

STATE OF NEW MEXICO
CITY OF ROSWELL

ANNUAL FINANCIAL REPORT

JUNE 30, 2015



AXIOM

*Certified Public Accountants
and Business Advisors LLC*

INTRODUCTORY SECTION

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CITY OF ROSWELL
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**STATE OF NEW MEXICO
CITY OF ROSWELL
OFFICIAL ROSTER
JUNE 30, 2015**

<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

Timothy Keller
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 major special revenue funds of The City of Roswell (the city), as of and for the year ended June 30, 2015, 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 non-major governmental, non-major enterprise, fiduciary funds and the budgetary comparisons for the major capital project funds, debt service funds, and all non-major 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, 2015, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of June 30, 2015, and the respective changes in financial position and where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each non-major governmental, non-major enterprise, internal service fund and fiduciary fund of the City as of June 30, 2015, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the major capital project funds, debt service funds, permanent funds and all non-major funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 21 to the financial statements, in 2015 the City adopted new accounting guidance, GASB Statement No. 68, Accounting and Financial Reporting for Pensions- An amendment of GASB Statement No. 27. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the Schedule of the City's Proportionate Share of the Net Pension Liability, and Schedule of City Contributions on pages 5-12 and 54-57 respectively, 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 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 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 basic 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.

The Schedule of Vendors has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 11, 2015 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Axiom CPAs and Business Advisor's, LLC

Albuquerque, New Mexico

December 11, 2015

**STATE OF NEW MEXICO
CITY OF ROSWELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

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, 2015. 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 \$49,522,539 (*net position*).
- The City's total net position decreased by \$27,759,929. The majority of this decrease is due to a prior period adjustment resulting from a change in accounting principle.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$34,569,963 an decrease of \$303,346 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$17,680,839 or 53 percent of total general fund expenditures.
- The City's total debt decreased slightly by \$1,363,222 (8.4 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 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*).

**STATE OF NEW MEXICO
CITY OF ROSWELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

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 on pages 13-16 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-four 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-one 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 on pages 68-103 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 statements. The City of Roswell uses enterprise funds to account for its airport, solid waste, and water and sewer utility funds.

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CITY OF ROSWELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

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 on pages 23-25 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 27-63 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 \$49,522,539 at the close of the most recent fiscal year.

The largest portion of the City of Roswell's net position, \$56,665,261, reflects its net 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, 2015 and June 30, 2014.

**STATE OF NEW MEXICO
CITY OF ROSWELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

CITY OF ROSWELL'S NET POSITION
(In Thousands)

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current assets	\$ 37,973	\$ 37,727	\$ 27,151	\$ 20,194	\$ 65,124	\$ 57,921
Noncurrent assets other than capital assets	3,439	85	119	214	3,558	299
Capital assets, net	61,028	60,555	71,021	65,028	132,049	125,583
Total assets	<u>102,440</u>	<u>98,367</u>	<u>98,172</u>	<u>85,436</u>	<u>200,731</u>	<u>183,803</u>
Current liabilities	8,925	5,694	4,552	2,486	13,477	8,180
Noncurrent liabilities	43,993	6,879	13,126	13,260	57,118	20,139
Total liabilities	<u>52,918</u>	<u>12,573</u>	<u>17,678</u>	<u>15,746</u>	<u>70,595</u>	<u>28,319</u>
Net investment in capital assets	56,665	55,256	59,568	54,468	116,233	109,724
Restricted	15,458	16,256	-	-	15,458	16,256
Unrestricted	(22,601)	14,282	21,045	15,222	(1,556)	29,504
Total net position	<u>\$ 49,522</u>	<u>\$ 85,794</u>	<u>\$ 80,613</u>	<u>\$ 69,690</u>	<u>\$ 130,136</u>	<u>\$ 155,484</u>

A portion of the City of Roswell's net position of \$15,458,447 (12 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$1,555,679) 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 \$36,272,127. Key element of this decrease is as follows:

- A change in accounting principle resulted in a prior period restatement of \$39,305,161

Business-type Activities. Business-type activities increased the City's net position by \$8,512,198. The key element of this increase is as follows:

- The Airport fund received a capital grant in FY 2015 in the amount of approximately \$9 M.

**STATE OF NEW MEXICO
CITY OF ROSWELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

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

	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	2015	2014	2015	2014	2015	2014
Revenues						
Taxes	\$ 35,701	\$ 38,762	\$ 791	\$ 773	\$ 36,492	\$ 39,535
Intergovernmental	4,340	3,392	9,008	1,720	13,348	5,112
Charges for services	3,399	2,548	19,887	19,950	23,286	22,498
Other	24,113	236	(51)	489	24,062	725
Total revenues	51,989	44,938	29,634	22,932	81,623	67,870
Expenses						
General government	14,006	9,475	-	-	14,006	9,475
Public safety	21,869	21,606	-	-	21,869	21,606
Public works	7,101	9,848			7,101	9,848
Culture and recreation	7,611	7,714	-	-	7,611	7,714
Health and welfare	-	-	-	-	-	-
Interest on long term debt	73	154	508	742	581	896
Other		1,186		-	-	1,186
Airport		-	3,775	2,807	3,775	2,807
Solid waste		-	4,961	7,376	4,961	7,376
Water and sewer		-	10,174	10,517	10,174	10,517
Total expenses	50,661	49,983	18,910	21,442	69,571	71,425
Transfers	86	423	(86)	(423)	-	-
Changes in net position	\$ 1,414	\$ (4,622)	\$ 10,131	\$ 1,067	\$ 11,545	\$ (3,555)

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 \$34,569,963, an decrease of \$303,346 in comparison with the prior year. Approximately 51 percent of this total amount, \$17,680,839 constitutes *unassigned fund balance*, which is available for spending at the City's discretion. Approximately 1 percent of the total amount, \$369,906 is *assigned*

**STATE OF NEW MEXICO
CITY OF ROSWELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

for subsequent year's expenditures which is an internal designation of spendable fund balance. Approximately 1.4 percent of the total amount, \$515,194 is *committed for subsequent year's* expenditures which is an internal limitation of spendable fund balance. Approximately 45.3 percent of the total amount, \$15,662,310 is *restricted for subsequent year's* expenditures which have externally enforceable limitations imposed on the spendable fund balance. The remaining \$446,498 or approximately 1.2 percent 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 \$19,111,516, of which \$17,680,839 was unassigned.

The fund balance of the City's general fund increased by \$493,828 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 \$80,613,618, an increase of \$8,512,198 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 on page 23.

The net favorable variance of \$7,891,222 in general fund expenditures was primarily due to not expending all the funds budgeted. There was \$2,327,731 not expended in general government, \$1,970,461 not expended in public safety, \$468,009 not expended in culture and recreation, and \$3,313,498 not expended in capital outlays.

**STATE OF NEW MEXICO
CITY OF ROSWELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
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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, 2015, amounts to \$132,049 (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.

CITY OF ROSWELL'S CAPITAL ASSETS
(In thousands)

	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	2015	2014	2015	2014	2015	2014
Land	\$ 3,575	\$ 3,275	\$ 4,609	\$ 4,609	\$ 8,184	\$ 7,844
Land-right of way	5,143	5,143	-	-	5,143	5,143
Construction in progress	214	163	141	58	355	221
Library collection	2,823	2,692	-	-	2,823	2,692
Historical treasures	437	437	-	-	437	437
Water rights- intangible assets	-	-	12,145	11,786	12,145	11,786
Land improvements	14,640	13,229	10,966	10,595	25,606	23,824
Buildings and improvements	33,126	31,607	80,598	80,287	113,724	111,894
Machinery and equipment	23,544	11,447	16,976	16,814	40,520	28,261
Furniture and fixtures	136	129	118	119	254	248
Vehicles	14,360	14,607	6,321	8,150	20,681	22,757
Infrastructure	153,999	164,486	62,180	53,667	216,179	218,153
Total capital assets	251,997	247,215	194,055	186,085	446,052	433,300
Less: accumulated depreciation	190,969	186,659	123,034	121,059	314,003	307,718
Capital assets, net	\$ 61,027	\$ 60,556	\$ 71,021	\$ 65,026	\$ 132,049	\$ 125,582

**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 \$13,044 (in thousands) and capital leases outstanding of \$1,749 (in thousands) all of which is secured by pledged ad valorem (property) tax, gross receipts tax, or operating revenues.

CITY OF ROSWELL'S DEBT
(In thousands)

	Governmental		Business-type		Total	
	2015	2014	2015	2014	2015	2014
Bonds	\$ 2,869	\$ 3,700	\$ 10,175	\$ 10,275	\$ 13,044	\$ 13,975
Loans	-	-	-	-	-	-
Capital Leases	1,494	1,683	255	498	1,749	2,181
Total debt outstanding	\$ 4,363	\$ 5,383	\$ 10,430	\$ 10,773	\$ 14,793	\$ 16,156

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 8 on pages 47-48 of this report.

Economic Factors and Next Year's Budget

The City of Roswell, located in Chaves County, is the commercial hub for the region and maintains a comparatively strong and balanced economy. Roswell serves as the county seat, and is the largest city in Eastern New Mexico. The area has a diversified economy encompassing agriculture, medical, dairy, oil and gas, aviation, tourism, service industry, government, 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.

Approximately 44% of the City of Roswell's annual operating budget for governmental funds is received from gross receipts taxes. Roswell has been one of few municipalities in the state that has maintained a positive level of gross receipts revenues over the past five years. Diversity within the area job market bodes well for the city's ability to weather future financial challenges. However, conservative approaches in operations, budgeting and financial forecasting remain key components to the long term viability of the city's financial success. The city is poised for moderate to potentially strong economic growth in the foreseeable future.

The adopted combined operating and capital budgets for fiscal year 2016 total \$131,822,831 which is an increase of \$21,500,163 or 20% more than fiscal year 2015, due in large part to capital construction relating to airport and general infrastructure enhancements.

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, 2015**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets			
Cash, cash equivalents and investments	\$ 29,783,387	21,950,665	51,734,052
Receivables:			
Property taxes receivable	352,707	-	352,707
Other taxes receivable	5,042,669	-	5,042,669
Grants Receivable	293,395	-	293,395
Other receivables, net of allowance of \$407,947 and \$0, respectively	2,399,147	-	2,399,147
Customer receivables, net of allowance of \$0 and \$395,591, respectively	-	3,699,201	3,699,201
Note receivable	-	47,357	47,357
Inventory	101,498	1,453,696	1,555,194
Total current assets	<u>37,972,803</u>	<u>27,150,919</u>	<u>65,123,722</u>
Noncurrent assets			
Capital assets	251,996,986	194,055,335	446,052,321
Less: accumulated depreciation	<u>(190,969,026)</u>	<u>(123,033,918)</u>	<u>(314,002,944)</u>
Total noncurrent assets	<u>61,027,960</u>	<u>71,021,417</u>	<u>132,049,377</u>
Total Assets	<u>99,000,763</u>	<u>98,172,336</u>	<u>197,173,099</u>
Deferred Outflows			
Pension Related	3,439,361	119,037	3,558,398
Total Deferred Outflows	<u>3,439,361</u>	<u>119,037</u>	<u>3,558,398</u>

See Notes to Financial Statements.

**STATE OF NEW MEXICO
CITY OF ROSWELL
STATEMENT OF NET POSITION
June 30, 2015**

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
Liabilities			
Current liabilities			
Accounts payable	1,049,176	2,258,957	3,308,133
Accrued payroll expenses	1,822,195	431,067	2,253,262
Accrued compensated absences	1,005,854	208,070	1,213,924
Accrued interest	74,005	185,600	259,605
Meter and other deposits	275,732	173,709	449,441
Workers' compensation liability	4,036,277	-	4,036,277
Current portion of bonds and notes payable	661,708	1,294,671	1,956,379
Total current liabilities	<u>8,924,947</u>	<u>4,552,074</u>	<u>13,477,021</u>
Noncurrent liabilities			
Landfill closure	-	1,298,727	1,298,727
Bonds and notes payable	3,700,991	9,135,000	12,835,991
Net pension liability	31,123,875	1,198,600	32,322,475
Total noncurrent liabilities	<u>34,824,866</u>	<u>11,632,327</u>	<u>46,457,193</u>
Total liabilities	<u>43,749,813</u>	<u>16,184,401</u>	<u>59,934,214</u>
Deferred Inflows			
Pension Related	9,167,772	469,736	9,637,508
Debt reacquisition price in excess of carrying value	-	1,023,618	1,023,618
Total Deferred Inflows	<u>9,167,772</u>	<u>1,493,354</u>	<u>10,661,126</u>
Net Position			
Net investment in capital assets	56,665,261	59,568,128	116,233,389
Restricted for			
Debt service	354,902	-	354,902
Capital projects	9,803,686	-	9,803,686
Other purposes - special revenue	5,299,859	-	5,299,859
Unrestricted	<u>(22,601,169)</u>	<u>21,045,490</u>	<u>(1,555,679)</u>
Total Net Position	<u>\$ 49,522,539</u>	<u>80,613,618</u>	<u>130,136,157</u>

See Notes to Financial Statements.

STATE OF NEW MEXICO
CITY OF ROSWELL
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2015

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 14,005,620	1,841,002	1,674,627	-
Public safety	21,869,136	155,888	927,165	-
Public works	7,101,485	1,216,951	1,460,698	237,477
Culture and recreation	7,610,755	185,637	40,066	-
Interest on long-term debt	73,555	-	-	-
<i>Total government Activities</i>	<u>50,660,551</u>	<u>3,399,478</u>	<u>4,102,556</u>	<u>237,477</u>
Business-type Activities				
Airport	4,103,177	3,115,793	-	9,007,798
Solid Waste	4,960,765	5,384,717	-	-
Water and sewer	10,173,836	11,386,524	-	-
<i>Total business-type activities</i>	<u>19,237,778</u>	<u>19,887,034</u>	<u>-</u>	<u>9,007,798</u>
<i>Total primary government</i>	<u>\$ 69,898,329</u>	<u>23,286,512</u>	<u>4,102,556</u>	<u>9,245,275</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, as previously stated				
Prior Period Adjustment				
Net position, beginning, as restated				
Net position, ending				

See Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Position

Primary Government

Governmental Activities	Business-Type Activities	Total
(10,489,991)	-	(10,489,991)
(20,786,083)	-	(20,786,083)
(4,186,359)	-	(4,186,359)
(7,385,052)	-	(7,385,052)
<u>(73,555)</u>	<u>(507,575)</u>	<u>(581,130)</u>
<u>(42,921,040)</u>	<u>(507,575)</u>	<u>(43,428,615)</u>
-	8,020,414	8,020,414
-	423,952	423,952
-	<u>1,212,688</u>	<u>1,212,688</u>
-	<u>9,657,054</u>	<u>9,657,054</u>
<u>(42,921,040)</u>	<u>9,149,479</u>	<u>(33,771,561)</u>
4,839,365	-	4,839,365
358,398	-	358,398
30,503,372	790,977	31,294,349
981,664	-	981,664
3,236,874	-	3,236,874
31,966	31,680	63,646
279,180	147,336	426,516
4,018,562	97,419	4,115,981
<u>86,361</u>	<u>(86,361)</u>	<u>-</u>
<u>44,335,742</u>	<u>981,051</u>	<u>45,316,793</u>
<u>1,414,702</u>	<u>10,130,530</u>	<u>11,545,232</u>
85,794,666	72,101,420	157,896,086
<u>(37,686,829)</u>	<u>(1,618,332)</u>	<u>(39,305,161)</u>
48,107,837	70,483,088	118,590,925
\$ <u>49,522,539</u>	<u>80,613,618</u>	<u>130,136,157</u>

**STATE OF NEW MEXICO
CITY OF ROSWELL
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2015**

	General Fund 101	Road Fund 223	Capital Improvement Fund 301	Other Governmental Funds	Total Governmental Funds
<i>Assets</i>					
Cash, cash equivalents and investments	\$ 14,181,812	\$ 35,232	\$ 9,827,836	\$ 5,738,507	\$ 29,783,387
Receivables:					
Property taxes	352,707	-	-	-	352,707
Other taxes receivable	4,903,609	139,060	-	-	5,042,669
Grants Receivable- State	199,537	-	93,858	-	293,395
Other receivables-net of allowance of \$407,947	2,149,486	2,171	-	247,490	2,399,147
Inventory	101,498	-	-	-	101,498
Due from other funds	39,582	-	-	-	39,582
<i>Total assets</i>	<u>\$ 21,928,231</u>	<u>\$ 176,463</u>	<u>\$ 9,921,694</u>	<u>\$ 5,985,997</u>	<u>\$ 38,012,385</u>
<i>Liabilities and Fund Balances</i>					
<i>Liabilities</i>					
Accounts payable	\$ 765,900	\$ 57,234	\$ 60,087	\$ 165,955	\$ 1,049,176
Accrued payroll expenses	1,519,346	66,507	57,921	178,421	1,822,195
Accrued sales tax payable	-	-	-	-	-
Deposits payable	275,732	-	-	-	275,732
Due to other funds	-	-	-	39,582	39,582
<i>Total liabilities</i>	<u>2,560,978</u>	<u>123,741</u>	<u>118,008</u>	<u>383,958</u>	<u>3,186,685</u>
<i>Deferred Inflows</i>					
Unearned revenue - property taxes	255,737	-	-	-	255,737
<i>Total Deferred Inflows</i>	<u>255,737</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>255,737</u>
<i>Total Liabilities and Deferred Inflows</i>	<u>2,816,715</u>	<u>123,741</u>	<u>118,008</u>	<u>383,958</u>	<u>3,442,422</u>
<i>Fund balances</i>					
Nonspendable	101,498	-	-	345,000	446,498
Spendable					
Restricted	1,329,179	-	9,803,686	4,529,445	15,662,310
Committed	-	52,722	-	462,472	515,194
Assigned	-	-	-	369,906	369,906
Unassigned	17,680,839	-	-	(104,784)	17,576,055
<i>Total fund balances</i>	<u>19,111,516</u>	<u>52,722</u>	<u>9,803,686</u>	<u>5,602,039</u>	<u>34,569,963</u>
<i>Total liabilities and fund balances</i>	<u>\$ 21,928,231</u>	<u>\$ 176,463</u>	<u>\$ 9,921,694</u>	<u>\$ 5,985,997</u>	<u>\$ 38,012,385</u>

See Notes to Financial Statements.

STATE OF NEW MEXICO
CITY OF ROSWELL
GOVERNMENTAL FUNDS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2015

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

Fund balances - total governmental funds	\$ 34,569,963
Defined benefit pension plan deferred outflows are not financial resources and therefore are not reported in the funds	3,439,361
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	61,027,960
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	255,737
Defined benefit pension plan deferred inflows are not payable in the current period and, therefore, not reported in the funds.	(9,167,772)
Certain liabilities, including bonds and notes payable, are not due and payable in the current period and, therefore, are not reported in the funds	
Net pension liability	(31,123,875)
Accrued interest	(74,005)
Worker's comp liability	(4,036,277)
Accrued compensated absences	(1,005,854)
Bonds and notes payable	(4,362,699)
Net position of governmental activities	<u>\$ 49,522,539</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, 2015**

	General Fund 101	Road Fund 223	Capital Improvement Fund 301	Other Governmental Funds	Total Governmental Funds
<i>Revenues</i>					
<i>Taxes:</i>					
Property	\$ 4,609,137	-	-	359,590	4,968,727
Gross receipts	30,503,372	-	-	-	30,503,372
Gasoline and motor vehicle	187,780	793,884	-	-	981,664
Other taxes	1,972,687	110,000	-	1,154,187	3,236,874
<i>Intergovernmental</i>					
Federal operating grants	120,723	-	-	975,384	1,096,107
Federal capital grants	-	-	-	-	-
State operating grants	1,553,904	-	-	1,452,545	3,006,449
State capital grants	-	-	237,477	-	237,477
Charges for services	908,372	-	-	1,532,417	2,440,789
Licenses and fees	451,018	-	-	-	451,018
Fines, forfeitures, and penalties	481,612	-	-	26,059	507,671
Investment income	13,361	169	12,789	5,647	31,966
Miscellaneous	212,688	7,320	391	233,323	453,722
Total revenues	41,014,654	911,373	250,657	5,739,152	47,915,836
<i>Expenditures:</i>					
<i>Current:</i>					
General government	4,502,772	-	-	305,020	4,807,792
Public safety	20,955,010	-	-	914,126	21,869,136
Public works	-	3,674,782	1,177,276	2,249,427	7,101,485
Culture and recreation	5,528,955	2,169	-	2,079,631	7,610,755
Health and welfare	-	-	-	-	-
Capital outlay	2,079,148	369,613	2,562,410	874,472	5,885,643
Debt service					
Principal	375,724	-	-	645,000	1,020,724
Interest and other charges	2,575	-	-	112,840	115,415
Total expenditures	33,444,184	4,046,564	3,739,686	7,180,516	48,410,950
<i>Excess (deficiency) of revenues over (under) expenditures</i>	7,570,470	(3,135,191)	(3,489,029)	(1,441,364)	(495,114)
<i>Other Financing Sources (Uses)</i>					
Proceeds from loans	-	-	-	-	-
Transfers, in	1,112,000	3,029,727	2,784,887	1,766,768	8,693,382
Transfers, out	(8,287,547)	(314,474)	(5,000)	-	(8,607,021)
Proceeds from sale of capital assets	98,905	-	-	6,502	105,407
Total other financing sources (uses)	(7,076,642)	2,715,253	2,779,887	1,773,270	191,768
Net change in fund balances	493,828	(419,938)	(709,142)	331,906	(303,346)
Fund balances - beginning of year	18,617,688	472,660	10,512,828	5,270,133	34,873,309
Fund balances, end of year	\$ 19,111,516	52,722	9,803,686	5,602,039	34,569,963

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, 2015**

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

Net change in fund balances - total governmental funds	\$ (303,346)
Defined benefit pension plan deferred outflows are not financial resources and therefore are not reported in the funds	
Decrease in Pension expense	834,543
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	9,798,798
Depreciation expense	(9,326,223)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds:	
Increase in deferred revenue	230,228
Decrease in notes receivable	(174,542)
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	(39,564)
Decrease in accrued interest	40,668
Increase in worker's comp liability	(666,584)
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:	
Principal payments on bonds and notes payable	<u>1,020,724</u>
Change in net position of governmental activities	<u>\$ 1,414,702</u>

See Notes to Financial Statements.

STATE OF NEW MEXICO
CITY OF ROSWELL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
General Fund-101
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Taxes:				
Property	\$ 4,707,255	4,750,560	4,609,137	(141,423)
Gross Receipts	30,006,018	30,606,139	30,830,775	224,636
Gasoline and Motor Vehicle	175,000	175,000	187,780	12,780
Other Taxes	2,032,500	2,022,670	1,972,687	(49,983)
Intergovernmental				
Federal Operating Grants	-	215,085	120,723	(94,362)
Federal Capital Grants	-	-	-	-
State Operating Grants	3,889,353	3,939,353	1,553,904	(2,385,449)
State Capital Grants	-	-	-	-
Charges for Services	683,000	683,050	908,372	225,322
Licenses and Fees	378,750	378,750	451,018	72,268
Fines, Forfeitures, and Penalties	295,540	295,740	481,612	185,872
Investment Income	15,000	18,000	13,361	(4,639)
Miscellaneous	180,020	58,893	212,688	153,795
Total Revenues	<u>42,362,436</u>	<u>43,143,240</u>	<u>41,342,057</u>	<u>(1,801,183)</u>
Expenditures:				
Current:				
General Government	8,576,891	7,071,674	4,743,943	2,327,731
Public Safety	24,128,783	22,925,471	20,955,010	1,970,461
Public Works	-	-	-	-
Culture and Recreation	6,880,488	5,996,964	5,528,955	468,009
Health and Welfare	1,535,489	-	-	-
Capital Outlay	-	5,392,646	2,079,148	3,313,498
Debt Service				
Principal	187,013	187,246	375,724	(188,478)
Interest	2,576	2,576	2,575	1
Total Expenditures	<u>41,311,240</u>	<u>41,576,577</u>	<u>33,685,355</u>	<u>7,891,222</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>1,051,196</u>	<u>1,566,663</u>	<u>7,656,702</u>	<u>6,090,039</u>
Other Financing Sources (Uses):				
Designated Cash (Budget Cash Increase)				-
Proceeds from Loans	-	-	-	-
Transfers, In	1,112,000	1,112,000	1,112,000	-
Transfers, Out	(8,134,021)	(8,144,758)	(8,287,547)	(142,789)
Proceeds from sale of Capital Assets	-	-	98,905	(98,905)
Total Other Financing sources (Uses)	<u>(7,022,021)</u>	<u>(7,032,758)</u>	<u>(7,076,642)</u>	<u>(241,694)</u>
Net Change in Fund Balances	(5,970,825)	(5,466,095)	580,060	5,848,345
Fund Balances - Beginning of Year	-	-	18,617,688	18,617,688
Fund Balances, End of Year	<u>\$ (5,970,825)</u>	<u>(5,466,095)</u>	<u>19,197,748</u>	<u>24,466,033</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(327,403)	
Adjustments to Expenditures			241,171	
NET CHANGE IN FUND BALANCE			<u>\$ 493,828</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
CITY OF ROSWELL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
Road Fund-223
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Taxes:				
Property	\$ -	-	-	-
Gross Receipts	-	-	-	-
Gasoline and Motor Vehicle	750,000	750,000	798,566	48,566
Other Taxes	-	110,000	110,000	-
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	700	700	169	(531)
Miscellaneous	-	-	7,320	7,320
Total Revenues	<u>750,700</u>	<u>860,700</u>	<u>916,055</u>	<u>55,355</u>
Expenditures:				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	3,998,807	4,068,541	3,670,429	398,112
Culture and Recreation	2,000	2,200	2,169	31
Health and Welfare	-	-	-	-
Capital Outlay	354,000	378,566	369,613	8,953
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>4,354,807</u>	<u>4,449,307</u>	<u>4,042,211</u>	<u>407,096</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(3,604,107)</u>	<u>(3,588,607)</u>	<u>(3,126,156)</u>	<u>462,451</u>
Other Financing Sources (Uses):				
Designated Cash (Budget Cash Increase)				-
Proceeds from Loans	320,000	320,000	-	(320,000)
Transfers, In	3,131,655	3,118,655	3,029,727	(88,928)
Transfers, Out	(305,000)	(305,000)	(314,474)	(9,474)
Proceeds from sale of Capital Assets	-	-	-	-
Total Other Financing sources (Uses)	<u>3,146,655</u>	<u>3,133,655</u>	<u>2,715,253</u>	<u>(418,402)</u>
Net Change in Fund Balances	(457,452)	(454,952)	(410,903)	44,049
Fund Balances - Beginning of Year	-	-	472,660	472,660
Fund Balances, End of Year	<u>\$ (457,452)</u>	<u>(454,952)</u>	<u>61,757</u>	<u>516,709</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(4,682)	
Adjustments to Expenditures			(4,353)	
NET CHANGE IN FUND BALANCE			<u>\$ (419,938)</u>	

See Notes to Financial Statements.

**STATE OF NEW MEXICO
CITY OF ROSWELL
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2015**

	Airport	Solid Waste	Water and Sewer	Total
Assets				
Current Assets				
Cash, cash equivalents and investments	\$ 3,094,101	5,308,963	13,547,601	21,950,665
Customer receivables, net of allowance	2,526,867	373,135	799,199	3,699,201
Notes receivable	47,357	-	-	47,357
Inventory	-	-	1,453,696	1,453,696
Due from other funds	-	-	-	-
Total current assets	<u>5,668,325</u>	<u>5,682,098</u>	<u>15,800,496</u>	<u>27,150,919</u>
Noncurrent assets				
Notes receivable	-	-	-	-
Capital assets	64,971,773	16,118,157	112,965,405	194,055,335
Less: accumulated depreciation	<u>(39,458,934)</u>	<u>(10,250,408)</u>	<u>(73,324,576)</u>	<u>(123,033,918)</u>
Total noncurrent assets	<u>25,512,839</u>	<u>5,867,749</u>	<u>39,640,829</u>	<u>71,021,417</u>
Total assets	<u>31,181,164</u>	<u>11,549,847</u>	<u>55,441,325</u>	<u>98,172,336</u>
Deferred Outflows				
Pension Related	14,495	32,347	72,195	119,037
Total Deferred Outflows	<u>14,495</u>	<u>32,347</u>	<u>72,195</u>	<u>119,037</u>
Liabilities				
Current Liabilities				
Accounts payable	1,252,969	124,319	881,669	2,258,957
Accrued payroll expenses	35,709	101,448	293,910	431,067
Accrued sales tax payable	-	-	-	-
Accrued compensated absences	28,486	52,292	127,292	208,070
Accrued interest	-	19,775	165,825	185,600
Meter and other deposits	171,709	2,000	-	173,709
Due to other funds	-	-	-	-
Current portion of bonds and notes payable	254,671	365,000	675,000	1,294,671
Total current liabilities	<u>1,743,544</u>	<u>664,834</u>	<u>2,143,696</u>	<u>4,552,074</u>
Noncurrent Liabilities				
Landfill closure	-	1,298,727	-	1,298,727
Bonds and notes payable	-	765,000	8,370,000	9,135,000
Net Pension Liability	145,949	325,705	726,946	1,198,600
Total noncurrent liabilities	<u>145,949</u>	<u>2,389,432</u>	<u>9,096,946</u>	<u>11,632,327</u>
Total Liabilities	<u>1,889,493</u>	<u>3,054,266</u>	<u>11,240,642</u>	<u>16,184,401</u>
Deferred Inflows				
Pension Related	57,198	127,645	284,893	469,736
Debt reacquisition price in excess of carrying value	-	-	1,023,618	1,023,618
Total Deferred Inflows	<u>57,198</u>	<u>127,645</u>	<u>1,308,511</u>	<u>1,493,354</u>
Net Position				
Net investment in capital assets	25,258,168	4,737,749	29,572,211	59,568,128
Unrestricted net position	<u>3,990,800</u>	<u>3,662,534</u>	<u>13,392,156</u>	<u>21,045,490</u>
Total Net Position	<u>\$ 29,248,968</u>	<u>8,400,283</u>	<u>42,964,367</u>	<u>80,613,618</u>

**STATE OF NEW MEXICO
CITY OF ROSWELL
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2015**

	Airport	Solid Waste	Water and Sewer	Total
<i>Operating Revenues</i>				
Charges for Services	\$ 3,115,793	5,384,717	11,386,524	19,887,034
Operating Grants	9,007,798	-	-	9,007,798
Total operating revenues	12,123,591	5,384,717	11,386,524	28,894,832
<i>Operating Expenses</i>				
General and administrative	37,221	201,987	660,230	899,438
Personnel services	658,350	1,487,181	3,419,346	5,564,877
Contractual services	115,971	295,366	719,521	1,130,858
Supplies and purchased power	117,410	270,635	519,307	907,352
Maintenance and materials	1,415,042	1,492,848	1,799,639	4,707,529
Utilities	154,724	33,381	640,527	828,632
Gross receipts tax expense	20,461	264,491	507,785	792,737
Amortization	-	-	-	-
Closure costs	-	-	-	-
Depreciation	1,583,998	914,876	1,907,481	4,406,355
<i>Total operating expenses</i>	4,103,177	4,960,765	10,173,836	19,237,778
<i>Operation income (loss)</i>	8,020,414	423,952	1,212,688	9,657,054
<i>Non-operating revenues (expenses)</i>				
Interest income	7,635	6,624	17,421	31,680
Interest expense	(24,037)	(47,158)	(436,380)	(507,575)
Gross receipts tax revenue	20,741	263,189	507,047	790,977
Miscellaneous	36,657	28,652	82,027	147,336
Gain (loss) from sale of capital assets	55,754	12,711	28,954	97,419
Total non-operating revenues (expenses)	96,750	264,018	199,069	559,837
Income (Loss) Before Contributions and Transfers	8,117,164	687,970	1,411,757	10,216,891
<i>Other Financing Sources (Uses)</i>				
Transfers in	532,059	1,113,668	12,775,721	14,421,448
Transfers out	(620,374)	(704,335)	(13,183,100)	(14,507,809)
<i>Net transfers</i>	(88,315)	409,333	(407,379)	(86,361)
Change in net position	8,028,849	1,097,303	1,004,378	10,130,530
<i>Beginning net position</i>	21,417,177	7,742,742	42,941,501	72,101,420
<i>Prior period adjustment</i>	(197,058)	(439,762)	(981,512)	(1,618,332)
<i>Beginning net position restated</i>	21,220,119	7,302,980	41,959,989	70,483,088
<i>Net position, end of year</i>	\$ 29,248,968	8,400,283	42,964,367	80,613,618

STATE OF NEW MEXICO
CITY OF ROSWELL
COMBINED STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
Year Ended June 30, 2015

	Airport	Solid Waste	Water Sewer	Total
Cash Flows From Operating Activities				
Cash received from customers and others	\$ 9,937,842	5,370,495	11,486,419	26,794,756
Cash paid for goods and services	(1,786,803)	(2,473,101)	(4,790,874)	(9,050,778)
Cash paid to employees	(674,933)	(1,488,274)	(3,330,751)	(5,493,958)
Net cash provided by operating activities	7,476,106	1,409,120	3,364,794	12,250,020
Cash Flows From Investing Activities				
Interest income	7,635	6,624	17,421	31,680
Payments received on notes	399,566	-	-	399,566
Net cash provided by investing activities	407,201	6,624	17,421	431,246
Cash Flows From Non-Capital Financing				
Gross receipts taxes and other income received	20,741	263,189	507,047	790,977
Internal transfers and loans	(357,557)	409,333	(138,137)	(86,361)
Net cash provided (used) by non-capital financing activities	(336,816)	672,522	368,910	704,616
Cash Flows From Capital and Related Financing Activities				
Purchases of capital assets	(6,958,306)	(464,813)	(1,301,360)	(8,724,479)
Gain on sale of capital assets	55,754	12,711	28,954	97,419
Debt payment	(243,541)	(348,957)	1,273,618	681,120
Interest paid	(24,037)	(59,233)	(436,380)	(519,650)
Net cash used by capital and related financing activities	(7,170,130)	(860,292)	(435,168)	(8,465,590)
Net increase in cash and cash equivalents	376,361	1,227,974	3,315,957	4,920,292
Cash and restricted cash and cash equivalents, beginning of year	2,717,740	4,080,989	10,231,644	17,030,373
Cash and restricted cash and cash equivalents, end of year	\$ 3,094,101	5,308,963	13,547,601	21,950,665
Reconciliation of Operating Income to Net Cash Provided by Operating Activities				
Operating income	\$ 8,020,414	423,952	1,212,688	9,657,054
Adjustments to operating (loss) income to net cash provided by operating activities:				
Depreciation	1,583,998	914,876	1,907,481	4,406,355
Pension Expense	(8,406)	(18,759)	(41,868)	(69,033)
Disposition of Assets	(1,106,396)	31,987	(453,728)	(1,528,137)
Change in assets and liabilities:				
Receivables	(2,185,749)	(14,222)	99,895	(2,100,076)
Inventory	-	-	(121,715)	(121,715)
Accounts payable	1,149,722	53,620	630,659	1,834,001
Accrued Payroll	(2,511)	16,380	109,387	123,256
Accrued compensated absences	(5,666)	1,286	21,076	16,696
Meter other refundable deposits	30,700	-	919	31,619
Net cash used by operating activities	\$ 7,476,106	1,409,120	3,364,794	12,250,020

See Notes to Financial Statements.

**STATE OF NEW MEXICO
CITY OF ROSWELL
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS
June 30, 2015**

Assets

Cash	\$	<u>528,611</u>
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Liabilities

Deposits held in trust for others	\$	<u>528,611</u>
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See Notes to Financial Statements.

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

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, 2015**

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, 2015**

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, 2015**

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, 2015**

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, 2015**

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, 2015, the City reported deferred outflows for the defined pension plan. Deferred inflows are reported in the governmental funds regarding property taxes and the defined pension plan. 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.

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 enforceable lien on property thirty (30) days thereafter, at which time they become delinquent. Property taxes are collected by Chaves City 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, 2015 in the proprietary funds was \$1,453,696 and \$101,498 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.

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Accrued Expenses. Accrued expenses are comprised of payroll expenditures based on amounts earned by the employees through June 30, 2015, 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. Bond premiums and discounts, as well as issuance costs, are expensed as incurred. Bonds payable are reported net of the applicable bond premium or discount. There were no bond premiums or discounts at June 30, 2015. For fund financial reporting, bond premiums and discounts, as well as issuance costs are recognized in the period the bonds are issued. Bond proceeds are reported as an other financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Balance Classification Policies and Procedures. For committed fund balance the City 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, 2015 on the governmental funds balance sheet is \$515,194.

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 fund requirements if the City Council approves such in the budget. Assigned fund balance at June 30, 2015 on the governmental funds balance sheet is \$369,906.

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, 2015, the Nonspendable fund balance in the general fund is made up of inventory in the amount of \$101,498 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, 2015, the restricted fund balance on the governmental funds balance sheet is made up of \$15,662,310 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.

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- 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 page 72.
- 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.

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 ACCOUNTIBILITY

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.

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTIBILITY (CONTINUED)

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, 2015 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.

NOTE 3 – DEPOSITS AND INVESTMENTS

State statutes authorize the investment of City funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested funds of the City properly followed State investment requirements as of June 30, 2015.

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.

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

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, 2015, \$41,338,621, of the City’s bank balances of \$42,170,392 were exposed to custodial credit risk. \$20,832,417 was insured and collateralized by securities held by the pledging bank’s trust department, not in the City’s name and \$20,506,204 was uninsured and uncollateralized.

	NM Finance Authority	Pioneer Bank	Washington Federal Bank	Total
Amount of Deposits	\$ 81,771	\$ 26,533,621	\$ 15,555,000	\$ 42,170,392
Less: FDIC Coverage	81,771	500,000	250,000	831,771
Total uninsured public funds	-	26,033,621	15,305,000	41,338,621
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the City’s name	-	13,081,847	7,750,570	20,832,417
Uninsured and uncollateralized	\$ -	\$ 12,951,774	\$ 7,554,430	\$ 20,506,204
Collateral requirement (50% of uninsured public funds)				
Pledged collateral	\$ -	\$ 13,016,811	\$ 7,652,500	\$ 20,669,311
Over (under) collateralized	\$ -	\$ 65,037	\$ 98,070	\$ 163,107

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.

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

The City’s investments at June 30, 2015 include the following:

Investments	Rated	Weighted Average Maturity (R)	Weighted Average Maturity (F)	Fair Market Value
LGIP	*AAAm	59 Days	96 Days	\$ 11,276,598
				<u>\$ 11,276,598</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	\$ 51,734,052
Agency funds cash	528,611
Plus outstanding checks	1,364,752
Less: deposits in transit	(175,973)
Less: petty cash	(4,452)
Less: investments	<u>(11,276,598)</u>
Bank balance of deposits	<u>\$ 42,170,392</u>

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 4 – RECEIVABLES

Governmental funds receivables as of June 30, 2015 are shown as follows:

	General	Road Fund	Capital Improvements	Nonmajor Governmental Funds	Total
Property Taxes	\$ 352,707	-	-	-	352,707
Other Taxes	4,903,609	139,060	-	-	5,042,669
Intergovernmental grants:					
State	199,537	-	93,858	-	293,395
Licenses and fees	2,557,433	2,171	-	247,490	2,807,094
Less: Allowance for doubtful accounts	(407,947)	-	-	-	(407,947)
Totals by category	\$ 7,605,339	141,231	93,858	247,490	8,087,918

In accordance with GASB 33 property tax revenues in the amount of \$255,737 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
Grants Receivable	\$ 2,057,778	-	-	2,057,778
Customer receivables	496,442	454,897	1,085,675	2,037,014
Less: Allowance for doubtful accounts	(27,353)	(81,762)	(286,476)	(395,591)
Total by category	\$ 2,526,867	373,135	799,199	3,699,201

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, 2015 is as follows:

Due from Other Funds	Due to Other Funds	Amount
Library Grants Fund	General Fund	\$ 39,582
		\$ 39,582

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

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	\$ 8,287,547
Road	3,029,727	314,474
Capital Improvement	2,784,887	5,000
<i>Business-type Activities</i>		
Airport	532,059	620,374
Solid Waste	1,113,668	704,335
Water and Sewer	12,775,721	13,183,100
Total Major Funds	<u>21,348,062</u>	<u>23,114,830</u>
Non-Major Funds		
<i>Governmental Activities</i>	1,766,768	-
	<u>\$ 23,114,830</u>	<u>\$ 23,114,830</u>

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

NOTE 6 - NOTES RECEIVABLE

The City had the following notes receivable at year end:

	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Term</u>	<u>Outstanding Receivable June 30, 2015</u>	<u>Due Within One Year</u>
Business-Type Activities:					
Dean Baldwin					
Painting	\$ 528,406	4.00%	2006-2016	\$ 47,357	\$ 47,357
Total				<u>\$ 47,357</u>	<u>\$ 47,357</u>

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

Business-Type Activities				
<u>Fiscal Year Ending June 30,</u>		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$	<u>47,357</u>	<u>793</u>	<u>\$ 48,150</u>
Total	\$	<u>47,357</u>	<u>793</u>	<u>\$ 48,150</u>

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 7 – CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2015, 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, 2014	Additions	Deletions	Reclass	Balance June 30, 2015
Governmental Activities					
Capital Assets not being depreciated:					
Land	\$ 3,274,882	300,001	-	-	3,574,883
Land-right of way	5,143,067	-	-	-	5,143,067
Construction in Progress	163,147	73,593	22,605	-	214,135
Library Collection	2,691,863	130,966	-	-	2,822,829
Historical Treasures	437,204	-	-	-	437,204
Total	11,710,163	504,560	22,605	-	12,192,118
Capital Assets being depreciated:					
Land improvements	13,228,570	1,419,045	7,330	-	14,640,285
Buildings and improvements	31,607,341	1,551,355	32,540	-	33,126,156
Machinery and equipment	11,447,011	4,355,613	365,194	8,106,359	23,543,789
Furniture and fixtures	128,689	8,427	1,168	-	135,948
Vehicles	14,606,900	755,910	1,002,692	-	14,360,118
Infrastructure	164,486,204	1,203,888	3,585,161	(8,106,359)	153,998,572
Total	235,504,715	9,294,238	4,994,085	-	239,804,868
Less accumulated depreciation:					
Land improvements	6,710,741	509,667	-	-	7,220,408
Buildings and improvements	19,232,065	1,208,074	34,283	-	20,405,856
Machinery and equipment	8,691,629	4,133,908	-	-	12,825,537
Furniture and fixtures	128,689	100	1168	-	127,621
Vehicles	11,512,821	1,417,619	1,357,071	-	11,573,369
Infrastructure	140,383,548	2,056,855	3,624,168	-	138,816,235
Total	186,659,493	9,326,223	5,016,690	-	190,969,026
Total capital assets, net	\$ 60,555,385	472,575	-	-	61,027,960

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 7 – CAPITAL ASSETS (CONTINUED)

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

General government	\$	6,715,637
Public works		2,426,713
Culture and recreation		183,873
Total depreciation expense	<u>\$</u>	<u>9,326,223</u>

	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2015
Business-Type Activities				
Capital assets not being depreciated:				
Land	\$ 4,609,059	-	-	4,609,059
Construction in progress	58,466	141,740	58,466	141,740
Water rights-intangible assets	<u>11,786,410</u>	<u>358,828</u>	<u>-</u>	<u>12,145,238</u>
Total	16,453,935	500,568	58,466	16,896,037
Capital assets being depreciated:				
Land improvements	10,595,173	370,868	-	10,966,041
Buildings and improvements	80,287,176	541,175	230,447	80,597,904
Machinery and equipment	16,813,837	288,806	126,081	16,976,562
Furniture and fixtures	118,716	-	786	117,930
Vehicles	8,150,297	639,901	2,468,886	6,321,312
Infrastructure	<u>53,667,315</u>	<u>8,957,208</u>	<u>444,974</u>	<u>62,179,549</u>
Total	169,632,514	10,797,958	3,271,174	177,159,298
Less accumulated depreciation:				
Land improvements	2,962,545	541,393	3,708	3,500,230
Buildings and improvements	57,034,627	1,838,448	194,240	58,678,835
Machinery and equipment	15,312,605	407,774	126,080	15,594,299
Furniture and fixtures	101,994	6,503	785	107,712
Vehicles	6,336,623	681,481	2,106,255	4,911,849
Infrastructure	<u>39,310,237</u>	<u>930,756</u>	<u>-</u>	<u>40,240,993</u>
Total	<u>121,058,631</u>	<u>4,406,355</u>	<u>2,431,065</u>	<u>123,033,918</u>
Total capital assets, net of depreciation	<u>\$ 65,027,818</u>	<u>6,892,171</u>	<u>898,572</u>	<u>71,021,417</u>

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 7 – CAPITAL ASSETS (CONTINUED)

Depreciation expense for the year ended June 30, 2015 was charged to business-type activities as follows:

Airport	\$	1,583,998
Solid Waste		914,876
Water		<u>1,907,481</u>
Total depreciation expense	\$	<u>4,406,355</u>

NOTE 8 – LONG TERM DEBT

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

	Balance June 30, 2014	Additions	Retirements	Balance June 30, 2015	Due Within One Year
Bonds Payable	\$ 3,325,000	-	645,000	2,680,000	280,000
Notes Payable	375,635	-	187,246	188,389	188,389
Capital leases payable	1,682,788	-	188,478	1,494,310	193,319
Workers' Compensation	3,369,693	805,107	138,523	4,036,277	4,036,277
Compensated Absences	966,290	119,476	79,912	1,005,854	1,005,854
Totals	\$ 9,719,406	844,671	1,159,247	9,404,830	5,703,839

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 2015, compensated absences increased \$39,564 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.

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8 – LONG TERM DEBT (CONTINUED)

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.

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

Description	Original Issue	Final Maturity	Interest Rate	Balance June 30, 2015
General Obligation Series 2008	4,100,000	8/1/2022	3.05-5.30%	2,680,000
Total				\$ <u>2,680,000</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, 2015
Sun Trust Equipment Finance (fire truck)	\$ 375,052	7/3/2018	4.28%	\$ 168,853
Sun Trust Equipment Finance (fire truck)	1,623,422	9/14/2022	2.13%	1,325,457
Total				\$ <u>1,494,310</u>

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8 – LONG TERM DEBT (CONTINUED)

Debt Service Requirements. Debt service requirements on long-term debt for governmental activities at June 30, 2015 are as follows:

Bonds Payable

Fiscal Year Ending June 30,	Principal Payment	Interest Payment	Total Debt Service
2016	\$ 280,000	93,520	373,520
2017	295,000	83,811	363,811
2018	310,000	73,298	368,298
2019	325,000	62,104	372,104
2020	340,000	50,130	375,130
2021-2024	1,130,000	68,188	1,198,188
Total	\$ 2,680,000	431,050	3,051,050

Capital Leases Payable

Fiscal Year Ending June 30,	Principal Payment	Interest Payment	Total Debt Service
2016	\$ 193,319	35,471	228,790
2017	198,298	30,492	228,790
2018	203,420	25,369	228,790
2019	208,691	20,099	228,790
2020	167,239	14,675	181,914
2021-2025	523,344	22,398	545,742
Total	\$ 1,494,310	148,504	1,642,815

Notes Payable

Fiscal Year Ending June 30,	Principal Payment	Interest Payment	Total Debt Service
2016	\$ 188,389	1,809	190,098
Total	\$ 188,389	1,809	190,098

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8 – LONG TERM DEBT (CONTINUED)

Worker's Compensation. The Worker's Compensation liability of \$4,036,277 reported at June 30, 2015 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 2014 and 2015 are summarized below:

		Compensation
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
Current year claims insurance and changes in estimates		805,107
Claims and insurance payments		(138,523)
Claims liability, June 30, 2015	\$	<u>4,036,277</u>

Business-Type Activities. During the year ended June 30, 2015, the following changes occurred in the liabilities reported in the proprietary funds statement of net position:

	Balance June 30, 2014	Additions	Retirements	Balance June 30, 2015	Due Within One Year
Bonds payable	\$ 10,275,000,	9,845,000	9,945,000	10,175,000	1,040,000
Capital leases payable	498,212	-	243,541	254,671	254,671
Landfill closure and post closure	1,298,727	-	-	1,298,727	-
Compensated absences	191,374	172,911	66,215	208,070	208,070
Totals	<u>\$ 12,263,313</u>	<u>9,861,396</u>	<u>10,188,541</u>	<u>11,936,468</u>	<u>1,502,741</u>

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 2015, compensated absences increased \$16,696 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, 2015**

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.

The Joint Water and Sewer Improvement Revenue Bond Series 2014A were issued to provide funds to extend, enlarge, better, repair and otherwise improve the City’s Joint Water and Sewer System. The Bonds were issued pursuant to Sections 3-3 1-1 through 3-1- 1-12 NMSA 1978, as amended. The 2014A Bonds and all payments of principal, premium, and interest thereon whether at maturity or on a redemption date shall be paid with pledged revenue of the joint utility system.

During the year ended June 30, 2015, the City issued \$7,345,000 in refunding bonds with an effective interest rate of 2.00% to advance refund the Joint Utility System Series 2005. The 2005 bond had an interest rate of 3.75%. The total refunded principal was \$8,795,000. A Series 2005 Reserve Fund of \$1,023,618, and the net 2014B proceeds of \$8,155,992, which includes a premium of \$968,466, were deposited with an escrow agent and invested in open market securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for payment of the refunded bonds on their call date of June 1, 2015. As a result the refunded general obligation bonds are considered to be defeased, and the liability for those bonds has been removed from the financial statements. The advanced refunding was undertaken to reduce the total debt service payments over the next 8 years with a net present value savings to the City of \$748,000. The 2014B Bonds and all payments of principal, premium, and interest thereon whether at maturity or on a redemption date shall be paid with pledged revenue of the joint utility system.

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

Description	Original Issue	Final Maturity	Interest Rate	Balance June 30, 2015
Gross Receipts Tax Improvement Series 2008	3,190,000	6/1/2018	3.00-4.10%	1,130,000
Joint Water and Sewer Utility Improvement Bonds Series 2014A	2,500,000	06/01/2034	2.00-5.00%	2,415,000
Joint Water and Sewer Utility Refunding Bonds Series 2014B	7,345,000	06/01/2025	2.00-5.00%	6,630,000
Total				\$ <u>10,175,000</u>

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8 – LONG TERM DEBT (CONTINUED)

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, 2015
Sun Trust Equipment Finance (fire truck)	\$ 2,100,000	6/28/2016	4.57%	\$ 254,671
Total				\$ 254,671

Debt Service Requirements. Debt service requirements on long-term debt for business-type activities at June 30, 2015 are as follows:

Bonds Payable

Fiscal Year Ending June 30,	Principal Payment	Interest Payment	Total Debt Service
2016	\$ 1,040,000	404,665	1,444,665
2017	1,070,000	370,965	1,440,965
2018	1,105,000	335,115	1,440,115
2019	740,000	291,775	1,031,775
2020	770,000	263,425	1,033,425
2021-2025	4,365,000	805,375	5,170,375
Thereafter	1,085,000	181,238	1,266,238
Total	\$ 10,175,000	2,652,375	12,827,558

Capital Leases Payable

Fiscal Year Ending June 30,	Principal Payment	Interest Payment	Total Debt Service
2016	254,671	11,638	266,310
Total	\$ 254,671	11,638	266,310

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8 – LONG TERM DEBT (CONTINUED)

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		<u>3,710,649</u>
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		1,298,727
Total current year addition to liability		-
Estimated liability for the year ended June 30, 2015	\$	<u>1,298,727</u>

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 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.

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 9 – RISK MANAGEMENT (CONTINUED)

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 \$4,036,277 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 – 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

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

**NOTE 10 – POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN
(CONTINUED)**

schedule for the medical plus basic life plan plus an additional participation fee of five dollars if the eligible participant retired prior to the employer's RHCA effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at www.nmrhca.state.nm.us.

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2013, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2013, the statute required each participating employer to 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, 2015, 2014 and 2013 were \$437,272 \$432,809 and \$416,674 respectively, which equaled the required contribution for each year.

NOTE 11. – CONTINGENT LIABILITIES

The City is a defendant in a number of lawsuits as of June 30, 2015. 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.

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 12. –PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ACT

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

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

Benefits provided: For a description of the benefits provided and recent changes to the benefits see Note 1 in the PERA audited financial statements for the fiscal year ended June 30, 2015 available at http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2015.pdf.

Contributions: The contribution requirements of defined benefit plan members and the City are established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature. For the employer and employee contribution rates in effect for FY14 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures on pages 29 through 31 of the PERA FY14 annual audit report at http://osanm.org/media/audits/366_Public_Employees_Retirement_Association_2015.pdf. The PERA coverage options that apply to City are Municipal Plan 2 and Municipal Police Plan 5. Statutorily required contributions to the pension plan from the City were \$1,156,193 and employer paid member benefits that were “picked up” by the employer were \$0 for the year ended June 30, 2015.

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 12. –PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ACT (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: The PERA pension liability amounts, net pension liability amounts, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2013. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2015, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2015. The assets of the PERA fund are held in one trust, but there are six distinct membership groups (municipal general members, municipal police members, municipal fire members, state general members, state police members and legislative members) for whom separate contribution rates are determined each year pursuant to chapter 10, Article 11 NMSA 1978. Therefore, the calculations of the net pension liability, pension expense and deferred Inflows and Outflows were performed separately for each of the membership groups: municipal general members; municipal police members; municipal fire members; state general members; state police members and legislative members. The City's proportion of the net pension liability for each membership group that the employer participates in is based on the employer contributing entity's percentage of that membership group's total employer contributions for the fiscal year ended June 30, 2015. Only employer contributions for the pay period end dates that fell within the period of July 1, 2013 to June 30, 2015 were included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to FY 2015 are included in the total contribution amounts. In the event that an employer is behind in reporting to PERA its required contributions, an estimate (receivable) was used to project the unremitted employer contributions. This allowed for fair and consistent measurement of the contributions with the total population. This methodology was used to maintain consistent measurement each year in determining the percentages to be allocated among all the participating employers.

For PERA Fund Division Municipal Plan 2, at June 30, 2015, the City reported a liability of \$11,168,016 for its proportionate share of the net pension liability. At June 30, 2015, the City's proportion was 1.4316 % percent, which was unchanged from its proportion measured as of June 30, 2013, due to the insignificance of the difference.

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 12. - PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ACT (CONTINUED)

For the year ended June 30, 2015, the City recognized PERA Fund Division Municipal Plan 2 pension expense of \$465,928. At June 30, 2015, the City reported PERA Fund Division Municipal Plan 2 deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	4,369,223
Changes in assumptions	-	7,569
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between City's contributions and proportionate share of contributions	-	-
City's contributions subsequent to the measurement date	<u>1,109,143</u>	<u>-</u>
Total	<u>\$ 1,109,143</u>	<u>4,376,792</u>

\$1,109,143 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date June 30, 2015 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2016	\$ 1,094,188
2017	1,094,188
2018	1,094,188
2019	1,094,188
2020	40

PERA Fund Division Municipal Police Plan 5, at June 30, 2015, the City reported a liability of \$7,409,081 for its proportionate share of the net pension liability. At June 30, 2015, the City's proportion was 2.2728% percent, which was unchanged from its proportion measured as of June 30, 2013, due to the insignificance of the difference.

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 12. - PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ACT (CONTINUED)

For the year ended June 30, 2015, the City recognized PERA Fund Division Municipal Police Plan 5 pension expense of \$497,575. At June 30, 2015, the City reported PERA Fund Division Municipal Police Plan 5 deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	2,755,023
Changes in assumptions	-	601,870
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between City's contributions and proportionate share of contributions	-	-
City's contributions subsequent to the measurement date	<u>1,028,885</u>	<u>-</u>
Total	<u>\$ 1,028,885</u>	<u>3,356,893</u>

\$1,028,885 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date June 30, 2015 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2016	\$ 838,475
2017	838,475
2018	838,475
2019	838,475
2020	2,993

For PERA Fund Division Municipal Fire Plan, at June 30, 2015, the City reported a liability of \$13,745,378 for its proportionate share of the net pension liability. At June 30, 2015, the City's proportion was 3.2931 % percent, which was unchanged from its proportion measured as of June 30, 2013, due to the insignificance of the difference.

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 12. - PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ACT (CONTINUED)

For the year ended June 30, 2015, the City recognized PERA Fund Division Municipal Fire Plan 5 pension expense of \$1,214,153. At June 30, 2015, the City reported PERA Fund Division Municipal Fire Plan 5 deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	1,903,823
Changes in assumptions	477,166	-
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between City's contributions and proportionate share of contributions	-	-
City's contributions subsequent to the measurement date	<u>943,204</u>	<u>-</u>
Total	<u>\$ 1,420,370</u>	<u>1,903,823</u>

\$943,204 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date June 30, 2015 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2016	\$	357,258
2017		357,258
2018		357,258
2019		357,258
2020		2,375

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 12. - PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ACT (CONTINUED)

Actuarial assumptions: As described above, the PERA Fund member group pension liabilities and net pension liabilities are based on actuarial valuations performed as of June 30, 2013 for each of the membership groups. Then each PERA Fund member group pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2015 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2015. These actuarial methods and assumptions were adopted by the Board for use in the June 30, 2015 actuarial valuation.

Actuarial valuation date	June 30, 2013
Actuarial cost method	Entry age normal
Amortization method	Level of percentage pay
Amortization period	Solved for based on statutory rates
Asset valuation method	Fair value
Actuarial assumptions	
Investment rate of return	7.75% annual rate, net of investment expense
Payroll growth	3.50% annual rate
Projected salary increases	3.50% to 14.25% annual rate
Includes inflation at	3.00% annual rate

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	21.1%	5.00%
International Equity	24.8%	5.20%
Private Equity	7.0%	8.20%
Core and Global Fixed Income	26.1%	1.85%
Fixed Income Plus Sectors	5.0%	4.80%
Real Estate	5.0%	5.30%
Real Assets	7.0%	5.70%
Absolute Return	4.0%	4.15%
Total	<u>100.0%</u>	

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 12. - PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ACT (CONTINUED)

Discount rate: The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that future contributions will be made in accordance with statutory rates. On this basis, the pension plan’s fiduciary net position together with the expected future contributions are sufficient to provide all projected future benefit payments of current plan members as determined in accordance with GASBS 67. Therefore, the 7.75% assumed long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s proportionate share of the net pension liability to changes in the discount rate:

The following tables show the sensitivity of the net pension liability to changes in the discount rate. In particular, the tables present the City’s net pension liability in each PERA Fund Division that the City participates in, under the current single rate assumption, as if it were calculated using a discount rate one percentage lower (6.75%) or one percentage point higher (8.75%) that the single discount rate.

PERA Fund Division Municipal Plan 2

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
City’s proportionate share of the net pension liability	<u>\$ 21,054,222</u>	<u>11,168,016</u>	<u>3,530,449</u>

PERA Fund Division Municipal Police Plan 5

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
City’s proportionate share of the net pension liability	<u>\$ 14,129,129</u>	<u>7,409,081</u>	<u>2,391,312</u>

PERA Fund Division Municipal Fire Plan

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
City’s proportionate share of the net pension liability	<u>\$ 19,421,190</u>	<u>13,745,378</u>	<u>9,559,248</u>

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

Payables to the pension plan: The City accrued \$152,385 in PERA benefits at June 30, 2015 for the pay period beginning June 22, 2015, and ending July 5, 2015.

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

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.

NOTE 14 – RESTRICTED NET POSITION

The government-wide statement of net position reports \$15,458,447 of restricted net position, of which \$354,902 is restricted for debt service, \$9,803,686 is restricted for capital projects and \$5,299,859 is restricted by enabling legislation referred to in the special revenue fund descriptions on pages 36 and 69 to 71.

NOTE 15 – CONCENTRATIONS

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

NOTE 16 – SUBSEQUENT EVENTS

Subsequent to June 30, 2015, the City entered into the following Debt Agreement:

The City has entered into a new debt agreement September, for \$3.5 million. The purpose of the loan shall be for specific capital projects, including the acquisition of property, construction and reconstruction or rehabilitation of roads, buildings and other capital improvements as determined and approved by the City Council.

The date to which events occurring after June 30, 2015, the date of the most recent statement of net position, have been evaluated for possible adjustment to the financial statements or disclosures is December 15, 2015 which is the date on which the financial statements were issued.

NOTE 17 – SUBSEQUENT PRONOUNCEMENTS

In August 2012, the GASB issued Statement No.68, Accounting and Financial Reporting for Pensions — an amendment of GASB Statement 27. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. The Agency provides substantially all of its employees with pension benefits through the state’s multiple employer cost-sharing defined-benefit retirement plan administered by the Public Employees Retirement Association of New Mexico (PERA). GASB Statement 68 requires cost-

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 17 – SUBSEQUENT PRONOUNCEMENTS (CONTINUED)

sharing employers participating in the PERA program, such as the District, to record their proportionate share, as defined in GASB Statement 68, of District's unfunded pension liability. The Agency has no legal obligation to fund this shortfall nor does it have any ability to affect funding, benefit, or annual required contribution decisions made by PERA. GASB Statement 68 is effective for periods beginning after June 15, 2014. The District adopted GASB Statement No.68 during fiscal year 2015. The requirement of GASB Statement 68 to record a portion of PERA's unfunded liability has negatively impacted the Agency's unrestricted net position. Information regarding PERA's current funding status can be found in their financial report.

In November 2013, the GASB issued statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68. Statement No. 68 requires a state or local government employer to recognize a net pension liability measured as of the measurement date, no earlier than the end of its prior fiscal year. If a state or local government employer makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement No. 68 requires that the government recognize its contribution as a deferred outflow of resources. If it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition.

Accordingly, Statement No. 71 amends paragraph 137 of Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. The City adopted GASB Statement No.71 during fiscal year 2015.

In June 2015, the GASB issued Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. Statement No. 76, which supersedes Statement No. 55, aims to identify, in the context of the current governmental financial reporting environment, the hierarchy of U.S. GAAP, which consists of the sources of accounting principles used to prepare the financial statements of state and local governments entities in conformity with U.S. GAAP, as well as the framework for selecting those principles. The Agency adopted GASB Statement No. 76 during fiscal year 2015, with no significant impact to the Agency's financial statements.

NOTE 18- NEW ACCOUNTING PRONOUNCEMENTS

The following GASB pronouncements have been issued, but are not yet effective at June 30, 2015.

GASB Statement No. 72, Fair Value Measurement and Application

GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other than Pension Plans

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 18- NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)

The City will implement the new GASB pronouncements in the fiscal year no later than the required effective date. The District believes that the above listed new GASB pronouncements will not have a significant financial impact to the Agency or in issuing its financial statements.

NOTE 19 - 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 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.

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 20 – GOVERNMENTAL FUND BALANCE (CONTINUED)

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	\$ 101,498	-	-	-	101,498
South park cemetery	-	-	-	345,000	345,000
Restricted:					
Convention Center	-	-	-	1,032,305	1,032,305
Lodger's Tax	-	-	-	1,113,947	1,113,947
Community Development	-	-	-	-	-
Revolving Loan	-	-	-	1,258,759	1,258,759
Beautification Grant	-	-	-	1	1
Law Enforcement Grant	-	-	-	15,178	15,178
HIDTA Grant	-	-	-	29,718	29,718
Emergency Medical Services	-	-	-	1,436	1,436
Emergency Medical Services Grant-Fire	-	-	-	1,277	1,277
Hazardous Materials	-	-	-	27,768	27,768
Fire Protection	-	-	-	692,442	692,442
Federal Narcotic Seizure	-	-	-	351	351
JAG Grant	-	-	-	1,361	1,361
2008 GO Bonds	-	-	-	354,902	354,902
Capital projects	-	-	9,803,686	-	9,803,686
Government operations	1,329,179	-	-	-	1,329,179
Committed:					
Roads	-	52,722	-	-	52,722
Transit services	-	-	-	462,472	462,472
Assigned:					
	-	-	-	369,906	369,906
Unassigned:					
	17,680,839	-	-	(104,784)	17,576,055
Total fund balances:	\$ 19,111,516	52,722	9,803,686	5,602,039	34,569,963

NOTE 21. PRIOR PERIOD ADJUSTMENT

The prior period statements were restated as a result of implementing GASB Statement No. 68 in fiscal year 2015 and as a result of recording the net entries related to the statement of net position and statement of activities, the prior period net position decreased in the amount of \$39,305,161.

REQUIRED SUPPLEMENTARY INFORMATION

**STATE OF NEW MEXICO
CITY OF ROSWELL
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
June 30, 2015**

**New Mexico Educational Retirement Board Pension Plan
Schedule of Ten Year Tracking Data*
(Dollars in Thousands)**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
City's Proportion of the Net Pension Liability (Asset)	0.97%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
City's Proportionate Share of Net Pension Liability (Asset)	\$ 32,322	-	-	-	-	-	-	-	-	-
City's Covered-Employee Payroll	\$ 19,821	-	-	-	-	-	-	-	-	-
City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll	163.07%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.29%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

* This schedule is presented to illustrate the requirement to show information for 10 years. However until a full 10 year trend is complete, the City will present information for those years for which information is available.

**STATE OF NEW MEXICO
CITY OF ROSWELL
SCHEDULE OF CITY CONTRIBUTIONS
June 30, 2015**

**Schedule of Ten Year Tracking Data
(Dollars in Thousands)**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually Required Contribution	\$ 2,690	-	-	-	-	-	-	-	-	-
Contributions in Relation to the Contractually Required Contribution	2,690	-	-	-	-	-	-	-	-	-
Contribution Deficiency (Excess)	\$ -	-	-	-	-	-	-	-	-	-

Increase (Decrease) in Pension Expense over Recognition Periods

Year	Total Amount Deferred	Amortization Years	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
2015	\$ 9,638	5		2,290	2,290	2,290	2,290	478				
2016	-	5				-	-	-	-			
2017	-	5						-	-	-		
2018	-	5							-	-	-	
2019	-	5								-	-	-
2020	-	5									-	-
2021	-	5										-
2022	-	5										-
2023	-	5										-
2024	-	5										-
	<u>\$ 9,638</u>			<u>\$ 2,290</u>	<u>\$ 2,290</u>	<u>\$ 2,290</u>	<u>\$ 2,290</u>	<u>\$ 478</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

* This schedule is presented to illustrate the requirement to show information for 10 years. However until a full 10 year trend is complete, the City will present information for those years for which information is available.

STATE OF NEW MEXICO
CITY OF ROSWELL
SCHEDULE OF CITY CONTRIBUTIONS
June 30, 2015

Public Employees Retirement Association of New Mexico
Schedule of Ten Year Tracking Data
General Division
(Dollars in Thousands)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually Required Contribution	\$ 1,101	-	-	-	-	-	-	-	-	-
Contributions in Relation to the Contractually Required Contribution	1,101	-	-	-	-	-	-	-	-	-
Contribution Deficiency (Excess)*	\$ -	-	-	-	-	-	-	-	-	-

Increase (Decrease) in Pension Expense over Recognition Periods

Year	Total Amount Deferred	Amortization Years	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
2014	\$ 4,414	5		\$ 1,094	\$ 1,094	\$ 1,094	\$ 1,094	38				
2015	-	5										
2016	-	5										
2017	-	5										
2018	-	5										
2019	-	5										
2020	-	5										
2021	-	5										
2022	-	5										
2023	-	5										
	<u>\$ 4,414</u>			<u>\$ 1,094</u>	<u>1,094</u>	<u>1,094</u>	<u>1,094</u>	<u>38</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

*Excess contributions represent the employee portion covered by the employer

**STATE OF NEW MEXICO
CITY OF ROSWELL
SCHEDULE OF CITY CONTRIBUTIONS
June 30, 2015**

**Public Employees Retirement Association of New Mexico
Schedule of Ten Year Tracking Data
Police Division
(Dollars in Thousands)**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually Required Contribution	\$ 810	-	-	-	-	-	-	-	-	-
Contributions in Relation to the Contractually Required Contribution	810	-	-	-	-	-	-	-	-	-
Contribution Deficiency (Excess)*	\$ -	-	-	-	-	-	-	-	-	-

Increase (Decrease) in Pension Expense over Recognition Periods

Year	Total Amount Deferred	Amortization Years	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
2014	\$ 3,386	5		\$ 839	\$ 839	\$ 839	\$ 839	30				
2015	-	5										
2016	-	5										
2017	-	5										
2018	-	5										
2019	-	5										
2020	-	5										
2021	-	5										
2022	-	5										
2023	-	5										
	<u>\$ 3,386</u>			<u>\$ 839</u>	<u>839</u>	<u>839</u>	<u>839</u>	<u>30</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

*Excess contributions represent the employee portion covered by the employer

STATE OF NEW MEXICO
CITY OF ROSWELL
SCHEDULE OF CITY CONTRIBUTIONS
June 30, 2015

Public Employees Retirement Association of New Mexico
Schedule of Ten Year Tracking Data
Fire Division
(Dollars in Thousands)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually Required Contribution	\$ 779	-	-	-	-	-	-	-	-	-
Contributions in Relation to the Contractually Required Contribution	779	-	-	-	-	-	-	-	-	-
Contribution Deficiency (Excess)*	\$ -	-	-	-	-	-	-	-	-	-

Increase (Decrease) in Pension Expense over Recognition Periods

Year	Total Amount Deferred	Amortization Years	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
2014	\$ 1,838	5		\$ 357	\$ 357	\$ 357	\$ 357	\$ 410				
2015	-	5			-	-	-	-	-			
2016	-	5				-	-	-	-	-		
2017	-	5					-	-	-	-	-	
2018	-	5						-	-	-	-	-
2019	-	5							-	-	-	-
2020	-	5								-	-	-
2021	-	5									-	-
2022	-	5										-
2023	-	5										
	<u>\$ 1,838</u>			<u>\$ 357</u>	<u>357</u>	<u>357</u>	<u>357</u>	<u>410</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

*Excess contributions represent the employee portion covered by the employer

SUPPLEMENTARY INFORMATION

**STATE OF NEW MEXICO
CITY OF ROSWELL
NONMAJOR FUND DESCRIPTIONS
JUNE 30, 2015**

SPECIAL REVENUE FUNDS

Library Grants

To account for grant 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.

South Park Cemetery

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.

Mass Transit

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 City 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's Tax

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.

Unemployment Compensation

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, 2015**

SPECIAL REVENUE FUNDS (CONTINUED)

Community Development Revolving Loan

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.

Beautification Grant

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.

Law Enforcement Grant

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.

HIDTA Grant

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.

Emergency Medical Services

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.

EMS Grant – 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.

Hazardous Materials Emergency Response

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, 2015**

SPECIAL REVENUE FUNDS (CONTINUED)

Fire Protection

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.

Federal Narcotic Seizure

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.

State Narcotic Seizure

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.

JAG Grant

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

GO Bonds

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 City for bond repayment.

2008 GO Bonds

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 City for bond repayment.

**STATE OF NEW MEXICO
CITY OF ROSWELL
NONMAJOR FUND DESCRIPTIONS
JUNE 30, 2015**

CAPITAL PROJECTS FUNDS

Community Development Block Grant

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, 2015**

	Special Revenue			
	Library Grants 103	South Park Cemetery 202	Mass Transit 210	Recreation 215
<i>Assets</i>				
Cash and cash equivalents	\$ -	444,169	415,013	239,681
Receivables:				
Property taxes	-	-	-	-
Other receivables	-	80,623	126,895	9,238
Due from other funds	-	-	-	-
Total assets	\$ -	524,792	541,908	248,919
<i>Liabilities</i>				
Accounts payable	\$ 556	2,384	13,394	26,153
Accrued payroll expenses	-	21,481	66,042	89,401
Accrued sales tax payable	-	-	-	-
Due to other funds	39,582	-	-	-
Total liabilities	40,138	23,865	79,436	115,554
<i>Deferred Inflows - Property Taxes</i>				
Unearned revenue - property taxes	-	-	-	-
Total Deferred Inflows	-	-	-	-
Total Liabilities and Deferred Inflows	40,138	23,865	79,436	115,554
<i>Fund balances</i>				
Nonspendable	-	345,000	-	-
Spendable				
Restricted	-	-	-	-
Committed	-	-	462,472	-
Assigned	-	155,927	-	133,365
Unassigned	(40,138)	-	-	-
Total fund balances	(40,138)	500,927	462,472	133,365
Total liabilities and fund balances	\$ -	524,792	541,908	248,919

Special Revenue

Correction Fees 220	Convention Center 221	Lodger's Tax 222	Unemployment Compensation 226
-	1,032,305	1,157,957	89,273
-	-	-	-
-	-	-	-
-	-	-	-
<u>-</u>	<u>1,032,305</u>	<u>1,157,957</u>	<u>89,273</u>
64,646	-	44,010	8,659
-	-	-	-
-	-	-	-
-	-	-	-
<u>64,646</u>	<u>-</u>	<u>44,010</u>	<u>8,659</u>
-	-	-	-
-	-	-	-
<u>64,646</u>	<u>-</u>	<u>44,010</u>	<u>8,659</u>
-	-	-	-
-	1,032,305	1,113,947	-
-	-	-	-
-	-	-	80,614
(64,646)	-	-	-
<u>(64,646)</u>	<u>1,032,305</u>	<u>1,113,947</u>	<u>80,614</u>
<u>-</u>	<u>1,032,305</u>	<u>1,157,957</u>	<u>89,273</u>

STATE OF NEW MEXICO
CITY OF ROSWELL
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2015

	Special Revenue			
	Community Development Revolving Loan 230	Beautification Grant 240	Law Enforcement Grant 255	HIDTA Grant 258
<i>Assets</i>				
Cash and cash equivalents	\$ 1,258,759	1	15,437	481
Receivables:				
Property taxes	-	-	-	-
Other receivables	-	-	-	30,734
Due from other funds	-	-	-	-
Total assets	\$ 1,258,759	1	15,437	31,215
<i>Liabilities</i>				
Accounts payable	-	-	259	-
Accrued payroll expenses	-	-	-	1,497
Accrued sales tax payable	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	-	-	259	1,497
<i>Deferred Inflows - Property Taxes</i>				
Unearned revenue - property taxes	-	-	-	-
Total Deferred Inflows	-	-	-	-
Total Liabilities and Deferred Inflows	-	-	259	1,497
<i>Fund balances</i>				
Nonspendable	-	-	-	-
Spendable				
Restricted	1,258,759	1	15,178	29,718
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	1,258,759	1	15,178	29,718
Total liabilities and fund balances	\$ 1,258,759	1	15,437	31,215

Special Revenue

Emergency Medical Services 260	EMS Grant-Fire 261	Hazardous Materials Emergency Resp. 262	Fire Protection 265	Federal Narcotic Seizure 512
1,436	1,311	27,768	698,302	351
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>1,436</u>	<u>1,311</u>	<u>27,768</u>	<u>698,302</u>	<u>351</u>
-	34	-	5,860	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>34</u>	<u>-</u>	<u>5,860</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>34</u>	<u>-</u>	<u>5,860</u>	<u>-</u>
-	-	-	-	-
1,436	1,277	27,768	692,442	351
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>1,436</u>	<u>1,277</u>	<u>27,768</u>	<u>692,442</u>	<u>351</u>
<u>1,436</u>	<u>1,311</u>	<u>27,768</u>	<u>698,302</u>	<u>351</u>

STATE OF NEW MEXICO
CITY OF ROSWELL
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2015

	Special Revenue		Debt Service		Total Nonmajor Governmental Funds
	State	JAG Grant	GO Bonds	2008 GO Bonds	
	Narcotic Seizure 513	514	104	106	
<i>Assets</i>					
Cash and cash equivalents	\$ -	1,361	-	354,902	5,738,507
Receivables:					
Property taxes	-	-	-	-	-
Other receivables	-	-	-	-	247,490
Due from other funds	-	-	-	-	-
Total assets	\$ -	1,361	-	354,902	5,985,997
<i>Liabilities</i>					
Accounts payable	\$ -	-	-	-	165,955
Accrued payroll expenses	-	-	-	-	178,421
Accrued sales tax payable	-	-	-	-	-
Due to other funds	-	-	-	-	39,582
Total liabilities	-	-	-	-	383,958
<i>Deferred Inflows - Property Taxes</i>					
Unearned revenue - property taxes	-	-	-	-	-
Total Deferred Inflows	-	-	-	-	-
Total Liabilities and Deferred Inflows	-	-	-	-	383,958
<i>Fund balances</i>					
Nonspendable	-	-	-	-	345,000
Spendable					
Restricted	-	1,361	-	354,902	4,529,445
Committed	-	-	-	-	462,472
Assigned	-	-	-	-	369,906
Unassigned	-	-	-	-	(104,784)
Total fund balances	-	1,361	-	354,902	5,602,039
Total liabilities and fund balances	\$ -	1,361	-	354,902	5,985,997

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, 2015

	Special Revenue			
	Library Grants	South Park Cemetery	Mass Transit	Recreation
	<u>103</u>	<u>202</u>	<u>210</u>	<u>215</u>
<i>Revenues</i>				
Taxes:				
Property	\$ -	-	-	-
Gross Receipts	-	-	-	-
Other	-	-	-	9,173
Intergovernmental				
Federal operating grants	-	-	975,384	-
Federal capital grants	-	-	-	-
State operating grants	29,201	-	-	-
State capital grants	-	-	-	-
Charges for services	-	449,135	92,912	185,637
Licenses and fees	-	-	-	-
Investment income	-	786	534	300
Fines, forfeitures, and penalties	-	-	-	-
Miscellaneous	-	20,000	7,378	26,432
<i>Total revenues</i>	<u>29,201</u>	<u>469,921</u>	<u>1,076,208</u>	<u>221,542</u>
<i>Expenditures:</i>				
Current:				
General government	-	2,956	-	-
Public safety	-	-	-	-
Public works	-	502,018	1,262,095	-
Culture and recreation	69,383	-	-	1,481,851
Health and welfare	-	-	-	-
Capital outlay	-	20,000	252,544	79,105
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>69,383</u>	<u>524,974</u>	<u>1,514,639</u>	<u>1,560,956</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(40,182)</u>	<u>(55,053)</u>	<u>(438,431)</u>	<u>(1,339,414)</u>
Other Financing Sources (Uses)				
Proceeds from loans	-	-	-	-
Transfers, in	-	85,284	386,876	1,237,981
Transfers, out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>85,284</u>	<u>386,876</u>	<u>1,237,981</u>
<i>Net change in fund balances</i>	(40,182)	30,231	(51,555)	(101,433)
<i>Fund balances - beginning of year</i>	<u>44</u>	<u>470,696</u>	<u>514,027</u>	<u>234,798</u>
<i>Fund balances, end of year</i>	<u>\$ (40,138)</u>	<u>500,927</u>	<u>462,472</u>	<u>133,365</u>

Special Revenue

Correction Fees 220	Convention Center 221	Lodger's Tax 222	Unemployment Compensation 226
-	-	-	-
-	-	-	-
-	-	1,145,014	-
-	-	-	-
-	-	-	-
-	-	-	-
129,829	674,904	-	-
-	-	-	-
-	-	1,321	134
-	-	-	-
-	-	4,565	-
<u>129,829</u>	<u>674,904</u>	<u>1,150,900</u>	<u>134</u>
-	-	244,734	53,370
335,894	-	-	-
-	-	-	-
-	-	517,398	-
-	-	-	-
-	-	40,092	-
-	-	-	-
-	-	-	-
<u>335,894</u>	<u>-</u>	<u>802,224</u>	<u>53,370</u>
<u>(206,065)</u>	<u>674,904</u>	<u>348,676</u>	<u>(53,236)</u>
-	-	-	-
16,442	-	-	30,000
-	-	-	-
-	-	-	-
<u>16,442</u>	<u>-</u>	<u>-</u>	<u>30,000</u>
(189,623)	674,904	348,676	(23,236)
<u>124,977</u>	<u>357,401</u>	<u>765,271</u>	<u>103,850</u>
<u>(64,646)</u>	<u>1,032,305</u>	<u>1,113,947</u>	<u>80,614</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, 2015**

	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	-	10,865	84,000	114,729
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	822	-	-	-
Fines, forfeitures, and penalties	-	-	-	-
Miscellaneous	174,543	-	-	-
<i>Total revenues</i>	<u>175,365</u>	<u>10,865</u>	<u>84,000</u>	<u>114,729</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	53,045	108,325
Public works	-	-	-	-
Culture and recreation	-	10,999	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	37,351	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>10,999</u>	<u>90,396</u>	<u>108,325</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>175,365</u>	<u>(134)</u>	<u>(6,396)</u>	<u>6,404</u>
Other Financing Sources (Uses)				
Proceeds from loans	-	-	-	-
Transfers, in	-	10,185	-	-
Transfers, out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>10,185</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	175,365	10,051	(6,396)	6,404
<i>Fund balances - beginning of year</i>	<u>1,083,394</u>	<u>(10,050)</u>	<u>21,574</u>	<u>23,314</u>
<i>Fund balances, end of year</i>	<u>\$ 1,258,759</u>	<u>1</u>	<u>15,178</u>	<u>29,718</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	681,436	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	1,192	-
-	-	-	-	24,306
-	405	-	-	-
<u>20,000</u>	<u>20,405</u>	<u>7,000</u>	<u>682,628</u>	<u>24,306</u>
-	-	-	-	-
18,638	32,423	7,007	335,520	15,449
-	-	-	-	-
-	-	-	-	-
-	-	-	380,680	62,876
-	-	-	-	-
-	-	-	-	-
<u>18,638</u>	<u>32,423</u>	<u>7,007</u>	<u>716,200</u>	<u>78,325</u>
<u>1,362</u>	<u>(12,018)</u>	<u>(7)</u>	<u>(33,572)</u>	<u>(54,019)</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>1,362</u>	<u>(12,018)</u>	<u>(7)</u>	<u>(33,572)</u>	<u>(54,019)</u>
<u>74</u>	<u>13,295</u>	<u>27,775</u>	<u>726,014</u>	<u>54,370</u>
<u><u>1,436</u></u>	<u><u>1,277</u></u>	<u><u>27,768</u></u>	<u><u>692,442</u></u>	<u><u>351</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, 2015**

	Special Revenue		Debt Service	
	State Narcotic Seizure	JAG Grant	GO Bonds	2008 GO Bonds
	513	514	104	106
<i>Revenues</i>				
Taxes:				
Property	\$ -	-	-	359,590
Gross Receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	49	509
Fines, forfeitures, and penalties	1,753	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,753</u>	<u>-</u>	<u>49</u>	<u>360,099</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	40	3,920
Public safety	6,984	841	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	1,824	-	-	-
Debt service				
Principal	-	-	375,000	270,000
Interest	-	-	10,380	102,460
<i>Total expenditures</i>	<u>8,808</u>	<u>841</u>	<u>385,420</u>	<u>376,380</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(7,055)</u>	<u>(841)</u>	<u>(385,371)</u>	<u>(16,281)</u>
Other Financing Sources (Uses)				
Proceeds from loans	-	-	-	-
Transfers, in	-	-	-	-
Transfers, out	-	-	-	-
Proceeds from sale of capital assets	6,502	-	-	-
<i>Total other financing sources (uses)</i>	<u>6,502</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	(553)	(841)	(385,371)	(16,281)
<i>Fund balances - beginning of year</i>	<u>553</u>	<u>2,202</u>	<u>385,371</u>	<u>371,183</u>
<i>Fund balances, end of year</i>	<u>\$ -</u>	<u>1,361</u>	<u>-</u>	<u>354,902</u>

<u>Capital Projects</u>	
<u>Community Development Block Grant 305</u>	<u>Total Nonmajor Governmental Funds</u>
-	359,590
-	-
-	1,154,187
-	975,384
-	-
485,314	1,452,545
-	-
-	1,532,417
-	-
-	5,647
-	26,059
-	233,323
<u>485,314</u>	<u>5,739,152</u>
-	305,020
-	914,126
485,314	2,249,427
-	2,079,631
-	-
-	874,472
-	645,000
-	112,840
<u>485,314</u>	<u>7,180,516</u>
-	(1,441,364)
-	-
-	1,766,768
-	-
-	6,502
<u>-</u>	<u>1,773,270</u>
-	331,906
-	5,270,133
<u>-</u>	<u>5,602,039</u>

STATE OF NEW MEXICO
CITY OF ROSWELL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
LIBRARY SPECIAL REVENUE FUND - 103
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Taxes:				
Property	\$ -	-	-	-
Gross Receipts	-	-	-	-
Gasoline and Motor Vehicle	-	-	-	-
Other Taxes	-	-	-	-
Intergovernmental				
Federal Operating Grants	-	-	-	-
Federal Capital Grants	-	-	-	-
State Operating Grants	60,000	84,780	29,201	(55,579)
State Capital Grants	-	-	-	-
Charges for Services	-	-	-	-
Licenses and Fees	-	-	-	-
Fines, Forfeitures, and Penalties	-	-	-	-
Investment Income	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>60,000</u>	<u>84,780</u>	<u>29,201</u>	<u>(55,579)</u>
Expenditures:				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	60,044	84,824	69,939	14,885
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>60,044</u>	<u>84,824</u>	<u>69,939</u>	<u>14,885</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(44)</u>	<u>(44)</u>	<u>(40,738)</u>	<u>(40,694)</u>
Other Financing Sources (Uses):				
Designated Cash (Budget Cash Increase)				-
Proceeds from Loans	-	-	-	-
Transfers, In	-	-	-	-
Transfers, Out	-	-	-	-
Proceeds from sale of Capital Assets	-	-	-	-
Total Other Financing sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(44)	(44)	(40,738)	(40,694)
Fund Balances - Beginning of Year	-	-	44	44
Fund Balances, End of Year	<u>\$ (44)</u>	<u>(44)</u>	<u>(40,694)</u>	<u>(40,650)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			556	
NET CHANGE IN FUND BALANCE			<u>\$ (40,182)</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
CITY OF ROSWELL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
SOUTH PARK CEMETARY SPECIAL REVENUE FUND - 202
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Taxes:				
Property	\$ -	-	-	-
Gross Receipts	-	-	-	-
Gasoline and Motor Vehicle	-	-	-	-
Other Taxes	-	-	-	-
Intergovernmental				
Federal Operating Grants	-	-	-	-
Federal Capital Grants	-	-	-	-
State Operating Grants	-	-	-	-
State Capital Grants	-	-	-	-
Charges for Services	410,000	410,000	436,098	26,098
Licenses and Fees	-	-	-	-
Fines, Forfeitures, and Penalties	-	-	-	-
Investment Income	1,050	1,050	786	(264)
Miscellaneous	-	-	20,000	20,000
Total Revenues	<u>411,050</u>	<u>411,050</u>	<u>456,884</u>	<u>45,834</u>
Expenditures:				
Current:				
General Government	272,620	5,476	2,956	2,520
Public Safety	-	-	-	-
Public Works	302,851	537,271	503,840	33,431
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	6,426	20,000	(13,574)
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>575,471</u>	<u>549,173</u>	<u>526,796</u>	<u>22,377</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(164,421)</u>	<u>(138,123)</u>	<u>(69,912)</u>	<u>68,211</u>
Other Financing Sources (Uses):				
Designated Cash (Budget Cash Increase)				-
Proceeds from Loans	-	-	-	-
Transfers, In	114,314	85,284	85,284	-
Transfers, Out	-	-	-	-
Proceeds from sale of Capital Assets	-	-	-	-
Total Other Financing sources (Uses)	<u>114,314</u>	<u>85,284</u>	<u>85,284</u>	<u>-</u>
Net Change in Fund Balances	(50,107)	(52,839)	15,372	68,211
Fund Balances - Beginning of Year	-	-	470,696	470,696
Fund Balances, End of Year	<u>\$ (50,107)</u>	<u>(52,839)</u>	<u>486,068</u>	<u>538,907</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			13,037	
Adjustments to Expenditures			1,822	
NET CHANGE IN FUND BALANCE			<u>\$ 30,231</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
CITY OF ROSWELL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
MASS TRANSIT SPECIAL REVENUE FUND - 210
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Taxes:				
Property	\$ -	-	-	-
Gross Receipts	-	-	-	-
Gasoline and Motor Vehicle	-	-	-	-
Other Taxes	-	-	-	-
Intergovernmental				
Federal Operating Grants	738,750	738,750	1,050,473	311,723
Federal Capital Grants	-	-	-	-
State Operating Grants	-	-	-	-
State Capital Grants	-	-	-	-
Charges for Services	96,500	96,500	92,912	(3,588)
Licenses and Fees	-	-	-	-
Fines, Forfeitures, and Penalties	-	-	-	-
Investment Income	500	500	534	34
Miscellaneous	-	7,378	7,378	-
Total Revenues	<u>835,750</u>	<u>843,128</u>	<u>1,151,297</u>	<u>308,169</u>
Expenditures:				
Current:				
General Government	8,014	4,734	-	4,734
Public Safety	-	-	-	-
Public Works	1,561,451	1,566,328	1,251,368	314,960
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	185,000	185,001	252,544	(67,543)
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>1,754,465</u>	<u>1,756,063</u>	<u>1,503,912</u>	<u>252,151</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(918,715)</u>	<u>(912,935)</u>	<u>(352,615)</u>	<u>560,320</u>
Other Financing Sources (Uses):				
Designated Cash (Budget Cash Increase)				-
Proceeds from Loans	-	-	-	-
Transfers, In	377,402	377,402	386,876	9,474
Transfers, Out	-	-	-	-
Proceeds from sale of Capital Assets	-	-	-	-
Total Other Financing sources (Uses)	<u>377,402</u>	<u>377,402</u>	<u>386,876</u>	<u>9,474</u>
Net Change in Fund Balances	(541,313)	(535,533)	34,261	569,794
Fund Balances - Beginning of Year	-	-	514,027	514,027
Fund Balances, End of Year	<u>\$ (541,313)</u>	<u>(535,533)</u>	<u>548,288</u>	<u>1,083,821</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(75,089)	
Adjustments to Expenditures			(10,727)	
NET CHANGE IN FUND BALANCE			<u>\$ (51,555)</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
CITY OF ROSWELL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
RECREATION SPECIAL REVENUE FUND - 215
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Taxes:				
Property	\$ -	-	-	-
Gross Receipts	-	-	-	-
Gasoline and Motor Vehicle	-	-	-	-
Other Taxes	65,600	8,500	9,173	673
Intergovernmental				
Federal Operating Grants	-	-	-	-
Federal Capital Grants	-	-	-	-
State Operating Grants	500,000	500,000	-	(500,000)
State Capital Grants	-	-	-	-
Charges for Services	117,200	205,432	175,035	(30,397)
Licenses and Fees	-	-	-	-
Fines, Forfeitures, and Penalties	-	-	-	-
Investment Income	300	150	300	150
Miscellaneous	-	15,985	14,520	(1,465)
Total Revenues	<u>683,100</u>	<u>730,067</u>	<u>199,028</u>	<u>(531,039)</u>
Expenditures:				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	348,388	2,188,658	1,445,139	743,519
Health and Welfare	-	-	-	-
Capital Outlay	-	85,802	79,105	6,697
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>348,388</u>	<u>2,274,460</u>	<u>1,524,244</u>	<u>750,216</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>334,712</u>	<u>(1,544,393)</u>	<u>(1,325,216)</u>	<u>219,177</u>
Other Financing Sources (Uses):				
Designated Cash (Budget Cash Increase)				-
Proceeds from Loans	-	-	-	-
Transfers, In	-	1,237,981	1,237,981	-
Transfers, Out	-	-	-	-
Proceeds from sale of Capital Assets	-	-	-	-
Total Other Financing sources (Uses)	<u>-</u>	<u>1,237,981</u>	<u>1,237,981</u>	<u>-</u>
Net Change in Fund Balances	334,712	(306,412)	(87,235)	219,177
Fund Balances - Beginning of Year	-	-	234,798	234,798
Fund Balances, End of Year	<u>\$ 334,712</u>	<u>(306,412)</u>	<u>147,563</u>	<u>453,975</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			10,602	
Adjustments to Expenditures			(24,800)	
NET CHANGE IN FUND BALANCE			<u>\$ (101,433)</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
CITY OF ROSWELL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
CORRECTIONS FEES SPECIAL REVENUE FUND - 220
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Taxes:				
Property	\$ -	-	-	-
Gross Receipts	-	-	-	-
Gasoline and Motor Vehicle	-	-	-	-
Other Taxes	-	-	-	-
Intergovernmental				
Federal Operating Grants	-	-	-	-
Federal Capital Grants	-	-	-	-
State Operating Grants	-	-	-	-
State Capital Grants	-	-	-	-
Charges for Services	130,000	132,151	129,829	(2,322)
Licenses and Fees	-	-	-	-
Fines, Forfeitures, and Penalties	-	-	-	-
Investment Income	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>130,000</u>	<u>132,151</u>	<u>129,829</u>	<u>(2,322)</u>
Expenditures:				
Current:				
General Government	-	-	-	-
Public Safety	273,187	289,629	289,458	171
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>273,187</u>	<u>289,629</u>	<u>289,458</u>	<u>171</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(143,187)</u>	<u>(157,478)</u>	<u>(159,629)</u>	<u>(2,151)</u>
Other Financing Sources (Uses):				
Designated Cash (Budget Cash Increase)				-
Proceeds from Loans	-	-	-	-
Transfers, In	-	16,442	16,442	-
Transfers, Out	-	-	-	-
Proceeds from sale of Capital Assets	-	-	-	-
Total Other Financing sources (Uses)	<u>-</u>	<u>16,442</u>	<u>16,442</u>	<u>-</u>
Net Change in Fund Balances	(143,187)	(141,036)	(143,187)	(2,151)
Fund Balances - Beginning of Year	-	-	124,977	124,977
Fund Balances, End of Year	\$ <u>(143,187)</u>	<u>(141,036)</u>	<u>(18,210)</u>	<u>122,826</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			(46,436)	
NET CHANGE IN FUND BALANCE			<u>\$ (189,623)</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
CITY OF ROSWELL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
CONVENTION CENTER SPECIAL REVENUE FUND - 221
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Taxes:				
Property	\$ -	-	-	-
Gross Receipts	-	-	-	-
Gasoline and Motor Vehicle	-	-	-	-
Other Taxes	-	-	-	-
Intergovernmental				
Federal Operating Grants	-	-	-	-
Federal Capital Grants	-	-	-	-
State Operating Grants	-	-	-	-
State Capital Grants	-	-	-	-
Charges for Services	550,374	550,574	674,904	124,330
Licenses and Fees	-	-	-	-
Fines, Forfeitures, and Penalties	-	-	-	-
Investment Income	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>550,374</u>	<u>550,574</u>	<u>674,904</u>	<u>124,330</u>
Expenditures:				
Current:				
General Government	-	50,000	-	50,000
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	581,342	531,342	-	531,342
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>581,342</u>	<u>581,342</u>	<u>-</u>	<u>581,342</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(30,968)</u>	<u>(30,768)</u>	<u>674,904</u>	<u>705,672</u>
Other Financing Sources (Uses):				
Designated Cash (Budget Cash Increase)				-
Proceeds from Loans	-	-	-	-
Transfers, In	-	-	-	-
Transfers, Out	-	-	-	-
Proceeds from sale of Capital Assets	-	-	-	-
Total Other Financing sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(30,968)	(30,768)	674,904	705,672
Fund Balances - Beginning of Year	-	-	357,401	357,401
Fund Balances, End of Year	<u>\$ (30,968)</u>	<u>(30,768)</u>	<u>1,032,305</u>	<u>1,063,073</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 674,904</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
CITY OF ROSWELL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
LODGER'S TAX SPECIAL REVENUE FUND - 222
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Taxes:				
Property	\$ -	-	-	-
Gross Receipts	-	-	-	-
Gasoline and Motor Vehicle	-	-	-	-
Other Taxes	1,001,000	1,001,050	1,145,014	143,964
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	700	700	1,321	621
Miscellaneous	-	4,565	4,565	-
Total Revenues	<u>1,001,700</u>	<u>1,006,315</u>	<u>1,150,900</u>	<u>144,585</u>
Expenditures:				
Current:				
General Government	702,846	659,440	244,734	414,706
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	469,739	611,271	542,559	68,712
Health and Welfare	-	-	-	-
Capital Outlay	-	159,769	40,092	119,677
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>1,172,585</u>	<u>1,430,480</u>	<u>827,385</u>	<u>603,095</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(170,885)</u>	<u>(424,165)</u>	<u>323,515</u>	<u>747,680</u>
Other Financing Sources (Uses):				
Designated Cash (Budget Cash Increase)				-
Proceeds from Loans	-	-	-	-
Transfers, In	-	-	-	-
Transfers, Out	-	-	-	-
Proceeds from sale of Capital Assets	-	-	-	-
Total Other Financing sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(170,885)	(424,165)	323,515	747,680
Fund Balances - Beginning of Year	-	-	765,271	765,271
Fund Balances, End of Year	<u>\$ (170,885)</u>	<u>(424,165)</u>	<u>1,088,786</u>	<u>1,512,951</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			25,161	
NET CHANGE IN FUND BALANCE			<u>\$ 348,676</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
CITY OF ROSWELL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
UNEMPLOYMENT COMPENSATION SPECIAL REVENUE FUND - 226
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Taxes:				
Property	\$ -	-	-	-
Gross Receipts	-	-	-	-
Gasoline and Motor Vehicle	-	-	-	-
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	100	100	134	34
Miscellaneous	-	-	-	-
Total Revenues	<u>100</u>	<u>100</u>	<u>134</u>	<u>34</u>
Expenditures:				
Current:				
General Government	133,950	133,950	62,029	71,921
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>133,950</u>	<u>133,950</u>	<u>62,029</u>	<u>71,921</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(133,850)</u>	<u>(133,850)</u>	<u>(61,895)</u>	<u>71,955</u>
Other Financing Sources (Uses):				
Designated Cash (Budget Cash Increase)				-
Proceeds from Loans	-	-	-	-
Transfers, In	30,000	30,000	30,000	-
Transfers, Out	-	-	-	-
Proceeds from sale of Capital Assets	-	-	-	-
Total Other Financing sources (Uses)	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Net Change in Fund Balances	(103,850)	(103,850)	(31,895)	71,955
Fund Balances - Beginning of Year	-	-	103,850	103,850
Fund Balances, End of Year	<u>\$ (103,850)</u>	<u>(103,850)</u>	<u>71,955</u>	<u>175,805</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			8,659	
NET CHANGE IN FUND BALANCE			<u>\$ (23,236)</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
CITY OF ROSWELL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
COMMUNITY DEVELOPMENT REVOLVING LOAN SPECIAL REVENUE FUND - 230
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Taxes:				
Property	\$ -	-	-	-
Gross Receipts	-	-	-	-
Gasoline and Motor Vehicle	-	-	-	-
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	823	823	822	(1)
Miscellaneous	174,542	174,542	174,543	1
Total Revenues	<u>175,365</u>	<u>175,365</u>	<u>175,365</u>	<u>-</u>
Expenditures:				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>175,365</u>	<u>175,365</u>	<u>175,365</u>	<u>-</u>
Other Financing Sources (Uses):				
Designated Cash (Budget Cash Increase)				-
Proceeds from Loans	-	-	-	-
Transfers, In	-	-	-	-
Transfers, Out	-	-	-	-
Proceeds from sale of Capital Assets	-	-	-	-
Total Other Financing sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	175,365	175,365	175,365	-
Fund Balances - Beginning of Year	-	-	1,083,394	1,083,394
Fund Balances, End of Year	<u>\$ 175,365</u>	<u>175,365</u>	<u>1,258,759</u>	<u>1,083,394</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 175,365</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
CITY OF ROSWELL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
BEAUTIFICATION GRANT SPECIAL REVENUE FUND - 240
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Taxes:				
Property	\$ -	-	-	-
Gross Receipts	-	-	-	-
Gasoline and Motor Vehicle	-	-	-	-
Other Taxes	-	-	-	-
Intergovernmental				
Federal Operating Grants	-	-	-	-
Federal Capital Grants	-	-	-	-
State Operating Grants	30,185	31,185	10,865	(20,320)
State Capital Grants	-	-	-	-
Charges for Services	-	-	-	-
Licenses and Fees	-	-	-	-
Fines, Forfeitures, and Penalties	-	-	-	-
Investment Income	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>30,185</u>	<u>31,185</u>	<u>10,865</u>	<u>(20,320)</u>
Expenditures:				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	11,000	10,999	1
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>-</u>	<u>11,000</u>	<u>10,999</u>	<u>1</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>30,185</u>	<u>20,185</u>	<u>(134)</u>	<u>(20,319)</u>
Other Financing Sources (Uses):				
Designated Cash (Budget Cash Increase)				-
Proceeds from Loans	-	-	-	-
Transfers, In	-	10,185	10,185	-
Transfers, Out	-	-	-	-
Proceeds from sale of Capital Assets	-	-	-	-
Total Other Financing sources (Uses)	<u>-</u>	<u>10,185</u>	<u>10,185</u>	<u>-</u>
Net Change in Fund Balances	30,185	30,370	10,051	(20,319)
Fund Balances - Beginning of Year	-	-	(10,050)	(10,050)
Fund Balances, End of Year	<u>\$ 30,185</u>	<u>30,370</u>	<u>1</u>	<u>(30,369)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues				
Adjustments to Expenditures				
NET CHANGE IN FUND BALANCE			<u>\$ 10,051</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
CITY OF ROSWELL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
LAW ENFORCEMENT SPECIAL REVENUE FUND - 255
For the Year Ended June 30, 2015

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
Taxes:				
Property	\$ -	-	-	-
Gross Receipts	-	-	-	-
Gasoline and Motor Vehicle	-	-	-	-
Other Taxes	-	-	-	-
Intergovernmental				
Federal Operating Grants	-	-	-	-
Federal Capital Grants	-	-	-	-
State Operating Grants	78,000	84,000	84,000	-
State Capital Grants	-	-	-	-
Charges for Services	-	-	-	-
Licenses and Fees	-	-	-	-
Fines, Forfeitures, and Penalties	-	-	-	-
Investment Income	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>78,000</u>	<u>84,000</u>	<u>84,000</u>	<u>-</u>
Expenditures:				
Current:				
General Government	-	-	-	-
Public Safety	88,914	69,549	46,664	22,885
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	17,300	42,665	37,351	5,314
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>106,214</u>	<u>112,214</u>	<u>84,015</u>	<u>28,199</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(28,214)</u>	<u>(28,214)</u>	<u>(15)</u>	<u>28,199</u>
Other Financing Sources (Uses):				
Designated Cash (Budget Cash Increase)				-
Proceeds from Loans	-	-	-	-
Transfers, In	-	-	-	-
Transfers, Out	-	-	-	-
Proceeds from sale of Capital Assets	-	-	-	-
Total Other Financing sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(28,214)</u>	<u>(28,214)</u>	<u>(15)</u>	<u>28,199</u>
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>21,574</u>	<u>21,574</u>
Fund Balances, End of Year	<u>\$ (28,214)</u>	<u>(28,214)</u>	<u>21,559</u>	<u>49,773</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			(6,381)	
NET CHANGE IN FUND BALANCE			<u>\$ (6,396)</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
CITY OF ROSWELL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
HIDTA GRANT SPECIAL REVENUE FUND - 258
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Taxes:				
Property	\$ -	-	-	-
Gross Receipts	-	-	-	-
Gasoline and Motor Vehicle	-	-	-	-
Other Taxes	-	-	-	-
Intergovernmental				
Federal Operating Grants	-	-	-	-
Federal Capital Grants	-	-	-	-
State Operating Grants	-	131,718	118,768	(12,950)
State Capital Grants	-	-	-	-
Charges for Services	-	-	-	-
Licenses and Fees	-	-	-	-
Fines, Forfeitures, and Penalties	-	-	-	-
Investment Income	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>-</u>	<u>131,718</u>	<u>118,768</u>	<u>(12,950)</u>
Expenditures:				
Current:				
General Government	-	-	-	-
Public Safety	-	130,933	107,001	23,932
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>-</u>	<u>130,933</u>	<u>107,001</u>	<u>23,932</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>-</u>	<u>785</u>	<u>11,767</u>	<u>10,982</u>
Other Financing Sources (Uses):				
Designated Cash (Budget Cash Increase)				-
Proceeds from Loans	-	-	-	-
Transfers, In	-	-	-	-
Transfers, Out	-	-	-	-
Proceeds from sale of Capital Assets	-	-	-	-
Total Other Financing sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	785	11,767	10,982
Fund Balances - Beginning of Year	-	-	23,314	23,314
Fund Balances, End of Year	\$ <u>-</u>	<u>785</u>	<u>35,081</u>	<u>34,296</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(4,039)	
Adjustments to Expenditures			(1,324)	
NET CHANGE IN FUND BALANCE			<u>\$ 6,404</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
CITY OF ROSWELL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
EMS GRANT SPECIAL REVENUE FUND - 260
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Taxes:				
Property	\$ -	-	-	-
Gross Receipts	-	-	-	-
Gasoline and Motor Vehicle	-	-	-	-
Other Taxes	-	-	-	-
Intergovernmental				
Federal Operating Grants	-	-	-	-
Federal Capital Grants	-	-	-	-
State Operating Grants	20,000	20,000	20,000	-
State Capital Grants	-	-	-	-
Charges for Services	-	-	-	-
Licenses and Fees	-	-	-	-
Fines, Forfeitures, and Penalties	-	-	-	-
Investment Income	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Expenditures:				
Current:				
General Government	-	-	-	-
Public Safety	20,074	20,074	18,638	1,436
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>20,074</u>	<u>20,074</u>	<u>18,638</u>	<u>1,436</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(74)</u>	<u>(74)</u>	<u>1,362</u>	<u>1,436</u>
Other Financing Sources (Uses):				
Designated Cash (Budget Cash Increase)				-
Proceeds from Loans	-	-	-	-
Transfers, In	-	-	-	-
Transfers, Out	-	-	-	-
Proceeds from sale of Capital Assets	-	-	-	-
Total Other Financing sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(74)	(74)	1,362	1,436
Fund Balances - Beginning of Year	-	-	74	74
Fund Balances, End of Year	<u>\$ (74)</u>	<u>(74)</u>	<u>1,436</u>	<u>1,510</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 1,362</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
CITY OF ROSWELL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
EMS GRANT - FIRE SPECIAL REVENUE FUND - 261
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Taxes:				
Property	\$ -	-	-	-
Gross Receipts	-	-	-	-
Gasoline and Motor Vehicle	-	-	-	-
Other Taxes	-	-	-	-
Intergovernmental				
Federal Operating Grants	-	-	-	-
Federal Capital Grants	-	-	-	-
State Operating Grants	20,000	20,000	20,000	-
State Capital Grants	-	-	-	-
Charges for Services	-	-	-	-
Licenses and Fees	-	-	-	-
Fines, Forfeitures, and Penalties	-	-	-	-
Investment Income	-	-	-	-
Miscellaneous	-	406	405	(1)
Total Revenues	<u>20,000</u>	<u>20,406</u>	<u>20,405</u>	<u>(1)</u>
Expenditures:				
Current:				
General Government	-	-	-	-
Public Safety	33,660	34,066	26,042	8,024
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>33,660</u>	<u>34,066</u>	<u>26,042</u>	<u>8,024</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(13,660)</u>	<u>(13,660)</u>	<u>(5,637)</u>	<u>8,023</u>
Other Financing Sources (Uses):				
Designated Cash (Budget Cash Increase)				-
Proceeds from Loans	-	-	-	-
Transfers, In	-	-	-	-
Transfers, Out	-	-	-	-
Proceeds from sale of Capital Assets	-	-	-	-
Total Other Financing sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(13,660)	(13,660)	(5,637)	8,023
Fund Balances - Beginning of Year	-	-	13,295	13,295
Fund Balances, End of Year	<u>\$ (13,660)</u>	<u>(13,660)</u>	<u>7,658</u>	<u>21,318</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			(6,381)	
NET CHANGE IN FUND BALANCE			<u>\$ (12,018)</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
CITY OF ROSWELL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
HAZARDOUS MATERIALS EMERGENCY SPECIAL REVENUE FUND - 262
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Taxes:				
Property	\$ -	-	-	-
Gross Receipts	-	-	-	-
Gasoline and Motor Vehicle	-	-	-	-
Other Taxes	-	-	-	-
Intergovernmental				
Federal Operating Grants	-	-	-	-
Federal Capital Grants	-	-	-	-
State Operating Grants	7,000	7,000	7,000	-
State Capital Grants	-	-	-	-
Charges for Services	-	-	-	-
Licenses and Fees	-	-	-	-
Fines, Forfeitures, and Penalties	-	-	-	-
Investment Income	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>	<u>-</u>
Expenditures:				
Current:				
General Government	-	-	-	-
Public Safety	6,480	28,295	7,007	21,288
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	28,295	6,480	-	6,480
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>34,775</u>	<u>34,775</u>	<u>7,007</u>	<u>27,768</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(27,775)</u>	<u>(27,775)</u>	<u>(7)</u>	<u>27,768</u>
Other Financing Sources (Uses):				
Designated Cash (Budget Cash Increase)				-
Proceeds from Loans	-	-	-	-
Transfers, In	-	-	-	-
Transfers, Out	-	-	-	-
Proceeds from sale of Capital Assets	-	-	-	-
Total Other Financing sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(27,775)	(27,775)	(7)	27,768
Fund Balances - Beginning of Year	-	-	27,775	27,775
Fund Balances, End of Year	<u>\$ (27,775)</u>	<u>(27,775)</u>	<u>27,768</u>	<u>55,543</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (7)</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
CITY OF ROSWELL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FIRE PROTECTION SPECIAL REVENUE FUND - 265
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Taxes:				
Property	\$ -	-	-	-
Gross Receipts	-	-	-	-
Gasoline and Motor Vehicle	-	-	-	-
Other Taxes	-	-	-	-
Intergovernmental				
Federal Operating Grants	-	-	-	-
Federal Capital Grants	-	-	-	-
State Operating Grants	681,436	681,436	681,436	-
State Capital Grants	-	-	-	-
Charges for Services	-	-	-	-
Licenses and Fees	-	-	-	-
Fines, Forfeitures, and Penalties	-	-	-	-
Investment Income	1,000	1,000	1,192	192
Miscellaneous	-	-	-	-
Total Revenues	<u>682,436</u>	<u>682,436</u>	<u>682,628</u>	<u>192</u>
Expenditures:				
Current:				
General Government	-	-	-	-
Public Safety	216,895	247,887	280,802	(32,915)
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	1,252,133	1,221,141	380,680	840,461
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>1,469,028</u>	<u>1,469,028</u>	<u>661,482</u>	<u>807,546</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(786,592)</u>	<u>(786,592)</u>	<u>21,146</u>	<u>807,738</u>
Other Financing Sources (Uses):				
Designated Cash (Budget Cash Increase)				-
Proceeds from Loans	-	-	-	-
Transfers, In	-	-	-	-
Transfers, Out	-	-	-	-
Proceeds from sale of Capital Assets	-	-	-	-
Total Other Financing sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(786,592)	(786,592)	21,146	807,738
Fund Balances - Beginning of Year	-	-	726,014	726,014
Fund Balances, End of Year	<u>\$ (786,592)</u>	<u>(786,592)</u>	<u>747,160</u>	<u>1,533,752</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			(54,718)	
NET CHANGE IN FUND BALANCE			<u>\$ (33,572)</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
CITY OF ROSWELL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FEDERAL NARCOTIC SEIZURE SPECIAL REVENUE FUND - 512
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Taxes:				
Property	\$ -	-	-	-
Gross Receipts	-	-	-	-
Gasoline and Motor Vehicle	-	-	-	-
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	-	24,307	24,306	(1)
Investment Income	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>-</u>	<u>24,307</u>	<u>24,306</u>	<u>(1)</u>
Expenditures:				
Current:				
General Government	-	-	-	-
Public Safety	55,808	16,897	15,449	1,448
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	63,218	61,438	1,780
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>55,808</u>	<u>80,115</u>	<u>76,887</u>	<u>3,228</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(55,808)</u>	<u>(55,808)</u>	<u>(52,581)</u>	<u>3,227</u>
Other Financing Sources (Uses):				
Designated Cash (Budget Cash Increase)				-
Proceeds from Loans	-	-	-	-
Transfers, In	-	-	-	-
Transfers, Out	-	-	-	-
Proceeds from sale of Capital Assets	-	-	-	-
Total Other Financing sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(55,808)	(55,808)	(52,581)	3,227
Fund Balances - Beginning of Year	-	-	54,370	54,370
Fund Balances, End of Year	<u>\$ (55,808)</u>	<u>(55,808)</u>	<u>1,789</u>	<u>57,597</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			(1,438)	
NET CHANGE IN FUND BALANCE			<u>\$ (54,019)</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
CITY OF ROSWELL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
STATE NARCOTIC SEIZURE SPECIAL REVENUE FUND - 513
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Taxes:				
Property	\$ -	-	-	-
Gross Receipts	-	-	-	-
Gasoline and Motor Vehicle	-	-	-	-
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	-	1,753	1,753	-
Investment Income	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>-</u>	<u>1,753</u>	<u>1,753</u>	<u>-</u>
Expenditures:				
Current:				
General Government	-	-	-	-
Public Safety	553	6,985	6,984	1
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	1,825	1,824	1
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>553</u>	<u>8,810</u>	<u>8,808</u>	<u>2</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(553)</u>	<u>(7,057)</u>	<u>(7,055)</u>	<u>2</u>
Other Financing Sources (Uses):				
Designated Cash (Budget Cash Increase)				-
Proceeds from Loans	-	-	-	-
Transfers, In	-	-	-	-
Transfers, Out	-	-	-	-
Proceeds from sale of Capital Assets	-	6,504	6,502	2
Total Other Financing sources (Uses)	<u>-</u>	<u>6,504</u>	<u>6,502</u>	<u>2</u>
Net Change in Fund Balances	(553)	(553)	(553)	4
Fund Balances - Beginning of Year	-	-	553	553
Fund Balances, End of Year	<u>\$ (553)</u>	<u>(553)</u>	<u>-</u>	<u>557</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (553)</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
CITY OF ROSWELL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
JAG FEDERAL GRANTS - 514
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Taxes:				
Property	\$ -	-	-	-
Gross Receipts	-	-	-	-
Gasoline and Motor Vehicle	-	-	-	-
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	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
General Government	-	-	-	-
Public Safety	2,202	2,202	841	1,361
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>2,202</u>	<u>2,202</u>	<u>841</u>	<u>1,361</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(2,202)</u>	<u>(2,202)</u>	<u>(841)</u>	<u>1,361</u>
Other Financing Sources (Uses):				
Designated Cash (Budget Cash Increase)				-
Proceeds from Loans	-	-	-	-
Transfers, In	-	-	-	-
Transfers, Out	-	-	-	-
Proceeds from sale of Capital Assets	-	-	-	-
Total Other Financing sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(2,202)	(2,202)	(841)	1,361
Fund Balances - Beginning of Year	-	-	2,202	2,202
Fund Balances, End of Year	<u>\$ (2,202)</u>	<u>(2,202)</u>	<u>1,361</u>	<u>3,563</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (841)</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
CITY OF ROSWELL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
GO BONDS - DEBT SERVICE - 104
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Taxes:				
Property	\$ 423,940	423,940	-	(423,940)
Gross Receipts	-	-	-	-
Gasoline and Motor Vehicle	-	-	-	-
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	250	250	49	(201)
Miscellaneous	-	-	-	-
Total Revenues	<u>424,190</u>	<u>424,190</u>	<u>49</u>	<u>(424,141)</u>
Expenditures:				
Current:				
General Government	4,239	4,239	40	4,199
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	375,000	375,000	375,000	-
Interest	9,188	9,188	10,380	(1,192)
Total Expenditures	<u>388,427</u>	<u>388,427</u>	<u>385,420</u>	<u>3,007</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>35,763</u>	<u>35,763</u>	<u>(385,371)</u>	<u>(421,134)</u>
Other Financing Sources (Uses):				
Designated Cash (Budget Cash Increase)				-
Proceeds from Loans	-	-	-	-
Transfers, In	-	-	-	-
Transfers, Out	-	-	-	-
Proceeds from sale of Capital Assets	-	-	-	-
Total Other Financing sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	35,763	35,763	(385,371)	(421,134)
Fund Balances - Beginning of Year	-	-	385,371	385,371
Fund Balances, End of Year	<u>\$ 35,763</u>	<u>35,763</u>	<u>-</u>	<u>(35,763)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (385,371)</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
CITY OF ROSWELL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
GO BONDS - DEBT SERVICE - 106
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Taxes:				
Property	\$ 372,197	372,197	309,633	(62,564)
Gross Receipts	-	-	-	-
Gasoline and Motor Vehicle	-	-	-	-
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	350	350	509	159
Miscellaneous	-	-	-	-
Total Revenues	<u>372,547</u>	<u>372,547</u>	<u>310,142</u>	<u>(62,405)</u>
Expenditures:				
Current:				
General Government	3,100	3,941	3,920	21
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	270,000	270,000	270,000	-
Interest	102,460	102,460	102,460	-
Total Expenditures	<u>375,560</u>	<u>376,401</u>	<u>376,380</u>	<u>21</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(3,013)</u>	<u>(3,854)</u>	<u>(66,238)</u>	<u>(62,384)</u>
Other Financing Sources (Uses):				
Designated Cash (Budget Cash Increase)				-
Proceeds from Loans	-	-	-	-
Transfers, In	-	-	-	-
Transfers, Out	-	-	-	-
Proceeds from sale of Capital Assets	-	-	-	-
Total Other Financing sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(3,013)	(3,854)	(66,238)	(62,384)
Fund Balances - Beginning of Year	-	-	371,183	371,183
Fund Balances, End of Year	<u>\$ (3,013)</u>	<u>(3,854)</u>	<u>304,945</u>	<u>308,799</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			49,957	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (16,281)</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
CITY OF ROSWELL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
Capital Improvement-301
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Taxes:				
Property	\$ -	-	-	-
Gross Receipts	-	-	-	-
Gasoline and Motor Vehicle	-	-	-	-
Other Taxes	-	-	-	-
Intergovernmental				
Federal Operating Grants	500,000	500,000	-	(500,000)
Federal Capital Grants	-	-	-	-
State Operating Grants	4,889,250	5,074,588	292,553	(4,782,035)
State Capital Grants	-	-	-	-
Charges for Services	-	-	-	-
Licenses and Fees	-	-	-	-
Fines, Forfeitures, and Penalties	-	-	-	-
Investment Income	10,000	10,000	12,789	2,789
Miscellaneous	-	435	391	(44)
Total Revenues	<u>5,399,250</u>	<u>5,585,023</u>	<u>305,733</u>	<u>(5,279,290)</u>
Expenditures:				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	909,000	1,262,896	1,177,276	85,620
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	15,090,451	15,280,666	2,500,321	12,780,345
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>15,999,451</u>	<u>16,543,562</u>	<u>3,677,597</u>	<u>12,865,965</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(10,600,201)</u>	<u>(10,958,539)</u>	<u>(3,371,864)</u>	<u>7,586,675</u>
Other Financing Sources (Uses):				
Designated Cash (Budget Cash Increase)				-
Proceeds from Loans	-	-	-	-
Transfers, In	2,817,466	2,873,815	2,784,887	(88,928)
Transfers, Out	(5,000)	(5,000)	(5,000)	-
Proceeds from sale of Capital Assets	-	-	-	-
Total Other Financing sources (Uses)	<u>2,812,466</u>	<u>2,868,815</u>	<u>2,779,887</u>	<u>(88,928)</u>
Net Change in Fund Balances	(7,787,735)	(8,089,724)	(591,977)	7,497,747
Fund Balances - Beginning of Year	-	-	10,512,828	10,512,828
Fund Balances, End of Year	<u>\$ (7,787,735)</u>	<u>(8,089,724)</u>	<u>9,920,851</u>	<u>18,010,575</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(55,076)	
Adjustments to Expenditures			(62,089)	
NET CHANGE IN FUND BALANCE			<u>\$ (709,142)</u>	

The accompanying notes are an integral part of these Financial Statements

STATE OF NEW MEXICO
CITY OF ROSWELL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) - 305
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Taxes:				
Property	\$ -	-	-	-
Gross Receipts	-	-	-	-
Gasoline and Motor Vehicle	-	-	-	-
Other Taxes	-	-	-	-
Intergovernmental				
Federal Operating Grants	-	-	-	-
Federal Capital Grants	-	-	-	-
State Operating Grants	500,000	485,314	485,314	-
State Capital Grants	-	-	-	-
Charges for Services	-	-	-	-
Licenses and Fees	-	-	-	-
Fines, Forfeitures, and Penalties	-	-	-	-
Investment Income	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>500,000</u>	<u>485,314</u>	<u>485,314</u>	<u>-</u>
Expenditures:				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	500,000	485,314	485,314	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>500,000</u>	<u>485,314</u>	<u>485,314</u>	<u>-</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	-	-	-	-
Other Financing Sources (Uses):				
Designated Cash (Budget Cash Increase)				-
Proceeds from Loans	-	-	-	-
Transfers, In	-	-	-	-
Transfers, Out	-	-	-	-
Proceeds from sale of Capital Assets	-	-	-	-
Total Other Financing sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	-	-	-
Fund Balances - Beginning of Year	-	-	-	-
Fund Balances, End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

See Notes to Financial Statements.

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, 2015

	Budgeted Amounts		Actual	Variations
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Operating Revenues</i>				
Charges for services	\$ 2,824,000	2,832,000	3,115,793	283,793
Operating grants	9,849,043	9,988,627	10,793,981	805,354
<i>Total operating revenues</i>	<u>12,673,043</u>	<u>12,820,627</u>	<u>13,909,774</u>	<u>1,089,147</u>
<i>Operating expenses</i>				
General and administrative	46,794	46,794	37,221	9,573
Personnel services	866,703	881,418	658,350	223,068
Contractual services	193,711	148,626	115,971	32,655
Supplies and purchase power	10,018,586	10,690,013	117,410	10,572,603
Maintenance and materials	123,826	1,579,774	2,267,464	(687,690)
Utilities	158,500	168,353	154,724	13,629
<i>Total operating expenses</i>	<u>11,408,120</u>	<u>13,514,978</u>	<u>3,351,140</u>	<u>10,163,838</u>
<i>Operating income (loss)</i>	<u>1,264,923</u>	<u>(694,351)</u>	<u>10,558,634</u>	<u>(9,074,691)</u>
<i>Non-operating revenues (expenses)</i>				
Investment income	13,486	13,566	7,635	(5,931)
Interest expense	(22,769)	(22,769)	(24,037)	(1,268)
Other tax revenue	20,000	20,000	20,741	741
Gross receipts tax expense	(22,000)	(23,558)	(20,461)	3,097
Fines, forfeitures and penalties	-	-	-	-
Miscellaneous revenue	400	80,410	(291,343)	(371,753)
Proceeds from sale of capital assets	-	-	55,754	55,754
Principle payment on debt service	-	-	-	-
Interest payment on debt service	-	-	-	-
<i>Total non-operating revenues (expenses)</i>	<u>(10,883)</u>	<u>67,649</u>	<u>(251,711)</u>	<u>(319,360)</u>
<i>Income (loss) before transfers</i>	<u>1,254,040</u>	<u>(626,702)</u>	<u>10,306,923</u>	<u>10,933,625</u>
Transfers, in	145,698	169,032	532,059	363,027
Transfers, out	(597,040)	(620,374)	(620,374)	-
<i>Capital grants and net transfers</i>	<u>(451,342)</u>	<u>(451,342)</u>	<u>(88,315)</u>	<u>363,027</u>
<i>Change in net position</i>	<u>802,698</u>	<u>(1,078,044)</u>	<u>10,218,608</u>	<u>11,296,652</u>
Designated cash	<u>963,588</u>	<u>11,386,429</u>	<u>-</u>	<u>-</u>
<i>Net position - beginning of year</i>	<u>-</u>	<u>-</u>	<u>21,417,177</u>	<u>21,417,177</u>
<i>Net position - end of year</i>	<u>\$ 1,766,286</u>	<u>10,308,385</u>	<u>31,635,785</u>	<u>32,713,829</u>
<i>Net change in net position, above</i>			\$ 10,218,608	
Depreciation and amortization			(1,583,998)	
<i>Change in net position</i>			<u>\$ 8,634,610</u>	
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(1,786,183)	
Adjustments to Expenditures			1,180,422	
NET CHANGE IN FUND BALANCE			<u>\$ 8,028,849</u>	

See Notes to Financial Statements.

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, 2015

	Budgeted Amounts		Actual	Variences
	Original	Final	(Non-GAAP	Favorable
			Budgetary Basis)	(Unfavorable)
				Final to Actual
<i>Operating Revenues</i>				
Charges for services	\$ 4,850,000	-	5,398,939	5,398,939
Operating grants	-	-	-	-
<i>Total operating revenues</i>	<u>4,850,000</u>	<u>-</u>	<u>5,398,939</u>	<u>5,398,939</u>
<i>Operating expenses</i>				
General and administrative	166,699	202,933	201,987	946
Personnel services	1,578,494	1,595,686	1,540,801	54,885
Contractual services	621,015	568,565	295,366	273,199
Supplies and purchase power	1,280,415	2,744,658	270,635	2,474,023
Maintenance and materials	1,802,411	1,654,261	1,492,848	161,413
Closure costs	-	-	-	-
Utilities	35,700	38,450	33,381	5,069
<i>Total operating expenses</i>	<u>5,484,734</u>	<u>6,804,553</u>	<u>3,835,018</u>	<u>2,969,535</u>
<i>Operating income (loss)</i>	<u>(634,734)</u>	<u>(6,804,553)</u>	<u>1,563,921</u>	<u>2,429,404</u>
<i>Non-operating revenues (expenses)</i>				
Investment income	4,000	4,000	6,624	2,624
Interest expense	(47,158)	(47,158)	(47,158)	-
Other tax revenue	230,000	230,000	263,189	33,189
Gross receipts tax expense	(275,000)	(269,146)	(264,491)	4,655
Fines, forfeitures and penalties	-	-	-	-
Miscellaneous	100,000	28,652	28,652	-
Proceeds from sale of capital assets	-	-	12,711	12,711
Principle payment on debt service	-	-	-	-
Interest payment on debt service	-	-	-	-
<i>Total non-operating revenues (expenses)</i>	<u>11,842</u>	<u>(53,652)</u>	<u>(473)</u>	<u>53,179</u>
<i>Income (loss) before transfers</i>	<u>(622,892)</u>	<u>(6,858,205)</u>	<u>1,563,448</u>	<u>8,421,653</u>
Transfers, in	704,367	718,454	1,113,668	395,214
Transfers, out	(300,000)	(740,000)	(704,335)	35,665
<i>Capital grants and net transfers</i>	<u>404,367</u>	<u>(21,546)</u>	<u>409,333</u>	<u>430,879</u>
<i>Change in net position</i>	<u>(218,525)</u>	<u>(6,879,751)</u>	<u>1,972,781</u>	<u>8,852,532</u>
Designated cash	2,578,152	8,387,717	-	-
<i>Net position - beginning of year</i>	<u>-</u>	<u>-</u>	<u>7,742,742</u>	<u>7,742,742</u>
<i>Net position - end of year</i>	<u>\$ 2,359,627</u>	<u>1,507,966</u>	<u>9,715,523</u>	<u>16,595,274</u>
<i>Net change in net position, above</i>			\$ 1,972,781	
Depreciation and amortization			(914,876)	
<i>Change in net position</i>			<u>\$ 1,057,905</u>	
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(14,222)	
Adjustments to Expenditures			53,620	
NET CHANGE IN FUND BALANCE			<u>\$ 1,097,303</u>	

See Notes to Financial Statements.

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, 2015

	Budgeted Amounts		Actual	Variations
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Operating Revenues</i>				
Charges for services	\$ 11,563,000	-	11,017,387	11,017,387
Operating grants	-	-	-	-
<i>Total operating revenues</i>	<u>11,563,000</u>	<u>-</u>	<u>11,017,387</u>	<u>11,017,387</u>
<i>Operating expenses</i>				
General and administrative	721,775	693,983	660,230	33,753
Personnel services	4,044,112	3,916,403	4,083,455	(167,052)
Contractual services	491,449	477,795	719,521	(241,726)
Supplies and purchase power	7,992,448	8,132,812	519,307	7,613,505
Maintenance and materials	3,394,858	3,299,102	1,799,639	1,499,463
Utilities	658,700	652,139	640,527	11,612
<i>Total operating expenses</i>	<u>17,303,342</u>	<u>17,172,234</u>	<u>8,422,679</u>	<u>8,749,555</u>
<i>Operating income (loss)</i>	<u>(5,740,342)</u>	<u>(17,172,234)</u>	<u>2,594,708</u>	<u>2,267,832</u>
<i>Non-operating revenues (expenses)</i>				
Investment income	9,770	9,770	17,421	7,651
Interest expense	(16,695)	(35,091)	(436,380)	(401,289)
Other tax revenue	-	500,000	507,047	7,047
Gross receipts tax expense	(575,000)	(575,000)	(507,785)	67,215
Fines, forfeitures and penalties	-	-	-	-
Miscellaneous	606,508	82,027	82,027	-
Proceeds from sale of capital assets	-	-	28,954	28,954
Principle payment on debt service	-	-	-	-
Interest payment on debt service	-	-	-	-
<i>Total non-operating revenues (expenses)</i>	<u>24,583</u>	<u>(18,294)</u>	<u>(308,716)</u>	<u>(290,422)</u>
<i>Income (loss) before transfers</i>	<u>(5,715,759)</u>	<u>(17,190,528)</u>	<u>2,285,992</u>	<u>19,476,520</u>
Transfers, in	1,033,594	920,616	12,775,721	11,855,105
Transfers, out	(1,402,712)	(2,527,108)	(13,183,100)	(10,655,992)
<i>Capital grants and net transfers</i>	<u>(369,118)</u>	<u>(1,606,492)</u>	<u>(407,379)</u>	<u>1,199,113</u>
<i>Change in net position</i>	<u>(6,084,877)</u>	<u>(18,797,020)</u>	<u>1,878,613</u>	<u>20,675,633</u>
Designated cash	(691,451)	10,510,300	-	-
<i>Net position - beginning of year</i>	<u>-</u>	<u>-</u>	<u>42,941,501</u>	<u>42,941,501</u>
<i>Net position - end of year</i>	<u>\$ (6,776,328)</u>	<u>(8,286,720)</u>	<u>44,820,114</u>	<u>63,617,134</u>
<i>Net change in net position, above</i>			\$ 1,878,613	
Depreciation and amortization			(1,907,481)	
<i>Change in net position</i>			<u>\$ (28,868)</u>	
Reconciliation to GAAP Basis:				
Adjustments to Revenues			369,137	
Adjustments to Expenditures			664,109	
NET CHANGE IN FUND BALANCE			<u>\$ 1,004,378</u>	

See Notes to Financial Statements.

SUPPORTING SCHEDULES

**STATE OF NEW MEXICO
CITY OF ROSWELL
SCHEDULE OF DEPOSIT AND INVESTMENT ACCOUNTS
For the Year Ended June 30, 2015**

	Pioneer Bank	New Mexico Finance Authority	Washington Federal Bank	Totals
Deposits				
Pooled Cash Equity	\$ 16,863,520	-	-	16,863,520
1999 GO Bond Debt Service	-	-	-	-
GO Bond Debt Service Series 2008	354,902	-	-	354,902
Federal Narcotic Seizure Fund	8,632	-	-	8,632
State Narcotics Forfeiture Fund	8,589	-	-	8,589
JAG Grant	1,361	-	-	1,361
Airport Passenger Facility Charge Account	53,927	-	-	53,927
GRT Bond Debt Service Series 2008	20,555	-	-	20,555
2005 WWTP - Debt Service	-	-	-	-
Municipal Courts Bail Bonds	74,979	-	-	74,979
Payroll Cash Account	586,286	-	-	586,286
2015A WWTP Pump Improv. Debt Serv.	4,041	-	-	4,041
2014 BWTP Bond Refund DS	4,271	-	-	4,271
2015B WWTP Bond Ref Debt Serv.	2,502,558	-	-	2,502,558
Fin Authority Prog Funds PD	-	31,989	-	31,989
Fin Authority Res Fund PD	-	49,782	-	49,782
Certificates of Deposit	6,050,000	-	15,555,000	21,605,000
Total on deposit	26,533,621	81,771	15,555,000	42,170,392
Outstanding items	(1,364,752)	-	-	(1,364,752)
Deposits in transit	175,973	-	-	175,973
Book balance	<u>\$ 25,344,842</u>	<u>81,771</u>	<u>15,555,000</u>	<u>40,981,613</u>
Investments				
Local Government Investment Pool	<u>\$ -</u>	<u>11,276,598</u>	<u>-</u>	<u>11,276,598</u>
Petty Cash			4,452	4,452
			<u>\$ 52,262,663</u>	<u>52,262,663</u>
Total cash and cash equivalents primary government	\$ 51,734,052			51,734,052
Total agency funds cash and cash equivalents				<u>528,611</u>
Total cash, cash equivalents and investments	\$ 52,262,663			<u>52,262,663</u>

**STATE OF NEW MEXICO
CITY OF ROSWELL
SCHEDULE OF PLEDGED COLLATERAL
For the Year Ended June 30, 2015**

<u>Name of Depository</u>	<u>Description</u>	<u>Maturity</u>	<u>CUSIP or Security ID Number</u>	<u>Fair Market Value</u>	<u>Name and Location of Safe Keeper</u>
Pioneer Bank	FHLB FIXED	12/10/2021	313381AV7	\$ 4,180,989	Federal Home Loan Bank Dallas, TX
Pioneer Bank	FHLB FIXED	1/17/2020	313381T88	3,075,656	Federal Home Loan Bank Dallas, TX
Pioneer Bank	FFC FIXED	2/21/2020	3133EC3W2	2,195,129	Federal Home Loan Bank Dallas, TX
Pioneer Bank	FNMA 1 YR CMT	1/1/2034	31403VWN5	291,440	Federal Home Loan Bank Dallas, TX
Pioneer Bank	FHLMC H15T1Y	1/1/2033	31342AG29	172,611	Federal Home Loan Bank Dallas, TX
Pioneer Bank	FHLMC 1 YR TR	12/1/2033	31349SF32	459,409	Federal Home Loan Bank Dallas, TX
Pioneer Bank	FNMA 1 YR LIBOR	12/1/2035	31408ALJ7	1,192,407	Federal Home Loan Bank Dallas, TX
Pioneer Bank	FNMA	10/1/2026	3138ASYU0	1,514,206	Federal Home Loan Bank Dallas, TX
				<u>13,081,847</u>	
Washington Federal Bank	FHLMC GOLD PC A94288	8/20/2061	3620E0NW2	7,750,570	Federal Home Loan Bank Dallas, TX
Total Collateral Pledged				\$ <u>20,832,417</u>	

**STATE OF NEW MEXICO
CITY OF ROSWELL
SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
Year Ended June 30, 2015**

	Balance <u>June 30, 2014</u>	Additions	Deletions	Balance <u>June 30, 2015</u>
<i>Water & Sewer Meter Deposits</i>				
Assets				
Cash and cash equivalents	\$ 392,078	182,681	168,268	406,491
<i>Total assets</i>	<u>\$ 392,078</u>	<u>182,681</u>	<u>168,268</u>	<u>406,491</u>
Liabilities				
Deposits held and due to others	\$ 392,078	182,681	168,268	406,491
<i>Total liabilities</i>	<u>\$ 392,078</u>	<u>182,681</u>	<u>168,268</u>	<u>406,491</u>
<i>Bail Bonds Deposits</i>				
Assets				
Cash and cash equivalents	\$ 78,563	235,271	236,802	77,032
<i>Total assets</i>	<u>\$ 78,563</u>	<u>235,271</u>	<u>236,802</u>	<u>77,032</u>
Liabilities				
Deposits held and due to others	\$ 78,563	235,271	236,802	77,032
<i>Total liabilities</i>	<u>\$ 78,563</u>	<u>235,271</u>	<u>236,802</u>	<u>77,032</u>
<i>Payroll Payables</i>				
Assets				
Cash and cash equivalents	\$ 41,401	18,601,100	18,597,413	45,088
<i>Total assets</i>	<u>\$ 41,401</u>	<u>18,601,100</u>	<u>18,597,413</u>	<u>45,088</u>
Liabilities				
Deposits held and due to others	\$ 41,401	18,601,100	18,597,413	45,088
<i>Total liabilities</i>	<u>\$ 41,401</u>	<u>18,601,100</u>	<u>18,597,413</u>	<u>45,088</u>
<i>Total Agency Funds</i>				
Assets				
Cash and cash equivalents	\$ 512,042	19,019,052	19,002,483	528,611
<i>Total assets</i>	<u>\$ 512,042</u>	<u>19,019,052</u>	<u>19,002,483</u>	<u>528,611</u>
Liabilities				
Deposits held and due to others	\$ 512,042	19,019,052	19,002,483	528,611
<i>Total liabilities</i>	<u>\$ 512,042</u>	<u>19,019,052</u>	<u>19,002,483</u>	<u>528,611</u>

**STATE OF NEW MEXICO
 CITY OF ROSWELL
 SCHEDULE OF JOINT POWERS AGREEMENTS AND
 MEMORANDUMS OF UNDERSTANDING
 June 30, 2015**

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

STATE OF NEW MEXICO
CITY OF ROSWELL
SCHEDULE OF VENDORS
(EXCLUDING GRT)
FOR THE YEAR ENDED JUNE 30, 2015
The City of Roswell had no new bids

<i>RFB#/RFP#</i>	<i>Type of Procurement</i>	<i>Awarded Vendor</i>	<i>\$ Amount of Awarded Contract</i>	<i>\$ Amount of Amended Contract</i>	<i>Name and Physical Address per the procurement documentation, of <u>ALL</u> Vendor(s) that responded</i>	<i>In-State/ Out-of-State Vendor (Y or N) (Based on Statutory Definition)</i>	<i>Was the vendor in-state and chose Veteran's preference (Y or N) For federal funds answer N/A</i>	<i>Brief Description of the Scope of Work</i>
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

Timothy Keller
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, and the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds of The City of Roswell (the "City"), as of and for the year ended June 30, 2015, 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 supplementary information, and have issued our report thereon dated December 11, 2015.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses 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 2015-001.

Management's Responses to Findings

Management's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Management's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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



Albuquerque, New Mexico
December 11, 2015

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**

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

Management's Responsibility

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

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, 2015.

Other Matters

The results of our auditing procedures disclosed one instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2015-001. Our opinion on each major federal program is not modified with respect to these matters.

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 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.

The logo for Axiom, featuring the word "Axiom" in a stylized, blue, cursive font.

Axiom CPAs and Business Advisors, LLC
Albuquerque, New Mexico
December 11, 2015

**STATE OF NEW MEXICO
CITY OF ROSWELL
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2015**

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:			
Feral Transit Capital Investment Grant	M01264	20.500	\$ 122,143
Formula Grants for Other than Urbanized Areas	M01355	* 20.509	748,790
Formula Grants for Other than Urbanized Areas	M01264	* 20.509	170,519
Highway Planning and Construction	L200136	20.205	62,809
Highway Planning and Construction	2101520	20.205	112,579
Direct Programs:			
Airport Improvement Program	3-35-0035-0282-2014	* 20.106	6,933,514
Total U.S. Department of Transportation			<u>8,150,354</u>
U.S. Department of Justice			
Pass through Office of Justice Programs:			
Edward Bryne Memorial Justice Assistance Grant Programs: Local Solicitation	2013-DJ-BX-0736	16.738	841
Passed through Office of National Drug Control Policy - NM HIDTA Reprogramming:			
Dangerous Drugs-Laboratory Analysis	G12SN0017A	16.001	125,185
Total U.S. Department of Justice			<u>126,026</u>
U.S. Department of Homeland Security			
Passed through NM Department of Homeland Security and Emergency Management:			
Homeland Security Grant Program	EMW-2014-SS-00030-S01	97.067	17,894
Homeland Security Grant Program	EMW-2013-SS-00152-S01	97.067	23,998
Emergency Management Performance Grant	EMW-2014-EP-00047-S01	97.042	34,250
Total U.S. Department of Homeland Security			<u>76,142</u>
Total Expenditures of Federal Awards			<u>\$ 8,352,522</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, 2015**

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	\$	8,352,522
Total expenditures funded by other sources		<u>40,057,236</u>
Total expenditures (governmental and proprietary fund expenditures)	\$	<u>48,409,758</u>

**STATE OF NEW MEXICO
CITY OF ROSWELL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015**

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued Unmodified

Internal control over financial reporting:

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

Non-compliance material to financial statements noted? __ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? __ Yes X No
- Significant deficiencies identified __ Yes X 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? X Yes __ No

Identification of Major Program

CFDA Number	Name of Federal Program or Cluster
20.509	Rural Mass Transit
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 X No

**STATE OF NEW MEXICO
CITY OF ROSWELL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015**

B. FINANCIAL STATEMENT FINDINGS

None

**STATE OF NEW MEXICO
CITY OF ROSWELL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015**

C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2015-001 Reporting (Non-Compliance and Other Matters)

Federal program information:

Funding agency:	U.S. Department of Transportation
Office:	Federal Aviation Administration
Title:	Airport Improvement Grant #3-35-0035-028-2014
CFDA Number:	20.106
Award years:	2014 to 2015

CONDITION

In two out of six SF-271 Financial Reports tested, the report submitted by the City did not reconcile with the City's accounting records. Reports were prepared by the construction engineer based on invoices instead of accounting records. As a result, outlays in the amount of \$42,241 were not reported.

CRITERIA

Per 49-CFR 18.41, the grantee is required to report program outlays and program income in the accounting basis prescribed by the granting agency.

QUESTIONED COSTS

None

EFFECT

The City reported incorrect financial information and is not in compliance with the Department of Transportation Airport Improvement grant agreement reporting requirement.

CAUSE

Reports were incorrect due to lack of review and reconciliation of federal expenditures by accounting personnel.

RECOMMENDATION

We recommend that the City implement a monthly reconciliation of federal expenditures designed to identify errors and omissions.

MANAGEMENT RESPONSE: Management has acknowledged that this deficiency occurred and has addressed it with Airport staff.

CORRECTIVE ACTION/ TIMELINE: The City Finance Director will be responsible for the oversight and resolution of this matter. Estimated time of correction is by the end of FY 2016.

**STATE OF NEW MEXICO
CITY OF ROSWELL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015**

**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, 2015**

STATUS OF PRIOR YEAR AUDIT FINDINGS

FS 2014-001 Non-Compliance with Internal Policies Resolved

**STATE OF NEW MEXICO
CITY OF ROSWELL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015**

The contents of this report were discussed in the exit conference held on December 14, 2015 with the following in attendance.

Representing the City of Roswell

Caleb Grant	Councilor
Steve Polasek	City Manager
Monica Garcia	Finance Director
Jonathan Phillips	Assistant City Manager
Debra Morsey	Accounting Supervisor

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.