>18,981,265</u>	<u>512,042</u>
Liabilities				
Deposits held and due to others	\$ 473,710	19,019,597	18,981,265	512,042
<i>Total liabilities</i>	<u>\$ 473,710</u>	<u>19,019,597</u>	<u>18,981,265</u>	<u>512,042</u>

**STATE OF NEW MEXICO
CITY OF ROSWELL
SCHEDULE OF JOINT POWERS AGREEMENTS AND
MEMORANDUMS OF UNDERSTANDING
June 30, 2014**

Participants	Responsible Party	Description
City of Roswell and Chaves County	Both	To establish the Pecos Valley Regional Communication Center
City of Roswell and the United States Marshalls Service (USMS)	Both	To establish the Violent Offender Task Force - to investigate and arrest persons who have active state and federal warrants for their arrest
City of Roswell and Immigration and Customs Enforcement and Homeland Security Investigations	Both	To establish the responsibilities of both parties and the procedures for the reimbursement of certain overtime expenses and other law enforcement
Roswell International Air Center (RIAC) and 58th Special Operations Wing (SOW)	Both	To set forth the parties respective responsibilities and establish procedures support the 58th SOW operations at the RIAC

<u>Begin Date</u>	<u>End Date</u>	<u>Estimated Amount of Project</u>	<u>Amount Contributed in Fiscal Year</u>	<u>Audit Responsibility</u>	<u>Fiscal Agent</u>	<u>Name of Govt Agency Report Rev & Exp</u>
7/19/2005	Indefinitely	Unknown	Unknown	City of Roswell	None	City of Roswell
8/1/2010	Indefinitely	Unknown	Unknown	None	None	Both
7/1/2011	Indefinitely	Unknown	Unknown	Region VI Drug Task Force	None	Region VI Drug Task Force
7/1/2011	Indefinitely	Unknown	Unknown	None	None	None

COMPLIANCE SECTION

**Report on Internal Control Over Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements Performed in Accordance With
*Government Auditing Standards***

Independent Auditor's Report

Mr. Hector H. Balderas
New Mexico State Auditor,
Mayor, City Manager and City Council Members
City of Roswell
Roswell, 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, the budgetary comparisons of the general fund and the major special revenue fund of the City of Roswell (the City) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and the combining and individual funds and related budgetary comparisons of the City, presented as supplemental information, and have issued our report thereon dated November 26, 2014.

Internal Control Over Financial Reporting

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

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

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

control that we consider to be material weaknesses or significant deficiencies. However, material weaknesses or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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* and which are described in the accompanying schedule of findings and questioned costs as items 2014-001.

The City's Response to Findings

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

Purpose of this Report

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



Axiom CPAs and Business Advisors, LLC
November 26, 2014

FEDERAL FINANCIAL ASSISTANCE

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Mr. Hector H. Balderas
New Mexico State Auditor,
Mayor, City Manager and City Council Members
City of Roswell
Roswell, New Mexico

Report on Compliance for Each Major Federal Program

We have audited the City of Roswell'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, 2014. 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.

Auditor's 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 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, 2014.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133.

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.



Axiom CPAs and Business Advisors LLC
Albuquerque, New Mexico
November 26, 2014

**STATE OF NEW MEXICO
CITY OF ROSWELL
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014**

Federal Grantor/Pass-Through Grantor/Program Title	Pass Through Entity #	CFDA Number	Federal Expenditures
U.S. Department of Transportation			
Passed through NM Highway and Transportation:			
Formula Grants for Other than Urbanized Areas	M01264	20.509	\$ 633,675
Formula Grants for Other than Urbanized Areas	M01179	20.509	200,335
Highway Planning and Construction	2100690	* 20.205	855,942
Direct Programs:			
Airport Improvement Program	3-35-0035-024-2013	* 20.106	<u>1,330,520</u>
Total U.S. Department of Transportation			<u>3,020,472</u>
U.S. Department of Justice			
Pass through Office of Justice Programs:			
Edward Bryne Memorial Justice Assistance Grant	2012-DJ-BX-0544	16.738	1,998
Edward Bryne Memorial Justice Assistance Grant			
Programs: Local Solicitation	2013-DJ-BX-0736	16.738	28,900
Passed through Office of National Drug Control Policy - NM HIDTA Reprogramming:			
Law Enforcement Assistance-Narcotics and Dangerous Drugs-Laboratory Analysis	G135N00178	16.001	110,242
Law Enforcement Assistance-Narcotics and Dangerous Drugs-Laboratory Analysis	G12SN0017A	16.001	<u>32,964</u>
Total U.S. Department of Justice			<u>174,104</u>
U.S. Department of Homeland Security			
Passed through NM Department of Homeland Security and Emergency Management:			
Homeland Security Grant Program	EMW-2012-SS-00097-S01	97.067	38,050
Hazard Mitigation Grant	FEMA-1936-DR-NM	97.039	<u>12,000</u>
Total U.S. Department of Homeland Security			<u>50,050</u>
Total Expenditures of Federal Awards			<u>\$ 3,244,626</u>

*Major Program

See Notes to the Schedule of Expenditures of Federal Awards

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2014**

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditure of Federal Awards (Schedule) includes the federal grant activity of the City of Roswell, New Mexico (City) and is presented on the modified accrual basis of accounting, which is the same basis as was used to prepare the fund financial statements. 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*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

NOTE 2 - SUBRECIPIENTS

The City did not provide any federal award to subrecipients 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	\$	3,244,626
Total expenditures funded by other sources		63,312,362
Total expenditures (governmental and proprietary fund expenditures)	\$	<u>66,556,988</u>

**STATE OF NEW MEXICO
CITY OF ROSWELL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2014**

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiencies identified Yes None Reported

Non-compliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiencies identified Yes None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? Yes No

Identification of Major Program

CFDA Number	Name of Federal Program or Cluster
20.205	Highway Planning
20.106	Airport Improvement

Dollar threshold used to distinguish between type A and type B programs \$ 300,000

Auditee qualified as low-risk auditee? Yes No

**STATE OF NEW MEXICO
CITY OF ROSWELL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2014**

B. FINANCIAL STATEMENT FINDINGS

2014-001 Non-Compliance with Internal Policies (Other Matter)

CONDITION: During our testing of controls over the payroll disbursements, we noted that compensatory time was paid in lieu of payment for overtime, which is a violation of internal policies.

CRITERIA: City Personnel Handbook, Chapter III, Section 314.0, "Compensatory time in lieu of payment for overtime work is not authorized."

EFFECT: The City was in violation of their own internal policies.

CAUSE: Due to lack of training in internal policies, payroll personnel were unaware of the authorized transactions.

RECOMMENDATION: It is recommended that the City conducts regular trainings to ensure that all personnel are aware of internal policies.

MANAGEMENT RESPONSE: The City plans on conducting trainings and evaluating internal policies on a regular basis.

C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

**D. OTHER FINDINGS, AS REQUIRED BY NEW MEXICO STATE STATUTE, SECTION
12-6-5, NMSA 1978**

None

**STATE OF NEW MEXICO
CITY OF ROSWELL
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
JUNE 30, 2014**

STATUS OF PRIOR YEAR AUDIT FINDINGS

FS2012-001	Late Audit Report	Resolved
FS2012-002	Lack of Internal Controls over Annual Leave Reports	Resolved
FS2012-004	Deficiencies in Internal Control Structure, Design, Operation, and Oversight-Yucca Center	Resolved
FS2013-001	Capital Asset Certification	Resolved
FS2013-002	Deficiencies in Internal Control Structure, Design, Operation and Oversight	Resolved
FS2013-003	Internal Control-Timesheet Preparation	Resolved
FS2013-004	Cash Appropriations in Excess of Available Cash	Resolved
FA2013-001	Failure to Submit Data Collection Form in a Timely Manner	Resolved

**STATE OF NEW MEXICO
CITY OF ROSWELL
EXIT CONFERENCE
YEAR ENDED JUNE 30, 2014**

The contents of this report were discussed in the exit conference held on November 25, 2014 with the following in attendance.

Representing the City of Roswell

Dennis Kintigh	Mayor
Jeanine Best	Councilor
Caleb Grant	Councilor
Steve Polasek	City Manager
Monica Garcia	Finance Director

Representing Axiom CPAs

Chris Garner	Partner
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Auditor Prepared Financials:

The financial statements were prepared with the assistance of Axiom Certified Public Accountants and Business Advisors LLC from the books and records of the City of Roswell. The City's management has reviewed and approved the financial statements and related notes and they believe that their records adequately support the financial statements.