

STATE OF NEW MEXICO
CITY OF ROSWELL

Annual Financial Report
June 30, 2016

INTRODUCTORY SECTION

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CITY OF ROSWELL
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JUNE 30, 2016**

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**STATE OF NEW MEXICO
CITY OF ROSWELL
OFFICIAL ROSTER
JUNE 30, 2016**

City Council

<u>Name</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

To Timothy Keller
New Mexico State Auditor
and
The 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 of the City of Roswell (City), as of and for the year ended June 30, 2016, and the related notes to the financial statements which collectively comprise the City's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the City's nonmajor governmental funds, fiduciary funds, and the budgetary comparisons for the major capital projects funds, and all nonmajor funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2016, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2016, and the respective changes in financial position, and where applicable, cash flows thereof and the respective budgetary comparisons for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each non-major governmental fund, and fiduciary fund of the City as of June 30, 2016, and the respective changes in financial position thereof, and the respective budgetary comparisons for the major capital projects funds, and all non-major funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5-12, the Schedule of City's Proportionate Share of the Net Pension Liability, and Schedule of City Contributions on pages 64-69 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the City's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The Schedule of Expenditures of Federal awards as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* 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 of Federal Awards 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 Vendor Information for Purchases exceeding \$60,000 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 14, 2016 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Axiom CPAs and Business Advisors, LLC
Albuquerque, New Mexico
December 14, 2016

**STATE OF NEW MEXICO
CITY OF ROSWELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016**

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, 2016. 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 \$139,713,293 (*net position*).
- The City's total net position increased by \$9,577,136. The majority of this increase is due to a decrease in deferred inflows related to pensions and the implementation of a new accounting pronouncement (GASB 69) in the prior year.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$37,266,386, an increase of \$2,696,423 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was a negative \$962,401. This decrease is due to an increase in restricted fund balances for several projects underway in the City and for debt service payments.
- The City's total debt decreased slightly by \$2,767,442 (12.98 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, 2016**

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-three 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 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 17-19 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.

**STATE OF NEW MEXICO
CITY OF ROSWELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016**

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 74-111 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 \$139,713,293 at the close of the most recent fiscal year.

The largest portion of the City of Roswell's net position, \$53,547,175, 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, 2016 and June 30, 2015.

**STATE OF NEW MEXICO
CITY OF ROSWELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016**

CITY OF ROSWELL'S NET POSITION
(In Thousands)

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current assets	\$ 40,426	\$ 37,973	\$ 25,053	\$ 27,151	\$ 64,611	\$ 65,124
Noncurrent assets other than capital assets	4,957	3,439	177	119	5,134	3,558
Capital assets, net	60,818	61,028	82,846	71,021	144,531	132,049
Total assets	106,201	102,440	108,075	98,172	214,276	200,731
Current liabilities	9,103	8,925	4,185	4,552	18,028	13,477
Noncurrent liabilities	47,071	34,825	12,960	13,126	60,031	57,118
Total liabilities	56,174	43,750	17,145	17,678	78,059	70,595
Net investment in capital assets	53,547	56,665	70,736	59,568	125,151	116,233
Restricted	19,016	15,458	-	-	19,016	15,458
Unrestricted	(23,662)	(22,601)	20,037	21,045	(4,493)	(1,556)
Total net position	\$ 48,940	\$ 49,522	\$ 90,773	\$ 80,613	\$ 139,117	\$ 130,136

A portion of the City of Roswell's net position of \$19,015,395 (15 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$22,601,169) 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 \$582,237. Key element of this decrease is as follows:

- An increase in non-current liabilities due to issuance of revenue bonds and an increase in workmen's compensation liability.

Business-type Activities. Business-type activities increased the City's net position by \$10,159,373. The key element of this increase is as follows:

- An increase in water, sewer, and other infrastructure of approximately \$10M.

**STATE OF NEW MEXICO
CITY OF ROSWELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016**

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

	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	2016	2015	2016	2015	2016	2015
Revenues						
Taxes	\$ 33,894	\$ 35,701	\$ 859	\$ 791	\$ 34,753	\$ 36,492
Intergovernmental	-	4,340	-	9,008	-	13,348
Charges for services	4,380	3,399	-	19,887	4,380	23,286
Other	(2,089)	24,113	285	(51)	(1,804)	24,062
Total revenues	36,185	51,989	1,144	29,634	36,185	81,623
Expenses						
General government	(2,068)	14,006	-	-	(2,068)	14,006
Public safety	25,374	21,869	-	-	25,374	21,869
Public works	5,312	7,101	-	-	5,312	7,101
Culture and recreation	8,690	7,611	-	-	8,690	7,611
Health and welfare	-	-	-	-	-	-
Interest on long term debt	96	73	343	508	96	581
Other	-	-	-	-	-	-
Airport	-	-	6,431	3,775	6,431	3,775
Solid waste	-	-	714	4,961	714	4,961
Water and sewer	-	-	2,852	10,174	2,852	10,174
Total expenses	37,404	50,661	18,910	18,910	-	69,571
Transfers	638	86	(638)	(86)	-	-
Changes in net position	\$ (582)	\$ 1,414	\$ 10,159	\$ 10,131	\$ 9,577	\$ 11,545

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 \$37,266,386, a decrease of \$2,696,423 in comparison with the prior year. All balances either restricted or committed and there are no unassigned balances for discretionary purposes as of June 30, 2016.

**STATE OF NEW MEXICO
CITY OF ROSWELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016**

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the fund balance totaled \$18,250,991. \$101,876 of this balance is in non-spendable form and the remainder is restricted for future use. There is no unassigned balance for discretionary purposes as of June 30, 2016.

The fund balance of the City's general fund decreased by \$860,525 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 \$90,772,991, an increase of \$10,159,373 from the prior fiscal year.

General Fund Budgetary Highlights

There were several amendments to the City of Roswell's fiscal year 2016 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 21.

The net favorable variance of \$9,412,596 in general fund expenditures was primarily due to not expending all the funds budgeted. There was \$11,339,511 not expended in general government, \$873,054 not expended in public safety, \$874,087 not expended in culture and recreation, \$3,484,047 over expended for capital outlay, and \$190,000 over expended for debt service principal and interest.

**STATE OF NEW MEXICO
CITY OF ROSWELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016**

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, 2016, amounts to \$143,664 (in thousands, net of accumulated depreciation). This investment in capital assets includes land, land-right of ways, land improvements, library collection, historical treasures, buildings and improvements, computers, machinery and equipment, furniture and fixtures, vehicles, and infrastructure.

The significant additions to capital assets, which increased \$13,906 (in thousands) during the year, were as follows:

- \$19,356,626 for Infrastructure, net of depreciation
- \$2,687,872 for Land Improvements
- \$3,737,111 for vehicles, net of depreciation
- \$478,068 for construction in progress
- These increases were offset by disposals of machinery and equipment for \$11,414,422

CITY OF ROSWELL'S CAPITAL ASSETS
(In thousands)

	Governmental		Business-type		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 3,575	\$ 3,575	\$ 4,609	\$ 4,609	\$ 8,184	\$ 8,184
Land-right of way	5,149	5,143	-	-	5,149	5,143
Construction in progress	692	214	341	141	1,033	335
Library collection	3,000	2,823	-	-	3,000	2,823
Historical treasures	437	437	-	-	437	437
Water rights- intangible assets	-	-	12,145	12,145	12,145	12,145
Land improvements	15,943	14,640	12,583	10,966	28,526	25,606
Buildings and improvements	33,363	33,126	85,030	80,598	118,393	113,724
Machinery and equipment	12,129	23,544	16,868	16,976	28,997	40,520
Furniture and fixtures	134	136	118	118	252	254
Vehicles	16,023	14,360	8,445	6,321	24,468	20,681
Infrastructure	167,727	153,999	70,534	62,180	238,261	216,179
Total capital assets	245,319	251,997	193,577	194,055	438,896	446,052
Less: accumulated depreciation	197,295	190,969	127,826	123,034	325,121	314,003
Capital assets, net	\$ 60,818	\$ 61,027	\$ 82,846	\$ 71,021	\$ 143,664	\$ 132,049

**STATE OF NEW MEXICO
CITY OF ROSWELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016**

Debt Administration. At the end of the current fiscal year, the City of Roswell had total debt from outstanding bonds and capital leases (see schedule below), 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	
	2016	2015	2016	2015	2016	2015
Bonds	\$ 5,970	\$ 2,869	\$ 10,175	\$ 10,175	\$ 16,145	\$ 13,044
Loans	-	-	-	-	-	-
Capital Leases	1,301	1,494	-	-	1,301	1,749
Total debt outstanding	\$ 7,271	\$ 4,363	\$ 10,175	\$ 10,175	\$ 17,446	\$ 14,793

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 42-50 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, 2016**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets			
Cash, cash equivalents and investments	\$ 29,648,770	21,155,433	50,804,203
Receivables:			
Property taxes receivable	272,432	-	272,432
Other taxes receivable	8,687,363	-	8,687,363
Grants Receivable	1,715,791	-	1,715,791
Customer receivables, net of allowance of \$0 and \$395,591, respectively	-	1,800,696	1,800,696
Note receivable	-	-	-
Inventory	101,876	2,096,718	2,198,594
Total current assets	<u>40,426,232</u>	<u>25,052,847</u>	<u>65,479,079</u>
Noncurrent assets			
Capital assets	258,112,761	210,671,728	468,784,489
Less: accumulated depreciation	<u>(197,294,595)</u>	<u>(127,825,771)</u>	<u>(325,120,366)</u>
Total noncurrent assets	<u>60,818,166</u>	<u>82,845,957</u>	<u>143,664,123</u>
Total Assets	<u>101,244,398</u>	<u>107,898,804</u>	<u>209,143,202</u>
Deferred Outflows			
Pension Related	<u>4,956,790</u>	<u>177,475</u>	<u>5,134,265</u>

See Notes to Financial Statements.

**STATE OF NEW MEXICO
CITY OF ROSWELL
STATEMENT OF NET POSITION
June 30, 2016**

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
Liabilities			
Current liabilities			
Accounts payable	\$ 1,676,642	1,484,300	3,160,942
Accrued payroll expenses	1,033,114	263,531	1,296,645
Accrued compensated absences	1,286,699	209,141	1,495,840
Accrued interest	133,541	19,548	153,089
Meter and other deposits	296,879	145,694	442,573
Workers' compensation liability	4,018,080	-	4,018,080
Current portion of bonds and notes payable	658,298	1,070,000	1,728,298
	<u>9,103,253</u>	<u>3,192,214</u>	<u>12,295,467</u>
Total current liabilities			
Noncurrent liabilities			
Landfill closure	-	1,354,387	1,354,387
Bonds and notes payable	6,612,693	10,047,689	16,660,382
Net pension liability	40,458,065	1,558,085	42,016,150
	<u>47,070,758</u>	<u>12,960,161</u>	<u>60,030,919</u>
Total noncurrent liabilities			
	<u>56,174,011</u>	<u>16,152,375</u>	<u>72,326,386</u>
Total liabilities			
Deferred Inflows			
Debt reacquisition price in excess of carrying value	-	992,380	992,380
Pension Related	1,086,875	158,533	1,245,408
Total Deferred Inflows	<u>1,086,875</u>	<u>1,150,913</u>	<u>2,237,788</u>
Net Position			
Net investment in capital assets	53,547,175	70,735,888	124,283,063
Restricted for			
Debt service	361,759	-	361,759
Capital projects	10,218,972	-	10,218,972
Other purposes - special revenue	8,434,664	-	8,434,664
Unrestricted	<u>(23,622,268)</u>	<u>20,037,103</u>	<u>(3,585,165)</u>
Total Net Position	<u>\$ 48,940,302</u>	<u>90,772,991</u>	<u>139,713,293</u>

See Notes to Financial Statements.

STATE OF NEW MEXICO
CITY OF ROSWELL
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2016

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 7,938,221	5,618,207	4,388,378	-
Public safety	25,373,857			-
Public works	7,436,653		880,551	1,243,806
Culture and recreation	8,690,827			-
Health and welfare	41	-		-
Interest on long-term debt	96,332	-	-	-
<i>Total governmental activities</i>	<u>49,535,931</u>	<u>5,618,207</u>	<u>5,268,929</u>	<u>1,243,806</u>
Business-type Activities				
Airport	3,974,913	3,502,302	-	6,903,684
Solid Waste	5,291,326	6,004,921	-	-
Water and sewer	9,639,863	12,491,734	-	-
<i>Total business-type activities</i>	<u>18,906,102</u>	<u>21,998,957</u>	<u>-</u>	<u>6,903,684</u>
<i>Total primary government</i>	<u>\$ 68,442,033</u>	<u>27,617,164</u>	<u>5,268,929</u>	<u>8,147,490</u>
General Revenues				
Taxes:				
Property taxes, levied for general purposes				
Property taxes, levied for debt service				
Gross receipts taxes				
Gasoline and motor vehicle taxes				
Other taxes				
Investment Income				
Miscellaneous income				
(Loss) gain on sale of capital assets				
Transfers in (out)				
Total general revenues and transfers				
Change in net position				
Net position, beginning				
Net position, ending				

See Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Position

Primary Government

Governmental Activities	Business-Type Activities	Total
2,068,364	-	2,068,364
(25,373,857)	-	(25,373,857)
(5,312,296)	-	(5,312,296)
(8,690,827)	-	(8,690,827)
(41)	-	(41)
<u>(96,332)</u>	<u>(343,052)</u>	<u>(439,384)</u>
<u>(37,404,989)</u>	<u>(343,052)</u>	<u>(37,748,041)</u>
-	6,431,073	6,431,073
-	713,595	713,595
-	<u>2,851,871</u>	<u>2,851,871</u>
-	<u>9,996,539</u>	<u>9,996,539</u>
<u>(37,404,989)</u>	<u>9,653,487</u>	<u>(27,751,502)</u>
4,750,676	-	4,750,676
384,881	-	384,881
28,758,294	858,703	29,616,997
994,321	-	994,321
3,385,980	-	3,385,980
48,261	37,939	86,200
812,658	160,877	973,535
(2,950,412)	86,460	(2,863,952)
<u>638,093</u>	<u>(638,093)</u>	<u>-</u>
<u>36,822,752</u>	<u>505,886</u>	<u>37,328,638</u>
<u>(582,237)</u>	<u>10,159,373</u>	<u>9,577,136</u>
49,522,539	80,613,618	130,136,157
\$ <u>48,940,302</u>	<u>90,772,991</u>	<u>139,713,293</u>

**STATE OF NEW MEXICO
CITY OF ROSWELL
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2016**

	General Fund 101	Road Fund 223	Capital Improvement Fund 301	Other Governmental Funds	Total Governmental Funds
<i>Assets</i>					
Cash, cash equivalents and investments	\$ 10,888,573	\$ 169,966	\$ 9,973,534	\$ 8,616,697	\$ 29,648,770
Receivables:					
Property taxes	262,188	-	-	10,244	272,432
Other taxes receivable	8,569,379	117,984	-	-	8,687,363
Grants Receivable- State	345,787	-	895,683	474,321	1,715,791
Inventory	101,876	-	-	-	101,876
Due from other funds	5,488	-	-	-	5,488
<i>Total assets</i>	<u>\$ 20,173,291</u>	<u>\$ 287,950</u>	<u>\$ 10,869,217</u>	<u>\$ 9,101,262</u>	<u>\$ 40,431,720</u>
<i>Liabilities and Fund Balances</i>					
<i>Liabilities</i>					
Accounts payable	\$ 609,297	\$ 52,267	\$ 604,481	\$ 410,597	\$ 1,676,642
Accrued payroll expenses	862,913	46,073	45,764	78,364	1,033,114
Accrued sales tax payable	-	-	-	-	-
Deposits payable	296,879	-	-	-	296,879
Due to other funds	-	-	-	5,488	5,488
<i>Total liabilities</i>	<u>1,769,089</u>	<u>98,340</u>	<u>650,245</u>	<u>494,449</u>	<u>3,012,123</u>
<i>Deferred Inflows</i>					
Unearned revenue - property taxes	153,211	-	-	-	153,211
<i>Total Deferred Inflows</i>	<u>153,211</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>153,211</u>
<i>Total Liabilities and Deferred Inflows</i>	<u>1,922,300</u>	<u>98,340</u>	<u>650,245</u>	<u>494,449</u>	<u>3,165,334</u>
<i>Fund balances</i>					
Nonspendable	101,876	-	-	538,545	640,421
Spendable					
Restricted	19,111,516	136,888	10,218,972	8,077,922	37,545,298
Committed	-	52,722	-	-	52,722
Assigned	-	-	-	-	-
Unassigned	(962,401)	-	-	(9,654)	(972,055)
<i>Total fund balances</i>	<u>18,250,991</u>	<u>189,610</u>	<u>10,218,972</u>	<u>8,606,813</u>	<u>37,266,386</u>
<i>Total liabilities and fund balances</i>	<u>\$ 20,173,291</u>	<u>\$ 287,950</u>	<u>\$ 10,869,217</u>	<u>\$ 9,101,262</u>	<u>\$ 40,431,720</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, 2016

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

Fund balances - total governmental funds	\$	37,266,386
Defined benefit pension plan deferred outflows are not financial resources and therefore are not reported in the funds		4,956,790
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		60,818,166
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		153,211
Defined benefit pension plan deferred inflows are not payable in the current period and, therefore, not reported in the funds.		(1,086,875)
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		(40,458,065)
Accrued interest		(133,541)
Worker's comp liability		(4,018,080)
Accrued compensated absences		(1,286,699)
Bonds and notes payable		(7,270,991)
		<hr/>
Net position of governmental activities	\$	<u><u>48,940,302</u></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, 2016**

	General Fund 101	Road Fund 223	Capital Improvement Fund 301	Other Governmental Funds	Total Governmental Funds
<i>Revenues</i>					
<i>Taxes:</i>					
Property	\$ 4,853,202	-	-	384,881	5,238,083
Gross receipts	28,758,294	-	-	-	28,758,294
Gasoline and motor vehicle	226,661	767,660	-	-	994,321
Other taxes	2,134,588	162,491	-	1,088,901	3,385,980
<i>Intergovernmental</i>					
Federal operating grants	107,906	-	115,500	765,051	988,457
Federal capital grants	-	-	-	-	-
State operating grants	2,848,700	-	-	1,431,772	4,280,472
State capital grants	-	-	1,243,806	-	1,243,806
Charges for services	1,753,489	-	-	1,277,527	3,031,016
Licenses and fees	492,852	-	-	-	492,852
Fines, forfeitures, and penalties	2,094,339	-	-	-	2,094,339
Investment income	21,139	250	19,432	7,440	48,261
Miscellaneous	449,493	22,419	5,040	314,979	791,931
<i>Total revenues</i>	<u>43,740,663</u>	<u>952,820</u>	<u>1,383,778</u>	<u>5,270,551</u>	<u>51,347,812</u>
<i>Expenditures:</i>					
<i>Current:</i>					
General government	6,359,978	-	-	590,341	6,950,319
Public safety	21,634,643	-	-	749,346	22,383,989
Public works	-	3,400,174	1,264,566	1,911,685	6,576,425
Culture and recreation	5,695,493	2,218	-	1,969,048	7,666,759
Health and welfare	-	-	-	41	41
Capital outlay	3,484,047	168,175	2,330,236	2,562,178	8,544,636
Debt service					
Principal	381,708	-	-	280,000	661,708
Interest and other charges	1,620	-	-	94,712	96,332
<i>Total expenditures</i>	<u>37,557,489</u>	<u>3,570,567</u>	<u>3,594,802</u>	<u>8,157,351</u>	<u>52,880,209</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>6,183,174</u>	<u>(2,617,747)</u>	<u>(2,211,024)</u>	<u>(2,886,800)</u>	<u>(1,532,397)</u>
<i>Other Financing Sources (Uses)</i>					
Proceeds from loans	-	-	-	3,570,000	3,570,000
Transfers, in	1,314,770	3,067,176	2,626,310	2,321,574	9,329,830
Transfers, out	(8,379,196)	(312,541)	-	-	(8,691,737)
Proceeds from sale of capital assets	20,727	-	-	-	20,727
<i>Total other financing sources (uses)</i>	<u>(7,043,699)</u>	<u>2,754,635</u>	<u>2,626,310</u>	<u>5,891,574</u>	<u>4,228,820</u>
<i>Net change in fund balances</i>	(860,525)	136,888	415,286	3,004,774	2,696,423
<i>Fund balances - beginning of year</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>Fund balances, end of year</i>	<u>\$ 18,250,991</u>	<u>189,610</u>	<u>10,218,972</u>	<u>8,606,813</u>	<u>37,266,386</u>

See Notes to Financial Statements.

**STATE OF NEW MEXICO
CITY OF ROSWELL
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2016**

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

Net change in fund balances - total governmental funds	\$ 2,696,423
Defined benefit pension plan deferred outflows are not financial resources and therefore are not reported in the funds:	
Decrease in Pension expense	264,136
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	8,544,636
Depreciation expense	(5,804,018)
Loss on disposal of assets	(2,950,412)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds	
Decrease in deferred revenue	(102,526)
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	(280,845)
Increase in accrued interest	(59,536)
Decrease in worker's comp liability	18,197
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	661,708
Proceeds from bond issuance	<u>(3,570,000)</u>
Change in net position of governmental activities	<u>\$ (582,237)</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, 2016

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Taxes:				
Property	\$ 4,816,233	4,816,233	4,900,365	84,132
Gross Receipts	30,759,167	30,759,167	28,758,294	(2,000,873)
Gasoline and Motor Vehicle	-	-	-	-
Other Taxes	2,069,500	2,069,500	2,128,403	58,903
Intergovernmental				
Federal Operating Grants	138,282	969,282	100,802	(868,480)
Federal Capital Grants	-	-	-	-
State Operating Grants	3,084,650	3,353,951	2,848,700	(505,251)
State Capital Grants	-	-	-	-
Charges for Services	712,090	712,090	664,526	(47,564)
Licenses and Fees	420,943	420,943	492,852	71,909
Fines, Forfeitures, and Penalties	503,107	503,107	330,710	(172,397)
Investment Income	12,000	12,000	21,139	9,139
Miscellaneous	3,613,100	3,529,844	109,858	(3,419,986)
Total Revenues	<u>46,129,072</u>	<u>47,146,117</u>	<u>40,355,649</u>	<u>(6,790,468)</u>
Expenditures:				
Current:				
General Government	15,986,792	16,929,895	5,590,384	11,339,511
Public Safety	23,045,845	22,607,697	21,734,643	873,054
Public Works	-	-	-	-
Culture and Recreation	6,914,799	6,569,580	5,695,493	874,087
Health and Welfare	-	-	-	-
Capital Outlay	-	-	3,484,047	(3,484,047)
Debt Service				
Principal	-	-	188,389	(188,389)
Interest	-	-	1,620	(1,620)
Total Expenditures	<u>45,947,436</u>	<u>46,107,172</u>	<u>36,694,576</u>	<u>9,412,596</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>181,636</u>	<u>1,038,945</u>	<u>3,661,073</u>	<u>2,622,128</u>
Other Financing Sources (Uses):				
Proceeds from Loans				-
Transfers, In	1,218,790	1,314,770	1,314,770	-
Transfers, Out	(9,197,899)	(8,893,400)	(8,379,196)	514,204
Proceeds from sale of Capital Assets			20,727	(20,727)
Total Other Financing sources (Uses)	<u>(7,979,109)</u>	<u>(7,578,630)</u>	<u>(7,043,699)</u>	<u>493,477</u>
Net Change in Fund Balances	<u>\$ (7,797,473)</u>	<u>(6,539,685)</u>	<u>(3,382,626)</u>	<u>3,115,605</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			3,405,741	
Adjustments to Expenditures			(862,913)	
NET CHANGE IN FUND BALANCE			<u>\$ (860,525)</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, 2016

	<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	794,499	44,499
Other Taxes	-	-	162,491	162,491
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
Miscellaneous	170,000	180,228	18,827	(161,401)
Total Revenues	<u>920,000</u>	<u>930,228</u>	<u>976,067</u>	<u>45,839</u>
Expenditures:				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	4,340,258	3,994,511	3,427,793	566,718
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	168,175	(168,175)
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>4,340,258</u>	<u>3,994,511</u>	<u>3,595,968</u>	<u>398,543</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(3,420,258)</u>	<u>(3,064,283)</u>	<u>(2,619,901)</u>	<u>444,382</u>
Other Financing Sources (Uses):				
Proceeds from Loans	-	-	-	-
Transfers, In	3,685,026	3,329,051	3,067,176	(261,875)
Transfers, Out	(300,000)	(300,000)	(312,541)	(12,541)
Proceeds from sale of Capital Assets	-	-	-	-
Total Other Financing sources (Uses)	<u>3,385,026</u>	<u>3,029,051</u>	<u>2,754,635</u>	<u>(274,416)</u>
Net Change in Fund Balances	<u>\$ (35,232)</u>	<u>(35,232)</u>	<u>134,734</u>	<u>169,966</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(23,247)	
Adjustments to Expenditures			(25,401)	
NET CHANGE IN FUND BALANCE			<u>\$ 136,888</u>	

See Notes to Financial Statements.

**STATE OF NEW MEXICO
CITY OF ROSWELL
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2016**

	Airport	Solid Waste	Water and Sewer	Total
Assets				
Current Assets				
Cash, cash equivalents and investments	\$ 2,597,484	5,017,654	13,540,295	21,155,433
Customer receivables, net of allowance	72,071	535,396	1,193,229	1,800,696
Notes receivable	-	-	-	-
Inventory	39,582	53,983	2,003,153	2,096,718
Due from other funds	-	-	-	-
Total current assets	<u>2,709,137</u>	<u>5,607,033</u>	<u>16,736,677</u>	<u>25,052,847</u>
Noncurrent assets				
Notes receivable	-	-	-	-
Capital assets	75,684,098	17,836,412	117,151,218	210,671,728
Less: accumulated depreciation	<u>(41,962,474)</u>	<u>(11,027,475)</u>	<u>(74,835,822)</u>	<u>(127,825,771)</u>
Total noncurrent assets	<u>33,721,624</u>	<u>6,808,937</u>	<u>42,315,396</u>	<u>82,845,957</u>
Total assets	<u>36,430,761</u>	<u>12,415,970</u>	<u>59,052,073</u>	<u>107,898,804</u>
Deferred Outflows				
Pension Related	20,923	47,541	109,011	177,475
Total Deferred Outflows	<u>20,923</u>	<u>47,541</u>	<u>109,011</u>	<u>177,475</u>
Liabilities				
Current Liabilities				
Accounts payable	727,876	65,498	690,926	1,484,300
Accrued payroll expenses	19,065	53,296	191,170	263,531
Accrued sales tax payable	-	-	-	-
Accrued compensated absences	28,636	52,560	127,945	209,141
Accrued interest	-	2,231	17,317	19,548
Meter and other deposits	143,694	2,000	-	145,694
Due to other funds	-	-	-	-
Current portion of bonds and notes payable	-	375,000	695,000	1,070,000
Total current liabilities	<u>919,271</u>	<u>550,585</u>	<u>1,722,358</u>	<u>3,192,214</u>
Noncurrent Liabilities				
Landfill closure	-	1,354,387	-	1,354,387
Bonds and notes payable	-	390,000	9,657,689	10,047,689
Net Pension Liability	<u>185,492</u>	<u>419,172</u>	<u>953,421</u>	<u>1,558,085</u>
Total noncurrent liabilities	<u>185,492</u>	<u>2,163,559</u>	<u>10,611,110</u>	<u>12,960,161</u>
Total Liabilities	<u>1,104,763</u>	<u>2,714,144</u>	<u>12,333,468</u>	<u>16,152,375</u>
Deferred Inflows				
Pension Related	22,966	46,732	88,835	158,533
Debt reacquisition price in excess of carrying value	-	-	992,380	992,380
Total Deferred Inflows	<u>22,966</u>	<u>46,732</u>	<u>1,081,215</u>	<u>1,150,913</u>
Net Position				
Net investment in capital assets	33,721,624	6,043,937	30,970,327	70,735,888
Unrestricted net position	<u>1,602,331</u>	<u>3,658,698</u>	<u>14,776,074</u>	<u>20,037,103</u>
Total Net Position	<u>\$ 35,323,955</u>	<u>9,702,635</u>	<u>45,746,401</u>	<u>90,772,991</u>

See Notes to Financial Statements.

**STATE OF NEW MEXICO
CITY OF ROSWELL
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2016**

	Airport	Solid Waste	Water and Sewer	Total
<i>Operating Revenues</i>				
Charges for Services	\$ 3,502,302	6,004,921	12,491,734	21,998,957
Operating Grants	6,903,684	-	-	6,903,684
Total operating revenues	10,405,986	6,004,921	12,491,734	28,902,641
<i>Operating Expenses</i>				
General and administrative	32,010	185,706	556,153	773,869
Personnel services	706,631	1,651,995	4,165,821	6,524,447
Contractual services	127,591	432,783	384,912	945,286
Supplies and purchased power	19,637	183,074	196,907	399,618
Maintenance and materials	1,007,038	1,571,969	1,178,674	3,757,681
Utilities	167,317	28,559	570,902	766,778
Gross receipts tax expense	17,486	275,408	531,343	824,237
Amortization	-	-	-	-
Closure costs	-	-	-	-
Depreciation	1,897,203	961,832	2,055,151	4,914,186
<i>Total operating expenses</i>	3,974,913	5,291,326	9,639,863	18,906,102
<i>Operation income (loss)</i>	6,431,073	713,595	2,851,871	9,996,539
<i>Non-operating revenues (expenses)</i>				
Interest income	3,863	9,424	24,652	37,939
Interest expense	(11,638)	(28,046)	(303,368)	(343,052)
Gross receipts tax revenue	20,855	278,812	559,036	858,703
Miscellaneous	65,552	12,300	83,025	160,877
Gain (loss) from sale of capital assets	21,911	760	63,789	86,460
Total non-operating revenues (expenses)	100,543	273,250	427,134	800,927
Income (Loss) Before Contributions and Transfers	6,531,616	986,845	3,279,005	10,797,466
<i>Other Financing Sources (Uses)</i>				
Transfers in	107,071	1,066,494	1,034,335	2,207,900
Transfers out	(563,700)	(750,987)	(1,531,306)	(2,845,993)
<i>Net transfers</i>	(456,629)	315,507	(496,971)	(638,093)
Change in net position	6,074,987	1,302,352	2,782,034	10,159,373
<i>Beginning net position</i>	29,248,968	8,400,283	42,964,367	80,613,618
<i>Net position, end of year</i>	\$ 35,323,955	9,702,635	45,746,401	90,772,991

See Notes to Financial Statements.

**STATE OF NEW MEXICO
CITY OF ROSWELL
COMBINED STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
Year Ended June 30, 2016**

	Airport	Solid Waste	Water Sewer	Total
Cash Flows From Operating Activities				
Cash received from customers and others	\$ 6,037,401	6,134,532	12,803,554	24,975,487
Cash paid for goods and services	(1,935,754)	(2,790,303)	(4,159,091)	(8,885,148)
Cash paid to employees	(723,125)	(1,699,879)	(4,314,567)	(6,737,571)
Net cash provided by operating activities	3,378,522	1,644,350	4,329,896	9,352,768
Cash Flows From Investing Activities				
Interest income	3,863	9,424	24,652	37,939
Net cash provided by investing activities	3,863	9,424	24,652	37,939
Cash Flows From Non-Capital Financing				
Internal transfers and loans	(456,629)	315,507	(496,971)	(638,093)
Net cash provided (used) by non-capital financing activities	(456,629)	315,507	(496,971)	(638,093)
Cash Flows From Capital and Related Financing Activities				
Proceeds from capital grants	6,903,684	-	-	6,903,684
Proceeds from debt	-	1,982,689	-	1,982,689
Purchases of capital assets	(10,326,057)	(2,868,486)	(3,160,844)	(16,355,387)
Debt payment	-	(1,015,718)	(695,000)	(1,710,718)
Interest paid	-	(359,075)	(9,039)	(368,114)
Net cash used by capital and related financing activities	(3,422,373)	(2,260,590)	(3,864,883)	(9,547,846)
Net decrease in cash and cash equivalents	(496,617)	(291,309)	(7,306)	(795,232)
Cash and restricted cash and cash equivalents, beginning of year	3,094,101	5,308,963	13,547,601	21,950,665
Cash and restricted cash and cash equivalents, end of year	\$ 2,597,484	5,017,654	13,540,295	21,155,433
Reconciliation of Operating Income to Net Cash Provided by Operating Activities				
Operating income	\$ 6,431,073	713,595	2,851,871	9,996,539
Adjustments to operating (loss) income to net cash provided by operating activities:				
Depreciation	1,897,203	961,832	2,055,151	4,914,186
Pension Expense				
Reclassification of miscellaneous assets	(1,885,774)	(32,650)	(82,210)	(2,000,634)
Change in assets and liabilities:				
Receivables	(2,454,796)	162,261	394,030	(1,898,505)
Inventory	(39,582)	(53,983)	(549,457)	(643,022)
Accounts payable	(525,093)	(58,821)	(190,743)	(774,657)
Accrued Payroll	(16,644)	(48,152)	(149,399)	(214,195)
Accrued compensated absences	150	268	653	1,071
Meter other refundable deposits	(28,015)	-	-	(28,015)
Net cash provided by operating activities	\$ 3,378,522	1,644,350	4,329,896	9,352,768

See Notes to Financial Statements.

**STATE OF NEW MEXICO
CITY OF ROSWELL
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS
June 30, 2016**

Assets

Cash	\$	<u>513,895</u>
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Liabilities

Deposits held in trust for others	\$	<u>513,895</u>
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**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

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, 2016**

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, 2016**

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, 2016**

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 (101)* 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 (223)* 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 (301)* 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, 2016**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The *Airport Fund (610)* 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 (620)* 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 (630)* 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, 2016**

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, 2016, 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, 2016**

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, 2016 in the proprietary funds was \$2,096,718 and \$101,876 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, 2016**

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, 2016, 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, 2016. For fund financial reporting, bond premiums and discounts, as well as issuance costs are recognized in the period the bonds are issued. Bond proceeds are reported as another financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

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, 2016 on the governmental funds balance sheet is \$52,722.

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. At June 30, 2016, there were no assigned fund balances.

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, 2016, the Nonspendable fund balance in the general fund is made up of inventory in the amount of \$101,876 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 \$538,545 that is legally required to be maintained intact and not available to be expended.

Restricted Fund Balance. At June 30, 2016, the restricted fund balance on the governmental funds balance sheet is made up of \$37,545,298 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, 2016**

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 70.
- 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 ACCOUNTABILITY

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

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

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

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, 2016 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, 2016.

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, 2016**

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, 2016, \$41,388,493 of the City’s bank balances of \$41,888,493 were exposed to custodial credit risk. \$20,307,771 was collateralized by securities held by the pledging bank’s trust department, not in the City’s name, and \$21,080,724 was uninsured and uncollateralized.

	Pioneer Bank	Washington Federal Bank	Total
Amount of Deposits	\$ 26,333,495	\$ 15,555,000	\$ 41,888,495
Less: FDIC Coverage	<u>250,000</u>	<u>250,000</u>	<u>500,000</u>
 Total uninsured public funds	 <u>26,083,495</u>	 <u>15,305,000</u>	 <u>41,388,495</u>
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the City’s name	 <u>12,643,429</u>	 <u>7,664,342</u>	 <u>20,307,771</u>
Uninsured and uncollateralized	<u>13,440,064</u>	<u>7,640,658</u>	<u>21,080,724</u>
Collateral requirement (50% of uninsured public funds)	13,041,747	7,652,500	20,694,247
Pledged collateral	<u>12,643,429</u>	<u>7,664,342</u>	<u>20,307,771</u>
Over (under) collateralized	\$ <u>(398,318)</u>	\$ <u>11,842</u>	\$ <u>(386,476)</u>

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, 2016**

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

The City’s investments at June 30, 2016 include the following:

Investments	Rated	Weighted Average Maturity (R)	Weighted Average Maturity (F)	Fair Market Value
LGIP	*AAAm	44 Days	77 Days	\$ 11,303,256
				\$ 11,303,256

**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	\$ 50,804,203
Agency funds cash	513,895
Plus outstanding checks	1,987,618
Less: deposits in transit	(109,215)
Less: petty cash	(4,750)
Less: investments	(11,303,256)
Bank balance of deposits	\$ 41,888,495

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 4 – RECEIVABLES

Governmental funds receivables as of June 30, 2016 are shown as follows:

	General	Road Fund	Capital Improvements	Nonmajor Governmental Funds	Total
Property Taxes	\$ 262,188	-	-	10,244	272,432
Other Taxes	8,569,379	117,984	-	-	8,687,363
Intergovernmental grants:					
State	345,787	-	895,683	474,321	1,715,791
Licenses and fees	--	-	-	-	-
Totals by category	<u>\$ 9,177,354</u>	<u>117,984</u>	<u>895,683</u>	<u>484,565</u>	<u>10,675,586</u>

In accordance with GASB 33 property tax revenues in the amount of \$153,211 that were not collected within the period of availability have been reclassified as deferred inflows in the governmental fund financial statements.

Proprietary fund receivables as of June 30, 2016 are shown as follows:

	Airport	Solid Waste	Water and Sewer	Total
Grants Receivable	\$ -	-	-	
Customer receivables	103,132	628,267	1,514,962	2,246,361
Less: Allowance for doubtful accounts	(31,061)	(92,871)	(321,733)	(445,665)
Total by category	<u>\$ 72,071</u>	<u>535,396</u>	<u>1,193,229</u>	<u>1,800,696</u>

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, 2016 is as follows:

Due from Other Funds	Due to Other Funds	Amount
Library Grants Fund	General Fund	\$ 5,102
Cemetery	General Fund	87
Beatification Grant	General Fund	299
		<u>\$ 5,488</u>

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

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:

<u>Major Funds</u>	<u>Transfers In</u>	<u>Transfers Out</u>
<i>Governmental Activities</i>		
General	\$ 1,314,770	\$ 8,379,196
Road	3,067,176	312,541
Capital Improvement	2,626,310	-
<i>Cemetery</i>	57,872	-
Mass Transit	481,959	-
Recreation	1,631,743	-
Correction Fees	150,000	-
Total Governmental Activities	<u>9,329,830</u>	<u>8,691,737</u>
 <i>Business-type Activities</i>		
Airport	107,071	563,700
Solid Waste	1,066,494	750,987
Water and Sewer	<u>1,034,335</u>	<u>1,531,306</u>
Non-Business-Type Activities	2,207,900	2,845,993
<i>Governmental Activities</i>		
	<u>\$ 11,537,730</u>	<u>\$ 11,537,730</u>

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

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 6 – CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2016, 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, 2015	Additions	Deletions	Adjustments	Balance June 30, 2016
Governmental Activities					
Capital Assets not being depreciated:					
Land	\$ 3,574,883	-	-	-	3,574,883
Land-right of way	5,143,067	5,538	-	-	5,148,605
Construction in Progress	214,135	478,068	-	-	692,203
Library Collection	2,822,829	204,585	(87,175)	-	3,000,239
Historical Treasures	437,204	-	-	-	437,204
Total	<u>12,192,118</u>	<u>688,191</u>	<u>(87,175)</u>	<u>-</u>	<u>12,793,134</u>
Capital Assets being depreciated:					
Land improvements	14,640,285	1,302,684	-	-	15,942,969
Buildings and improvements	33,126,156	329,070	(92,458)	-	33,362,768
Machinery and equipment	23,543,789	393,730	(1,996,358)	(9,811,794)	12,129,367
Furniture and fixtures	135,948	492	(2,694)	-	133,746
Vehicles	14,360,118	1,908,913	(245,591)	-	16,023,440
Infrastructure	153,998,572	3,921,556	(4,585)	9,811,794	167,727,337
Total	<u>239,804,868</u>	<u>7,856,445</u>	<u>(2,341,686)</u>	<u>-</u>	<u>245,319,627</u>
Less accumulated depreciation:					
Land improvements	7,220,408	605,968	-	779,220	8,605,596
Buildings and improvements	20,405,856	1,157,152	-	(836,892)	20,726,116
Machinery and equipment	12,825,537	846,161	-	(3,926,269)	9,745,429
Furniture and fixtures	127,621	1,353	(2,774)	-	126,200
Vehicles	11,573,369	1,189,691	-	884,098	13,647,158
Infrastructure	138,816,235	2,003,693	-	3,624,168	144,444,096
Total	<u>190,969,026</u>	<u>5,804,018</u>	<u>(2,774)</u>	<u>524,325</u>	<u>197,294,595</u>
Total capital assets, net	<u>\$ 61,027,960</u>	<u>2,740,618</u>	<u>2,426,087</u>	<u>524,325</u>	<u>60,818,166</u>

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 7 – CAPITAL ASSETS (CONTINUED)

Depreciation expense for the year ended June 30, 2016 was charged to governmental activities as follows:

General government	\$	925,701
Public safety		2,981,286
Public works		875,903
Culture and recreation		<u>1,021,128</u>
Total depreciation expense	\$	<u><u>5,804,018</u></u>

	Balance June 30, 2015	Additions	Deletions	Adjustments	Balance June 30, 2016
Business-Type Activities					
Capital assets not being depreciated:					
Land	\$ 4,609,059	-	-	-	4,609,059
Construction in progress	141,740	198,327	-	-	340,067
Water rights-intangible assets	<u>12,145,238</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,145,238</u>
Total	16,896,037	198,327	-	-	17,094,364
Capital assets being depreciated:					
Land improvements	10,966,041	1,617,344	-	-	12,583,385
Buildings and improvements	80,597,904	4,720,655	(288,280)	-	85,030,279
Machinery and equipment	16,976,562	302,962	(411,483)	-	16,868,041
Furniture and fixtures	117,930	-	-	-	117,930
Vehicles	6,321,312	763,011	-	1,359,753	8,444,076
Infrastructure	<u>62,179,549</u>	<u>10,051,102</u>	<u>(337,244)</u>	<u>(1,359,753)</u>	<u>70,533,654</u>
Total	177,159,298	17,455,074	(1,037,007)	-	193,577,365
Less accumulated depreciation:					
Land improvements	3,500,230	568,069	(174,794)	-	3,893,505
Buildings and improvements	56,678,835	1,910,500	(129,579)	(524,325)	59,935,431
Machinery and equipment	15,594,299	449,307	(411,484)	-	15,632,122
Furniture and fixtures	107,712	6,105	-	-	113,817
Vehicles	4,911,849	683,614	943,057	-	6,538,521
Infrastructure	<u>40,240,993</u>	<u>1,296,591</u>	<u>174,793</u>	<u>-</u>	<u>41,712,377</u>
Total	123,033,918	4,914,186	401,993	(524,325)	127,825,773
Total capital assets, net of depreciation	\$ <u>71,021,417</u>	\$ <u>12,739,214</u>	\$ <u>(1,439,000)</u>	\$ <u>524,325</u>	\$ <u>82,845,956</u>

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 7 – CAPITAL ASSETS (CONTINUED)

Depreciation expense for the year ended June 30, 2016 was charged to business-type activities as follows:

Airport	\$	1,897,203
Solid Waste		961,832
Water		<u>2,055,152</u>
Total depreciation expense	\$	<u>4,914,186</u>

NOTE 8 – LONG TERM DEBT

Governmental Activities. During the year ended June 30, 2016, the following changes occurred in the liabilities reported in the government-wide statement of net position:

	Balance June 30, 2015	Additions	Retirements	Balance June 30, 2016	Due Within One Year
Bonds Payable	\$ 2,680,000	\$ 3,570,000	\$ (280,000)	\$ 5,970,000	\$ 460,000
Notes Payable	188,389	-	(188,389)	-	-
Capital leases payable	1,494,310	-	(193,320)	1,300,990	198,298
Workers' Compensation	4,036,277	76,867	(95,064)	4,018,080	-
Compensated Absences	1,005,854	1,352,293	(1,071,448)	1,286,699	-
Totals	\$ <u>9,404,830</u>	\$ <u>4,999,160</u>	\$ <u>(1,828,221)</u>	\$ <u>12,575,769</u>	\$ <u>658,298</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 2016, compensated absences increased \$280,845 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, 2016**

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.

GRT Improvement Bonds, Series December 22, 2015, were issued to provide funds to acquire, construct, and repair general infrastructure within the city. The bonds were issued pursuant to Section 7-1-6.4 NMSA 1978, and acts amendatory and supplemental thereto. Repayment of the bonds will be funded by gross receipts tax revenues collected by the city. Interest on the bonds is set at a fixed rate of 2.22 with semi-annual payments due in February and August.

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

Description	Original Issue	Final Maturity	Interest Rate	Balance June 30, 2016
General Obligation Series 2008	\$ 4,100,000	8/1/2022	3.05-5.30%	\$ 2,400,000
GRT Bond 2015	3,570,000	8/1/2027	2.22%	3,570,000
Total				\$ 5,970,000

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, 2016
Sun Trust Equipment Finance (fire truck)	\$ 375,052	7/3/2018	4.28%	\$ 129,281
Sun Trust Equipment Finance (fire truck)	1,623,422	9/14/2022	2.13%	1,171,709
Total				\$ 1,300,990

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 8 – LONG TERM DEBT (CONTINUED)

Debt Service Requirements. Debt service requirements on long-term debt for governmental activities at June 30, 2016 are as follows:

Bonds Payable

Fiscal Year Ending June 30,	Principal Payment	Interest Payment	Total Debt Service
2017	\$ 460,000	\$ 169,820	\$ 629,820
2018	585,000	145,836	730,836
2019	610,000	128,426	738,426
2020	630,000	110,070	740,070
2021	655,000	90,622	745,622
2022-2028	3,030,000	211,055	3,241,055
Total	\$ 5,970,000	\$ 855,829	\$ 6,825,829

Capital Leases Payable

Fiscal Year Ending June 30,	Principal Payment	Interest Payment	Total Debt Service
2017	\$ 198,296	\$ 30,492	\$ 228,788
2018	203,420	25,369	228,789
2019	208,691	20,099	228,790
2020	167,239	14,675	181,914
2021	170,793	11,121	181,914
2022-2025	352,551	11,277	363,828
Total	\$ 1,300,990	\$ 113,033	\$ 1,414,023

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 8 – LONG TERM DEBT (CONTINUED)

Worker's Compensation. The Worker's Compensation liability of \$4,018,080 reported at June 30, 2016 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 2015 and 2016 are summarized below:

		Compensation
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	\$	4,036,277
Current year claims insurance and changes in estimates		76,867
Claims and insurance payments		(95,064)
Claims liability, June 30, 2016	\$	<u>4,018,080</u>

Business-Type Activities. During the year ended June 30, 2016, the following changes occurred in the liabilities reported in the proprietary funds statement of net position:

	Balance June 30, 2015	Additions	Retirements	Balance June 30, 2016	Due Within One Year
Bonds payable	\$ 10,175,000	1,982,689	(1,040,000)	11,117,689	1,070,000
Capital leases payable	254,671	-	(254,671)	-	-
Landfill closure and post closure	1,298,727	55,660	-	1,354,387	-
Compensated absences	208,070	194,617	(193,546)	209,141	-
Totals	<u>\$ 11,936,468</u>	<u>2,232,966</u>	<u>(1,488,217)</u>	<u>12,681,217</u>	<u>-</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 2016, compensated absences increased \$1,071 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, 2016**

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.

In June, 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, 2016
Gross Receipts Tax Improvement Series 2008	3,190,000	6/1/2018	3.00-4.10%	\$ 765,000
Joint Water and Sewer Utility Improvement Bonds Series 2014A	2,500,000	06/01/2034	2.00-5.00%	2,300,000
Joint Water and Sewer Utility Refunding Bonds Series 2014B	7,345,000	06/01/2025	2.00-5.00%	6,070,000
Total				\$ <u>9,135,000</u>

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 8 – LONG TERM DEBT (CONTINUED)

During the year, the City executed a Drinking Water State Revolving Loan with the New Mexico Finance Authority. The maximum principal amount to be drawn on is \$2,020,000. Interest on the drawn amounts ranges from 0.250% to 2.000% over the course of the loan. Interest payments are due in June and December of each year starting in the year of the first draw on the loan. The City made its first draw on the loan in the amount of \$1,982,689 during the year ending June 30, 2016. The loan matures in June of 2036.

Debt Service Requirements. Debt service requirements on long-term debt for business-type activities at June 30, 2016 are as follows:

Bonds Payable			
Fiscal Year Ending			
June 30,	Principal Payment	Interest Payment	Total Debt Service
2017	\$ 1,040,000	\$ 404,665	\$ 1,444,665
2018	1,070,000	370,965	1,440,965
2019	1,105,000	335,115	1,440,115
2020	740,000	291,775	1,031,775
2021	770,000	263,425	1,033,425
2022-2026	4,365,000	805,375	5,170,375
Thereafter	1,085,000	181,238	1,266,238
Total	\$ <u>10,175,000</u>	\$ <u>2,652,558</u>	\$ <u>12,827,558</u>
NMFA Loan Payable			
Fiscal Year Ending			
June 30,	Principal Payment	Interest Payment	Total Debt Service
2017	\$ 84,094	\$ 29,900	\$ 113,994
2018	85,776	28,218	113,994
2019	87,492	26,503	113,995
2020	89,242	24,753	113,995
2021	91,026	22,968	113,994
2022-2036	1,582,370	127,545	1,709,915
Total	\$ <u>2,020,000</u>	\$ <u>259,887</u>	\$ <u>2,279,887</u>

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

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>3,683,649</u>
Total capacity used to date (approx. 80.69 acres) as a % of total capacity (229 acres)	\$	36.50%
Estimated closure and post closure costs		1,354,387
Prior liability recognized		1,354,387
Total current year addition to liability		-
Estimated liability for the year ended June 30, 2016	\$	<u>1,354,387</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, 2016**

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 \$4,018,080 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, 2016**

**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, 2016, 2015 and 2014 were \$474,237, \$437,272 and \$432,809 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, 2016. 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, 2016**

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, 2016 available at http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2016.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 FY15 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 FY15 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, Municipal Police Plan 5, and Municipal Fire Plan 5. Statutorily required contributions to the pension plan from the City were \$3,304,037 and employer paid member benefits that were “picked up” by the employer were \$0 for the year ended June 30, 2016.

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

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, 2015. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2016, 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, 2014 to June 30, 2015 were included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to FY 2016 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, 2016, the City reported a liability of \$14,363,937 for its proportionate share of the net pension liability. At June 30, 2015, the City's proportion was 1.4088 % percent.

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

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

For the year ended June 30, 2016, the City recognized PERA Fund Division Municipal Plan 2 pension expense of \$507,627. At June 30, 2016, 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	\$ -	\$ 318,168
Changes in assumptions	-	5,596
Net difference between projected and actual earnings on pension plan investments	-	45,438
Changes in proportion and differences between City's contributions and proportionate share of contributions	-	135,816
City's contributions subsequent to the measurement date	<u>1,188,865</u>	<u>-</u>
Total	<u>\$ 1,188,865</u>	<u>\$ 505,018</u>

\$1,188,865 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date June 30, 2016 will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. 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:

2017	\$	380,444
2018		380,444
2019		380,444
2020		(636,314)
2021		-

PERA Fund Division Municipal Police Plan 5, at June 30, 2016, the City reported a liability of \$11,033,723 for its proportionate share of the net pension liability. At June 30, 2015, the City's proportion was 2.2946% percent.

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

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

For the year ended June 30, 2016, the City recognized PERA Fund Division Municipal Police Plan 5 pension expense of \$747,467. At June 30, 2016, 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	\$ 770,991	\$ -
Changes in assumptions	-	456,488
Net difference between projected and actual earnings on pension plan investments	-	30,606
Changes in proportion and differences between City's contributions and proportionate share of contributions	54,266	-
City's contributions subsequent to the measurement date	1,137,827	-
Total	\$ 1,963,084	\$ 487,094

\$1,137,827 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date June 30, 2016 will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. 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:

2017	\$	93,950
2018		93,950
2019		93,950
2020		205,244
2021		-

For PERA Fund Division Municipal Fire Plan, at June 30, 2016, the City reported a liability of \$16,618,490 for its proportionate share of the net pension liability. At June 30, 2016, the City's proportion was 3.2199 %.

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

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

For the year ended June 30, 2016, the City recognized PERA Fund Division Municipal Fire Plan 5 pension expense of \$1,520,580. At June 30, 2016, 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	654,471	-
Changes in assumptions	350,500	-
Net difference between projected and actual earnings on pension plan investments	-	19,990
Changes in proportion and differences between City's contributions and proportionate share of contributions	-	233,305
City's contributions subsequent to the measurement date	<u>977,345</u>	<u>-</u>
Total	<u>\$1,982,316</u>	<u>253,295</u>

\$977,345 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date June 30, 2016 will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. 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:

2017	\$	197,341
2018		197,341
2019		197,341
2020		(338,728)
2021		-

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

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, 2014
Actuarial cost method	Entry age normal
Amortization method	Level of percentage pay, open
Amortization period	Solved for based on statutory rates
Asset valuation method	Fair value
Actuarial assumptions	
Investment rate of return	7.75% annual rate, net of investment expense
Projected benefit payment	100 years
Payroll growth	3.50% annual rate
Projected salary increases	3.50% to 14.25% annual rate
Includes inflation at	3.00% annual rate
Mortality assumption	RP Mortality tables with projection to 2018 using scale AA
Experience study dates	July 1, 2008 to June 30, 2013

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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, 2016**

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%) than the single discount rate.

PERA Fund Division Municipal Plan 2

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
City’s proportionate share of the net pension liability	\$ 24,456,085	\$ 14,363,937	\$ 5,973,001

PERA Fund Division Municipal Police Plan 5

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
City’s proportionate share of the net pension liability	\$ 18,221,528	\$ 11,033,723	\$ 5,137,288

PERA Fund Division Municipal Fire Plan

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
City’s proportionate share of the net pension liability	\$ 22,538,788	\$ 16,618,490	\$ 11,739,362

Pension plan fiduciary net position: Detailed information about the pension plan’s fiduciary net position is available in the separately issued FY15 PERA financial report. The report is available at <http://www.pera.state.nm.us/publications.html>.

Payables to the pension plan: There were no payables to the plan at June 30, 2016.

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

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 \$19,015,395 of restricted net position, of which \$361,759 is restricted for debt service, \$10,218,972 is restricted for capital projects and \$8,434,664 is restricted by enabling legislation referred to on page 36.

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

The date to which events occurring after June 30, 2016, the date of the most recent statement of net position, have been evaluated for possible adjustment to the financial statements or disclosures is December 14, 2016 which is the date on which the financial statements were issued.

NOTE 17 – RECENT 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-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

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 17 – RECENT PRONOUNCEMENTS (CONTINUED)

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, 2016.

- 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*
- GASB Statement No. 76, *Heirarchy of Generally Accepted Accounting Principles for State and Local Governments*
- GASB Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*
- GASB Statement No. 79, *Certain External Investment Pool Participants*
- GASB Statement No. 82, *Pension Issues-An Amendment of GASB Statements No. 67, No. 68, and No. 73*

**STATE OF NEW MEXICO
CITY OF ROSWELL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

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, 2016**

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	\$ 101,876	\$ -	\$ -	\$ -	\$ 101,876
South park cemetery	-	-	-	538,545	538,545
Restricted:					
Convention Center	-	-	-	538,416	538,416
Lodger's Tax	-	-	-	1,075,293	1,075,293
Community Development Revolving Loan	-	-	-	1,258,759	1,258,759
Beautification Grant	-	-	-	1	1
Law Enforcement Grant	-	-	-	1,829	1,829
HIDTA Grant	-	-	-	63,514	63,514
Emergency Medical Services	-	-	-	7,174	7,174
Emergency Medical Services Grant-Fire	-	-	-	2,159	2,159
Hazardous Materials	-	-	-	34,768	34,768
Fire Protection	-	-	-	956,495	956,495
Federal Narcotic Seizure	-	-	-	-	-
JAG Grant	-	-	-	1,361	1,361
Debt repayment	-	-	-	3,148,019	3,148,019
Capital projects	-	136,888	10,218,972	-	10,355,860
Government operations	19,111,516	-	-	644,531	19,756,047
Committed:					
Roads	-	52,722	-	-	52,722
Transit services	-	-	-	345,603	345,603
Assigned:					
Unassigned:	(962,401)	-	-	(9,654)	(972,055)
Total fund balances:	\$ 18,250,991	\$ 189,610	\$ 10,218,972	\$ 8,606,813	\$ 37,266,386

REQUIRED SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
CITY OF ROSWELL
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
June 30, 2016

Public Employees Retirement Association of New Mexico
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%	0.99%	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	42,016	-	-	-	-	-	-	-	-
City's Covered-Employee Payroll	\$ 19,821	21,742	-	-	-	-	-	-	-	-
City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll	163.07%	193.24%	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%	76.99%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

*The amounts presented for each fiscal year were determined as of June 30, 2015

**STATE OF NEW MEXICO
CITY OF ROSWELL
SCHEDULE OF CITY CONTRIBUTIONS
June 30, 2016**

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually Required	\$ 2,690	3,304	-	-	-	-	-	-	-	-
Contributions in Relation to the	2,690	3,304	-	-	-	-	-	-	-	-
Contribution Deficiency (Excess)	\$ -	-	-	-	-	-	-	-	-	-

Increase (Decrease) in Pension Expense over Recognition Periods

Year	Total Amount Deferred	Amortization on 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	1,244	5			671	671	672	(770)	-	-		
2017	-	5					-	-	-	-		
2018	-	5						-	-	-		
2019	-	5							-	-		
2020	-	5								-		
2021	-	5										
2022	-	5										
2023	-	5										
2024	-	5										
	<u>\$ 10,882</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

**STATE OF NEW MEXICO
CITY OF ROSWELL
SCHEDULE OF CITY CONTRIBUTIONS
June 30, 2016**

**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	\$ 1,101	1,189	-	-	-	-	-	-	-	-
Contributions in Relation to the	1,101	1,189	-	-	-	-	-	-	-	-
Contribution Deficiency (Excess)*	\$ -	-	-	-	-	-	-	-	-	-

Increase (Decrease) in Pension Expense over Recognition Periods

Year	Total Amount Deferred	Amortizat ion Years	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
2015	\$ 4,414	5		\$ 1,094	\$ 1,094	\$ 1,094	\$ 1,094	38				
2016	504	5			380	380	380	(636)				
2017	-	5				-	-	-				
2018	-	5				-	-	-				
2019	-	5				-	-	-				
2020	-	5				-	-	-				
2021	-	5				-	-	-				
2022	-	5				-	-	-				
2023	-	5				-	-	-				
2024	-	5				-	-	-				
	<u>\$ 4,918</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, 2016**

**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	\$ 810	1,137	-	-	-	-	-	-	-	-
Contributions in Relation to the	810	1,137	-	-	-	-	-	-	-	-
Contribution Deficiency (Excess)*	\$ -	-	-	-	-	-	-	-	-	-

Increase (Decrease) in Pension Expense over Recognition Periods

Year	Total Amount Deferred	Amortizat ion Years	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
2015	\$ 3,386	5		\$ 839	\$ 839	\$ 839	\$ 839	30				
2016	487	5			94	94	94	205	-			
2017	-	5				-	-	-	-	-		
2018	-	5				-	-	-	-	-	-	
2019	-	5				-	-	-	-	-	-	-
2020	-	5				-	-	-	-	-	-	-
2021	-	5				-	-	-	-	-	-	-
2022	-	5				-	-	-	-	-	-	-
2023	-	5				-	-	-	-	-	-	-
2024	-	5				-	-	-	-	-	-	-
	<u>\$ 3,873</u>			<u>\$ 839</u>	<u>\$ 933</u>	<u>\$ 933</u>	<u>\$ 933</u>	<u>\$ 235</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, 2016**

**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	\$ 779	977	-	-	-	-	-	-	-	-
Contributions in Relation to the	779	977	-	-	-	-	-	-	-	-
Contribution Deficiency (Excess)*	\$ -	-	-	-	-	-	-	-	-	-

Increase (Decrease) in Pension Expense over Recognition Periods

Year	Total Amount Deferred	Amortizati on Years	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
2015	\$ 1,838	5		\$ 357	\$ 357	\$ 357	\$ 357	\$ 410				
2016	253	4			197	197	198	(339)	-			
2017	-	5				-	-	-	-	-		
2018	-	5					-	-	-	-	-	
2019	-	5						-	-	-	-	-
2020	-	5							-	-	-	-
2021	-	5								-	-	-
2022	-	5									-	-
2023	-	5										-
2024	-	5										
	<u>\$ 2,091</u>			<u>\$ 357</u>	<u>\$ 554</u>	<u>\$ 554</u>	<u>\$ 555</u>	<u>\$ 71</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
NOTES TO PENSION REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2016**

Changes of Benefit Terms. The PERA and COLA and retirement eligibility benefits changes in recent years are described in Note 1 (pages 48-50). This report is available at:

<http://www.nmpera.org/assets/uploads/downloads/comprehensive-annual-financial-reports/CAFR-2015.pdf>

Assumptions. The Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation as of June 30, 2015 report is available at:

<http://www.nmpera.org/assets/uploads/downloads/retirement-fund-valuation-reports/6-30-2015-PERA-Valuation-Report-FINAL.pdf>

The assumptions can be found in Appendix B on page 53 of the report.

Other. The pension schedules in the required supplementary information are intended to show information for ten years. Additional information will be presented as it becomes available.

SUPPLEMENTARY INFORMATION

**STATE OF NEW MEXICO
CITY OF ROSWELL
NONMAJOR FUND DESCRIPTIONS
JUNE 30, 2016**

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, 2016**

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, 2016**

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, 2016**

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, 2016

	Special Revenue			
	Library Grants 103	South Park Cemetery 202	Mass Transit 210	Recreation 215
<i>Assets</i>				
Cash and cash equivalents	\$ -	345,200	340,710	456,271
Receivables:				
Property taxes	-	-	-	-
Other receivables	-	210,778	58,685	186,070
Due from other funds	-	-	-	-
Total assets	\$ -	555,978	399,395	642,341
<i>Liabilities</i>				
Accounts payable	\$ -	4,438	15,791	22,697
Accrued payroll expenses	-	12,908	38,001	26,526
Accrued sales tax payable	-	-	-	-
Due to other funds	5,102	87	-	-
Total liabilities	5,102	17,433	53,792	49,223
<i>Deferred Inflows - Property Taxes</i>				
Unearned revenue - property taxes	-	-	-	-
Total Deferred Inflows	-	-	-	-
Total Liabilities and Deferred Inflows	5,102	17,433	53,792	49,223
<i>Fund balances</i>				
Nonspendable	-	538,545	-	-
Spendable				
Restricted	-	-	345,603	593,118
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	(5,102)	-	-	-
Total fund balances	(5,102)	538,545	345,603	593,118
Total liabilities and fund balances	\$ -	555,978	399,395	642,341

Special Revenue

Correction Fees 220	Convention Center 221	Lodger's Tax 222	Unemployment Compensation 226
8,557	538,416	1,183,782	50,617
-	-	-	-
-	-	-	-
-	-	-	-
<u>8,557</u>	<u>538,416</u>	<u>1,183,782</u>	<u>50,617</u>
13,109	-	108,489	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>13,109</u>	<u>-</u>	<u>108,489</u>	<u>-</u>
-	-	-	-
-	-	-	-
<u>13,109</u>	<u>-</u>	<u>108,489</u>	<u>-</u>
-	-	-	-
-	538,416	1,075,293	50,617
-	-	-	-
-	-	-	-
(4,552)	-	-	-
<u>(4,552)</u>	<u>538,416</u>	<u>1,075,293</u>	<u>50,617</u>
8,557	538,416	1,183,782	50,617

STATE OF NEW MEXICO
CITY OF ROSWELL
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2016

	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	-	1,829	52,929
Receivables:				
Property taxes	-	-	-	-
Other receivables	-	300	-	18,488
Due from other funds	-	-	-	-
Total assets	\$ 1,258,759	300	1,829	71,417
<i>Liabilities</i>				
Accounts payable	-	-	-	6,974
Accrued payroll expenses	-	-	-	929
Accrued sales tax payable	-	-	-	-
Due to other funds	-	299	-	-
Total liabilities	-	299	-	7,903
<i>Deferred Inflows - Property Taxes</i>				
Unearned revenue - property taxes	-	-	-	-
Total Deferred Inflows	-	-	-	-
Total Liabilities and Deferred Inflows	-	299	-	7,903
<i>Fund balances</i>				
Nonspendable	-	-	-	-
Spendable				
Restricted	1,258,759	1	1,829	63,514
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	1,258,759	1	1,829	63,514
Total liabilities and fund balances	\$ 1,258,759	300	1,829	71,417

Special Revenue

Emergency Medical Services 260	EMS Grant-Fire 261	Hazardous Materials Emergency Resp. 262	Fire Protection 265	Federal Narcotic Seizure 512
7,714	2,159	34,768	963,270	256
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>7,714</u>	<u>2,159</u>	<u>34,768</u>	<u>963,270</u>	<u>256</u>
-	-	-	6,775	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	<u>6,775</u>	-
-	-	-	-	-
-	-	-	-	-
-	-	-	<u>6,775</u>	-
-	-	-	-	-
7,714	2,159	34,768	956,495	256
-	-	-	-	-
-	-	-	-	-
<u>7,714</u>	<u>2,159</u>	<u>34,768</u>	<u>956,495</u>	<u>256</u>
<u>7,714</u>	<u>2,159</u>	<u>34,768</u>	<u>963,270</u>	<u>256</u>

STATE OF NEW MEXICO
CITY OF ROSWELL
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2016

	Special Revenue		Debt Service	
	State		GO Bonds 104	2008 GO Bonds 106
	Narcotic Seizure 513	JAG Grant 514		
<i>Assets</i>				
Cash and cash equivalents	\$ -	1,361	-	351,515
Receivables:				
Property taxes	-	-	-	10,244
Other receivables	-	-	-	-
Due from other funds	-	-	-	-
Total assets	\$ -	1,361	-	361,759
<i>Liabilities</i>				
Accounts payable	\$ -	-	-	-
Accrued payroll expenses	-	-	-	-
Accrued sales tax payable	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	-	-	-	-
<i>Deferred Inflows - Property Taxes</i>				
Unearned revenue - property taxes	-	-	-	-
Total Deferred Inflows	-	-	-	-
Total Liabilities and Deferred Inflows	-	-	-	-
<i>Fund balances</i>				
Nonspendable	-	-	-	-
Spendable				
Restricted	-	1,361	-	361,759
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	-	1,361	-	361,759
Total liabilities and fund balances	\$ -	1,361	-	361,759

Capital Projects

GRT Bond 2015 107	Total Nonmajor Governmental Funds
3,018,584	8,616,697
-	10,244
-	474,321
-	-
<u>3,018,584</u>	<u>9,101,262</u>
232,324	410,597
-	78,364
-	-
-	5,488
<u>232,324</u>	<u>494,449</u>
-	-
-	-
<u>232,324</u>	<u>494,449</u>
-	538,545
2,786,260	8,077,922
-	-
-	-
<u>2,786,260</u>	<u>(9,654)</u>
<u>2,786,260</u>	<u>8,606,813</u>
<u>3,018,584</u>	<u>9,101,262</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, 2016**

	Special Revenue			
	Library Grants	South Park Cemetery	Mass Transit	Recreation
	103	202	210	215
<i>Revenues</i>				
Taxes:				
Property	\$ -	-	-	-
Gross Receipts	-	-	-	-
Other	-	-	-	5,740
Intergovernmental				
Federal operating grants	-	-	755,887	-
Federal capital grants	-	-	-	-
State operating grants	120,299	-	-	-
State capital grants	-	-	-	-
Charges for services	-	446,921	27,040	142,963
Licenses and fees	-	-	-	-
Investment income	-	898	750	875
Fines, forfeitures, and penalties	-	-	-	-
Miscellaneous	-	-	-	309,585
<i>Total revenues</i>	<u>120,299</u>	<u>447,819</u>	<u>783,677</u>	<u>459,163</u>
<i>Expenditures:</i>				
Current:				
General government	-	7,783	200	-
Public safety	-	-	-	-
Public works	-	450,310	1,345,875	-
Culture and recreation	50,235	-	-	1,336,009
Health and welfare	-	-	-	41
Capital outlay	35,028	9,980	36,430	295,103
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>85,263</u>	<u>468,073</u>	<u>1,382,505</u>	<u>1,631,153</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>35,036</u>	<u>(20,254)</u>	<u>(598,828)</u>	<u>(1,171,990)</u>
Other Financing Sources (Uses)				
Proceeds from loans	-	-	-	-
Transfers, in	-	57,872	481,959	1,631,743
Transfers, out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>57,872</u>	<u>481,959</u>	<u>1,631,743</u>
<i>Net change in fund balances</i>	35,036	37,618	(116,869)	459,753
<i>Fund balances - beginning of year</i>	<u>(40,138)</u>	<u>500,927</u>	<u>462,472</u>	<u>133,365</u>
<i>Fund balances, end of year</i>	<u>\$ (5,102)</u>	<u>538,545</u>	<u>345,603</u>	<u>593,118</u>

Special Revenue

Correction Fees 220	Convention Center 221	Lodger's Tax 222	Unemployment Compensation 226
-	-	-	-
-	-	-	-
-	-	1,083,161	-
-	-	-	-
-	-	-	-
-	-	-	-
141,549	627,543	(108,489)	-
-	-	-	-
-	-	2,218	120
-	-	-	-
-	150	5,244	-
<u>141,549</u>	<u>627,693</u>	<u>982,134</u>	<u>120</u>
-	53,594	427,546	30,117
231,455	-	14,161	-
-	-	-	-
-	-	566,237	-
-	-	-	-
-	1,067,988	12,844	-
-	-	-	-
-	-	-	-
<u>231,455</u>	<u>1,121,582</u>	<u>1,020,788</u>	<u>30,117</u>
<u>(89,906)</u>	<u>(493,889)</u>	<u>(38,654)</u>	<u>(29,997)</u>
-	-	-	-
150,000	-	-	-
-	-	-	-
-	-	-	-
<u>150,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
60,094	(493,889)	(38,654)	(29,997)
<u>(64,646)</u>	<u>1,032,305</u>	<u>1,113,947</u>	<u>80,614</u>
<u>(4,552)</u>	<u>538,416</u>	<u>1,075,293</u>	<u>50,617</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, 2016**

	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	-	16,567	79,200	165,267
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Fines, forfeitures, and penalties	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>16,567</u>	<u>79,200</u>	<u>165,267</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	35,549	131,471
Public works	-	-	-	-
Culture and recreation	-	16,567	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	57,000	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>16,567</u>	<u>92,549</u>	<u>131,471</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(13,349)</u>	<u>33,796</u>
Other Financing Sources (Uses)				
Proceeds from loans	-	-	-	-
Transfers, in	-	-	-	-
Transfers, out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(13,349)	33,796
<i>Fund balances - beginning of year</i>	<u>1,258,759</u>	<u>1</u>	<u>15,178</u>	<u>29,718</u>
<i>Fund balances, end of year</i>	<u>\$ 1,258,759</u>	<u>1</u>	<u>1,829</u>	<u>63,514</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	35,845	7,000	872,094	-
-	-	-	-	-
-	-	-	-	-
-	-	-	2,076	-
-	-	-	-	0
-	-	-	-	-
<u>20,000</u>	<u>35,845</u>	<u>7,000</u>	<u>874,170</u>	<u>-</u>
-	-	-	-	-
13,722	21,168	-	292,561	95
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	13,795	-	317,556	-
-	-	-	-	-
-	-	-	-	-
<u>13,722</u>	<u>34,963</u>	<u>-</u>	<u>610,117</u>	<u>95</u>
-	-	-	-	-
<u>6,278</u>	<u>882</u>	<u>7,000</u>	<u>264,053</u>	<u>(95)</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>6,278</u>	<u>882</u>	<u>7,000</u>	<u>264,053</u>	<u>(95)</u>
<u>1,436</u>	<u>1,277</u>	<u>27,768</u>	<u>692,442</u>	<u>351</u>
<u><u>7,714</u></u>	<u><u>2,159</u></u>	<u><u>34,768</u></u>	<u><u>956,495</u></u>	<u><u>256</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, 2016**

	Special Revenue		Debt Service	
	State Narcotic Seizure	JAG Grant	GO Bonds	2008 GO Bonds
	513	514	104	106
<i>Revenues</i>				
Taxes:				
Property	\$ -	-	1,192	383,689
Gross Receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental				
Federal operating grants	-	9,164	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	503
Fines, forfeitures, and penalties	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>9,164</u>	<u>1,192</u>	<u>384,192</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	3,815
Public safety	-	9,164	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	280,000
Interest	-	-	1,192	93,520
<i>Total expenditures</i>	<u>-</u>	<u>9,164</u>	<u>1,192</u>	<u>377,335</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,857</u>
Other Financing Sources (Uses)				
Proceeds from loans	-	-	-	-
Transfers, in	-	-	-	-
Transfers, out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	6,857
<i>Fund balances - beginning of year</i>	-	1,361	-	354,902
<i>Fund balances, end of year</i>	\$ <u>-</u>	<u>1,361</u>	<u>-</u>	<u>361,759</u>

Capital Projects

<u>2015 GRT Bond 107</u>	<u>Community Development Block Grant 305</u>	<u>Total Nonmajor Governmental Funds</u>
-	-	384,881
-	-	-
-	-	1,088,901
-	-	765,051
-	-	-
-	115,500	1,431,772
-	-	-
-	-	1,277,527
-	-	-
-	-	7,440
-	-	-
-	-	314,979
<u>-</u>	<u>115,500</u>	<u>5,270,551</u>
67,286	-	590,341
-	-	749,346
-	115,500	1,911,685
-	-	1,969,048
-	-	41
716,454	-	2,562,178
-	-	280,000
-	-	94,712
<u>783,740</u>	<u>115,500</u>	<u>8,157,351</u>
<u>(783,740)</u>	<u>-</u>	<u>(2,886,800)</u>
3,570,000	-	3,570,000
-	-	2,321,574
-	-	-
-	-	-
<u>3,570,000</u>	<u>-</u>	<u>5,891,574</u>
2,786,260	-	3,004,774
-	-	5,602,039
<u>2,786,260</u>	<u>-</u>	<u>8,606,813</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, 2016

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
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	124,077	165,445	119,743	(45,702)
Total Revenues	<u>124,077</u>	<u>165,445</u>	<u>119,743</u>	<u>(45,702)</u>
Expenditures:				
Current:				
General Government	84,495	125,539	85,263	40,276
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>84,495</u>	<u>125,539</u>	<u>85,263</u>	<u>40,276</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>39,582</u>	<u>39,906</u>	<u>34,480</u>	<u>(5,426)</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>39,582</u>	<u>39,906</u>	34,480	<u>(5,426)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			556	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 35,036</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, 2016

	<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	460,700	316,766	(143,934)
Licenses and Fees	-	-	-	-
Fines, Forfeitures, and Penalties	-	-	-	-
Investment Income	1,000	1,000	898	(102)
Miscellaneous	-	-	-	-
Total Revenues	<u>411,000</u>	<u>461,700</u>	<u>317,664</u>	<u>(144,036)</u>
Expenditures:				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	517,352	560,052	474,592	85,460
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>517,352</u>	<u>560,052</u>	<u>474,592</u>	<u>85,460</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(106,352)</u>	<u>(98,352)</u>	<u>(156,928)</u>	<u>(58,576)</u>
Other Financing Sources (Uses):				
Designated Cash (Budget Cash Increase)	-	-	-	-
Proceeds from Loans	-	-	-	-
Transfers, In	9,397	1,397	57,872	56,475
Transfers, Out	-	-	-	-
Proceeds from sale of Capital Assets	-	-	-	-
Total Other Financing sources (Uses)	<u>9,397</u>	<u>1,397</u>	<u>57,872</u>	<u>56,475</u>
Net Change in Fund Balances	<u>(96,955)</u>	<u>(96,955)</u>	<u>(99,056)</u>	<u>(2,101)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			130,155	
Adjustments to Expenditures			6,519	
NET CHANGE IN FUND BALANCE			<u>\$ 37,618</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, 2016

	<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	697,000	697,249	788,242	90,993
Fines, Forfeitures, and Penalties	-	-	-	-
Investment Income	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>697,000</u>	<u>697,249</u>	<u>788,242</u>	<u>90,993</u>
Expenditures:				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	1,597,527	1,581,433	1,344,504	236,929
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>1,597,527</u>	<u>1,581,433</u>	<u>1,344,504</u>	<u>236,929</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(900,527)</u>	<u>(884,184)</u>	<u>(556,262)</u>	<u>327,922</u>
Other Financing Sources (Uses):				
Designated Cash (Budget Cash Increase)	-	-	-	-
Proceeds from Loans	-	-	-	-
Transfers, In	485,513	469,418	481,959	12,541
Transfers, Out	-	-	-	-
Proceeds from sale of Capital Assets	-	-	-	-
Total Other Financing sources (Uses)	<u>485,513</u>	<u>469,418</u>	<u>481,959</u>	<u>12,541</u>
Net Change in Fund Balances	<u>\$ (415,014)</u>	<u>(414,766)</u>	<u>(74,303)</u>	<u>340,463</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(4,565)	
Adjustments to Expenditures			(38,001)	
NET CHANGE IN FUND BALANCE			<u>\$ (116,869)</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, 2016

	<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	219,000	476,888	264,744	(212,144)
Total Revenues	<u>219,000</u>	<u>476,888</u>	<u>264,744</u>	<u>(212,144)</u>
Expenditures:				
Current:				
General Government	2,155,024	2,338,050	1,687,031	651,019
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>2,155,024</u>	<u>2,338,050</u>	<u>1,687,031</u>	<u>651,019</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(1,936,024)</u>	<u>(1,861,162)</u>	<u>(1,422,287)</u>	<u>438,875</u>
Other Financing Sources (Uses):				
Designated Cash (Budget Cash Increase)	-	-	-	-
Proceeds from Loans	-	-	-	-
Transfers, In	1,706,172	1,631,743	1,631,743	-
Transfers, Out	-	-	-	-
Proceeds from sale of Capital Assets	-	-	-	-
Total Other Financing sources (Uses)	<u>1,706,172</u>	<u>1,631,743</u>	<u>1,631,743</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (229,852)</u>	<u>(229,419)</u>	209,456	<u>438,875</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			182,507	
Adjustments to Expenditures			67,790	
NET CHANGE IN FUND BALANCE			<u>\$ 459,753</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, 2016

	<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	136,340	136,340	141,549	5,209
Fines, Forfeitures, and Penalties	-	-	-	-
Investment Income	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>136,340</u>	<u>136,340</u>	<u>141,549</u>	<u>5,209</u>
Expenditures:				
Current:				
General Government	-	-	-	-
Public Safety	136,340	286,340	282,992	3,348
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>136,340</u>	<u>286,340</u>	<u>282,992</u>	<u>3,348</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>-</u>	<u>(150,000)</u>	<u>(141,443)</u>	<u>8,557</u>
Other Financing Sources (Uses):				
Designated Cash (Budget Cash Increase)	-	-	-	-
Proceeds from Loans	-	-	-	-
Transfers, In	-	150,000	150,000	-
Transfers, Out	-	-	-	-
Proceeds from sale of Capital Assets	-	-	-	-
Total Other Financing sources (Uses)	<u>-</u>	<u>150,000</u>	<u>150,000</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>-</u>	<u>8,557</u>	<u>8,557</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			51,537	
NET CHANGE IN FUND BALANCE			<u>\$ 60,094</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, 2016

	<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	600,500	627,692	627,693	1
Fines, Forfeitures, and Penalties	-	-	-	-
Investment Income	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>600,500</u>	<u>627,692</u>	<u>627,693</u>	<u>1</u>
Expenditures:				
Current:				
General Government	631,342	1,121,582	1,121,582	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>631,342</u>	<u>1,121,582</u>	<u>1,121,582</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(30,842)</u>	<u>(493,890)</u>	<u>(493,889)</u>	<u>1</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>\$ (30,842)</u>	<u>(493,890)</u>	<u>(493,889)</u>	<u>1</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (493,889)</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, 2016

	<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	1,700	6,967	976,890	969,923
Intergovernmental	-	-	-	-
Federal Operating Grants	-	-	-	-
Federal Capital Grants	-	-	-	-
State Operating Grants	-	-	-	-
State Capital Grants	-	-	-	-
Charges for Services	1,126,395	1,083,656	-	(1,083,656)
Licenses and Fees	-	-	-	-
Fines, Forfeitures, and Penalties	-	-	-	-
Investment Income	-	-	-	-
Miscellaneous	-	-	5,244	5,244
Total Revenues	<u>1,128,095</u>	<u>1,090,623</u>	<u>982,134</u>	<u>(108,489)</u>
Expenditures:				
Current:				
General Government	1,973,498	1,064,798	471,556	593,242
Public Safety	-	-	14,161	(14,161)
Public Works	-	-	-	-
Culture and Recreation	-	-	566,237	(566,237)
Health and Welfare	-	-	-	-
Capital Outlay	-	-	12,844	(12,844)
Debt Service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>1,973,498</u>	<u>1,064,798</u>	<u>1,064,798</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(845,403)</u>	<u>25,825</u>	<u>(82,664)</u>	<u>(108,489)</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>\$ (845,403)</u>	<u>25,825</u>	<u>(82,664)</u>	<u>(108,489)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			44,010	
NET CHANGE IN FUND BALANCE			<u>\$ (38,654)</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, 2016

	<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	100	100	120	20
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>100</u>	<u>100</u>	<u>120</u>	<u>20</u>
Expenditures:				
Current:				
General Government	89,373	89,373	38,776	50,597
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>89,373</u>	<u>89,373</u>	<u>38,776</u>	<u>50,597</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(89,273)</u>	<u>(89,273)</u>	<u>(38,656)</u>	<u>50,617</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>\$ (89,273)</u>	<u>(89,273)</u>	<u>(38,656)</u>	<u>50,617</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			8,659	
NET CHANGE IN FUND BALANCE			<u>\$ (29,997)</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, 2016

	<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	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</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	<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
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, 2016

	<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	16,267	(3,733)
State Capital Grants	-	-	-	-
Charges for Services	-	-	-	-
Licenses and Fees	-	-	-	-
Fines, Forfeitures, and Penalties	-	-	-	-
Investment Income	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>-</u>	<u>20,000</u>	<u>16,267</u>	<u>(3,733)</u>
Expenditures:				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	20,000	16,567	3,433
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>-</u>	<u>20,000</u>	<u>16,567</u>	<u>3,433</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(300)</u>	<u>(300)</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>\$ -</u>	<u>-</u>	<u>(300)</u>	<u>(300)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			300	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</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, 2016

	<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	79,000	79,000	79,200	200
State Capital Grants	-	-	-	-
Charges for Services	-	-	-	-
Licenses and Fees	-	-	-	-
Fines, Forfeitures, and Penalties	-	-	-	-
Investment Income	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>79,000</u>	<u>79,000</u>	<u>79,200</u>	<u>200</u>
Expenditures:				
Current:				
General Government	-	-	-	-
Public Safety	94,437	94,437	35,808	58,629
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	57,000	(57,000)
Debt Service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>94,437</u>	<u>94,437</u>	<u>92,808</u>	<u>1,629</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(15,437)</u>	<u>(15,437)</u>	<u>(13,608)</u>	<u>1,829</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>\$ (15,437)</u>	<u>(15,437)</u>	<u>(13,608)</u>	<u>1,829</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			259	
NET CHANGE IN FUND BALANCE			<u>\$ (13,349)</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, 2016

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Taxes:				
Property	\$ -	-	-	-
Gross Receipts	-	-	-	-
Gasoline and Motor Vehicle	-	-	-	-
Other Taxes	124,742	146,779	146,779	-
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>124,742</u>	<u>146,779</u>	<u>146,779</u>	<u>-</u>
Expenditures:				
Current:				
General Government	-	-	-	-
Public Safety	125,223	128,235	94,537	33,698
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>125,223</u>	<u>128,235</u>	<u>94,537</u>	<u>33,698</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(481)</u>	<u>18,544</u>	<u>52,242</u>	<u>33,698</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>\$ (481)</u>	<u>18,544</u>	<u>52,242</u>	<u>33,698</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			18,488	
Adjustments to Expenditures			(36,934)	
NET CHANGE IN FUND BALANCE			<u>\$ 33,796</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, 2016

	<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	40,000	55,845	20,000	(35,845)
State Capital Grants	-	-	-	-
Charges for Services	-	-	-	-
Licenses and Fees	-	-	-	-
Fines, Forfeitures, and Penalties	-	-	-	-
Investment Income	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>40,000</u>	<u>55,845</u>	<u>20,000</u>	<u>(35,845)</u>
Expenditures:				
Current:				
General Government	-	-	-	-
Public Safety	42,747	58,592	13,722	44,870
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>42,747</u>	<u>58,592</u>	<u>13,722</u>	<u>44,870</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(2,747)</u>	<u>(2,747)</u>	<u>6,278</u>	<u>9,025</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>\$ (2,747)</u>	<u>(2,747)</u>	<u>6,278</u>	<u>9,025</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 6,278</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, 2016

	<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	40,000	55,845	35,845	(20,000)
State Capital Grants	-	-	-	-
Charges for Services	-	-	-	-
Licenses and Fees	-	-	-	-
Fines, Forfeitures, and Penalties	-	-	-	-
Investment Income	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>40,000</u>	<u>55,845</u>	<u>35,845</u>	<u>(20,000)</u>
Expenditures:				
Current:				
General Government	-	-	-	-
Public Safety	42,747	58,592	21,202	37,390
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	13,795	(13,795)
Debt Service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>42,747</u>	<u>58,592</u>	<u>34,997</u>	<u>23,595</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(2,747)</u>	<u>(2,747)</u>	<u>848</u>	<u>3,595</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>\$ (2,747)</u>	<u>(2,747)</u>	<u>848</u>	<u>3,595</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			34	
NET CHANGE IN FUND BALANCE			<u>\$ 882</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, 2016

	<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	7,000	7,000	7,000	-
Total Revenues	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>	<u>-</u>
Expenditures:				
Current:				
General Government	-	-	-	-
Public Safety	34,768	34,768	-	34,768
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>34,768</u>	<u>34,768</u>	<u>-</u>	<u>34,768</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(27,768)</u>	<u>(27,768)</u>	<u>7,000</u>	<u>34,768</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	<u>\$ (27,768)</u>	<u>(27,768)</u>	<u>7,000</u>	<u>34,768</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>7,000</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, 2016

	<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	539,602	872,095	872,094	(1)
Federal Capital Grants	-	-	-	-
State Operating Grants	-	-	-	-
State Capital Grants	-	-	-	-
Charges for Services	-	-	-	-
Licenses and Fees	-	-	-	-
Fines, Forfeitures, and Penalties	-	-	-	-
Investment Income	-	-	2,076	2,076
Miscellaneous	-	-	-	-
Total Revenues	<u>539,602</u>	<u>872,095</u>	<u>874,170</u>	<u>2,075</u>
Expenditures:				
Current:				
General Government	-	-	-	-
Public Safety	1,237,904	1,568,784	291,647	1,277,137
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	317,556	(317,556)
Debt Service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>1,237,904</u>	<u>1,568,784</u>	<u>609,203</u>	<u>959,581</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(698,302)</u>	<u>(696,689)</u>	<u>264,967</u>	<u>961,656</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>\$ (698,302)</u>	<u>(696,689)</u>	<u>264,967</u>	<u>961,656</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			(914)	
NET CHANGE IN FUND BALANCE			<u>\$ 264,053</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, 2016

	<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	351	351	95	256
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>351</u>	<u>351</u>	<u>95</u>	<u>256</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(351)</u>	<u>(351)</u>	<u>(95)</u>	<u>256</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>\$ (351)</u>	<u>(351)</u>	<u>(95)</u>	<u>256</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (95)</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, 2016

	<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	-	-	-	-
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>-</u>	<u>-</u>	<u>-</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	<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
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, 2016

	<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	-	57,105	9,164	(47,941)
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>57,105</u>	<u>9,164</u>	<u>(47,941)</u>
Expenditures:				
Current:				
General Government	1,361	58,466	9,164	49,302
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>1,361</u>	<u>58,466</u>	<u>9,164</u>	<u>49,302</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(1,361)</u>	<u>(1,361)</u>	<u>-</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	<u>\$ (1,361)</u>	<u>(1,361)</u>	<u>-</u>	<u>1,361</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
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, 2016

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
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	450	450	-	(450)
Miscellaneous	-	-	-	-
Total Revenues	<u>450</u>	<u>450</u>	<u>-</u>	<u>(450)</u>
Expenditures:				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Principal	1,040,000	1,040,000	-	1,040,000
Interest	405,100	405,100	-	405,100
Total Expenditures	<u>1,445,100</u>	<u>1,445,100</u>	<u>-</u>	<u>1,445,100</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(1,444,650)</u>	<u>(1,444,650)</u>	<u>-</u>	<u>1,444,650</u>
Other Financing Sources (Uses):				
Designated Cash (Budget Cash Increase)	-	-	-	-
Proceeds from Loans	-	-	-	-
Transfers, In	1,424,252	1,425,752	-	(1,425,752)
Transfers, Out	-	-	-	-
Proceeds from sale of Capital Assets	-	-	-	-
Total Other Financing sources (Uses)	<u>1,424,252</u>	<u>1,425,752</u>	<u>-</u>	<u>(1,425,752)</u>
Net Change in Fund Balances	\$ <u>(20,398)</u>	<u>(18,898)</u>	<u>-</u>	<u>18,898</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
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, 2016

	<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	361,798	361,928	373,445	11,517
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	300	300	503	203
Miscellaneous	-	-	-	-
Total Revenues	<u>362,098</u>	<u>362,228</u>	<u>373,948</u>	<u>11,720</u>
Expenditures:				
Current:				
General Government	3,715	3,845	3,815	30
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Principal	280,000	280,000	280,000	-
Interest	93,520	97,365	93,520	3,845
Total Expenditures	<u>377,235</u>	<u>381,210</u>	<u>377,335</u>	<u>3,875</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(15,137)</u>	<u>(18,982)</u>	<u>(3,387)</u>	<u>15,595</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>\$ (15,137)</u>	<u>(18,982)</u>	<u>(3,387)</u>	<u>15,595</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			10,244	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 6,857</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 - 107
For the Year Ended June 30, 2016

	<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	-	-	67,286	(67,286)
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	3,500,000	3,432,700	716,454	2,716,246
Debt Service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>3,500,000</u>	<u>3,432,700</u>	<u>783,740</u>	<u>2,648,960</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(3,500,000)</u>	<u>(3,432,700)</u>	<u>(783,740)</u>	<u>2,648,960</u>
Other Financing Sources (Uses):				
Designated Cash (Budget Cash Increase)	-	-	-	-
Proceeds from Loans	3,500,000	3,500,000	3,570,000	70,000
Transfers, In	-	-	-	-
Transfers, Out	-	-	-	-
Proceeds from sale of Capital Assets	-	-	-	-
Total Other Financing sources (Uses):	<u>3,500,000</u>	<u>3,500,000</u>	<u>3,570,000</u>	<u>70,000</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>67,300</u>	<u>2,786,260</u>	<u>2,718,960</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 2,786,260</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 BLOCK GRANT (CDBG) - 305
For the Year Ended June 30, 2016

	<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	-	115,550	115,500	(50)
State Capital Grants	-	-	-	-
Charges for Services	-	-	-	-
Licenses and Fees	-	-	-	-
Fines, Forfeitures, and Penalties	-	-	-	-
Investment Income	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>-</u>	<u>115,550</u>	<u>115,500</u>	<u>(50)</u>
Expenditures:				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	115,550	115,500	50
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>-</u>	<u>115,550</u>	<u>115,500</u>	<u>50</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</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	<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, 2016

	<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	16,707,279	16,707,279	7,621,394	(9,085,885)
Federal Capital Grants	-	-	-	-
State Operating Grants	781,291	941,312	625,129	(316,183)
State Capital Grants	-	-	-	-
Charges for Services	921,300	921,300	3,502,302	2,581,002
Licenses and Fees	-	-	-	-
Fines, Forfeitures, and Penalties	-	-	-	-
Investment Income	3,040	3,040	3,863	823
Miscellaneous	2,004,200	2,013,338	155,675	(1,857,663)
Total Revenues	<u>20,417,110</u>	<u>20,586,269</u>	<u>11,908,363</u>	<u>(8,677,906)</u>
Expenditures:				
Current:				
General Government	21,653,693	21,812,154	11,643,122	10,169,032
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>21,653,693</u>	<u>21,812,154</u>	<u>11,643,122</u>	<u>10,169,032</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(1,236,583)</u>	<u>(1,225,885)</u>	<u>265,241</u>	<u>1,491,126</u>
Other Financing Sources (Uses):				
Principal payments on debt	-	-	(254,671)	(254,671)
Proceeds from Loans	-	-	-	-
Transfers, In	228,755	228,755	107,071	(121,684)
Transfers, Out	(674,903)	(685,603)	(563,700)	121,903
Proceeds from sale of Capital Assets	-	-	-	-
Total Other Financing sources (Uses):	<u>(446,148)</u>	<u>(456,848)</u>	<u>(711,300)</u>	<u>(254,452)</u>
Net Change in Fund Balances	<u>\$ (1,682,731)</u>	<u>(1,682,733)</u>	<u>(446,059)</u>	<u>1,236,674</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			1,502,377	
Adjustments to Expenditures			5,283,910	
NET CHANGE IN FUND BALANCE			<u>\$ 6,074,987</u>	

STATE OF NEW MEXICO
CITY OF ROSWELL
SOLID WASTE PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2016

	<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	-	-	278,153	278,153
Intergovernmental	-	-	-	-
Federal Operating Grants	-	-	-	-
Federal Capital Grants	-	-	-	-
State Operating Grants	-	-	-	-
State Capital Grants	-	-	-	-
Charges for Services	6,537,305	6,537,305	5,703,841	(833,464)
Licenses and Fees	-	-	-	-
Fines, Forfeitures, and Penalties	-	-	-	-
Investment Income	4,000	4,000	9,424	5,424
Miscellaneous	-	7,825	13,060	5,235
Total Revenues	<u>6,541,305</u>	<u>6,549,130</u>	<u>6,004,478</u>	<u>(544,652)</u>
Expenditures:				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	6,633,515	6,739,321	6,174,889	564,432
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	365,000	(365,000)
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>6,633,515</u>	<u>6,739,321</u>	<u>6,539,889</u>	<u>199,432</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(92,210)</u>	<u>(190,191)</u>	<u>(535,411)</u>	<u>(345,220)</u>
Other Financing Sources (Uses):				
Principal payments on debt				-
Proceeds from Loans				-
Transfers, In	722,046	722,046	1,066,494	344,448
Transfers, Out	(739,207)	(749,487)	(750,987)	(1,500)
Proceeds from sale of Capital Assets	-	-	-	-
Total Other Financing sources (Uses):	<u>(17,161)</u>	<u>(27,441)</u>	<u>315,507</u>	<u>342,948</u>
Net Change in Fund Balances	<u>\$ (109,371)</u>	<u>(217,632)</u>	<u>(219,904)</u>	<u>(2,272)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			443	
Adjustments to Expenditures			<u>1,837,320</u>	
			-	
NET CHANGE IN FUND BALANCE			<u>\$ 1,302,352</u>	

**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, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues:				
Taxes:				
Property	\$ -	-	-	-
Gross Receipts	-	-	-	-
Gasoline and Motor Vehicle	-	-	-	-
Other Taxes	-	-	541,919	541,919
Intergovernmental	-	-	-	-
Federal Operating Grants	-	-	-	-
Federal Capital Grants	-	-	-	-
State Operating Grants	-	-	-	-
State Capital Grants	-	-	-	-
Charges for Services	12,605,000	12,605,000	12,238,403	(366,597)
Licenses and Fees	-	-	-	-
Fines, Forfeitures, and Penalties	-	-	-	-
Investment Income	8,500	8,500	24,652	16,152
Miscellaneous	2,247,365	2,250,242	146,814	(2,103,428)
Total Revenues	<u>14,860,865</u>	<u>14,863,742</u>	<u>12,951,788</u>	<u>(1,911,954)</u>
Expenditures:				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	25,466,311	25,428,383	13,805,168	11,623,215
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Principal	-	-	675,000	(675,000)
Interest	-	-	-	-
Total Expenditures	<u>25,466,311</u>	<u>25,428,383</u>	<u>14,480,168</u>	<u>10,948,215</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(10,605,446)</u>	<u>(10,564,641)</u>	<u>(1,528,380)</u>	<u>9,036,261</u>
Other Financing Sources (Uses):				
Proceeds from Loans	-	-	1,982,689	1,982,689
Transfers, In	-	-	1,034,335	1,034,335
Transfers, Out	(1,456,127)	(1,531,127)	(1,531,306)	(179)
Proceeds from sale of Capital Assets	-	-	-	-
Total Other Financing sources (Uses):	<u>(1,456,127)</u>	<u>(1,531,127)</u>	<u>1,485,718</u>	<u>3,016,845</u>
Net Change in Fund Balances	<u>\$ (12,061,573)</u>	<u>(12,095,768)</u>	<u>(42,662)</u>	<u>12,053,106</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			460,054	
Adjustments to Expenditures			1,867,671	
NET CHANGE IN FUND BALANCE			<u>\$ 2,782,034</u>	

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, 2016

	<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		-	115,500	115,500
Federal Capital Grants		-	-	-
State Operating Grants		-	-	-
State Capital Grants	5,590,932	5,596,081	441,982	(5,154,099)
Charges for Services		-	-	-
Licenses and Fees		-	-	-
Fines, Forfeitures, and Penalties		-	-	-
Investment Income		-	19,432	19,432
Miscellaneous	-	-	5,040	5,040
Total Revenues	<u>5,590,932</u>	<u>5,596,081</u>	<u>581,954</u>	<u>(5,014,127)</u>
Expenditures:				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	17,237,541	17,110,913	3,062,566	14,048,347
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>17,237,541</u>	<u>17,110,913</u>	<u>3,062,566</u>	<u>14,048,347</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(11,646,609)</u>	<u>(11,514,832)</u>	<u>(2,480,612)</u>	<u>9,034,220</u>
Other Financing Sources (Uses):				
Designated Cash (Budget Cash Increase)				-
Proceeds from Loans	-	-	-	-
Transfers, In	2,888,185	2,888,185	2,626,310	(261,875)
Transfers, Out	-	-	-	-
Proceeds from sale of Capital Assets	-	-	-	-
Total Other Financing sources (Uses)	<u>2,888,185</u>	<u>2,888,185</u>	<u>2,626,310</u>	<u>(261,875)</u>
Net Change in Fund Balances	<u>(8,758,424)</u>	<u>(8,626,647)</u>	145,698	<u>8,772,345</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			801,824	
Adjustments to Expenditures			(532,236)	
NET CHANGE IN FUND BALANCE			<u>\$ 415,286</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, 2016**

	Pioneer Bank	New Mexico Finance Authority	Washington Federal Bank	Totals
Deposits				
General (Operating)	\$ 15,574,489	-	-	15,574,489
Payroll	584,638	-	-	584,638
JAG Grant	1,362	-	-	1,362
GO Bond Debt Ser Series 2008	351,515	-	-	351,515
GRT Bond Program Series 2015	3,017,584	-	-	3,017,584
GRT Bond Program DS 2015	1,000	-	-	1,000
CDBG	-	-	-	-
Federal Narcotics Seizure Fund	351	-	-	351
State Narcotics Seizure Fund	-	-	-	-
Airport PFC (Passenger Fac. Chg)	115,328	-	-	115,328
GRT Bond Debt Ser Series 08	1,806	-	-	1,806
2014A Bond Debt Ser Series 08	4,157	-	-	4,157
2014B WWTP Bond Refund Debt Ser	4,758	-	-	4,758
2014 WWTP Pump Improvement	556,950	-	-	556,950
Municipal Court Bail Bonds	69,557	-	-	69,557
	-	-	-	-
Certificates of Deposit	6,050,000	-	15,555,000	21,605,000
Total on deposit	26,333,495	-	15,555,000	41,888,495
Outstanding items	(1,987,618)	-	-	(1,987,618)
Deposits in transit	109,215	-	-	109,215
Book balance	\$ 24,455,092	-	15,555,000	40,010,092
Investments				
Local Government Investment Pool	\$ -	11,303,256	-	11,303,256
Petty Cash				4,750
				\$ 51,318,098
Total cash and cash equivalents governmental funds				\$ 29,648,770
Total cash and cash equivalents enterprise funds				21,155,433
Total agency funds cash and cash equivalents				513,895
Total cash, cash equivalents and investments				\$ 51,318,098

STATE OF NEW MEXICO
CITY OF ROSWELL
SCHEDULE OF PLEDGED COLLATERAL
For the Year Ended June 30, 2016

Name of Depository	Description	Maturity	CUSIP or Security ID Number	Fair Market Value	Name and Location of Safe Keeper
Pioneer Bank	FHLB FIXED	1/17/2020	313381T88	\$ 3,100,025	Federal Home Loan Bank Dallas, TX
Pioneer Bank	FFC FIXED	2/21/2020	3133EC3W2	2,250,034	Federal Home Loan Bank Dallas, TX
Pioneer Bank	FNMA 1 YR CMT	1/1/2034	31403VWN5	228,801	Federal Home Loan Bank Dallas, TX
Pioneer Bank	FHLMC H15T1Y	1/1/2033	31342AG29	113,976	Federal Home Loan Bank Dallas, TX
Pioneer Bank	FHLMC 1 YR TR	12/1/2033	31349SF32	368,457	Federal Home Loan Bank Dallas, TX
Pioneer Bank	FNMA 1 YR LIBOR	12/1/2035	31408ALJ7	707,475	Federal Home Loan Bank Dallas, TX
Pioneer Bank	FNMA	10/1/2026	3138ASYU0	1,272,743	Federal Home Loan Bank Dallas, TX
Pioneer Bank	FHLB CALL QTRLY	5/8/2020	3133812C8	4,601,918	Federal Home Loan Bank Dallas, TX
				<u>12,643,429</u>	
Washington Federal Bank	FHLMC GOLD PC A94288	8/20/2061	3620E0NW2	7,664,342	Federal Home Loan Bank Dallas, TX
Total Collateral Pledged				\$ <u><u>20,307,771</u></u>	

**STATE OF NEW MEXICO
CITY OF ROSWELL
SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
Year Ended June 30, 2016**

	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016
<i>Water & Sewer Meter Deposits</i>				
Assets				
Cash and cash equivalents	\$ 406,491	566,849	571,136	402,204
<i>Total assets</i>	<u>\$ 406,491</u>	<u>566,849</u>	<u>571,136</u>	<u>402,204</u>
Liabilities				
Deposits held and due to others	\$ 406,491	566,849	571,136	402,204
<i>Total liabilities</i>	<u>\$ 406,491</u>	<u>566,849</u>	<u>571,136</u>	<u>402,204</u>
<i>Bail Bonds Deposits</i>				
Assets				
Cash and cash equivalents	\$ 77,032	378,184	388,357	66,859
<i>Total assets</i>	<u>\$ 77,032</u>	<u>378,184</u>	<u>388,357</u>	<u>66,859</u>
Liabilities				
Deposits held and due to others	\$ 77,032	378,184	388,357	66,859
<i>Total liabilities</i>	<u>\$ 77,032</u>	<u>378,184</u>	<u>388,357</u>	<u>66,859</u>
<i>Payroll Payables</i>				
Assets				
Cash and cash equivalents	\$ 45,088	7,622	7,878	44,832
<i>Total assets</i>	<u>\$ 45,088</u>	<u>7,622</u>	<u>7,878</u>	<u>44,832</u>
Liabilities				
Deposits held and due to others	\$ 45,088	7,622	7,878	44,832
<i>Total liabilities</i>	<u>\$ 45,088</u>	<u>7,622</u>	<u>7,878</u>	<u>44,832</u>
<i>Total Agency Funds</i>				
Assets				
Cash and cash equivalents	\$ 528,611	952,655	967,371	513,895
<i>Total assets</i>	<u>\$ 528,611</u>	<u>952,655</u>	<u>967,371</u>	<u>513,895</u>
Liabilities				
Deposits held and due to others	\$ 528,611	952,655	967,371	513,895
<i>Total liabilities</i>	<u>\$ 528,611</u>	<u>952,655</u>	<u>967,371</u>	<u>513,895</u>

**STATE OF NEW MEXICO
CITY OF ROSWELL
SCHEDULE OF JOINT POWERS AGREEMENTS AND
MEMORANDUMS OF UNDERSTANDING
June 30, 2016**

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 VENDOR INFORMATION FOR PURCHASES EXCEEDING \$60,000 (EXCLUDING GRT)
FOR THE YEAR ENDED JUNE 30, 2016

Agency Number	Agency Name	Agency Type	RFB#/RFP# (if applicable)	Type of Procurement	Vendor Name	Did Vendor Win Contract?	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Physical address of vendor (City, State)	Did the Vendor provide documentation of eligibility for in-state preference?	Did the Vendor provide documentation of eligibility for veterans' preference?	Brief Description of the Scope of Work	If the procurement is attributable to a Component Unit, Name of Component Unit
6148	City of Roswell	Municipalities	Emergency	Emergency	Wagner Equipment Co	Winner	\$51,608.29	\$16,538.40	Denver CO	No	No	Repair to Aljon Compactor at the Landfill 5/22/2015	
6148	City of Roswell	Municipalities	Request for Quote	Emergency	Adame Construction	Winner	\$99,930.00		Los Lunas NM	No	No	48 Inch Water Main Repair on West Country Club Road	
6148	City of Roswell	Municipalities	Request for Quote	Emergency	J & H Services Inc	Loser			Albuquerque NM			48 Inch Water Main Repair on West Country Club Road	
6148	City of Roswell	Municipalities	Request for Quote	Emergency	Smithco Construction	Loser			Caballo NM			48 Inch Water Main Repair on West Country Club Road	
6148	City of Roswell	Municipalities	Request for Quote	Emergency	Whitecloud Pipeline	Loser			Roswell NM			48 Inch Water Main Repair on West Country Club Road	
6148	City of Roswell	Municipalities	SNOW15	Emergency	Abraham's Construction Inc	Winner	\$40,000.00	\$35,174.32	Albuquerque NM	No	No	"Goliath" Winter Snow Storm 12/26/2015	
6148	City of Roswell	Municipalities	SNOW15	Emergency	Bullet Construction	Winner	\$40,000.00	-\$18,231.25	Roswell NM	No	No	"Goliath" Winter Snow Storm 12/26/2015	
6148	City of Roswell	Municipalities	SNOW15	Emergency	Constructors Inc	Winner	\$50,000.00	\$37,382.07	Carlsbad NM	No	No	"Goliath" Winter Snow Storm 12/26/2015	
6148	City of Roswell	Municipalities	SNOW15	Emergency	Custom Construction	Winner	\$15,000.00	\$29,318.13	Roswell NM	No	No	"Goliath" Winter Snow Storm 12/26/2015	
6148	City of Roswell	Municipalities	SNOW15	Emergency	LDL Excavating Inc	Winner	\$15,000.00	-\$1,830.18	Roswell NM	No	No	"Goliath" Winter Snow Storm 12/26/2015	
6148	City of Roswell	Municipalities	SNOW15	Emergency	Southwestern Wireless	Winner	\$15,000.00	-\$13,055.00	Roswell NM	No	No	"Goliath" Winter Snow Storm 12/26/2015	
6148	City of Roswell	Municipalities	SNOW15	Emergency	Bluetarp Financial Inc	Winner		\$50.43	Atlanta GA	No	No	"Goliath" Winter Snow Storm 12/26/2015	
6148	City of Roswell	Municipalities	SNOW15	Emergency	CDW Government Inc	Winner		\$3,482.16	Chicago IL	No	No	"Goliath" Winter Snow Storm 12/26/2015	
6148	City of Roswell	Municipalities	SNOW15	Emergency	Desert West Enterprises	Winner		\$7,322.90	Roswell NM	No	No	"Goliath" Winter Snow Storm 12/26/2015	
6148	City of Roswell	Municipalities	SNOW15	Emergency	HCI Inc	Winner		\$201.56	Roswell NM	No	No	"Goliath" Winter Snow Storm 12/26/2015	
6148	City of Roswell	Municipalities	SNOW15	Emergency	Jennifer Griego	Winner		\$136.27	Roswell NM	No	No	"Goliath" Winter Snow Storm 12/26/2015	
6148	City of Roswell	Municipalities	SNOW15	Emergency	NM Salt & Minerals Inc	Winner		\$29,175.35	Carlsbad NM	No	No	"Goliath" Winter Snow Storm 12/26/2015	
6148	City of Roswell	Municipalities	SNOW15	Emergency	Roswell Ready Mix	Winner		\$300.00	Roswell NM	No	No	"Goliath" Winter Snow Storm 12/26/2015	
6148	City of Roswell	Municipalities	SNOW15	Emergency	Starr Janitorial Inc	Winner		\$1,785.25	Roswell NM	No	No	"Goliath" Winter Snow Storm 12/26/2015	
6148	City of Roswell	Municipalities	SNOW15	Emergency	Titan Machinery Inc	Winner		\$731.02	Albuquerque NM	No	No	"Goliath" Winter Snow Storm 12/26/2015	
6148	City of Roswell	Municipalities	ITB-16-001	Competitive (RFP or RFB)	L.N. Curtis & Sons	Winner	\$3,210 per unit		Phoenix AZ	No	No	Protective Jacket & Pants For Structural Fire Fighting & Add'l Equip	
6148	City of Roswell	Municipalities	ITB-16-005	Competitive (RFP or RFB)	J & G Electric Co	Winner	\$108,015.00		Roswell NM	Yes	No	Emergency Backup Generator-SRW Well #17	
6148	City of Roswell	Municipalities	ITB-16-005	Competitive (RFP or RFB)	Whitecloud Pipeline	Loser			Roswell NM			Emergency Backup Generator-SRW Well #17	
6148	City of Roswell	Municipalities	ITB-16-005	Competitive (RFP or RFB)	Current Electric	Loser			Dona Ana NM			Emergency Backup Generator-SRW Well #17	
6148	City of Roswell	Municipalities	ITB-16-005	Competitive (RFP or RFB)	Wagner Equipment	Loser			Albuquerque NM			Emergency Backup Generator-SRW Well #17	
6148	City of Roswell	Municipalities	ITB-16-018	Competitive (RFP or RFB)	Constructors Inc	Winner	\$888,425.00		Carlsbad NM	No	No	Sunset Ave. Road Improvement Project	
6148	City of Roswell	Municipalities	ITB-16-018	Competitive (RFP or RFB)	J & H Services Inc	Loser			Albuquerque NM			Sunset Ave. Road Improvement Project	
6148	City of Roswell	Municipalities	ITB-16-019	Competitive (RFP or RFB)	Abraham's Construction Inc	Winner	\$1,567,698.50		Albuquerque NM	Yes	No	Convention Center Overflow Parking & 9th Street Project	
6148	City of Roswell	Municipalities	ITB-16-019	Competitive (RFP or RFB)	Constructors Inc	Loser			Carlsbad NM			Convention Center Overflow Parking & 9th Street Project	
6148	City of Roswell	Municipalities	ITB-16-019	Competitive (RFP or RFB)	Ramirez and Sons	Loser			Hobbs NM			Convention Center Overflow Parking & 9th Street Project	
6148	City of Roswell	Municipalities	ITB-16-020	Competitive (RFP or RFB)	Abraham's Construction Inc	Winner	\$557,904.00		Albuquerque NM	No	No	CDBG Street & Drainage Improvements	
6148	City of Roswell	Municipalities	ITB-16-041	Competitive (RFP or RFB)	Abraham's Construction Inc	Winner	Various Items		Albuquerque NM	Yes	No	2016 Annual Maintenance Contract Asphalt Dominant	
6148	City of Roswell	Municipalities	ITB-16-041	Competitive (RFP or RFB)	Constructors Inc	Loser	Various Items		Carlsbad NM			2016 Annual Maintenance Contract Asphalt Dominant	
6148	City of Roswell	Municipalities	ITB-16-042	Competitive (RFP or RFB)	Abraham's Construction Inc	Winner	Various Items		Albuquerque NM	Yes	No	2016 Annual Maintenance Contract Concrete Dominant	
6148	City of Roswell	Municipalities	ITB-16-042	Competitive (RFP or RFB)	Constructors Inc	Loser	Various Items		Carlsbad NM			2016 Annual Maintenance Contract Concrete Dominant	

STATE OF NEW MEXICO
CITY OF ROSWELL
SCHEDULE OF VENDOR INFORMATION FOR PURCHASES EXCEEDING \$60,000 (EXCLUDING GRT)
FOR THE YEAR ENDED JUNE 30, 2016

Agency Number	Agency Name	Agency Type	RFB#/RFP# (if applicable)	Type of Procurement	Vendor Name	Did Vendor Win Contract?	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Physical address of vendor (City, State)	Did the Vendor provide documentation of eligibility for in-state preference?	Did the Vendor provide documentation of eligibility for veterans' preference?	Brief Description of the Scope of Work	If the procurement is attributable to a Component Unit, Name of Component Unit
6148	City of Roswell	Municipalities	ITB-16-043	Competitive (RFP or RFB)	Adame Construction	Winner	\$59,284.00	\$79,370.00	Los Lunas NM	No	No	North Garden Sewer Line Repair	
6148	City of Roswell	Municipalities	ITB-16-043	Competitive (RFP or RFB)	Century Club Construction	Loser			Albuquerque NM			North Garden Sewer Line Repair	
6148	City of Roswell	Municipalities	ITB-16-043	Competitive (RFP or RFB)	Constructors Inc	Loser			Carlsbad NM			North Garden Sewer Line Repair	
6148	City of Roswell	Municipalities	ITB-16-043	Competitive (RFP or RFB)	Smithco Construction	Loser			Caballo NM			North Garden Sewer Line Repair	
6148	City of Roswell	Municipalities	ITB-16-043	Competitive (RFP or RFB)	White Cloud Pipeline Corp	Loser			Roswell NM			North Garden Sewer Line Repair	
6148	City of Roswell	Municipalities	ITB-16-045	Competitive (RFP or RFB)	Vantage Engineering & Construction Inc	Winner	\$76,615.23	\$35,851.00	Roswell NM	No	No	Museum Bridge repairs	
6148	City of Roswell	Municipalities	ITB-16-045	Competitive (RFP or RFB)	Abraham's Construction Inc	Loser			Albuquerque NM			Museum Bridge repairs	
6148	City of Roswell	Municipalities	ITB-16-045	Competitive (RFP or RFB)	Hasse Contracting Co Inc	Loser			Albuquerque NM				
6148	City of Roswell	Municipalities	ITB-16-045	Competitive (RFP or RFB)	H.O. Construction Inc	Loser			Albuquerque NM				
6148	City of Roswell	Municipalities	ITB-16-045	Competitive (RFP or RFB)	Villalobos Construction	Loser			Las Cruces NM				
6148	City of Roswell	Municipalities	ITB-16-046	Competitive (RFP or RFB)	Corrosion Resistant Coatings	Winner	\$223,242.00		Elephant Butte NM	Yes	No	Sewer Manhole Rehabilitation Project 2016	
6148	City of Roswell	Municipalities	ITB-16-047	Competitive (RFP or RFB)	White Cloud Pipeline Corp	Winner	\$169,500.00		Roswell NM	No	Yes	Kerr Station Valve Replacements	
6148	City of Roswell	Municipalities	ITB-16-047	Competitive (RFP or RFB)	Adame Construction	Loser			Los Lunas NM			Kerr Station Valve Replacements	
6148	City of Roswell	Municipalities	ITB-16-047	Competitive (RFP or RFB)	Alpha Southwest Inc	Loser			Albuquerque NM			Kerr Station Valve Replacements	
6148	City of Roswell	Municipalities	ITB-16-047	Competitive (RFP or RFB)	J & H Services Inc	Loser			Albuquerque NM			Kerr Station Valve Replacements	
6148	City of Roswell	Municipalities	ITB-16-047	Competitive (RFP or RFB)	Smithco Construction	Loser			Caballo NM			Kerr Station Valve Replacements	
6148	City of Roswell	Municipalities	RFP-16-005	Competitive (RFP or RFB)	Huitt-Zollars Inc	Winner	\$489,576.22	\$47,413.09	Albuquerque NM	Yes	No	Design Svcs for City of Roswell Recreation Center	
6148	City of Roswell	Municipalities	RFP-16-005	Competitive (RFP or RFB)	Durham Mackay Architects	Loser			Carlsbad NM			Design Svcs for City of Roswell Recreation Center	
6148	City of Roswell	Municipalities	RFP-16-005	Competitive (RFP or RFB)	ASA Architects	Loser			Roswell NM			Design Svcs for City of Roswell Recreation Center	
6148	City of Roswell	Municipalities	RFP-16-005	Competitive (RFP or RFB)	Dekker Perrich Sabatini Design Architecture	Loser			Albuquerque NM			Design Svcs for City of Roswell Recreation Center	
6148	City of Roswell	Municipalities	RFP-16-005	Competitive (RFP or RFB)	The Hartman Majewski Design Group	Loser			Albuquerque NM			Design Svcs for City of Roswell Recreation Center	
6148	City of Roswell	Municipalities	RFP-16-005	Competitive (RFP or RFB)	Molzen Corbin Engineers/Architects/Planners	Loser			Albuquerque NM			Design Svcs for City of Roswell Recreation Center	
6148	City of Roswell	Municipalities	RFP-16-005	Competitive (RFP or RFB)	Vigil & Associates Architectural Group	Loser			Albuquerque NM			Design Svcs for City of Roswell Recreation Center	
6148	City of Roswell	Municipalities	RFP-16-005	Competitive (RFP or RFB)	Greer Stafford/SISE Architecture Inc	Loser			Albuquerque NM			Design Svcs for City of Roswell Recreation Center	
6148	City of Roswell	Municipalities	RFP-16-005	Competitive (RFP or RFB)	NCA Architects & Planners	Loser			Albuquerque NM			Design Svcs for City of Roswell Recreation Center	
6148	City of Roswell	Municipalities	RFP-16-005	Competitive (RFP or RFB)	Van H Gilbert Architect PC	Loser			Albuquerque NM			Design Svcs for City of Roswell Recreation Center	
6148	City of Roswell	Municipalities	RFP-16-005	Competitive (RFP or RFB)	Suina & Mead Architects	Loser			Albuquerque NM			Design Svcs for City of Roswell Recreation Center	
6148	City of Roswell	Municipalities	RFP-16-005	Competitive (RFP or RFB)	Jeebs and Zuzu LLC	Loser			Albuquerque NM			Design Svcs for City of Roswell Recreation Center	
6148	City of Roswell	Municipalities	RFP-16-006	Competitive (RFP or RFB)	Armstrong Consultants Inc	Winner	As needed		Grand Junction CO	No	No	On Call Engineering Svcs for RIAC	
6148	City of Roswell	Municipalities	RFP-16-006	Competitive (RFP or RFB)	Bohannon Huston Inc	Loser			Albuquerque NM			On Call Engineering Svcs for RIAC	
6148	City of Roswell	Municipalities	RFP-16-006	Competitive (RFP or RFB)	Molzen Corbin Engineers/Architects/Planners	Loser			Albuquerque NM			On Call Engineering Svcs for RIAC	
6148	City of Roswell	Municipalities	RFP-16-006	Competitive (RFP or RFB)	KSA	Loser			Longview TX			On Call Engineering Svcs for RIAC	
6148	City of Roswell	Municipalities	RFP-16-006	Competitive (RFP or RFB)	Parkhill, Smith & Cooper	Loser			Lubbock TX			On Call Engineering Svcs for RIAC	
6148	City of Roswell	Municipalities	RFP-16-006	Competitive (RFP or RFB)	WHPacific Inc	Loser			Albuquerque NM			On Call Engineering Svcs for RIAC	
6148	City of Roswell	Municipalities	RFP-16-006	Competitive (RFP or RFB)	Delta Airport Consultants Inc	Loser			Albuquerque NM			On Call Engineering Svcs for RIAC	
6148	City of Roswell	Municipalities	RFP-16-007	Competitive (RFP or RFB)	Superior Ambulance Service Inc	Winner	\$150,000.00		Albuquerque NM	No	No	Emergency Ambulance Service	
6148	City of Roswell	Municipalities	RFP-16-007	Competitive (RFP or RFB)	American Medical Response Ambulance Service inc	Loser			Las Cruces NM			Emergency Ambulance Service	
6148	City of Roswell	Municipalities	RFP-16-008	Competitive (RFP or RFB)	Dekker/Perich/Sabatini	Winner	\$365,409.79		Albuquerque NM	Yes		Convention Center Design Services	
6148	City of Roswell	Municipalities	RFP-16-008	Competitive (RFP or RFB)	Durham Mackay Architects	Loser			Carlsbad NM			Convention Center Design Services	
6148	City of Roswell	Municipalities	RFP-16-008	Competitive (RFP or RFB)	Greer Stafford/SISE Architecture Inc	Loser			Albuquerque NM			Convention Center Design Services	
6148	City of Roswell	Municipalities	RFP-16-008	Competitive (RFP or RFB)	PA Architects	Loser			Albuquerque NM			Convention Center Design Services	
6148	City of Roswell	Municipalities	RFP-16-008	Competitive (RFP or RFB)	Place Dynamics	Loser			New Berlin WI			Convention Center Design Services	
6148	City of Roswell	Municipalities	RFP-16-008	Competitive (RFP or RFB)	SMPC Architects	Loser			Albuquerque NM			Convention Center Design Services	

COMPLIANCE SECTION

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

To Timothy Keller
New Mexico State Auditor
And
The Mayor, City Manager, and the City Council Members
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, business-type activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund of the City of Roswell (City) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and the combining and individual funds and related budgetary comparisons of the City, presented as supplemental information, and have issued our report thereon dated December 14, 2016.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* listed as findings 2016-001, and 2015-001 in the statement of findings and questioned costs.

The City's Response to Findings

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

Purpose of this Report

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



Axiom CPAs and Business Advisors, LLC
Albuquerque, New Mexico
December 14, 2016

FEDERAL FINANCIAL ASSISTANCE

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Mr. Timothy Keller
New Mexico State Auditor
And
The 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 (the "City") compliance requirements described in the *OMB 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, 2016. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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.

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, 2016.

Other Matters

The results of our auditing procedures disclosed one instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance, and is listed as finding 2015-001 in the schedule of findings and questioned costs.

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

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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

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



Albuquerque, New Mexico
December 14, 2016

STATE OF NEW MEXICO
CITY OF ROSWELL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2016

Federal Grantor/Pass-Through Grantor/Program Title	Pass Through Entity #	Federal CFDA Number	Federal Expenditures
U.S. Department of Transportation			
Passed through NM Highway and Transportation:			
Formula Grants for Other than Urbanized Areas	M01409	20.509	\$ 531,199
Formula Grants for Other than Urbanized Areas	M01355	20.509	182,373
Highway Planning and Construction	2101100	20.205	579,723
Direct Programs:			
Airport Improvement Program	3-35-0035-029-2015	* 20.106	6,480,104
Airport Improvement Program	3-35-0035-028-2014	* 20.106	849,735
Total U.S. Department of Transportation			<u>8,623,134</u>
U.S. Department of Justice			
Pass through Office of Justice Programs:			
Edward Bryne Memorial Justice Assistance Grant	2014-DJ-BX-1206	16.738	9,164
Passed through Office of National Drug Control Policy - NM HIDTA Reprogramming:			
Dangerous Drugs-Laboratory Analysis	G12SN0017A	16.001	<u>124,077</u>
Total U.S. Department of Justice			<u>133,241</u>
U.S. Department of Homeland Security			
Passed through NM Department of Homeland Security and Emergency Management:			
Homeland Security Grant Program	EMW-2015-SS-00110	97.067	50,000
Homeland Security Grant Program	EMW-2014-SS-00030-S01	97.067	51,868
Homeland Security Grant Program	EMW-2013-SS-00152-S01	97.067	17,561
Emergency Management Performance Grant	EMW-2015-EP-00066-S01	97.042	<u>36,132</u>
Total U.S. Department of Homeland Security			<u>155,561</u>
Total Expenditures of Federal Awards			\$ <u><u>8,911,936</u></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, 2016**

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of the City under programs of the federal government for the year ended June 30, 2016. The information in this Schedule is presented in accordance with the requirements of Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations. Because the Schedule presents only a portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, and cash flows of the City. Expenditures reported on the Schedule are reported on the accrual basis of accounting.

The City did not provide any federal awards to sub-recipients during the year.

**STATE OF NEW MEXICO
CITY OF ROSWELL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2016**

I. SUMMARY OF AUDITOR’S REPORT

Financial Statements

<u>Type of Auditor’s report issued:</u>	<u>Unmodified</u>
Internal control over financial reporting: Material Weakness reported?	No
Significant deficiencies reported not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
a. Material weaknesses reported?	No
b. Significant deficiencies reported not considered to be material weaknesses?	None
c. Known questioned costs greater than \$25,000 for a compliance requirement for a major program?	No
d. Known questioned costs greater than \$25,000 for which Is not audited as a major program?	No
e. Known or likely fraud?	No
f. Significant instances of abuse relating to major programs?	No
g. Circumstances causing the auditor’s report on compliance For each major program to be modified, unless otherwise Reported as audit findings?	No
h. Instances where results of audit follow-up procedures dis- Closed that the summary schedule of prior year audit Findings prepared by the auditee materially misrepresents The status of any prior audit finding?	No
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 Uniform Guidance?	Yes
Identification of major programs: Airport Improvement Programs – CFDA #20.106	
Dollar threshold used to distinguish Between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

**STATE OF NEW MEXICO
CITY OF ROSWELL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2016**

II. FINDINGS – FINANCIAL STATEMENT

2016-001 Pledged Collateral deficiency (Compliance and Other Matter)

Condition: At June 30, 2016, the City’s depository institution did not maintain the required amount of pledged collateral to cover City deposits; the amount under collateralized amounted to \$398,318.

Criteria: In accordance with the Public Money Act (Section 6-10 NMSA 1978), deposits of public money are required to be collateralized accordingly.

Effect: The City was out of compliance with the aforementioned statute.

Cause: The City’s depository did not maintain the proper amount of securities at June 30, 2016 to cover the City’s deposits.

Recommendation: We recommend that the City continue to monitor their collateral amounts during the year and particularly at year end.

Management
Response: The banking institution caught the deficit and rectified the under collateralization quickly. The City will meet with the banking institution in the near future to derail further instances of under collateralized amounts.

Party responsible
For corrective action: Finance Director

Estimated timeline
To complete: The City hopes to complete procedures by early FY 2018.

**STATE OF NEW MEXICO
CITY OF ROSWELL
SUMMARY OF PRIOR YEAR FINDINGS
JUNE 30, 2016**

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2015-001 Reporting (Compliance and Other Matters) (Repeated and Modified)

Federal program information:

Funding agency:	U.S. Department of Transportation
Office:	Federal Aviation Administration
Title:	Airport Improvement Grant #3-35-0035-029-2015
CFDA Number:	20.106
Award years:	2015 to 2016

CONDITION: During the fiscal year ending June 30, 2016, the City did not submit all the required reports to the grantor. Federal Financial Report "SF-425" was not compiled and submitted to the Federal Aviation Administration in a timely manner.

It does not appear that program administrator has fully rectified its reporting issues.

CRITERIA: Pursuant to the compliance supplement for this program "Airport Improvement Program" (CFDA 20.106), "SF-425", Federal Financial Report, is required to be submitted as part of this program.

QUESTIONED COSTS: None

EFFECT: The City did not meet the full reporting requirements of the Airport Improvement Program.

CAUSE: Program administrators were not familiar with this requirement and thus were not aware of the filing requirements

RECOMMENDATION: We recommend that the City review and become familiar with the compliance requirements for all federal programs that it administers.

MANAGEMENT RESPONSE: The US Department of Transportation (DOT) FAA nor auditors have ever requested form SF-425. The Airport Manager and the Accounting staff have been with the City for more than 30 years. Going forward, the Airport Manager and Accounting Staff will work with the DOT, training with the compliance requirements, and will be responsible for addressing this issue.

CORRECTIVE ACTION TIMELINE: The procedures will be completed in FY 2017 for compliance.

**STATE OF NEW MEXICO
CITY OF ROSWELL
SUMMARY OF PRIOR YEAR FINDINGS
JUNE 30, 2016**

Prior Year

2015-001	Reporting (Non Compliance and Other Matter)	Repeated and modified
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**STATE OF NEW MEXICO
CITY OF ROSWELL
EXIT CONFERENCE
JUNE 30, 2016**

EXIT CONFERENCE

An exit conference was held on December 12, 2016 with the City of Roswell. The overall results of the audit and related findings were discussed. The following individuals were present during the meeting:

Representing the City of Roswell

Caleb Grant	City Councilor, Ward 2 (Chairman of Finance Committee)
Monica Garcia	Finance Director
Debra Morsey	Accounting Supervisor
Rod Hogan	Interim City Manager

Axiom CPAs and Business Advisors, LLC

Chris Garner, CPA	Audit Partner
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PREPARATION OF FINANCIAL STATEMENTS

The financial statements presented in this report have been prepared by Axiom CPAs and Business Advisors, LLC; however the financial statements are the responsibility of the management.