

STATE OF NEW MEXICO
CITY OF BELEN
ANNUAL FINANCIAL REPORT
JUNE 30, 2009

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INTRODUCTORY SECTION

STATE OF NEW MEXICO

City of Belen
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June 30, 2009

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STATE OF NEW MEXICO

City of Belen

Official Roster

June 30, 2009

<u>Name</u>	<u>City Council</u>	<u>Title</u>
Ronnie Torres		Mayor
Rudy Jaramillo		Councilor
David Lopez		Councilor
Terese Ulivarri		Councilor
Wayne Gallegos		Councilor
	<u>Administration</u>	
Kathy Savilla		Municipal Judge
Sally Garley		City Manager
Mildred Garley		Finance Director
Norman McDonald		City Attorney

FINANCIAL SECTION



Accounting & Consulting Group, LLP

Independent Auditors' Report

Hector Balderas
New Mexico State Auditor
The Office of Management and Budget and
The City Council
City of Belen
Belen, New Mexico

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the budgetary comparisons for the general fund and 2008 GRT Revenue Bond Special Revenue Fund, and the aggregate remaining fund information of the City of Belen, New Mexico, as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the City's nonmajor governmental funds, and budgetary comparisons for the proprietary and nonmajor governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2009 as listed in the table of contents. These financial statements are the responsibility of the City of Belen's management. Our responsibility is to express opinions on these financial statements based on our audit.

Except as discussed in the following paragraph, 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in finding FS 2004-07, the City's cash balances allocated at the individual fund level did not reconcile with the control cash account for either the governmental funds or the proprietary funds. As a result, there was no effective way to determine whether the cash balances at the fund level were materially correct. The amount by which allocation would effect the assets, fund balances, revenues and expenditures of the governmental and proprietary funds is not reasonably determinable.

In our opinion, except for the effects of not being able to determine the cash balances at the fund level, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Belen, New Mexico, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparisons for the general fund and 2008 GRT Revenue Bonds Special Revenue Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the City of Belen as of June 30, 2009, and the respective changes in financial position thereof, and the budgetary comparisons for the proprietary funds and the remaining nonmajor governmental funds presented as supplementary information for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Certified Public Accountants

2700 San Pedro Northeast [87110-333] – P.O. Box 3130, Albuquerque, New Mexico 87190-3130
866.307.2727 – 505.883.2727 – Fax 505.884.6719 – albuquerque.office@acgnm.com – www.acgnm.com

Alamogordo – Albuquerque – Carlsbad – Clovis – Hobbs – Lubbock

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2009 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* and should be considered in assessing the results of our audit.

The City has not presented the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The accompanying financial information listed as supporting Schedules I through II in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and the combining and individual fund statements and budgetary comparisons listed above and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements and the combining and individual fund statements and budgetary comparisons taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on it.

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP
Albuquerque, New Mexico
November 30, 2009

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**BASIC
FINANCIAL STATEMENTS**

STATE OF NEW MEXICO

City of Belen

Statement of Net Assets

June 30, 2009

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 1,293,117	\$ 876,659	\$ 2,169,776
Investments	4,247,139	104,145	4,351,284
Receivables:			
Property taxes	141,189	-	141,189
Other taxes	993,634	20,019	1,013,653
Customer	-	356,561	356,561
Other	156,260	433,379	589,639
Total current assets	6,831,339	1,790,763	8,622,102
Noncurrent assets			
Restricted cash and cash equivalents	642,411	111,813	754,224
Restricted investments	167,523	-	167,523
Bond issuance costs, net of accumulated amortization of \$2,912	104,826	-	104,826
Bond discounts, net of accumulated amortization of \$4,108	147,871	-	147,871
Capital assets	78,401,302	36,659,332	115,060,634
Less: accumulated depreciation	(39,708,815)	(15,858,792)	(55,567,607)
Total noncurrent assets	39,755,118	20,912,353	60,667,471
Total assets	\$ 46,586,457	\$ 22,703,116	\$ 69,289,573

The accompanying notes are an integral part of these financial statements

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Liabilities			
Current liabilities			
Accounts payable	\$ 210,218	\$ 586,293	\$ 796,511
Meter deposits	-	127,962	127,962
Accrued payroll	110,395	17,821	128,216
Accrued compensated absences	103,628	24,025	127,653
Accrued interest	128,796	75,591	204,387
Current portion of long-term debt	1,218,988	36,046	1,255,034
Total current liabilities	<u>1,772,025</u>	<u>867,738</u>	<u>2,639,763</u>
Noncurrent liabilities			
Accrued compensated absences	97,069	27,217	124,286
Accrued landfill closure costs	-	593,497	593,497
Bonds payable	10,335,000	1,427,000	11,762,000
Loans and capital leases payable	7,881,834	162,138	8,043,972
Total noncurrent liabilities	<u>18,313,903</u>	<u>2,209,852</u>	<u>20,523,755</u>
Total liabilities	<u>20,085,928</u>	<u>3,077,590</u>	<u>23,163,518</u>
Net Assets			
Invested in capital assets, net of related debt	13,944,847	19,175,356	33,120,203
Restricted for:			
Debt service	1,441,218	-	1,441,218
Capital projects	5,516,425	-	5,516,425
Unrestricted	5,598,039	450,170	6,048,209
Total net assets	<u>\$ 26,500,529</u>	<u>\$ 19,625,526</u>	<u>\$ 46,126,055</u>

STATE OF NEW MEXICO
City of Belen
Statement of Activities
For the Year Ended June 30, 2009

<u>Functions/Programs</u>	<u>Program Revenues</u>			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities:				
General government	\$ 2,791,751	\$ 471,312	\$ 571,471	\$ -
Public safety	2,575,580	-	150,749	-
Public works	4,160,849	5,819	210,020	1,753,126
Culture and recreation	1,366,466	16,684	-	912,830
Health and welfare	312,355	-	114,850	-
Interest on long-term debt	897,855	-	-	-
<i>Total governmental activities</i>	<u>12,104,856</u>	<u>493,815</u>	<u>1,047,090</u>	<u>2,665,956</u>
Business-type Activities:				
Wastewater	1,205,761	815,161	-	634,845
Water	1,375,197	1,176,602	-	-
Solid waste	1,237,775	1,048,509	-	85,000
Interest on long-term debt	94,126	-	-	-
<i>Total business-type activities</i>	<u>3,912,859</u>	<u>3,040,272</u>	<u>-</u>	<u>719,845</u>
<i>Total primary government</i>	<u>\$ 16,017,715</u>	<u>\$ 3,534,087</u>	<u>\$ 1,047,090</u>	<u>\$ 3,385,801</u>
General Revenues:				
Taxes:				
Property taxes, levied for general purposes				
Gross receipts taxes				
Gasoline and motor vehicle taxes				
Other taxes				
Interest income				
Miscellaneous income				
Loss on sale of capital assets				
Transfers				
Total general revenues and transfers				
Change in net assets				
Net assets, beginning				
Net assets, restatement (Note 14)				
Net assets, beginning as restated				
Net assets, ending				

The accompanying notes are an integral part of these financial statements

Net (Expense) Revenue and Changes in Net Assets		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (1,748,968)	\$ -	\$ (1,748,968)
(2,424,831)	-	(2,424,831)
(2,191,884)	-	(2,191,884)
(436,952)	-	(436,952)
(197,505)	-	(197,505)
(897,855)	-	(897,855)
(7,897,995)	-	(7,897,995)
-	244,245	244,245
-	(198,595)	(198,595)
-	(104,266)	(104,266)
-	(94,126)	(94,126)
-	(152,742)	(152,742)
(7,897,995)	(152,742)	(8,050,737)
508,437	-	508,437
5,415,433	307,833	5,723,266
226,130	-	226,130
234,118	-	234,118
107,094	11,286	118,380
362,402	88,798	451,200
(41,636)	-	(41,636)
(551,677)	551,677	-
6,260,301	959,594	7,219,895
(1,637,694)	806,852	(830,842)
26,837,018	17,994,788	44,831,806
1,301,205	823,886	2,125,091
28,138,223	18,818,674	46,956,897
<u>\$ 26,500,529</u>	<u>\$ 19,625,526</u>	<u>\$ 46,126,055</u>

STATE OF NEW MEXICO

City of Belen
Balance Sheet
Governmental Funds
June 30, 2009

	General Fund	2008 GRT Revenue Bonds Special Revenue Fund	Other Governmental Funds	Total
<i>Assets</i>				
Cash and cash equivalents	\$ 857,351	\$ (47,159)	\$ 1,125,336	\$ 1,935,528
Investments	4,414,662	-	-	4,414,662
Receivables:				
Property taxes	141,189	-	-	141,189
Other taxes	778,591	-	215,043	993,634
Other	9,421	-	146,839	156,260
<i>Total assets</i>	<u>\$ 6,201,214</u>	<u>\$ (47,159)</u>	<u>\$ 1,487,218</u>	<u>\$ 7,641,273</u>
<i>Liabilities</i>				
Accounts payable	\$ 112,051	\$ -	\$ 98,167	\$ 210,218
Accrued payroll	97,731	-	12,664	110,395
Accrued compensated absences	-	-	1,718	1,718
Deferred revenue	119,341	-	-	119,341
<i>Total liabilities</i>	<u>329,123</u>	<u>-</u>	<u>112,549</u>	<u>441,672</u>
<i>Fund balances</i>				
Reserved for:				
Future debt service payments	-	(47,159)	649,213	602,054
Unreserved, reported in:				
General fund	5,872,091	-	-	5,872,091
Special revenue funds	-	-	520,849	520,849
Capital projects funds	-	-	204,607	204,607
<i>Total fund balances</i>	<u>5,872,091</u>	<u>(47,159)</u>	<u>1,374,669</u>	<u>7,199,601</u>
<i>Total liabilities and fund balances</i>	<u>\$ 6,201,214</u>	<u>\$ (47,159)</u>	<u>\$ 1,487,218</u>	<u>\$ 7,641,273</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

City of Belen

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Assets

June 30, 2009

Exhibit B-1

Page 2 of 2

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

Fund balances - total governmental funds	\$	7,199,601
<p>The City has unamortized bond issuance costs and discounts. Bond issuance costs and discounts are not a current financial resource and, therefore, are not reported in the funds:</p>		
Bond issuance costs		104,826
Bond discounts		147,871
<p>Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds:</p>		
Deferred property taxes		119,341
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds</p>		
		38,692,487
<p>Interest on long-term debt is not accrued in the fund financial statements unless it is due and payable:</p>		
Accrued interest		(128,796)
<p>Some liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:</p>		
Accrued compensated absences		(198,979)
Bonds payable		(11,015,000)
Loans payable		(8,190,177)
Capital leases payable		(230,645)
		(230,645)
Total net assets of governmental activities	\$	26,500,529

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

City of Belen

Exhibit B-2

Page 1 of 2

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 For the Year Ended June 30, 2009

	General Fund	2008 GRT Revenue Bonds Special Revenue Fund	Other Governmental Funds	Total
<i>Revenues</i>				
Taxes				
Property	\$ 591,990	\$ -	\$ -	\$ 591,990
Gross receipts	4,048,547	-	1,366,886	5,415,433
Gasoline and motor vehicle taxes	46,925	-	179,205	226,130
Other	167,113	-	67,005	234,118
Intergovernmental income				
Federal operating grants	404,040	-	94,115	498,155
Federal capital grants	-	-	570,438	570,438
State operating grants	87,047	11,784	450,104	548,935
State capital grants	-	-	2,095,518	2,095,518
Charges for services	177,258	-	22,503	199,761
Licenses and fees	202,458	-	91,596	294,054
Interest income	29,769	65,754	11,571	107,094
Miscellaneous	290,474	-	71,928	362,402
<i>Total revenues</i>	<u>6,045,621</u>	<u>77,538</u>	<u>5,020,869</u>	<u>11,144,028</u>
<i>Expenditures</i>				
Current				
General government	2,389,320	140,842	64,833	2,594,995
Public safety	2,306,397	-	169,307	2,475,704
Public works	1,124,433	-	835,880	1,960,313
Culture and recreation	764,021	-	74,346	838,367
Health and welfare	52,144	-	225,346	277,490
Capital outlay	149,164	842,130	2,107,712	3,099,006
Debt service				
Principal	35,721	-	921,736	957,457
Interest	14,074	-	754,985	769,059
Bond issuance costs	-	107,738	-	107,738
<i>Total expenditures</i>	<u>6,835,274</u>	<u>1,090,710</u>	<u>5,154,145</u>	<u>13,080,129</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(789,653)</u>	<u>(1,013,172)</u>	<u>(133,276)</u>	<u>(1,936,101)</u>
<i>Other financing sources (uses)</i>				
Proceeds from issuance of long-term debt	126,052	7,570,000	-	7,696,052
Bond discounts	-	(151,979)	-	(151,979)
Transfers in	7,130,291	-	1,773,093	8,903,384
Transfers out	(1,003,009)	(6,452,008)	(2,000,044)	(9,455,061)
<i>Total other financing sources (uses)</i>	<u>6,253,334</u>	<u>966,013</u>	<u>(226,951)</u>	<u>6,992,396</u>
<i>Net change in fund balances</i>	5,463,681	(47,159)	(360,227)	5,056,295
<i>Fund balances - beginning of year</i>	<u>408,410</u>	<u>-</u>	<u>1,734,896</u>	<u>2,143,306</u>
<i>Fund balances - end of year</i>	<u>\$ 5,872,091</u>	<u>\$ (47,159)</u>	<u>\$ 1,374,669</u>	<u>\$ 7,199,601</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

City of Belen

Governmental Funds

Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2009

Exhibit B-2

Page 2 of 2

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

Net change in fund balances - total governmental funds	\$ 5,056,295
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Governmental funds report capital outlays as expenditures. However, in
the Statement of Activities, the cost of those assets is allocated over their
estimated useful lives and reported as depreciation expense:

Capital expenditures recorded in capital outlay	3,099,006
Depreciation expense	(3,059,409)

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

Change in deferred revenue related to property taxes receivable	(83,553)
Loss on sale of capital assets	(41,636)

Some expenses reported in the Statement of Activities do not require the use of
current financial resources and, therefore, are not reported as expenditures in
the governmental funds:

Decrease in accrued compensated absences	6,297
Increase in accrued interest	(128,796)

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

Bond issuance costs	107,738
Bond discounts	151,979
Amortization of bond issuance costs and discounts	(7,020)
Proceeds from issuance of long-term debt	(7,696,052)
Principal payments on bonds payable	475,000
Principal payments on loans payable	445,801
Principal payments on capital leases payable	36,656

Change in net assets of governmental activities	<u><u>\$ (1,637,694)</u></u>
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The accompanying notes are an integral part of these financial statements

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STATE OF NEW MEXICO

Exhibit C-1

City of Belen

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (GAAP Basis)	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes				
Property taxes	\$ 539,219	\$ 590,980	\$ 591,990	\$ 1,010
Gross receipts	4,270,025	4,270,025	4,048,547	(221,478)
Gas and motor vehicle	71,723	71,723	46,925	(24,798)
Other	247,232	247,232	167,113	(80,119)
Intergovernmental income				
Federal operating grants	812,900	827,370	404,040	(423,330)
Federal capital grants	-	-	-	-
State operating grants	440,931	429,847	87,047	(342,800)
State capital grants	-	-	-	-
Charges for services	335,316	363,537	177,258	(186,279)
Licenses and fees	370,920	375,398	202,458	(172,940)
Interest income	12,500	20,190	29,769	9,579
Miscellaneous	280,868	403,825	290,474	(113,351)
<i>Total revenues</i>	<u>7,381,634</u>	<u>7,600,127</u>	<u>6,045,621</u>	<u>(1,554,506)</u>
<i>Expenditures</i>				
Current				
General government	2,352,330	2,410,651	2,389,320	21,331
Public safety	2,812,001	2,858,890	2,306,397	552,493
Public works	1,318,759	1,323,208	1,124,433	198,775
Culture and recreation	735,127	746,718	764,021	(17,303)
Health and welfare	49,086	52,145	52,144	1
Capital outlay	42,840	42,840	149,164	(106,324)
Debt service				
Principal	14,835	14,835	35,721	(20,886)
Interest	-	-	14,074	(14,074)
<i>Total expenditures</i>	<u>7,324,978</u>	<u>7,449,287</u>	<u>6,835,274</u>	<u>614,013</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>56,656</u>	<u>150,840</u>	<u>(789,653)</u>	<u>(940,493)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(375,259)	(6,096,290)	-	6,096,290
Proceeds from issuance of long-term debt	-	-	126,052	126,052
Transfers in	390,600	6,943,896	7,130,291	186,395
Transfers out	(71,997)	(998,446)	(1,003,009)	(4,563)
<i>Total other financing sources (uses)</i>	<u>(56,656)</u>	<u>(150,840)</u>	<u>6,253,334</u>	<u>6,404,174</u>
<i>Net change in fund balance</i>	-	-	5,463,681	5,463,681
<i>Fund balance - beginning of year</i>	-	-	408,410	408,410
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,872,091</u>	<u>\$ 5,872,091</u>

The accompanying notes are an integral part of these financial statements

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STATE OF NEW MEXICO

Exhibit C-2

City of Belen

2008 GRT Revenue Bonds Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (GAAP Basis)	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gas and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	11,784	11,784
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	65,754	65,754
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>77,538</u>	<u>77,538</u>
<i>Expenditures</i>				
Current				
General government	-	-	140,842	(140,842)
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	842,130	(842,130)
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	107,738	(107,738)
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>1,090,710</u>	<u>(1,090,710)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(1,013,172)</u>	<u>(1,013,172)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Proceeds from issuance of long-term debt	-	-	7,570,000	7,570,000
Bond discounts	-	-	(151,979)	(151,979)
Transfers in	-	-	-	-
Transfers out	-	-	(6,452,008)	(6,452,008)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>966,013</u>	<u>966,013</u>
<i>Net change in fund balance</i>	-	-	(47,159)	(47,159)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (47,159)</u>	<u>\$ (47,159)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

City of Belen
Statement of Net Assets
Proprietary Funds
June 30, 2009

	<u>Wastewater</u>	<u>Water</u>	<u>Solid Waste</u>
<i>Assets</i>			
<i>Current assets</i>			
Cash and cash equivalents	\$ 270,411	\$ 335,724	\$ 270,524
Investments	-	104,145	-
Receivables:			
Other taxes	-	-	20,019
Customer	83,994	165,767	106,800
Other	433,379	-	-
<i>Total current assets</i>	<u>787,784</u>	<u>605,636</u>	<u>397,343</u>
<i>Noncurrent assets</i>			
Restricted cash and cash equivalents	-	111,813	-
Capital assets	26,124,112	10,330,035	205,185
Less: accumulated depreciation	(11,039,821)	(4,717,660)	(101,311)
<i>Total noncurrent assets</i>	<u>15,084,291</u>	<u>5,724,188</u>	<u>103,874</u>
<i>Total assets</i>	<u>\$ 15,872,075</u>	<u>\$ 6,329,824</u>	<u>\$ 501,217</u>
<i>Liabilities and net assets</i>			
<i>Liabilities</i>			
<i>Current liabilities</i>			
Accounts payable	\$ 408,490	\$ 26,256	\$ 151,547
Meter deposits payable	-	127,962	-
Accrued payroll	4,476	12,022	1,323
Accrued compensated absences	6,147	14,483	3,395
Accrued interest payable	-	75,591	-
Current portion of long-term debt	-	36,046	-
<i>Total current liabilities</i>	<u>419,113</u>	<u>292,360</u>	<u>156,265</u>
<i>Noncurrent liabilities</i>			
Accrued compensated absences	7,776	8,911	10,530
Accrued landfill closure costs	-	-	593,497
Bonds payable	-	1,427,000	-
Loans and capital leases payable	-	162,138	-
<i>Total noncurrent liabilities</i>	<u>7,776</u>	<u>1,598,049</u>	<u>604,027</u>
<i>Total liabilities</i>	<u>426,889</u>	<u>1,890,409</u>	<u>760,292</u>
<i>Net assets</i>			
Invested in capital assets, net of related debt	15,084,291	3,987,191	103,874
Unrestricted	360,895	452,224	(362,949)
<i>Total net assets</i>	<u>\$ 15,445,186</u>	<u>\$ 4,439,415</u>	<u>\$ (259,075)</u>

The accompanying notes are an integral part of these financial statements

<u>Total</u>	
\$	876,659
	104,145
	20,019
	356,561
	<u>433,379</u>
	<u>1,790,763</u>
	111,813
	36,659,332
	<u>(15,858,792)</u>
	<u>20,912,353</u>
\$	<u><u>22,703,116</u></u>

\$	586,293
	127,962
	17,821
	24,025
	75,591
	<u>36,046</u>
	<u>867,738</u>
	27,217
	593,497
	1,427,000
	<u>162,138</u>
	<u>2,209,852</u>
	<u>3,077,590</u>
	19,175,356
	<u>450,170</u>
\$	<u><u>19,625,526</u></u>

STATE OF NEW MEXICO
City of Belen
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds
For the Year Ended June 30, 2009

	<u>Wastewater</u>	<u>Water</u>	<u>Solid Waste</u>
<i>Operating revenues:</i>			
Charges for services	\$ 815,161	\$ 1,176,602	\$ 1,048,509
<i>Total operating revenues</i>	<u>815,161</u>	<u>1,176,602</u>	<u>1,048,509</u>
<i>Operating expenses:</i>			
Depreciation	590,156	153,082	11,504
Personnel services	262,381	539,235	103,068
Utilities	126,586	170,653	9,060
Contractual services	10,297	120,381	973,397
Supplies	34,378	114,050	78,229
Maintenance and materials	58,936	169,050	5,148
Gross receipts taxes	42,952	62,870	54,316
Other costs	80,075	45,876	3,053
<i>Total operating expenses</i>	<u>1,205,761</u>	<u>1,375,197</u>	<u>1,237,775</u>
<i>Operating income (loss)</i>	<u>(390,600)</u>	<u>(198,595)</u>	<u>(189,266)</u>
<i>Non-operating revenues (expenses):</i>			
Gross receipts taxes	63	151,360	156,410
Interest expense	-	(94,126)	-
Interest income	2,073	7,275	1,938
Miscellaneous income	14,720	74,078	-
<i>Total non-operating revenues (expenses)</i>	<u>16,856</u>	<u>138,587</u>	<u>158,348</u>
Government contributions	634,845	-	85,000
Transfers in	449,552	480,000	-
Transfers out	(239,261)	(95,614)	(43,000)
<i>Change in net assets</i>	<u>471,392</u>	<u>324,378</u>	<u>11,082</u>
<i>Net assets, beginning of year</i>	14,614,189	4,184,979	(804,380)
<i>Net assets, restated (Note 14)</i>	359,605	(69,942)	534,223
<i>Net assets, beginning as restated</i>	<u>14,973,794</u>	<u>4,115,037</u>	<u>(270,157)</u>
<i>Net assets, end of year</i>	<u>\$ 15,445,186</u>	<u>\$ 4,439,415</u>	<u>\$ (259,075)</u>

The accompanying notes are an integral part of these financial statements

<u>Total</u>
<u>\$ 3,040,272</u>
<u>3,040,272</u>
754,742
904,684
306,299
1,104,075
226,657
233,134
160,138
<u>129,004</u>
<u>3,818,733</u>
<u>(778,461)</u>
307,833
(94,126)
11,286
<u>88,798</u>
<u>313,791</u>
719,845
929,552
<u>(377,875)</u>
<u>806,852</u>
17,994,788
823,886
<u>18,818,674</u>
<u>\$ 19,625,526</u>

STATE OF NEW MEXICO
City of Belen
Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2009

	<u>Wastewater</u>	<u>Water</u>	<u>Solid Waste</u>
<i>Cash flows from operating activities:</i>			
Cash received from user charges	\$ 421,879	\$ 1,204,637	\$ 1,090,051
Cash payments to employees for services	(270,265)	(568,331)	(106,596)
Cash payments to suppliers for goods and services	7,562	(699,312)	(1,044,361)
<i>Net cash provided (used) by for operating activities</i>	<u>159,176</u>	<u>(63,006)</u>	<u>(60,906)</u>
<i>Cash flows from noncapital financing activities:</i>			
Gross receipts tax revenues	63	151,360	156,410
Miscellaneous income	14,720	74,078	-
Change in noncurrent accrued compensated absences	7,776	8,911	10,530
Transfers	210,291	384,386	(43,000)
<i>Net cash provided by noncapital financing activities:</i>	<u>232,850</u>	<u>618,735</u>	<u>123,940</u>
<i>Cash flows from capital and related financing activities:</i>			
Government contributions	634,845	-	85,000
Interest paid	-	(94,126)	-
Change in accrued interest	-	(9,604)	-
Principal payments	-	(49,288)	-
Acquisition of capital assets	(1,042,876)	-	-
<i>Net cash (used) by capital and related financing activities:</i>	<u>(408,031)</u>	<u>(153,018)</u>	<u>85,000</u>
<i>Cash flows from investing activities:</i>			
Interest on investments	2,073	7,275	1,938
<i>Net cash provided by investing activities</i>	<u>2,073</u>	<u>7,275</u>	<u>1,938</u>
<i>Net increase in cash and cash equivalents</i>	(13,932)	409,986	149,972
<i>Cash, cash equivalents and investments - beginning of year</i>	<u>284,343</u>	<u>141,696</u>	<u>120,552</u>
<i>Cash, cash equivalents and investments - end of year</i>	<u>\$ 270,411</u>	<u>\$ 551,682</u>	<u>\$ 270,524</u>
<i>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</i>			
Operating income (loss)	\$ (390,600)	\$ (198,595)	\$ (189,266)
Adjustments to reconcile operating (loss) to net cash (used) by operating activities:			
Depreciation	590,156	153,082	11,504
Changes in assets and liabilities			
Receivables	(393,282)	28,035	41,542
Accounts payable	360,786	(31,818)	78,842
Accrued payroll expenses	(1,401)	(13,816)	(1,554)
Current accrued compensated absences	(6,483)	(15,280)	(1,974)
Meter deposits	-	15,386	-
<i>Net cash provided (used) by operating activities</i>	<u>\$ 159,176</u>	<u>\$ (63,006)</u>	<u>\$ (60,906)</u>

The accompanying notes are an integral part of these financial statements

	<u>Total</u>
\$	2,716,567
	(945,192)
	<u>(1,736,111)</u>
	<u>35,264</u>

	307,833
	88,798
	27,217
	<u>551,677</u>
	<u>975,525</u>

	719,845
	(94,126)
	(9,604)
	(49,288)
	<u>(1,042,876)</u>
	<u>(476,049)</u>

	<u>11,286</u>
	<u>11,286</u>

	546,026
	<u>546,591</u>
\$	<u>1,092,617</u>

\$	(778,461)
	754,742
	(323,705)
	407,810
	(16,771)
	(23,737)
	<u>15,386</u>
\$	<u>35,264</u>

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STATE OF NEW MEXICO
City of Belen
Notes to Financial Statements
June 30, 2009

NOTE 1. Summary of Significant Accounting Policies

The City of Belen (City) was incorporated in 1918. The City operates under a Mayor-Council form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, public utilities (wastewater, water and solid waste), health and social services, culture-recreation, public improvements, housing, planning and zoning, and general administrative services.

The City 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. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The government-wide and the proprietary funds financial statements have incorporated all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on Accounting Procedures issued after November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. Governments also have the option of following subsequent private sector guidance for their government-wide financial statements and enterprise funds, subject to the same limitation. The City has elected not to follow the subsequent private sector guidance. The more significant of the City's accounting policies are described below.

A. Financial Reporting Entity

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

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB No.'s 14 and 39. 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 Belen
Notes to Financial Statements
June 30, 2009

NOTE 1. Summary of Significant Accounting Policies (continued)

A. *Financial Reporting Entity (continued)*

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

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

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity. Based upon the application of these criteria, the City does not have any component units required to be reported under GASB Statements No. 14 and No. 39.

B. *Government-wide and fund financial statements*

The government-wide financial statements (i.e., the statement of net assets 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 Assets 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 Assets, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net assets are reported in three parts – invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

STATE OF NEW MEXICO
City of Belen
Notes to Financial Statements
June 30, 2009

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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

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

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues, except for property taxes, to be available if they are collected within 90 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.

STATE OF NEW MEXICO
City of Belen
Notes to Financial Statements
June 30, 2009

NOTE 1. Summary of Significant Accounting Policies (continued)

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

The City reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *2008 GRT Revenue Bonds Special Revenue Fund* accounts for the proceeds from the issuance of Series 2008 Gross Receipts Tax Revenue Bonds that will be used to fund various projects within the City. Authorization is by City Council.

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

The *Wastewater Fund* accounts for fees generated from charges for the operation of water treatment facilities.

The *Water Fund* accounts for fees generated from charges for the distribution of water.

The *Solid Waste Fund* accounts for fees generated from charges for trash collection.

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 acquisition of capital assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

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

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 Belen
Notes to Financial Statements
June 30, 2009

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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 fund is charges for services for the City's utilities. Operating expenses for enterprise funds include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

D. *Assets, Liabilities and Net Assets or Equity*

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

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

Investments for the City are reported at fair value. 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 in the event they are not received within 60 days of year end..

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. In the government-wide and governmental fund financial statements, delinquent property taxes are recorded when levied. Property taxes are considered to be 100% collectible.

STATE OF NEW MEXICO
City of Belen
Notes to Financial Statements
June 30, 2009

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Net Assets or Equity (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 December 10th and May 10th. Property taxes uncollected after December 10th and May 10th are considered delinquent and the City may assess penalties and interest. The taxes attach as an enforceable lien on property thirty (30) days thereafter, at which time they become delinquent. Property taxes are collected by Valencia County and remitted monthly to the City.

Restricted Assets: Restricted assets consist of those funds expendable for operating purposes but restricted by donors or other outside agencies as to the specific purpose for which they may be used.

Capital Assets: Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets, (retroactive to 1980) are included as part of the governmental capital assets reported in the government-wide statements. Information Technology Equipment including software is being capitalized and included in furniture, fixtures and equipment in accordance with NMAC 2.20.1.9 C (5). Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense capitalized by the City during the current fiscal year was \$0. No interest was included as part of the cost of capital assets under construction.

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

<u>Assets</u>	<u>Years</u>
Buildings	40
Machinery and equipment	10
Furniture and fixtures	10
Vehicles	10
Infrastructure	20-40
Wastewater system	20-30

STATE OF NEW MEXICO
City of Belen
Notes to Financial Statements
June 30, 2009

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Net Assets or Equity (continued)

Deferred Revenues: Accounting principles generally accepted in the United States of America require that grant revenue (voluntary nonexchange transactions) be recognized as revenue in the government-wide financial statements when all eligibility requirements have been met and recognized as revenue in the governmental fund financial statements based on the same factors subject to the availability criterion. Amounts received from reimbursement basis grants are recorded as deferred revenue in the governmental fund financial statements when received more than 60 days after year end.

Compensated Absences: City employees accrue sick leave at the rate of 15 days per year. The maximum amount of accrual of sick leave is 1040 hours per calendar year. Employees are only paid sick leave when they have met the requirements for retirement and are not paid if they are dismissed or resigned prior to meeting those requirements. Accordingly, no liability is recorded for non-vesting accumulated rights to receive sick pay benefits.

They earn vacation leave at various rates depending on the employee's length of service. Employees with less than 10 years, between 10 and 20 years and more than 20 years accrue 15, 20 and 25 days per year, respectively. The maximum accrual of vacation leave is 240 hours per calendar year.

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental or proprietary fund that will pay it. In prior years, substantially all of the related expenditures have been liquidated by the general fund. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the government-wide statement of net assets.

Long-term Obligations: In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method or straight-line method, if the difference is inconsequential.

Net Assets or Fund Equity: In the fund financial statements, governmental funds report reservations of fund balance that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

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

- a. Net assets invested in capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted Net Assets: Consist of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted Net assets: All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

STATE OF NEW MEXICO
City of Belen
Notes to Financial Statements
June 30, 2009

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Net Assets or Equity (continued)

Net Assets or Fund Equity (continued)

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

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

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

Reclassifications: Certain amounts included in the financial statements have been reclassified to conform to the current year presentation.

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 Members, 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 Council Members and the Department of Finance and Administration. A separate budget is prepared for each fund. Line items within each budget may be over-expended; however, it is not legally permissible to over-expend any budget in total by fund.

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

STATE OF NEW MEXICO
City of Belen
Notes to Financial Statements
June 30, 2009

NOTE 2. Stewardship, Compliance and Accountability (continued)

Budgetary Information (continued)

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

	<u>Excess (deficiency) of revenues over expenditures</u>	
	<u>Original Budget</u>	<u>Final Budget</u>
Budgeted Funds:		
General Fund	\$ 56,656	\$ 150,840
2008 GRT Revenue Bonds	-	-
Nonmajor Governmental Funds	\$ (242,762)	\$ 268,304
Wastewater	\$ 916,588	\$ 916,580
Water	\$ 149,499	\$ 135,365
Solid Waste	\$ (135,794)	\$ (75,838)

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

NOTE 3. Deposits and Investments

State statutes authorize the investment of City funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. The City is not aware of any invested funds that did not meet the State investment requirements as of June 30, 2009.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the City. Deposits may be made to the extent that they are insured by an agency of the United States or collateralized as required by statute.

The 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.

According to the Federal Deposit Insurance Corporation, public unit deposits are funds owned by the public unit. Time deposits, savings deposits and interest bearing NOW accounts of a public unit in an institution in the same state will be insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution.

STATE OF NEW MEXICO
City of Belen
Notes to Financial Statements
June 30, 2009

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, 2009, \$5,705,683 of the City’s deposits of \$6,942,822 was exposed to custodial credit risk. \$5,692,437 was uninsured and collateralized by collateral held by the pledging bank’s trust department, not in the City’s name and \$13,246 was uninsured and uncollateralized.

	Wells Fargo Bank	My Bank	First Community Bank	Bank of Albuquerque	Total
Amount of deposits	\$ 408,142	\$ 389,936	\$ 5,907,605	\$ 237,139	\$ 6,942,822
FDIC Coverage	(250,000)	(250,000)	(500,000)	(237,139)	(1,237,139)
Total uninsured public funds	<u>158,142</u>	<u>139,936</u>	<u>5,407,605</u>	<u>-</u>	<u>5,705,683</u>
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the City's name	<u>158,142</u>	<u>126,690</u>	<u>5,407,605</u>	<u>-</u>	<u>5,692,437</u>
Uninsured and uncollateralized	<u>\$ -</u>	<u>\$ 13,246</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,246</u>
Collateral requirement (50% of uninsured funds)	\$ 79,071	\$ 69,968	\$ 2,703,803	\$ -	\$ 2,852,842
Pledged Collateral	3,489,457	126,690	6,453,932	650,496	10,720,575
Over (Under) collateralized	<u>\$ 3,410,386</u>	<u>\$ 56,722</u>	<u>\$ 3,750,129</u>	<u>\$ 650,496</u>	<u>\$ 7,867,733</u>

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 Belen
Notes to Financial Statements
June 30, 2009

NOTE 3. Deposits and Investments (continued)

Investments

The City's investments at June 30, 2009 include the following:

<u>Investments</u>	<u>Rating</u>	<u>Maturity</u>	<u>Fair Value</u>
U.S. Treasury Money Market Mutual Funds *	AAA	>365 Days	\$ 458,539
New Mexico State Treasurer Debt Service *	AAA	>365 Days	183,872
			<u>\$ 642,411</u>

*Restricted cash and cash equivalents per exhibit A-1

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

Reconciliation to the Statement of Net Assets:

Cash and cash equivalents per Exhibit A-1	\$ 2,169,776
Restricted cash and cash equivalents per Exhibit A-1	754,224
Certificates of deposits (maturity > 3 months)	4,518,807
Plus outstanding checks and other reconciling items	226,369
Less: U.S. Treasury Money Market Mutual Funds	(458,539)
Less: New Mexico State Treasurer Debt Service	(183,872)
Less: unreconcilable difference (see finding FS 2004-07)	(83,643)
Less petty cash	<u>(300)</u>
Bank balance of deposits	<u>\$ 6,942,822</u>

STATE OF NEW MEXICO
City of Belen
Notes to Financial Statements
June 30, 2009

NOTE 4. Receivables

Receivables as of June 30, 2009, are as follows:

Governmental Activities:	General	Total Nonmajor Funds	Total
Property taxes receivable	\$ 141,189	\$ -	\$ 141,189
Other taxes receivable:			
Gross receipts	728,159	173,343	901,502
Lodgers tax	-	9,197	9,197
Gasoline and motor vehicle	15,278	32,503	47,781
Franchise tax	35,154	-	35,154
Other receivables:			
Licenses and fees	56	-	56
Intergovernmental:			
Federal grants	-	22,513	22,513
State grants	4,000	124,326	128,326
Miscellaneous	5,365	-	5,365
Total receivables	<u>\$ 929,201</u>	<u>\$ 361,882</u>	<u>\$1,291,083</u>

Business-type Activities:	Wastewater	Water	Solid Waste	Total
Customer receivables	\$ 91,924	\$ 175,794	\$ 116,883	\$ 384,601
Other receivables:				
Gross receipts	-	-	20,019	20,019
Federal grants	433,379	-	-	433,379
Total gross receivables	525,303	175,794	136,902	837,999
Less: allowance for doubtful accounts	7,930	10,027	10,083	28,040
Total net receivables	<u>\$ 517,373</u>	<u>\$ 165,767</u>	<u>\$ 126,819</u>	<u>\$ 809,959</u>

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

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities in the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. Deferred revenue related to property taxes receivable for the City as of June 30, 2009 was \$119,341.

STATE OF NEW MEXICO
City of Belen
Notes to Financial Statements
June 30, 2009

NOTE 5. Transfers and Interfund Receivables

Net operating transfers, made to close out funds and to supplement other funding sources in the normal course of operations, were as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	2008 GRT Revenue Bond SR Fund	\$ 6,212,008
General Fund	Fire Protection	204,802
General Fund	Lodger's Tax	10,200
General Fund	Wastewater	179,836
General Fund	Water	85,150
General Fund	1/2% GRT Infrastructure	89,000
General Fund	1/8% GRT Infrastructure	80,000
General Fund	Library Renovation	7,500
General Fund	Christopher Road	261,795
Harvey House	General Fund	4,563
Martin Luther King	General Fund	500
RSVP	General Fund	80,383
2008 GRT Revenue Bonds DS Fund	2008 GRT Revenue Bond SR Fund	240,000
Debt Service Fund	Fire Protection	41,396
Debt Service Fund	Wastewater	9,425
Debt Service Fund	1/8% GRT Infrastructure	401,046
Debt Service Fund	1/2% GRT Infrastructure	289,680
Gas Tax Revenue Bond	General Fund	91,475
Gas Tax Revenue Bond	Street Paving Revolving	65,708
Gas Tax Revenue Bond	1/8% GRT Infrastructure	27,927
GRT Revenue Bonds	1/2% GRT Infrastructure	457,990
Becker Avenue	1/2% GRT Infrastructure	27,000
Becker Avenue	1/8% GRT Infrastructure	36,000
Wastewater	General Fund	439,088
Wastewater	Water	10,464
Water	Wastewater	50,000
Water	Solid Waste	43,000
Water	General Fund	387,000
		<u>\$ 9,832,936</u>

STATE OF NEW MEXICO
City of Belen
Notes to Financial Statements
June 30, 2009

NOTE 6. Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2009. Land and construction in progress are not subject to depreciation.

Governmental activities:	Balance June 30, 2008	Adjustments	Additions	Deletions	Balance June 30, 2009
Capital assets, not depreciated:					
Land and land improvements	\$ 6,397,417	\$ 1,615,833	\$ -	\$ -	\$ 8,013,250
Construction in progress	<u>6,973,468</u>	<u>(390,923)</u>	<u>1,694,983</u>	<u>6,483,521</u>	<u>1,794,007</u>
Total capital assets, not depreciated	<u>13,370,885</u>	<u>1,224,910</u>	<u>1,694,983</u>	<u>6,483,521</u>	<u>9,807,257</u>
Capital assets, depreciated:					
Buildings and improvements	12,030,778	(135,650)	5,373,778	-	17,268,906
Machinery & Equipment	2,483,743	-	20,731	61,696	2,442,778
Furniture and fixtures	186,430	-	366,496	4,000	548,926
Vehicles	1,473,061	63,751	311,797	79,603	1,769,006
Infrastructure	<u>44,749,687</u>	<u>-</u>	<u>1,814,742</u>	<u>-</u>	<u>46,564,429</u>
Total capital assets, depreciated	<u>60,923,699</u>	<u>(71,899)</u>	<u>7,887,544</u>	<u>145,299</u>	<u>68,594,045</u>
Less accumulated depreciation:					
Buildings and improvements	(7,749,817)	123,573	(739,535)	-	(8,365,779)
Machinery & Equipment	(1,830,092)	49,470	(101,220)	(60,035)	(1,821,807)
Furniture and fixtures	(111,647)	-	(34,670)	(4,000)	(142,317)
Vehicles	(693,483)	(24,849)	(128,348)	(39,628)	(807,052)
Infrastructure	<u>(26,516,224)</u>	<u>-</u>	<u>(2,055,636)</u>	<u>-</u>	<u>(28,571,860)</u>
Total accumulated depreciation	<u>(36,901,263)</u>	<u>148,194</u>	<u>(3,059,409)</u>	<u>(103,663)</u>	<u>(39,708,815)</u>
Net book value	<u>\$ 37,393,321</u>	<u>\$ 1,301,205</u>	<u>\$ 6,523,118</u>	<u>\$ 6,525,157</u>	<u>\$ 38,692,487</u>

Depreciation expense for the year ended June 30, 2009 was charged to governmental activities as follows:

General Government	\$ 181,099
Public Safety	121,980
Public Works	2,191,523
Culture and recreation	531,648
Health and Welfare	33,159
	<u>\$ 3,059,409</u>

STATE OF NEW MEXICO
City of Belen
Notes to Financial Statements
June 30, 2009

NOTE 6. Capital Assets (continued)

Enterprise activities:	Balance June 30, 2008	Adjustments	Additions	Deletions	Balance June 30, 2009
Capital assets, not depreciated:					
Water Rights	\$ 2,671,819	\$ (70,954)	\$ -	\$ -	\$ 2,600,865
Construction in progress	1,065,558	359,605	1,042,876	1,158,532	1,309,507
Total capital assets, not depreciated	3,737,377	288,651	1,042,876	1,158,532	3,910,372
Capital assets, depreciated:					
Wastewater System	5,225,600	-	-	-	5,225,600
Buildings	7,288,778	-	-	-	7,288,778
Machinery and Equipment	1,158,048	-	-	130,548	1,027,500
Furniture, Fixtures	53,746	-	-	4,175	49,571
Vehicles	279,130	40,623	-	3,000	316,753
Infrastructure	17,682,226	-	1,158,532	-	18,840,758
Total capital assets, depreciated	31,687,528	40,623	1,158,532	137,723	32,748,960
Less accumulated depreciation:					
Wastewater system	(1,231,197)	-	(174,187)	-	(1,405,384)
Buildings	(5,204,268)	-	(188,196)	-	(5,392,464)
Machinery and equipment	(1,075,820)	-	(12,938)	(130,548)	(958,210)
Furniture and fixtures	(42,330)	-	(2,342)	(4,175)	(40,497)
Vehicles	(178,418)	-	(22,218)	(3,000)	(197,636)
Infrastructure	(7,510,752)	1,012	(354,861)	-	(7,864,601)
Total accumulated depreciation	(15,242,785)	1,012	(754,742)	(137,723)	(15,858,792)
Net book value	\$ 20,182,120	\$ 330,286	\$ 1,446,666	\$ 1,158,532	\$ 20,800,540

Depreciation expense for the year ended June 30, 2009 was charged to business-type activities as follows:

Wastewater	\$ 590,156
Water	153,082
Solid Waste	11,504
	<u>\$ 754,742</u>

STATE OF NEW MEXICO
City of Belen
Notes to Financial Statements
June 30, 2009

NOTE 7. Long-term Debt

Governmental Activities:

During the year ended June 30, 2009, the following changes occurred in the liabilities reported in the government-wide statement of net assets:

	Balance June 30, 2008	Additions	Retirements	Balance June 30, 2009	Due Within One Year
Revenue Bonds	\$ 3,920,000	\$ 7,570,000	\$ 475,000	\$ 11,015,000	\$ 680,000
NMFA and NMED Loans	8,635,978	-	445,801	8,190,177	460,656
Capital Leases	141,249	126,052	36,656	230,645	78,332
Compensated Absences	205,276	99,049	103,628	200,697	103,628
Total Long-Term Debt	\$ 12,902,503	\$ 7,795,101	\$ 1,061,085	\$ 19,636,519	\$ 1,322,616

Revenue Bonds

At June 30, 2009, the City had several revenue bonds outstanding. For the Series 1998 Gasoline Tax Revenue Bonds, the City pledged revenues from the General and Municipal Road Gasoline Tax Revenues. For the Series 2005 and 2008 Gross Receipts Tax Revenue Bonds, the City pledged revenues from the State-Shared Gross Receipts Tax revenues. The revenue bonds are as follows:

Description	Date of Issue	Due Date	Interest Rate	Original Amount of Issue	Balance June 30, 2009
Series 1998 Gasoline Tax	5/15/1998	1/1/2011	4.10-5.40%	\$ 1,630,000	\$ 345,000
Series 2005 Gross Receipts Tax	7/26/2005	6/1/2017	3.80-4.50%	4,320,000	3,100,000
Series 2008 Gross Receipts Tax	10/2/2008	6/1/2033	3.50-5.125%	7,570,000	7,570,000
Total Revenue Bonds					\$11,015,000

The annual requirements to amortize the revenue bonds as of June 30, 2009, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2010	\$ 680,000	\$ 498,153	\$ 1,178,153
2011	715,000	467,823	1,182,823
2012	545,000	438,368	983,368
2013	595,000	415,843	1,010,843
2014	620,000	390,643	1,010,643
2015-2019	2,530,000	1,576,693	4,106,693
2020-2024	1,510,000	1,182,156	2,692,156
2025-2029	1,910,000	779,531	2,689,531
2030-2034	1,910,000	249,413	2,159,413
	\$ 11,015,000	\$ 5,998,623	\$ 17,013,623

STATE OF NEW MEXICO
City of Belen
Notes to Financial Statements
June 30, 2009

NOTE 7. Long-term Debt (continued)

NMFA and NMED Loans

The City entered into several loan agreements with the New Mexico Finance Authority, wherein the City pledged revenue derived from New Mexico Fire Protection Allotments and State-Shared Gross Receipts Taxes. This revenue is subject to intercept agreements. The City has also entered into two loan agreements with the New Mexico Environment Department, wherein the City pledged revenue derived from State-Shared Gross Receipts Taxes and net water and sewer system to cover debt service. The various NMFA and NMED Loans are as follows:

Description	Date of Issue	Due Date	Interest Rate	Original Amount of Issue	Balance June 30, 2009
NMFA Fire Equipment	10/6/2000	5/1/2011	4.30-4.87%	\$ 340,397	\$ 82,561
NMFA Wastewater Project	1/5/2001	5/1/2020	4.30-5.49%	1,329,231	903,210
NMFA Reinken Road & Main St.	11/7/2001	5/1/2026	2.60-5.07%	4,779,793	3,809,197
NMED CWSRF	12/30/2003	12/30/2022	2.00%	4,049,684	2,998,299
NMED RIP 2005-06	7/13/2005	7/13/2025	3.00%	448,503	396,910
Total NMFA and NMED Loans					<u>\$ 8,190,177</u>

The annual requirements to amortize the NMFA and NMED Loans as of June 30, 2009, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2010	\$ 460,656	\$ 255,560	\$ 716,216
2011	476,291	243,380	719,671
2012	448,555	230,583	679,138
2013	463,854	219,062	682,916
2014	479,994	204,239	684,233
2015-2019	2,674,863	980,932	3,655,795
2020-2024	2,499,590	423,303	2,922,893
2025-2029	686,374	49,516	735,890
	<u>\$ 8,190,177</u>	<u>\$ 2,606,575</u>	<u>\$ 10,796,752</u>

STATE OF NEW MEXICO
City of Belen
Notes to Financial Statements
June 30, 2009

NOTE 7. Long-term Debt (continued)

Capital Leases

The City leases vehicles and other equipment under various capital leases. The economic substance of the leases is that the City is financing the acquisition of the assets through the leases and, accordingly, they are recorded as City assets and liabilities. The obligations under capital leases have been recorded in the accompanying financial statements at the present value of future minimum lease payments, discounted at interest rates as stated in the individual contracts. The capital leases are as follows:

Description	Date of Issue	Due Date	Interest Rate	Original Amount of Issue	Balance June 30, 2009
Loader/Backhoe	10/20/2006	12/15/2012	4.64%	\$ 65,862	\$ 34,892
Street Sweeper	1/19/2007	3/1/2012	4.47%	179,532	103,817
4 Police Vehicles	1/25/2009	5/20/2012	6.89%	126,052	91,936
Total Capital Leases					<u>\$ 230,645</u>

The annual requirements to amortize the capital leases as of June 30, 2009, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2010	\$ 78,332	\$ 11,726	\$ 90,058
2011	82,664	7,393	90,057
2012	69,649	2,926	72,575
	<u>\$ 230,645</u>	<u>\$ 22,045</u>	<u>\$ 252,690</u>

In prior years, the debt service funds have typically been used to liquidate long-term liabilities other than debt associated with capital leases.

STATE OF NEW MEXICO
City of Belen
Notes to Financial Statements
June 30, 2009

NOTE 7. Long-term Debt (continued)

Proprietary Funds

The proprietary funds have incurred various forms of debt which were used for the purposes of constructing, expanding, repairing and making improvements to its property, plant and equipment. The following schedule shows the changes to its various forms of debt during the fiscal year ended June 30, 2009:

	Balance June 30, 2008	Additions	Retirements	Restatements	Balance June 30, 2009	Due Within One Year
Revenue Bonds	\$ 1,502,000	\$ -	\$ 49,000	\$ -	\$ 1,453,000	\$ 26,000
Loans and Notes	666,072	-	288	(493,600)	172,184	10,046
Compensated Absences	47,762	27,505	24,025	-	51,242	24,025
Total Long-Term Debt	\$ 2,215,834	\$ 27,505	\$ 73,313	\$ (493,600)	\$ 1,676,426	\$ 60,071

Revenue Bonds

At June 30, 2009, the City had several revenue bonds outstanding. For the Series 1996 and 1997 Water and Sewer System Revenue Bonds, the City pledged revenues derived from the net operations of the City's water and sewer systems. The revenue bonds are as follows:

Description	Date of Issue	Due Date	Interest Rate	Original Amount of Issue	Balance June 30, 2009
Series 1996 Water/Sewer	6/18/1996	7/1/2036	4.875%	\$ 1,135,000	\$ 974,000
Series 1997 Water/Sewer	2/14/1997	7/1/2036	4.875%	554,000	479,000
Total Revenue Bonds					\$ 1,453,000

The annual requirements to amortize the revenue bonds as of June 30, 2009, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2010	\$ 26,000	\$ 70,346	\$ 96,346
2011	28,000	69,079	97,079
2012	29,000	67,714	96,714
2013	31,000	66,300	97,300
2014	32,000	64,789	96,789
2015-2019	185,000	298,935	483,935
2020-2024	234,000	249,259	483,259
2025-2029	300,000	186,225	486,225
2030-2034	378,000	105,739	483,739
2035-2039	210,000	16,575	226,575
	\$ 1,453,000	\$ 1,194,961	\$ 2,647,961

STATE OF NEW MEXICO
City of Belen
Notes to Financial Statements
June 30, 2009

NOTE 7. Long-term Debt (continued)

San Juan-Chama Project Loan

In 1990, the City entered into an loan agreement with the United States Department of the Interior – Bureau of Reclamation securing 500 acre-feet of water rights from the San Juan-Chama Water Project. The agreement requires the City to reimburse the project for a pro-rata share of construction costs and annual operating costs. The fixed construction costs required annual payments of \$16,044 until 2003 and then of \$15,291 extending through 2022. The San Juan-Chama Project Loan is as follows:

Description	Date of Issue	Due Date	Interest Rate	Original Amount of Issue	Balance June 30, 2009
San Juan-Chama Project	1/1/1989	1/1/2022	3.05%	\$ 331,030	<u>\$ 172,184</u>

The annual requirement to amortize San Juan-Chama Project Loan as of June 30, 2009, including interest payments, is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2010	\$ 10,046	\$ 5,245	\$ 15,291
2011	10,352	4,939	15,291
2012	10,668	4,623	15,291
2013	10,993	4,298	15,291
2014	11,327	3,964	15,291
2015-2019	62,027	14,428	76,455
2020-2024	56,771	4,387	61,158
	<u>\$ 172,184</u>	<u>\$ 41,884</u>	<u>\$ 214,068</u>

STATE OF NEW MEXICO
City of Belen
Notes to Financial Statements
June 30, 2009

NOTE 8. Other Required Individual Fund Disclosures

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

A. Deficit fund balance of individual funds. The deficit fund balances as of June 30, 2009 were as follows:

Governmental Funds:	
2008 GRT Revenue Bond Special Revenue Fund	\$ 47,159
Fire Protection	1,212
Jail	5,680
Alexander Airport	128,070
Westside Booster Station	<u>8,076</u>
 Total	 <u>\$ 190,197</u>
Proprietary Funds:	
Solid Waste Fund	<u>\$ 259,075</u>

The fund balances have a deficit because expenditures were in excess of revenues and available cash and there were not sufficient transfers to cover the deficit.

B. Excess of expenditures over appropriations. Budgetary authority is fund level. The following funds exceeded approved budgetary authority for the year ended June 30, 2009:

	<u>Excess</u>
2008 GRT Revenue Bonds Special Revenue Fund	\$ 1,090,710
Harvey House	582
Parks and Recreation	1,417
1/8% GRT Infrastructure	44,429
RSVP	10,529
Street Paving Revolving	102,753
2008 GRT Revenue Bonds Debt Service Fund	234,495
Water	31,699

C. Designated cash appropriations in excess of available balances. The following funds maintained cash appropriations in excess of available balances for the year ended June 30, 2009:

	<u>Amount</u>
Becker Avenue	\$ 4,151

STATE OF NEW MEXICO
City of Belen
Notes to Financial Statements
June 30, 2009

NOTE 9. PERA Pension Plan

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

Funding Policy. Municipal general member coverage plan 4 members are required to contribute 15.65% of their gross salary. The City is required to contribute 11.65% of the covered salary for “municipal general member coverage plan 4” members. Municipal police coverage plan 5 members are required to contribute 16.30% of their gross salary. The City is required to contribute 18.50% of the covered salary for “municipal police coverage plan 5” members. Municipal fire member coverage plan 5 members are required to contribute 16.20% of their gross salary. The City is required to contribute 21.25% of the covered salary for “municipal fire member coverage plan 5” members. The contribution requirements of plan members and the City are established in State statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The City’s contributions to PERA for the fiscal years ending June 30, 2009, 2008 and 2007 were \$716,498, \$648,108 and \$593,096, respectively, which equal the amount of the required contributions for each fiscal year.

STATE OF NEW MEXICO
City of Belen
Notes to Financial Statements
June 30, 2009

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

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

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

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

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. The statute requires each participating employer to contribute 1.3% of each participating employee's annual salary; each participating employee is required to contribute .65% of their salary. Employers joining the program after 1/1/98 are also required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

The RHCA plan is financed on a pay-as-you-go basis. The employer, employee and retiree contributions are required to be remitted to the RCHA on a monthly basis. The statutory requirements for the contributions can be changed by the New Mexico State Legislature.

The City's contributions to the RHCA for the years ended June 30, 2009, 2008 and 2007 were \$40,904, \$36,045 and \$35,968, respectively, which equal the required contributions for each year.

STATE OF NEW MEXICO
City of Belen
Notes to Financial Statements
June 30, 2009

NOTE 11. Federal and State Grants

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

NOTE 12. Landfill Closure and Post Closure Care Costs

The City reports a liability for post closure care costs in connection with its closed and inactive landfill. The City did not use the landfill for the year ending June 30, 2009. There were no changes in estimates during the current period and the total landfill closure liability remains at \$593,497. The City has no other responsibility for landfill activity.

As outlined in 20 NMAC 9.1 502.B, post closure maintenance activities will continue for a period of 30 years after original closure of the landfill. Inspection and maintenance reports will be compiled by the City of Belen and submitted to the NMED in the annual monitoring reports. Periodically, the City will obtain an updated Closure and Post Closure Care plan in which the estimated liability has the potential to change due to inflation or deflation, technology, or applicable laws or regulations.

NOTE 13. Construction and Other Significant Commitments

The City has committed to pay for several construction contracts that were not completed at June 30, 2009 in the amount of \$1,337,284 as follows:

<u>Project Description</u>	<u>Contract Amount Remaining</u>	<u>Contractor</u>
Wastewater Phase II	\$ 665,819	NM Underground Contractors
Storm Drain	256,544	Star Paving
Booster Pump	291,268	NM Underground Contractors
Arsenic	77,506	Molzen-Corbin
Camino Del Llano	46,147	Molzen-Corbin
	<u>\$ 1,337,284</u>	

STATE OF NEW MEXICO
City of Belen
Notes to Financial Statements
June 30, 2009

NOTE 14. Net Assets Restatement

The City has restated \$2,125,091 of prior year net assets, of which \$1,301,205 and \$823,886 is related to governmental and business-type activities, respectively.

The restatement for governmental activities was made for governmental capital assets that were understated in the prior year. As a result, governmental activities beginning net assets was increased in the amount of \$1,301,205. No governmental funds were affected by this restatement.

The restatement was made for business-type activities was made for proprietary long-term debt that was overstated in the prior year and proprietary capital assets that were understated in the prior year. As a result, business-type activities beginning net assets was increased in the amount of \$823,886. Beginning net assets was increased in the amount of \$359,605 and \$534,223 for the wastewater and solid waste funds, respectively. In addition, beginning net assets was decreased in the amount of \$69,942 for the water fund.

NOTE 15. Restricted Net Assets

The government-wide statement of net assets reports \$6,957,643 of restricted net assets, all of which is restricted by enabling legislation. See pages 60 to 63 for descriptions of the related restrictions for special revenue, debt service and capital projects funds.

NOTE 16. Utility Revenues Pledged

The City of Belen has pledged future revenues from the water and sewer system, net of operation and maintenance expenses and the distributions to the City of state-shared gross receipts tax revenues from the New Mexico Taxation and Revenue Department to repay \$4,049,684 to the New Mexico Environment Department for the NMED CWSRF loan, issued in 2003. The loan is payable solely from utility customer net revenues and state-shared gross receipts tax revenues and is payable through December 2022. The pledged revenues shall be in an amount sufficient to pay principal and interest amounts due under the loan agreement, payable from and constituting a lien upon the pledged revenues. The total principal and interest remaining to be paid on the loan is \$2,998,299 and \$469,017, respectively. Principal and interest paid for the current year and total customer net revenues were \$247,665 and \$(387,861), respectively.

The City of Belen has pledged future revenues from the water and sewer system, net of operation and maintenance expenses, to repay \$1,135,000 of Series 1996 Water/Sewer Revenue Bonds, issued in 1996. The bonds are payable solely from utility customer net revenues and are payable through July 2036. The pledged revenues for the fiscal year immediately preceding the date of the issuance of such additional parity lien obligations shall have been sufficient to pay an amount representing at least 120% of the combined average annual principal and interest coming due in any subsequent fiscal year on the then outstanding bonds, other outstanding obligations payable from and constituting a lien on the net revenues of the system on a parity with the lien thereon of the bonds and the parity lien bonds or other parity lien obligations proposed to be issued. The total principal and interest remaining to be paid on the bonds is \$974,000 and \$787,508, respectively. Principal and interest paid for the current year and total customer net revenues were \$65,311 and \$(387,861), respectively.

The City of Belen has pledged future revenues from the water and sewer system, net of operation and maintenance expenses, to repay \$554,000 of Series 1997 Water/Sewer Revenue Bonds, issued in 1997. The bonds are payable solely from utility customer net revenues and are payable through July 2036. The pledged revenues for the fiscal year immediately preceding the date of the issuance of such additional parity lien obligations shall have been sufficient to pay an amount representing at least 120% of the combined average annual principal and interest coming due in any subsequent fiscal year on the then outstanding bonds, other outstanding obligations payable from and constituting a lien on the net revenues of the system on a parity with the lien thereon of the bonds and the parity lien bonds or other parity lien obligations proposed to be issued. The total principal and interest remaining to be paid on the bonds is \$479,000 and \$407,453, respectively. Principal and interest paid for the current year and total customer net revenues were \$31,741 and \$(387,861), respectively.

STATE OF NEW MEXICO
City of Belen
Notes to Financial Statements
June 30, 2009

NOTE 17. Joint Powers Agreements and Memorandums of Understanding

Central Solid Waste Authority

Participants	Village of Los Lunas City of Belen Village of Bosque Farms County of Socorro City of Socorro
Responsible party	Central Solid Waste Authority
Description	Form a Bi-County, regional solid waste disposal authority in order to fully comply with the Solid Waste Act, provide for disposition of solid waste by establishing modern, and, where possible, state of the art, facilities for recycling, disposition and transportation of solid waste, to provide for the general protection of the health, welfare and safety of the public and to provide staff, management assistance, planning and facilities therefore
Term of agreement	1995 to Indefinite
Amount of project	Unknown
City contributions	Unknown
Audit responsibility	Central Solid Waste Authority

Wildland Fire Protection and Suppression

Participants	Energy, Minerals and Natural Resources Department, Forestry Division City of Belen
Responsible party	Energy, Minerals and Natural Resources Department, Forestry Division City of Belen
Description	Mutual wildland fire protection and suppression and management assistance and cooperation
Term of agreement	2006 to 2011
Amount of project	Unknown
City contributions	Unknown
Audit responsibility	Energy, Minerals and Natural Resources Department, Forestry Division City of Belen

STATE OF NEW MEXICO
City of Belen
Notes to Financial Statements
June 30, 2009

NOTE 17. Joint Powers Agreements and Memorandums of Understanding (continued)

Medical Director for EMS Services

Participants	Valencia County City of Belen
Responsible party	Valencia County
Description	Valencia County to provide medical direction as necessary for the fire medical rescue services of the City of Belen Fire Department
Term of agreement	7/1/07 to Indefinite
Amount of project	Unknown
City contributions	Unknown
Audit responsibility	Valencia County City of Belen

Valencia County Detention Center

Participants	Valencia County City of Belen
Responsible party	Valencia County
Description	Housing of prisoners at the Valencia County Detention Center
Term of agreement	1/29/08 to Indefinite
Amount of project	Unknown
City contributions	Unknown
Audit responsibility	Valencia County

STATE OF NEW MEXICO
City of Belen
Notes to Financial Statements
June 30, 2009

NOTE 17. Joint Powers Agreements and Memorandums of Understanding (continued)

Valencia County Animal Control Center

Participants	Valencia County City of Belen
Responsible party	Valencia County
Description	Provide for the holding of impounded animals at Valencia County Animal Control Center
Term of agreement	7/1/02 - Indefinitely
Amount of project	Unknown
City contributions	Unknown
Audit responsibility	Valencia County

NOTE 18. Subsequent Pronouncements

In July 2007, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, which is effective for periods beginning after June 15, 2009. For governments that were classified as phase 1 or phase 2 governments, retroactive reporting is required for intangible assets acquired in fiscal years ending after June 30, 1980, except for those considered to have indefinite useful lives as of the effective date of this Statement and those that would be considered internally generated. Retroactive reporting of these intangible assets by phase 3 governments is encouraged but not required. Retroactive reporting is not required but is permitted for intangible assets considered to have indefinite useful lives as of the effective date of this Statement and those considered to be internally generated. The objective of this Statement is to establish accounting and financial reporting requirements for intangible assets to reduce these inconsistencies, thereby enhancing the comparability of the accounting and financial reporting of such assets among state and local governments. The City is analyzing the effect that this standard will have on the financial statements, and currently believes it will have no significant effect on the financial statements for the upcoming year.

In March 2009, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which is effective for financial statements for periods beginning after June 15, 2010 with earlier implementation encouraged. GASB Statement No. 54 distinguishes fund balance between amounts that are considered nonspendable, such as fund balance associated with inventories, and other amounts that are classified based on the relative strength of the constraints that control the purpose for which specific amounts can be spent. This statement is intended to improve the usefulness of information provided to financial report users about fund balance by providing clearer, more structured fund balance classifications, and by clarifying the definitions of existing governmental fund types. The City is analyzing the effect that this standard will have on the financial statements.

SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
City of Belen
Nonmajor Governmental Funds
June 30, 2009

Special Revenue Funds

Harvey House

To account for an appropriation from the Lodger's Tax Fund to help maintain and renovate the local historical museum. Authorization is by City Council.

Parks and Recreation

To account for revenues collected from taxes on cigarettes sold within the City boundaries pursuant to the Cigarette Tax Act, NMSA 7-12-1 and 7-12-15, and miscellaneous revenue received from taxpayers for special uses or tournaments, etc. Expenditures from this fund may be used for recreational facilities and salaries of employees necessary for the operation of such facilities.

Fire Protection

To account for State revenues received pursuant to the Fire Protection Fund Law, NMSA 59A-53-1. Expenditures from this fund may be used for the purchase, construction, operation and maintenance of fire stations, except for the station's water supply system; fire apparatus and equipment; the payment of insurance premiums on the above; and for insurance premiums for injuries or death of firefighters.

EMS Rescue

To account for State revenues received pursuant to the Emergency Medical Services Fund Act, NMSA 24-10A. Expenditures from this fund may be used for the establishment of emergency medical services; to acquire emergency medical services vehicles and equipment supplies; and for training and licensing of local emergency management services personnel.

1/8% GRT Infrastructure

To account for receipt of gross receipts taxes created by City ordinances. The proceeds are to be used for acquisition, construction, operations and maintenance of solid waste, wastewater facilities, streets, sewer systems and related facilities.

1/2% GRT Infrastructure

To account for receipt of gross receipts taxes created by City ordinances. The proceeds are to be used for acquisition, construction, operations and maintenance of wastewater facilities, streets, sewer systems and related facilities, and also to pay municipal Gross Receipts Tax Revenue Bond Series 1997 and 1998.

Department of Justice

To account for a grant received from the Department of Justice which was awarded to the Belen Police Department as part of the 2007 Justice Assistance Grant Program for the Synthetic Drug (Meth) Trafficking Reduction Program. Authorization is by City Council.

Jail

To account for fines collected by the City Courts which are designated to be used for the operation and maintenance of the City jail. Authority is Section 35-15-12, NMSA.

NM DOT Section 5311

To account for grants received from the State Department of Transportation and Federal government under the Domestic Volunteer Service Act of 1983, as amended, Title II, to provide for the transportation of retired persons (Public Law 93-113).

Evidence

To account for unclaimed evidence funds pending litigation and needing to be secured. Authorization is by City Council.

STATE OF NEW MEXICO
City of Belen
Nonmajor Governmental Funds
June 30, 2009

Special Revenue Funds (continued)

Law Enforcement

To account for funds allotted by the Law Enforcement Protection Fund, Section 29-13-5, NMSA 1978, to “enhance the efficiency and effectiveness of law enforcement service.”

Lodger’s Tax

To account for revenues collected from occupancy taxes levied within the City boundaries pursuant to NMSA 3-38-15. Also, to account for funds received from a cooperative advertising grant from the New Mexico Department of Tourism. Expenditures from this fund may be used for acquiring, constructing, improving, establishing, and operating convention, exposition or entertainment facilities; equipping and furnishing such facilities; acquiring or obtaining an interest in such facilities; or advertising, publicizing, and promoting such facilities.

Martin Luther King

To account for a State grant for cultural events in relation to the Martin Luther King holiday. Authorization is by City Council.

Construction GIS Infra

To account for a grant for the purchase of a GIS program, equipment and training. Authorization is by City Council.

Clean Energy Grant

To account for a clean energy grant received for the installation of solar dishes that will aid the City in reducing their electricity costs in the future. Authorization is by City Council.

RSVP

To account for grants received from the State Agency on Aging and Federal government under the Domestic Volunteer Service Act of 1983, as amended, Title II, to provide a variety of opportunities for retired persons to serve their community through significant volunteer service (Public Law 93-113).

Street Paving Revolving

To account for revenues received from the levy of a tax per gallon of gasoline purchased within the City boundaries, pursuant to the County and Municipal Gasoline Tax Act, NMSA 7-21-1. Also, to account for revenues received for several state grants from the New Mexico State Highway Department for surfacing and improving various streets. Expenditures from this fund may be used for bridge and road projects on transit routes; for purchasing, maintaining or operating transit facilities; for operating a transit authority; for operating a vehicle emissions inspection program; or for road, street or highway construction, repair and maintenance on transit routes.

STATE OF NEW MEXICO
City of Belen
Nonmajor Governmental Funds
June 30, 2009

Debt Service Funds

2008 GRT Revenue Bonds

To account for the payments made for the principal and interest on the City's Series 2008 Gross Receipts Tax Revenue Bonds. Authorization is by City Council.

Debt Service Fund

To account for the resources accumulated and payments made for the principal and interest on general long-term debt for governmental funds. Authorization is by City Council.

Gasoline Tax Revenue Bonds

To account for the resources accumulated and payments made for the principal and interest on the City's Series 1998 Gasoline Tax Revenue Bonds. Authorization is by City Council.

2005 GRT Revenue Bonds

To provide funds for defraying the cost of refinancing the outstanding City of Belen Series 1997 and 1998 Gross Receipts Tax Revenue Bonds. Authorization is by City Council.

STATE OF NEW MEXICO
City of Belen
Nonmajor Governmental Funds
June 30, 2009

Capital Projects Funds

Multi-Purpose Park

To account for an appropriation from the State Legislature, Special Appropriations Project, Law of 1999, for costs of planning, designing, equipping and constructing a multiple sports and outdoor recreational complex.

Alexander Airport

To account for a grant from the FAA through the NMSH&TD for the renovation of the City's airport facility. Authorization is by City Council.

Library Renovation

To account for an appropriation from the state legislature and funding from the New Mexico Finance Authority for the renovation of the City's library. Authorization is by City Council.

Becker Avenue

To account for grants and loan proceeds to improve the City's infrastructure. Authorization is by City Council.

Camino Del Llano

To account for a federal grant received from the Corp. of Engineers that will be used to Camino Del Llano Road Project. Authorization is by City Council.

Christopher Road

To account for grants received to improve the City's infrastructure. Authorization is by City Council.

I-25 Improvements

To account for a grant received to make improvements to Exit 195 on Interstate I-25. Authorization is by City Council.

CDBG W&S

To account for a Federal C.D.B.G. Grant received for the purpose of providing extensions and roadway improvements to Gonzales Road. Authority is Title I of the Housing and Community Development Act and 1974 Public Law 93-383.

Westside Booster Station

To account for a grant received for the purpose of replacing and upgrading the lift stations on the west side of the City. Authorization is by City Council.

STATE OF NEW MEXICO
City of Belen
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2009

	Special Revenue			
	Harvey House	Parks and Recreation	Fire Protection	EMS Rescue
<i>Assets</i>				
Cash and cash equivalents	\$ -	\$ 46,646	\$ -	\$ -
Receivables:				
Other taxes	-	-	-	-
Other	-	-	-	9,850
<i>Total assets</i>	\$ -	\$ 46,646	\$ -	\$ 9,850
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ 1,212	\$ -
Accrued payroll	-	-	-	-
Accrued compensated absences	-	-	-	-
<i>Total liabilities</i>	-	-	1,212	-
<i>Fund balances</i>				
Reserved for:				
Future debt service payments	-	-	-	-
Unreserved				
Special revenue	-	46,646	(1,212)	9,850
Capital projects	-	-	-	-
<i>Total fund balances</i>	-	46,646	(1,212)	9,850
<i>Total liabilities and fund balances</i>	\$ -	\$ 46,646	\$ -	\$ 9,850

The accompanying notes are an integral part of these financial statements

Special Revenue

1/8% GRT Infrastructure	1/2% GRT Infrastructure	Department of Justice	Jail	NM DOT Section 5311	Evidence
\$ 8,992	\$ 119,648	\$ 118	\$ 840	\$ -	\$ 32,043
27,585	145,758	-	-	-	-
-	-	11,516	-	-	-
<u>\$ 36,577</u>	<u>\$ 265,406</u>	<u>\$ 11,634</u>	<u>\$ 840</u>	<u>\$ -</u>	<u>\$ 32,043</u>
\$ -	\$ -	\$ -	\$ 6,520	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>6,520</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
36,577	265,406	11,634	(5,680)	-	32,043
-	-	-	-	-	-
<u>36,577</u>	<u>265,406</u>	<u>11,634</u>	<u>(5,680)</u>	<u>-</u>	<u>32,043</u>
<u>\$ 36,577</u>	<u>\$ 265,406</u>	<u>\$ 11,634</u>	<u>\$ 840</u>	<u>\$ -</u>	<u>\$ 32,043</u>

STATE OF NEW MEXICO
City of Belen
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2009

	Special Revenue			
	Law Enforcement	Lodger's Tax	Martin Luther King	Construction GIS Infra
<i>Assets</i>				
Cash and cash equivalents	\$ -	\$ 10,719	\$ 1,576	\$ 113
Receivables:				
Other taxes	-	9,197	-	-
Other	-	-	-	-
<i>Total assets</i>	\$ -	\$ 19,916	\$ 1,576	\$ 113
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-
Accrued compensated absences	-	-	-	-
<i>Total liabilities</i>	-	-	-	-
<i>Fund balances</i>				
Reserved for:				
Future debt service payments	-	-	-	-
Unreserved				
Special revenue	-	19,916	1,576	113
Capital projects	-	-	-	-
<i>Total fund balances</i>	-	19,916	1,576	113
<i>Total liabilities and fund balances</i>	\$ -	\$ 19,916	\$ 1,576	\$ 113

The accompanying notes are an integral part of these financial statements

Special Revenue			Debt Service		
Clean Energy Grant	RSVP	Street Paving Revolving	2008 GRT Revenue Bonds	Debt Service	Gasoline Tax Revenue Bonds
\$ 66,375	\$ -	\$ -	\$ 6,802	\$ 642,411	\$ -
-	-	32,503	-	-	-
-	19,484	-	-	-	-
<u>\$ 66,375</u>	<u>\$ 19,484</u>	<u>\$ 32,503</u>	<u>\$ 6,802</u>	<u>\$ 642,411</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	12,664	-	-	-	-
-	1,718	-	-	-	-
<u>-</u>	<u>14,382</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	6,802	642,411	-
66,375	5,102	32,503	-	-	-
-	-	-	-	-	-
<u>66,375</u>	<u>5,102</u>	<u>32,503</u>	<u>6,802</u>	<u>642,411</u>	<u>-</u>
<u>\$ 66,375</u>	<u>\$ 19,484</u>	<u>\$ 32,503</u>	<u>\$ 6,802</u>	<u>\$ 642,411</u>	<u>\$ -</u>

STATE OF NEW MEXICO
City of Belen
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2009

	Debt Service		Capital Projects	
	2005 GRT Revenue Bonds	Multi-Purpose Park	Alexander Airport	Library Renovation
<i>Assets</i>				
Cash and cash equivalents	\$ -	\$ 72,580	\$ (128,070)	\$ -
Receivables:				
Other taxes	-	-	-	-
Other	-	-	-	-
<i>Total assets</i>	<u>\$ -</u>	<u>\$ 72,580</u>	<u>\$ (128,070)</u>	<u>\$ -</u>
<i>Liabilities</i>				
Accounts payable	\$ -	\$ 14,582	\$ -	\$ -
Accrued payroll	-	-	-	-
Accrued compensated absences	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>14,582</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>				
Reserved for:				
Future debt service payments	-	-	-	-
Unreserved				
Special revenue	-	-	-	-
Capital projects	-	57,998	(128,070)	-
<i>Total fund balances</i>	<u>-</u>	<u>57,998</u>	<u>(128,070)</u>	<u>-</u>
<i>Total liabilities and fund balances</i>	<u>\$ -</u>	<u>\$ 72,580</u>	<u>\$ (128,070)</u>	<u>\$ -</u>

Capital Projects

<u>Becker Avenue</u>	<u>Camino Del Llano</u>	<u>Christopher Road</u>	<u>I-25 Improvements</u>	<u>CDBG W&S</u>	<u>Westside Booster Station</u>
\$ 133,817	\$ 109,922	\$ -	\$ -	\$ 804	\$ -
-	-	-	-	-	-
-	90,290	15,699	-	-	-
<u>\$ 133,817</u>	<u>\$ 200,212</u>	<u>\$ 15,699</u>	<u>\$ -</u>	<u>\$ 804</u>	<u>\$ -</u>
\$ -	\$ 67,777	\$ -	\$ -	\$ -	\$ 8,076
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>67,777</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,076</u>
-	-	-	-	-	-
-	-	-	-	-	-
133,817	132,435	15,699	-	804	(8,076)
<u>133,817</u>	<u>132,435</u>	<u>15,699</u>	<u>-</u>	<u>804</u>	<u>(8,076)</u>
<u>\$ 133,817</u>	<u>\$ 200,212</u>	<u>\$ 15,699</u>	<u>\$ -</u>	<u>\$ 804</u>	<u>\$ -</u>

STATE OF NEW MEXICO
City of Belen
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2009

	Total Nonmajor Governmental Funds
<i>Assets</i>	
Cash and cash equivalents	\$ 1,125,336
Receivables:	
Other taxes	215,043
Other	146,839
<i>Total assets</i>	\$ 1,487,218
 <i>Liabilities</i>	
Accounts payable	\$ 98,167
Accrued payroll	12,664
Accrued compensated absences	1,718
<i>Total liabilities</i>	112,549
 <i>Fund balances</i>	
Reserved for:	
Future debt service payments	649,213
Unreserved	
Special revenue	520,849
Capital projects	204,607
<i>Total fund balances</i>	1,374,669
 <i>Total liabilities and fund balances</i>	 \$ 1,487,218

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STATE OF NEW MEXICO
City of Belen
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2009

	Special Revenue			
	Harvey House	Parks and Recreation	Fire Protection	EMS Rescue
<i>Revenues</i>				
Taxes				
Gross receipts	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle taxes	-	-	-	-
Other	-	4,930	-	-
Intergovernmental income				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	91,990	18,850
State capital grants	-	-	-	-
Charges for services	-	16,684	-	-
Licenses and fees	-	16,272	-	-
Interest income	-	6	20	-
Miscellaneous	-	15,179	-	-
<i>Total revenues</i>	-	53,071	92,010	18,850
<i>Expenditures</i>				
Current				
General government	582	-	-	-
Public safety	-	-	74,017	-
Public works	-	-	-	-
Culture and recreation	-	61,742	-	-
Health and welfare	-	-	-	9,834
Capital outlay	-	1,575	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	582	63,317	74,017	9,834
<i>Excess (deficiency) of revenues over expenditures</i>	(582)	(10,246)	17,993	9,016
<i>Other financing sources (uses)</i>				
Transfers in	4,563	-	-	-
Transfers out	-	-	(246,198)	-
<i>Total other financing sources (uses)</i>	4,563	-	(246,198)	-
<i>Net change in fund balances</i>	3,981	(10,246)	(228,205)	9,016
<i>Fund balances - beginning of year</i>	(3,981)	56,892	226,993	834
<i>Fund balances - end of year</i>	\$ -	\$ 46,646	\$ (1,212)	\$ 9,850

The accompanying notes are an integral part of these financial statements

Special Revenue

<u>1/8% GRT Infrastructure</u>	<u>1/2% GRT Infrastructure</u>	<u>Department of Justice</u>	<u>Jail</u>	<u>NM DOT Section 5311</u>	<u>Evidence</u>
\$ 428,488	\$ 938,398	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	27,959	-	19,834	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	5,819	-
-	-	-	75,324	-	-
408	-	-	-	-	-
-	-	-	-	-	9,683
<u>428,896</u>	<u>938,398</u>	<u>27,959</u>	<u>75,324</u>	<u>25,653</u>	<u>9,683</u>
-	-	-	-	-	-
-	-	16,325	75,864	-	3,101
72	12,151	-	-	42,415	-
-	-	-	-	-	-
-	-	-	-	-	-
44,429	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>44,501</u>	<u>12,151</u>	<u>16,325</u>	<u>75,864</u>	<u>42,415</u>	<u>3,101</u>
<u>384,395</u>	<u>926,247</u>	<u>11,634</u>	<u>(540)</u>	<u>(16,762)</u>	<u>6,582</u>
-	-	-	-	-	-
(544,973)	(863,670)	-	-	-	-
<u>(544,973)</u>	<u>(863,670)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(160,578)	62,577	11,634	(540)	(16,762)	6,582
<u>197,155</u>	<u>202,829</u>	<u>-</u>	<u>(5,140)</u>	<u>16,762</u>	<u>25,461</u>
<u>\$ 36,577</u>	<u>\$ 265,406</u>	<u>\$ 11,634</u>	<u>\$ (5,680)</u>	<u>\$ -</u>	<u>\$ 32,043</u>

STATE OF NEW MEXICO
City of Belen
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2009

	Special Revenue			
	Law Enforcement	Lodger's Tax	Martin Luther King	Construction GIS Infra
<i>Revenues</i>				
Taxes				
Gross receipts	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle taxes	-	-	-	-
Other	-	62,075	-	-
Intergovernmental income				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	30,800	-	2,227	6,986
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	12	-
Miscellaneous	-	1,000	-	-
<i>Total revenues</i>	<u>30,800</u>	<u>63,075</u>	<u>2,239</u>	<u>6,986</u>
<i>Expenditures</i>				
Current				
General government	-	38,717	1,688	9,238
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	52,734	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>52,734</u>	<u>38,717</u>	<u>1,688</u>	<u>9,238</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(21,934)</u>	<u>24,358</u>	<u>551</u>	<u>(2,252)</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	500	-
Transfers out	-	(10,200)	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(10,200)</u>	<u>500</u>	<u>-</u>
<i>Net change in fund balances</i>	(21,934)	14,158	1,051	(2,252)
<i>Fund balances - beginning of year</i>	<u>21,934</u>	<u>5,758</u>	<u>525</u>	<u>2,365</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ 19,916</u>	<u>\$ 1,576</u>	<u>\$ 113</u>

The accompanying notes are an integral part of these financial statements

Special Revenue			Debt Service		
Clean Energy Grant	RSVP	Street Paving Revolving	2008 GRT Revenue Bonds	Debt Service	Gasoline Tax Revenue Bonds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	179,205	-	-	-
-	-	-	-	-	-
-	46,322	-	-	-	-
-	-	-	-	-	-
96,000	13,065	190,186	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,297	9,828	-
-	46,066	-	-	-	-
<u>96,000</u>	<u>105,453</u>	<u>369,391</u>	<u>1,297</u>	<u>9,828</u>	<u>-</u>
-	-	-	798	13,300	-
-	-	-	-	-	-
-	-	261,812	-	-	-
-	-	-	-	-	-
29,625	185,887	-	-	-	-
-	-	-	-	-	-
-	-	935	-	445,801	160,000
-	-	39,327	233,697	312,871	25,110
<u>29,625</u>	<u>185,887</u>	<u>302,074</u>	<u>234,495</u>	<u>771,972</u>	<u>185,110</u>
<u>66,375</u>	<u>(80,434)</u>	<u>67,317</u>	<u>(233,198)</u>	<u>(762,144)</u>	<u>(185,110)</u>
-	80,383	-	240,000	741,547	185,110
-	-	(65,708)	-	-	-
<u>-</u>	<u>80,383</u>	<u>(65,708)</u>	<u>240,000</u>	<u>741,547</u>	<u>185,110</u>
66,375	(51)	1,609	6,802	(20,597)	-
-	5,153	30,894	-	663,008	-
<u>\$ 66,375</u>	<u>\$ 5,102</u>	<u>\$ 32,503</u>	<u>\$ 6,802</u>	<u>\$ 642,411</u>	<u>\$ -</u>

STATE OF NEW MEXICO
City of Belen
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2009

	Debt Service		Capital Projects	
	2005 GRT Revenue Bonds	Multi-Purpose Park	Alexander Airport	Library Renovation
<i>Revenues</i>				
Taxes				
Gross receipts	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle taxes	-	-	-	-
Other	-	-	-	-
Intergovernmental income				
Federal operating grants	-	-	-	-
Federal capital grants	-	143,507	38,424	-
State operating grants	-	-	-	-
State capital grants	-	769,323	176,682	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	912,830	215,106	-
<i>Expenditures</i>				
Current				
General government	510	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	12,604	-	-
Health and welfare	-	-	-	-
Capital outlay	-	667,353	443,154	8,732
Debt service				
Principal	315,000	-	-	-
Interest	143,980	-	-	-
<i>Total expenditures</i>	459,490	679,957	443,154	8,732
<i>Excess (deficiency) of revenues over expenditures</i>	(459,490)	232,873	(228,048)	(8,732)
<i>Other financing sources (uses)</i>				
Transfers in	457,990	-	-	-
Transfers out	-	-	-	(7,500)
<i>Total other financing sources (uses)</i>	457,990	-	-	(7,500)
<i>Net change in fund balances</i>	(1,500)	232,873	(228,048)	(16,232)
<i>Fund balances - beginning of year</i>	1,500	(174,875)	99,978	16,232
<i>Fund balances - end of year</i>	\$ -	\$ 57,998	\$ (128,070)	\$ -

Capital Projects

Becker Avenue	Camino Del Llano	Christopher Road	I-25 Improvements	CDBG W&S	Westside Booster Station
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
48,499	340,008	-	-	-	-
-	-	-	-	-	-
-	191,165	121,930	519,430	-	316,988
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
48,499	531,173	121,930	519,430	-	316,988
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	519,430	-	-
-	-	-	-	-	-
-	-	-	-	-	-
31,013	398,738	134,920	-	-	325,064
-	-	-	-	-	-
-	-	-	-	-	-
31,013	398,738	134,920	519,430	-	325,064
17,486	132,435	(12,990)	-	-	(8,076)
63,000	-	-	-	-	-
-	-	(261,795)	-	-	-
63,000	-	(261,795)	-	-	-
80,486	132,435	(274,785)	-	-	(8,076)
53,331	-	290,484	-	804	-
\$ 133,817	\$ 132,435	\$ 15,699	\$ -	\$ 804	\$ (8,076)

STATE OF NEW MEXICO
City of Belen
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2009

	Total Nonmajor Governmental Funds
<i>Revenues</i>	
Taxes	
Gross receipts	\$ 1,366,886
Gasoline and motor vehicle taxes	179,205
Other	67,005
Intergovernmental income	
Federal operating grants	94,115
Federal capital grants	570,438
State operating grants	450,104
State capital grants	2,095,518
Charges for services	22,503
Licenses and fees	91,596
Interest income	11,571
Miscellaneous	71,928
<i>Total revenues</i>	5,020,869
 <i>Expenditures</i>	
Current	
General government	64,833
Public safety	169,307
Public works	835,880
Culture and recreation	74,346
Health and welfare	225,346
Capital outlay	2,107,712
Debt service	
Principal	921,736
Interest	754,985
<i>Total expenditures</i>	5,154,145
 <i>Excess (deficiency) of revenues over expenditures</i>	 (133,276)
 <i>Other financing sources (uses)</i>	
Transfers in	1,773,093
Transfers out	(2,000,044)
<i>Total other financing sources (uses)</i>	(226,951)
 <i>Net change in fund balances</i>	 (360,227)
 <i>Fund balances - beginning of year</i>	 1,734,896
 <i>Fund balances - end of year</i>	 \$ 1,374,669

STATE OF NEW MEXICO

Statement B- 1

City of Belen

Harvey House Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (GAAP Basis)	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues</i>				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
Current				
General government	-	-	582	(582)
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>582</u>	<u>(582)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(582)</u>	<u>(582)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	4,563	4,563
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>4,563</u>	<u>4,563</u>
<i>Net change in fund balance</i>	-	-	3,981	3,981
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(3,981)</u>	<u>(3,981)</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B- 2

City of Belen

Parks and Recreation Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (GAAP Basis)	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues</i>				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	9,000	9,000	4,930	(4,070)
Intergovernmental income				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	13,000	13,000	16,684	3,684
Licenses and fees	25,000	25,000	16,272	(8,728)
Interest income	200	200	6	(194)
Miscellaneous	15,000	15,000	15,179	179
<i>Total revenues</i>	<u>62,200</u>	<u>62,200</u>	<u>53,071</u>	<u>(9,129)</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	42,900	42,900	61,742	(18,842)
Health and welfare	-	-	-	-
Capital outlay	19,000	19,000	1,575	17,425
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>61,900</u>	<u>61,900</u>	<u>63,317</u>	<u>(1,417)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>300</u>	<u>300</u>	<u>(10,246)</u>	<u>(10,546)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	14,700	14,700	-	(14,700)
Transfers in	-	-	-	-
Transfers out	(15,000)	(15,000)	-	15,000
<i>Total other financing sources (uses)</i>	<u>(300)</u>	<u>(300)</u>	<u>-</u>	<u>300</u>
<i>Net change in fund balance</i>	-	-	(10,246)	(10,246)
<i>Fund balance - beginning of year</i>	-	-	56,892	56,892
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,646</u>	<u>\$ 46,646</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B- 3

City of Belen

Fire Protection Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (GAAP Basis)	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues</i>				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	91,990	92,010	91,990	(20)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	20	20
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>91,990</u>	<u>92,010</u>	<u>92,010</u>	<u>-</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	72,785	276,868	74,017	202,851
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>72,785</u>	<u>276,868</u>	<u>74,017</u>	<u>202,851</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>19,205</u>	<u>(184,858)</u>	<u>17,993</u>	<u>202,851</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	22,191	228,735	-	(228,735)
Transfers in	-	-	-	-
Transfers out	(41,396)	(43,877)	(246,198)	(202,321)
<i>Total other financing sources (uses)</i>	<u>(19,205)</u>	<u>184,858</u>	<u>(246,198)</u>	<u>(431,056)</u>
<i>Net change in fund balance</i>	-	-	(228,205)	(228,205)
<i>Fund balance - beginning of year</i>	-	-	226,993	226,993
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,212)</u>	<u>\$ (1,212)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B- 4

City of Belen

EMS Rescue Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variations
	Original	Final	(GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	9,657	9,657	18,850	9,193
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>9,657</u>	<u>9,657</u>	<u>18,850</u>	<u>9,193</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	10,491	10,573	9,834	739
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>10,491</u>	<u>10,573</u>	<u>9,834</u>	<u>739</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(834)</u>	<u>(916)</u>	<u>9,016</u>	<u>9,932</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	834	916	-	(916)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>834</u>	<u>916</u>	<u>-</u>	<u>(916)</u>
<i>Net change in fund balance</i>	-	-	9,016	9,016
<i>Fund balance - beginning of year</i>	-	-	834	834
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,850</u>	<u>\$ 9,850</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B- 5

City of Belen

1/8% GRT Infrastructure Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (GAAP Basis)	Variations Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues</i>				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	539,930	539,930	428,488	(111,442)
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	407	408	1
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>539,930</u>	<u>540,337</u>	<u>428,896</u>	<u>(111,441)</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	72	72	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	44,429	(44,429)
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>72</u>	<u>44,501</u>	<u>(44,429)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>539,930</u>	<u>540,265</u>	<u>384,395</u>	<u>(155,870)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	42,070	147,137	-	(147,137)
Transfers in	-	-	-	-
Transfers out	(582,000)	(687,402)	(544,973)	142,429
<i>Total other financing sources (uses)</i>	<u>(539,930)</u>	<u>(540,265)</u>	<u>(544,973)</u>	<u>(4,708)</u>
<i>Net change in fund balance</i>	-	-	(160,578)	(160,578)
<i>Fund balance - beginning of year</i>	-	-	197,155	197,155
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,577</u>	<u>\$ 36,577</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B- 6

City of Belen

1/2% GRT Infrastructure Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	1,081,065	1,081,065	938,398	(142,667)
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,081,065</u>	<u>1,081,065</u>	<u>938,398</u>	<u>(142,667)</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	12,151	12,151	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>12,151</u>	<u>12,151</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>1,081,065</u>	<u>1,068,914</u>	<u>926,247</u>	<u>(142,667)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(46,085)	50,742	-	(50,742)
Transfers in	-	-	-	-
Transfers out	(1,034,980)	(1,119,656)	(863,670)	255,986
<i>Total other financing sources (uses)</i>	<u>(1,081,065)</u>	<u>(1,068,914)</u>	<u>(863,670)</u>	<u>205,244</u>
<i>Net change in fund balance</i>	-	-	62,577	62,577
<i>Fund balance - beginning of year</i>	-	-	202,829	202,829
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 265,406</u>	<u>\$ 265,406</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B- 7

City of Belen

Department of Justice Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (GAAP Basis)	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues</i>				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income				
Federal operating grants	-	16,443	27,959	11,516
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>16,443</u>	<u>27,959</u>	<u>11,516</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	-	16,325	16,325	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>16,325</u>	<u>16,325</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>118</u>	<u>11,634</u>	<u>11,516</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	(118)	-	118
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(118)</u>	<u>-</u>	<u>118</u>
<i>Net change in fund balance</i>	-	-	11,634	11,634
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,634</u>	<u>\$ 11,634</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B- 8

City of Belen

Jail Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (GAAP Basis)	Variations Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues</i>				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	89,620	89,620	75,324	(14,296)
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>89,620</u>	<u>89,620</u>	<u>75,324</u>	<u>(14,296)</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	78,600	78,600	75,864	2,736
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>78,600</u>	<u>78,600</u>	<u>75,864</u>	<u>2,736</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>11,020</u>	<u>11,020</u>	<u>(540)</u>	<u>(11,560)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(1,020)	(1,020)	-	1,020
Transfers in	-	-	-	-
Transfers out	(10,000)	(10,000)	-	10,000
<i>Total other financing sources (uses)</i>	<u>(11,020)</u>	<u>(11,020)</u>	<u>-</u>	<u>11,020</u>
<i>Net change in fund balance</i>	-	-	(540)	(540)
<i>Fund balance - beginning of year</i>	-	-	(5,140)	(5,140)
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,680)</u>	<u>\$ (5,680)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B- 9

City of Belen

NM DOT Section 5311 Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income				
Federal operating grants	22,934	22,934	19,834	(3,100)
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	3,400	3,400	5,819	2,419
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>26,334</u>	<u>26,334</u>	<u>25,653</u>	<u>(681)</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	41,575	42,415	42,415	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>41,575</u>	<u>42,415</u>	<u>42,415</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(15,241)</u>	<u>(16,081)</u>	<u>(16,762)</u>	<u>(681)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	15,241	16,081	-	(16,081)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>15,241</u>	<u>16,081</u>	<u>-</u>	<u>(16,081)</u>
<i>Net change in fund balance</i>	-	-	(16,762)	(16,762)
<i>Fund balance - beginning of year</i>	-	-	16,762	16,762
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B- 10

City of Belen

Evidence Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (GAAP Basis)	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues</i>				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	1,500	9,683	9,683	-
<i>Total revenues</i>	<u>1,500</u>	<u>9,683</u>	<u>9,683</u>	<u>-</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	1,000	3,101	3,101	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,000</u>	<u>3,101</u>	<u>3,101</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>500</u>	<u>6,582</u>	<u>6,582</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(500)	(6,582)	-	6,582
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(500)</u>	<u>(6,582)</u>	<u>-</u>	<u>6,582</u>
<i>Net change in fund balance</i>	-	-	6,582	6,582
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>25,461</u>	<u>25,461</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,043</u>	<u>\$ 32,043</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B- 11

City of Belen

Law Enforcement Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (GAAP Basis)	Variations Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues</i>				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	30,800	30,800	30,800	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>30,800</u>	<u>30,800</u>	<u>30,800</u>	<u>-</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	9,704	9,704	-	9,704
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	43,030	43,030	52,734	(9,704)
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>52,734</u>	<u>52,734</u>	<u>52,734</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(21,934)</u>	<u>(21,934)</u>	<u>(21,934)</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	21,934	21,934	-	(21,934)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>21,934</u>	<u>21,934</u>	<u>-</u>	<u>(21,934)</u>
<i>Net change in fund balance</i>	-	-	(21,934)	(21,934)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>21,934</u>	<u>21,934</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B- 12

City of Belen

Lodger's Tax Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	77,495	77,495	62,075	(15,420)
Intergovernmental income				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	2,000	2,000	1,000	(1,000)
<i>Total revenues</i>	<u>79,495</u>	<u>79,495</u>	<u>63,075</u>	<u>(16,420)</u>
<i>Expenditures</i>				
Current				
General government	50,000	50,000	38,717	11,283
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>50,000</u>	<u>50,000</u>	<u>38,717</u>	<u>11,283</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>29,495</u>	<u>29,495</u>	<u>24,358</u>	<u>(5,137)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	1,105	1,105	-	(1,105)
Transfers in	-	-	-	-
Transfers out	(30,600)	(30,600)	(10,200)	20,400
<i>Total other financing sources (uses)</i>	<u>(29,495)</u>	<u>(29,495)</u>	<u>(10,200)</u>	<u>19,295</u>
<i>Net change in fund balance</i>	-	-	14,158	14,158
<i>Fund balance - beginning of year</i>	-	-	5,758	5,758
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,916</u>	<u>\$ 19,916</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B- 13

City of Belen

Martin Luther King Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (GAAP Basis)	Variations Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues</i>				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	600	2,239	2,227	(12)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	12	12
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>600</u>	<u>2,239</u>	<u>2,239</u>	<u>-</u>
<i>Expenditures</i>				
Current				
General government	1,000	1,689	1,688	1
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,000</u>	<u>1,689</u>	<u>1,688</u>	<u>1</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(400)</u>	<u>550</u>	<u>551</u>	<u>1</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(100)	(1,050)	-	1,050
Transfers in	500	500	500	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>400</u>	<u>(550)</u>	<u>500</u>	<u>1,050</u>
<i>Net change in fund balance</i>	-	-	1,051	1,051
<i>Fund balance - beginning of year</i>	-	-	525	525
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,576</u>	<u>\$ 1,576</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B- 14

City of Belen

Construction GIS Infra Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	6,985	6,986	1
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>6,985</u>	<u>6,986</u>	<u>1</u>
<i>Expenditures</i>				
Current				
General government	-	9,238	9,238	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>9,238</u>	<u>9,238</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(2,253)</u>	<u>(2,252)</u>	<u>1</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	2,253	-	(2,253)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>2,253</u>	<u>-</u>	<u>(2,253)</u>
<i>Net change in fund balance</i>	-	-	(2,252)	(2,252)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>2,365</u>	<u>2,365</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 113</u>	<u>\$ 113</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B- 15

City of Belen

Clean Energy Grant Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (GAAP Basis)	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues</i>				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	96,000	96,000	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>96,000</u>	<u>96,000</u>	<u>-</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	29,625	29,625	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>29,625</u>	<u>29,625</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>66,375</u>	<u>66,375</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	(66,375)	-	66,375
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(66,375)</u>	<u>-</u>	<u>66,375</u>
<i>Net change in fund balance</i>	-	-	66,375	66,375
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 66,375</u>	<u>\$ 66,375</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B- 16

City of Belen

RSVP Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income				
Federal operating grants	40,064	40,064	46,322	6,258
Federal capital grants	-	-	-	-
State operating grants	14,678	14,678	13,065	(1,613)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	37,519	37,519	46,066	8,547
<i>Total revenues</i>	<u>92,261</u>	<u>92,261</u>	<u>105,453</u>	<u>13,192</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	168,482	175,358	185,887	(10,529)
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>168,482</u>	<u>175,358</u>	<u>185,887</u>	<u>(10,529)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(76,221)</u>	<u>(83,097)</u>	<u>(80,434)</u>	<u>2,663</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	4,724	2,714	-	(2,714)
Transfers in	71,497	80,383	80,383	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>76,221</u>	<u>83,097</u>	<u>80,383</u>	<u>(2,714)</u>
<i>Net change in fund balance</i>	-	-	(51)	(51)
<i>Fund balance - beginning of year</i>	-	-	5,153	5,153
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,102</u>	<u>\$ 5,102</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B- 17

City of Belen

Street Paving Revolving Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	288,548	288,548	179,205	(109,343)
Other	-	-	-	-
Intergovernmental income				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	100,544	100,544	190,186	89,642
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>389,092</u>	<u>389,092</u>	<u>369,391</u>	<u>(19,701)</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	159,059	159,059	261,812	(102,753)
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	40,262	40,262	935	39,327
Interest	-	-	39,327	(39,327)
<i>Total expenditures</i>	<u>199,321</u>	<u>199,321</u>	<u>302,074</u>	<u>(102,753)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>189,771</u>	<u>189,771</u>	<u>67,317</u>	<u>(122,454)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(4,061)	(4,061)	-	4,061
Transfers in	-	-	-	-
Transfers out	(185,710)	(185,710)	(65,708)	120,002
<i>Total other financing sources (uses)</i>	<u>(189,771)</u>	<u>(189,771)</u>	<u>(65,708)</u>	<u>124,063</u>
<i>Net change in fund balance</i>	-	-	1,609	1,609
<i>Fund balance - beginning of year</i>	-	-	30,894	30,894
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,503</u>	<u>\$ 32,503</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

City of Belen

2008 GRT Revenue Bonds Debt Service Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (GAAP Basis)	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues</i>				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	1,297	1,297
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>1,297</u>	<u>1,297</u>
<i>Expenditures</i>				
Current				
General government	-	-	798	(798)
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	233,697	(233,697)
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>234,495</u>	<u>(234,495)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(233,198)</u>	<u>(233,198)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	240,000	240,000
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>240,000</u>	<u>240,000</u>
<i>Net change in fund balance</i>	-	-	6,802	6,802
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,802</u>	<u>\$ 6,802</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B- 19

City of Belen

Debt Service Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	24,358	9,828	9,828	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>24,358</u>	<u>9,828</u>	<u>9,828</u>	<u>-</u>
<i>Expenditures</i>				
Current				
General government	10,000	13,299	13,300	(1)
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	444,525	445,801	445,801	-
Interest	312,872	312,872	312,871	1
<i>Total expenditures</i>	<u>767,397</u>	<u>771,972</u>	<u>771,972</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(743,039)</u>	<u>(762,144)</u>	<u>(762,144)</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(24,357)	(7,733)	-	7,733
Transfers in	767,396	769,877	741,547	(28,330)
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>743,039</u>	<u>762,144</u>	<u>741,547</u>	<u>(20,597)</u>
<i>Net change in fund balance</i>	-	-	(20,597)	(20,597)
<i>Fund balance - beginning of year</i>	-	-	663,008	663,008
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 642,411</u>	<u>\$ 642,411</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

City of Belen
 Gasoline Tax Revenue Bonds Debt Service Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (GAAP Basis) and Actual
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
Current				
General government	600	600	-	600
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	160,000	160,000	160,000	-
Interest	25,110	25,110	25,110	-
<i>Total expenditures</i>	<u>185,710</u>	<u>185,710</u>	<u>185,110</u>	<u>600</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(185,710)</u>	<u>(185,710)</u>	<u>(185,110)</u>	<u>600</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	185,710	185,710	185,110	(600)
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>185,710</u>	<u>185,710</u>	<u>185,110</u>	<u>(600)</u>
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B- 21

City of Belen

2005 GRT Revenue Bonds Debt Service Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
Current				
General government	4,000	4,010	510	3,500
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	315,000	315,000	315,000	-
Interest	143,980	143,980	143,980	-
<i>Total expenditures</i>	<u>462,980</u>	<u>462,990</u>	<u>459,490</u>	<u>3,500</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(462,980)</u>	<u>(462,990)</u>	<u>(459,490)</u>	<u>3,500</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	10	-	(10)
Transfers in	462,980	462,980	457,990	(4,990)
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>462,980</u>	<u>462,990</u>	<u>457,990</u>	<u>(5,000)</u>
<i>Net change in fund balance</i>	-	-	(1,500)	(1,500)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,500</u>	<u>1,500</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B- 22

City of Belen

Multi-Purpose Park Capital Projects Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income				
Federal operating grants	-	-	-	-
Federal capital grants	250,000	250,000	143,507	(106,493)
State operating grants	-	-	-	-
State capital grants	454,922	454,922	769,323	314,401
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	441,000	441,000	-	(441,000)
<i>Total revenues</i>	<u>1,145,922</u>	<u>1,145,922</u>	<u>912,830</u>	<u>(233,092)</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	12,604	(12,604)
Health and welfare	-	-	-	-
Capital outlay	1,145,922	1,145,922	667,353	478,569
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,145,922</u>	<u>1,145,922</u>	<u>679,957</u>	<u>465,965</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>232,873</u>	<u>232,873</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	232,873	232,873
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(174,875)</u>	<u>(174,875)</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,998</u>	<u>\$ 57,998</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B- 23

City of Belen

Alexander Airport Capital Projects Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income				
Federal operating grants	-	-	-	-
Federal capital grants	179,655	179,655	38,424	(141,231)
State operating grants	-	-	-	-
State capital grants	313,387	313,387	176,682	(136,705)
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>493,042</u>	<u>493,042</u>	<u>215,106</u>	<u>(277,936)</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	493,042	496,155	443,154	53,001
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>493,042</u>	<u>496,155</u>	<u>443,154</u>	<u>53,001</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(3,113)</u>	<u>(228,048)</u>	<u>(224,935)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	3,113	-	(3,113)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>3,113</u>	<u>-</u>	<u>(3,113)</u>
<i>Net change in fund balance</i>	-	-	(228,048)	(228,048)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>99,978</u>	<u>99,978</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (128,070)</u>	<u>\$ (128,070)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B- 24

City of Belen

Library Renovation Capital Projects Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (GAAP Basis)	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues</i>				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	16,232	8,732	8,732	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>16,232</u>	<u>8,732</u>	<u>8,732</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(16,232)</u>	<u>(8,732)</u>	<u>(8,732)</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	16,232	16,232	-	(16,232)
Transfers in	-	-	-	-
Transfers out	-	(7,500)	(7,500)	-
<i>Total other financing sources (uses)</i>	<u>16,232</u>	<u>8,732</u>	<u>(7,500)</u>	<u>(16,232)</u>
<i>Net change in fund balance</i>	-	-	(16,232)	(16,232)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>16,232</u>	<u>16,232</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B- 25

City of Belen

Becker Avenue Capital Projects Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variations
	Original	Final	(GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income				
Federal operating grants	-	-	-	-
Federal capital grants	634,900	634,900	48,499	(586,401)
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>634,900</u>	<u>634,900</u>	<u>48,499</u>	<u>(586,401)</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	908,382	908,382	31,013	877,369
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>908,382</u>	<u>908,382</u>	<u>31,013</u>	<u>877,369</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(273,482)</u>	<u>(273,482)</u>	<u>17,486</u>	<u>290,968</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	57,482	57,482	-	(57,482)
Transfers in	216,000	216,000	63,000	(153,000)
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>273,482</u>	<u>273,482</u>	<u>63,000</u>	<u>(210,482)</u>
<i>Net change in fund balance</i>	-	-	80,486	80,486
<i>Fund balance - beginning of year</i>	-	-	53,331	53,331
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 133,817</u>	<u>\$ 133,817</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

City of Belen
 Camino Del Llano Capital Projects Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (GAAP Basis) and Actual
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (GAAP Basis)	Variations Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues</i>				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income				
Federal operating grants	-	-	-	-
Federal capital grants	1,300,000	1,300,000	340,008	(959,992)
State operating grants	-	-	-	-
State capital grants	191,165	191,165	191,165	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,491,165</u>	<u>1,491,165</u>	<u>531,173</u>	<u>(959,992)</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	1,491,165	412,205	398,738	13,467
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,491,165</u>	<u>412,205</u>	<u>398,738</u>	<u>13,467</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>1,078,960</u>	<u>132,435</u>	<u>(946,525)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	(1,078,960)	-	1,078,960
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(1,078,960)</u>	<u>-</u>	<u>1,078,960</u>
<i>Net change in fund balance</i>	-	-	132,435	132,435
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 132,435</u>	<u>\$ 132,435</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B- 27

City of Belen

Christopher Road Capital Projects Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variations
	Original	Final	(GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	260,187	260,187	121,930	(138,257)
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>260,187</u>	<u>260,187</u>	<u>121,930</u>	<u>(138,257)</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	260,187	260,187	134,920	125,267
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>260,187</u>	<u>260,187</u>	<u>134,920</u>	<u>125,267</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(12,990)</u>	<u>(12,990)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(261,795)	(261,795)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(261,795)</u>	<u>(261,795)</u>
<i>Net change in fund balance</i>	-	-	(274,785)	(274,785)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>290,484</u>	<u>290,484</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,699</u>	<u>\$ 15,699</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B- 28

City of Belen

I-25 Improvements Capital Projects Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variences
	Original	Final	(GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	4,000,000	4,000,000	519,430	(3,480,570)
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>4,000,000</u>	<u>4,000,000</u>	<u>519,430</u>	<u>(3,480,570)</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	4,000,000	4,000,000	519,430	3,480,570
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>4,000,000</u>	<u>4,000,000</u>	<u>519,430</u>	<u>3,480,570</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B- 29

City of Belen

CDBG W&S Capital Projects Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (GAAP Basis)	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues</i>				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>804</u>	<u>804</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 804</u>	<u>\$ 804</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B- 30

City of Belen

Westside Booster Station Capital Projects Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	511,391	511,391	316,988	(194,403)
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>511,391</u>	<u>511,391</u>	<u>316,988</u>	<u>(194,403)</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	563,374	563,374	325,064	238,310
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>563,374</u>	<u>563,374</u>	<u>325,064</u>	<u>238,310</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(51,983)</u>	<u>(51,983)</u>	<u>(8,076)</u>	<u>43,907</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(17)	(17)	-	17
Transfers in	52,000	52,000	-	(52,000)
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>51,983</u>	<u>51,983</u>	<u>-</u>	<u>(51,983)</u>
<i>Net change in fund balance</i>	-	-	(8,076)	(8,076)
<i>Fund balance - beginning of year</i>	-	-	-	-
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8,076)</u>	<u>\$ (8,076)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-31

City of Belen

Wastewater Fund

Statement of Revenues, Expenses and Changes in Net Assets
Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2009

	Budget Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		
<i>Operating revenues:</i>				
Charges for services	\$ 880,871	\$ 880,871	\$ 815,161	\$ (65,710)
<i>Total operating revenues</i>	<u>880,871</u>	<u>880,871</u>	<u>815,161</u>	<u>(65,710)</u>
<i>Operating expenses:</i>				
Personnel services	339,501	336,401	262,381	74,020
Utilities	110,500	110,500	126,586	(16,086)
Contractual services	1,256,505	1,253,749	10,297	1,243,452
Supplies	50,200	59,200	34,378	24,822
Maintenance and materials	114,500	111,356	58,936	52,420
Gross receipts taxes	35,000	35,000	42,952	(7,952)
Other costs	87,139	87,147	80,075	7,072
<i>Total operating expenses</i>	<u>1,993,345</u>	<u>1,993,353</u>	<u>615,605</u>	<u>1,377,748</u>
<i>Operating income (loss)</i>	<u>(1,112,474)</u>	<u>(1,112,482)</u>	<u>199,556</u>	<u>1,312,038</u>
<i>Non-operating revenues (expenses):</i>				
Gross receipts taxes	500	500	63	(437)
Interest expense	-	-	-	-
Interest income	2,000	2,000	2,073	73
Miscellaneous income	-	-	14,720	14,720
<i>Total non-operating revenues (expenses)</i>	<u>2,500</u>	<u>2,500</u>	<u>16,856</u>	<u>14,356</u>
Government contributions	2,026,562	2,026,562	634,845	(1,391,717)
Transfers in	-	504,404	449,552	(54,852)
Transfers out	(125,000)	(229,836)	(239,261)	(9,425)
<i>Change in net assets</i>	<u>\$ 791,588</u>	<u>\$ 1,191,148</u>	<u>1,061,548</u>	<u>\$ (129,600)</u>
<i>Revenues (expenses) not budgeted:</i>				
Depreciation			(590,156)	
<i>Change in net assets per Exhibit D-2</i>			<u>471,392</u>	
<i>Total net assets, beginning of year</i>			14,614,189	
<i>Total net assets, restated</i>			<u>359,605</u>	
<i>Total net assets, beginning as restated</i>			<u>14,973,794</u>	
<i>Total net assets, end of year</i>			<u>\$ 15,445,186</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-32

City of Belen

Water Fund

Statement of Revenues, Expenses and Changes in Net Assets
 Budget (GAAP Basis) and Actual
 For the Year Ended June 30, 2009

	Budget Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		
<i>Operating revenues:</i>				
Charges for services	\$ 1,237,399	\$ 1,249,529	\$ 1,176,602	\$ (72,927)
<i>Total operating revenues</i>	<u>1,237,399</u>	<u>1,249,529</u>	<u>1,176,602</u>	<u>(72,927)</u>
<i>Operating expenses:</i>				
Personnel services	537,459	555,831	539,235	16,596
Utilities	168,000	168,000	170,653	(2,653)
Contractual services	58,744	58,744	120,381	(61,637)
Supplies	110,000	98,000	114,050	(16,050)
Maintenance and materials	119,000	131,000	169,050	(38,050)
Gross receipts taxes	60,000	60,000	62,870	(2,870)
Other costs	131,256	140,961	45,876	95,085
<i>Total operating expenses</i>	<u>1,184,459</u>	<u>1,212,536</u>	<u>1,222,115</u>	<u>(9,579)</u>
<i>Operating income (loss)</i>	<u>52,940</u>	<u>36,993</u>	<u>(45,513)</u>	<u>(82,506)</u>
<i>Non-operating revenues (expenses):</i>				
Gross receipts taxes	119,765	119,765	151,360	31,595
Interest expense	(72,006)	(72,006)	(94,126)	(22,120)
Interest income	9,000	10,098	7,275	(2,823)
Miscellaneous income	54,800	55,515	74,078	18,563
<i>Total non-operating revenues (expenses)</i>	<u>111,559</u>	<u>113,372</u>	<u>138,587</u>	<u>25,215</u>
Government contributions	-	-	-	-
Transfers in	50,000	480,000	480,000	-
Transfers out	(75,000)	(93,715)	(95,614)	(1,899)
<i>Change in net assets</i>	<u>\$ 139,499</u>	<u>\$ 536,650</u>	<u>477,460</u>	<u>\$ (59,190)</u>
<i>Revenues (expenses) not budgeted:</i>				
Depreciation			(153,082)	
<i>Change in net assets per Exhibit D-2</i>			<u>324,378</u>	
<i>Total net assets, beginning of year</i>			4,184,979	
<i>Total net assets, restated</i>			<u>(69,942)</u>	
<i>Total net assets, beginning as restated</i>			<u>4,115,037</u>	
<i>Total net assets, end of year</i>			<u>\$ 4,439,415</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-33

City of Belen

Solid Waste Fund

Statement of Revenues, Expenses and Changes in Net Assets
Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2009

	Budget Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		
<i>Operating revenues:</i>				
Charges for services	\$ 1,069,747	\$ 1,119,703	\$ 1,048,509	\$ (71,194)
<i>Total operating revenues</i>	<u>1,069,747</u>	<u>1,119,703</u>	<u>1,048,509</u>	<u>(71,194)</u>
<i>Operating expenses:</i>				
Personnel services	104,603	104,603	103,068	1,535
Utilities	11,520	11,520	9,060	2,460
Contractual services	1,185,000	1,175,000	973,397	201,603
Supplies	6,400	6,400	78,229	(71,829)
Maintenance and materials	49,000	49,000	5,148	43,852
Gross receipts taxes	40,000	40,000	54,316	(14,316)
Other costs	29,000	29,000	3,053	25,947
<i>Total operating expenses</i>	<u>1,425,523</u>	<u>1,415,523</u>	<u>1,226,271</u>	<u>189,252</u>
<i>Operating income (loss)</i>	<u>(355,776)</u>	<u>(295,820)</u>	<u>(177,762)</u>	<u>118,058</u>
<i>Non-operating revenues (expenses):</i>				
Gross receipts taxes	134,982	134,982	156,410	21,428
Interest expense	-	-	-	-
Interest income	-	-	1,938	1,938
Miscellaneous income	-	-	-	-
<i>Total non-operating revenues (expenses)</i>	<u>134,982</u>	<u>134,982</u>	<u>158,348</u>	<u>23,366</u>
Government contributions	85,000	85,000	85,000	-
Transfers in	-	-	-	-
Transfers out	(25,000)	(43,000)	(43,000)	-
<i>Change in net assets</i>	<u>\$ (160,794)</u>	<u>\$ (118,838)</u>	<u>22,586</u>	<u>\$ 141,424</u>
<i>Revenues (expenses) not budgeted:</i>				
Depreciation			(11,504)	
<i>Change in net assets per Exhibit D-2</i>			<u>11,082</u>	
<i>Total net assets, beginning of year</i>			(804,380)	
<i>Total net assets, restated</i>			<u>534,223</u>	
<i>Total net assets, beginning as restated</i>			<u>(270,157)</u>	
<i>Total net assets, end of year</i>			<u>\$ (259,075)</u>	

The accompanying notes are an integral part of these financial statements

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SUPPORTING SCHEDULES

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STATE OF NEW MEXICO

Schedule I

City of Belen

Schedule of Deposit and Investment Accounts
For the Year Ended June 30, 2009

Bank Name/Account Name	Account Type	Bank Balance	Deposits in Transit	Outstanding Checks	Book Balance
Wells Fargo Bank					
General Fund	Checking	\$ 184,228	\$ 3,388	\$ 153,625	\$ 33,991
General 1/12th	Checking	149,053	-	-	149,053
Arsenic Compliance	Checking	60,729	-	-	60,729
Land Acquisition	Checking	6,580	-	-	6,580
GRT Debt Service	Checking	7,552	-	-	7,552
Total Wells Fargo Bank		<u>408,142</u>	<u>3,388</u>	<u>153,625</u>	<u>257,905</u>
My Bank					
Meter Deposits	Checking	56,073	-	-	56,073
Construction GIS Infra	Checking	613	-	500	113
Airport	Checking	32,219	-	-	32,219
Solid Waste Closure	Checking	84,822	-	43,000	41,822
CDBG/Water & Sewer Improvement	Checking	804	-	-	804
Remediation Clean-up	Checking	129,959	-	-	129,959
EGRT	Checking	85,446	-	-	85,446
Total My Bank		<u>389,936</u>	<u>-</u>	<u>43,500</u>	<u>346,436</u>
First Community Bank					
Payroll	Checking	70,053	-	27,523	42,530
Utility	Checking	113,969	2,463	7,572	108,860
Capital	Checking	89,373	-	-	89,373
Water Rights	Checking	15,389	-	-	15,389
Water/Wastewater Rehab - EPA Project	Checking	498	-	-	498
2005 Revenue Bond Reserve	Checking	192,360	-	-	192,360
2008 GRT Bond Proceeds	Checking	1,144,295	-	-	1,144,295
Certificate of Deposit - Investment	CD	104,145	-	-	104,145
Certificate of Deposit - Investment	CD	10,000	-	-	10,000
Certificate of Deposit - Investment	CD	167,523	-	-	167,523
Certificate of Deposit - Investment	CD	4,000,000	-	-	4,000,000
Total First Community Bank		<u>5,907,605</u>	<u>2,463</u>	<u>35,095</u>	<u>5,874,973</u>
Bank of Albuquerque - Investments					
Certificate of Deposit - Investment	CD	237,139	-	-	237,139
NMFA Reserve Accounts	U.S. Treasury Mutual Fund	458,539	-	-	458,539
Total Bank of Albuquerque		<u>695,678</u>	<u>-</u>	<u>-</u>	<u>695,678</u>
New Mexico Finance Authority - Investments					
NMFA Reserve Accounts	State Treasurer Debt Service	183,872	-	-	183,872
Total New Mexico Finance Authority		<u>183,872</u>	<u>-</u>	<u>-</u>	<u>183,872</u>
Total deposits and investments		<u>\$ 7,585,233</u>	<u>\$ 5,851</u>	<u>\$ 232,220</u>	7,358,864
Add: petty cash					300
Total deposits and investments					<u>\$ 7,359,164</u>
Deposits and investments per financial statements:					
Cash and cash equivalents - Exhibit A-1					\$ 2,169,776
Investments - Exhibit A-1					4,351,284
Restricted cash and cash equivalents - Exhibit A-1					754,224
Restricted investments - Exhibit A-1					167,523
Total deposits and investments					<u>\$ 7,442,807</u>
Unreconciliable difference (see finding FS 2004-07)					<u>\$ (83,643)</u>

See accompanying independent auditors' report

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STATE OF NEW MEXICO

Schedule II

City of Belen

Schedule of Collateral Pledged By Depository for Public Funds

June 30, 2009

Name of Depository	Description of Pledged Collateral	Type of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value at June 30, 2009	Name and Location of Safekeeper
Wells Fargo Bank						
	FNIONP	Loan	1/1/2036	31371MNG8	\$ 248,079	Wells Fargo Bank, San Francisco, California
	FNCL	Loan	5/1/2036	31408H2Zy	225,481	Wells Fargo Bank, San Francisco, California
	G2SF	Loan	9/20/2032	36202DUJ8	2,968,086	Wells Fargo Bank, San Francisco, California
	G2SF	Loan	12/20/2032	36202DVN8	47,811	Wells Fargo Bank, San Francisco, California
	Total Wells Fargo Bank				<u>3,489,457</u>	
My Bank						
	FHLB	Loan	8/13/2009	3136F55H0	100,586	The Independent Banker's Bank, Dallas, Texas
	FHLB	Loan	1/7/2015	3133XNUU1	26,104	The Independent Banker's Bank, Dallas, Texas
	Total My Bank				<u>126,690</u>	
First Community Bank						
	FHLB Agency Note	Loan	8/14/2009	3133X8CS9	100,431	Federal Home Loan Bank, Dallas, Texas
	GHR 2637 A	Loan	3/15/2018	31393RN30	444,618	Federal Home Loan Bank, Dallas, Texas
	MBS FHLMC Gold 15 Yr	Loan	12/1/2022	3128MBVR5	808,364	Federal Home Loan Bank, Dallas, Texas
	FHR 3047 KA	Loan	8/15/2023	31396CHY9	128,604	Federal Home Loan Bank, Dallas, Texas
	MBS GNMA Platinum	Loan	11/15/2023	36241KWU8	3,272,099	Federal Home Loan Bank, Dallas, Texas
	FHR 3171 DB	Loan	12/15/2031	31396TSJ3	747,145	Federal Home Loan Bank, Dallas, Texas
	MBS FHLMC Gold 30 Yr	Loan	5/1/2037	3128KQJW7	952,671	Federal Home Loan Bank, Dallas, Texas
	Total First Community Bank				<u>6,453,932</u>	
Bank of Albuquerque						
	FG A13441	Loan	8/1/2033	31296MZE2	498,793	Federal Home Loan Bank, Dallas, Texas
	FHR 2627 CY	Loan	4/15/2029	31393RZV5	151,703	Federal Home Loan Bank, Dallas, Texas
	Total Bank of Albuquerque				<u>650,496</u>	
	Total Pledged Collateral				<u>\$ 10,720,575</u>	

See accompanying independent auditors' report

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COMPLIANCE SECTION



Accounting & Consulting Group, LLP

**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***

Hector Balderas
New Mexico State Auditor
The Office of Management and Budget and
The City Council
City of Belen
Belen, New Mexico

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, the budgetary comparisons for the general fund and 2008 GRT Revenue Bond Special Revenue Fund, and the aggregate remaining fund information of City of Belen, New Mexico (City) as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents and have issued our report thereon dated November 30, 2009. We also have audited the financial statements of each of the City's nonmajor governmental funds and budgetary comparisons for the proprietary and nonmajor governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2009 as listed in the table of contents. We qualified our opinion because of insufficient evidence supporting the cash balances at the fund level. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items FS 2004-07, FS 2007-02, FS 2007-03, FS 2008-02, FS 2009-01, FS 2009-02, FS 2009-03, FS 2009-04 and FS 2009-05 to be significant deficiencies in internal control over financial reporting.

Certified Public Accountants

2700 San Pedro Northeast [87110-333] – P.O. Box 3130, Albuquerque, New Mexico 87190-3130
866.307.2727 – 505.883.2727 – Fax 505.884.6719 – albuquerque.office@acgnm.com – www.acgnm.com

Alamogordo – Albuquerque – Carlsbad – Clovis – Hobbs – Lubbock

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

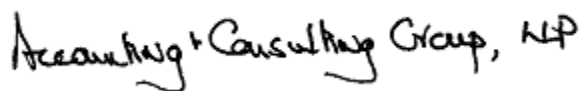
Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to material weaknesses. However, of the significant deficiencies described above, we consider items FS 2004-07, FS 2007-02, FS 2007-03, FS 2008-02 and FS 2009-02 to be material weaknesses.

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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings and questioned costs as item FS 2009-04.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, others within City of Belen, the audit committee, the State Auditor, the New Mexico Legislature, the New Mexico Department of Finance and Administration, and applicable federal grantors, and is not intended to be and should not be used by anyone other than these parties.



Accounting & Consulting Group, LLP
Albuquerque, NM
November 30, 2009

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FEDERAL FINANCIAL ASSISTANCE



Accounting & Consulting Group, LLP

**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Hector Balderas
New Mexico State Auditor
The Office of Management and Budget and
The City Council
City of Belen
Belen, New Mexico

Compliance

We have audited the compliance of City of Belen, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. City of Belen's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of City of Belen's management. Our responsibility is to express an opinion on City of Belen's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Belen's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of City of Belen's compliance with those requirements.

In our opinion, City of Belen complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of City of Belen is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered City of Belen's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 of Belen's internal control over compliance.

Certified Public Accountants
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Alamogordo – Albuquerque – Carlsbad – Clovis – Hobbs – Lubbock

A control deficiency in City of Belen's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects City of Belen's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by City of Belen's internal control. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by City of Belen's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, others within City of Belen, the audit committee, the State Auditor, the City Council, the New Mexico Legislature, the New Mexico Department of Finance and Administration, and applicable federal grantors, and is not intended to be and should not be used by anyone other than these parties.

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP
Albuquerque, NM
November 30, 2009

STATE OF NEW MEXICO
City of Belen
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2009

Schedule III
(Page 1 of 2)

Funding Source/Grant or Contact Name	CFDA Number	Federal Grantors Number	Expenditures
U.S. Department of Health and Human Services			
Passed through the NM Department Area Agency on Aging			
Retired and Senior Volunteer Program	94.002	02SRWNM005	\$ 185,887
U.S. Department of Transportation			
Passed through the NM Department of Transportation			
Section 5311	20.509	M00498	42,415
Becker Avenue	20.509	TPE 7667(5)	31,013
Total U.S. Department of Transportation			<u>73,428</u>
U.S. Environmental Protection Agency			
Passed through the NM Environment Department			
Wastewater Phase II (1)	66.606	STAG XP-9767-02-	928,699
Army Corp. of Engineers			
Camino Del Llano Project (1)	Unknown	Unknown	398,738
U.S. Department of Homeland Security			
Passed through the NM Emergency Management			
Emergency Management	85.554	2008 EMPG	52,145
U.S. Department of Justice			
Police - Surveillance Equipment	16.738	2007-DJ-BX-1430	<u>16,325</u>
Total Federal Financial Assistance			<u>\$ 1,655,222</u>

(1) Denotes Major Federal Financial Assistance Program

See accompanying independent auditors' report.

STATE OF NEW MEXICO
City of Belen
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2009

Schedule III
(Page 2 of 2)

Notes to Schedule of Expenditures of Federal Awards

1. Basis of Presentation

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

2. Subrecipients

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

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

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 1,655,222
Total expenditures funded by other sources	<u>15,337,766</u>
Total expenditures	<u><u>\$ 16,992,988</u></u>

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STATE OF NEW MEXICO
City of Belen
Schedule of Findings and Questioned Costs
June 30, 2009

Section I – Summary of Audit Results

Financial Statements:

- | | |
|--|-----------|
| 1. Type of auditors’ report issued | Qualified |
| 2. Internal control over financial reporting: | |
| a. Material weakness identified? | Yes |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes |
| c. Noncompliance material to the financial statements noted? | Yes |

Federal Awards:

- | | |
|---|-------------|
| 1. Internal control over major programs: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | No |
| 2. Type of auditors’ report issued on compliance for major programs | Unqualified |
| 3. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? | No |

4. Identification of major programs:

CFDA Number	Federal Program
66.606 Unknown	Wastewater Phase II Camino Del Llano Project

- | | |
|---|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$300,000 |
| 6. Auditee qualified as low-risk auditee? | No |

STATE OF NEW MEXICO
City of Belen
Schedule of Findings and Questioned Costs
June 30, 2009

Section II – Prior Year Audit Findings

Prior Year Audit Findings

Financial Statement Findings

Financial Statement Findings		Disposition
FS 01-04	Late Audit Report	Resolved
FS 04-07	Cash Balances	Repeated and Revised
FS 05-01	Monitoring of Cash and Debt Service for Landfill	Resolved
FS 05-04	Travel Form Signatures, Support and Payments	Resolved
FS 07-02	Controls over Maintaining the General Ledger and Audit Report	Repeated and Revised
FS 07-03	Construction in Progress	Repeated and Revised
FS 08-01	Certification of Capital Assets Annual Inventory	Resolved
FS 08-02	Capital Asset Listing	Repeated and Revised
FS 08-03	Managing and Safeguarding Water	Resolved

Section III – Financial Statement Findings and Questioned Costs

FS 2004-07 Cash Balances

Condition: During the audit of the City's cash balances, it was observed that the overall cash balances did not reconcile at the government-wide level by \$83,643, and the cash allocated to the individual funds did not reconcile with the control cash account for either the governmental funds or the proprietary funds.

The governmental funds' control account had a balance of \$34,610 while the cumulative balance of funds allocated to the governmental funds had a balance of \$(960,649), resulting in a variance of \$(995,259). The proprietary funds' control account had a balance of \$108,860 while the cumulative balance of funds allocated to the proprietary funds was \$646,895, resulting in a variance of \$538,035. The total balance between the cash in the master accounts and the allocated accounts was \$(457,224).

Also, the payroll bank account had a reconciled balance of \$42,530 while the payroll cash account had a balance of \$137,844, resulting in a variance of \$(95,314). There were also \$455,684 of cash accounts on the general ledger that were unaccounted for and could not be traced to bank accounts.

Criteria: The cash balances after consideration of any outstanding checks and deposits should reconcile to the bank statement at the fund level and all cash accounts should be accounted for.

Effect: The cash balances are not accurate at the fund level and it is unknown which are materially correct/incorrect.

Cause: There is a programming problem within Caselle (City of Belen's software company) that does not accurately allocate the cash balances across funds when multiple control accounts are used. The suggested remedy of consolidating the control accounts and only using one has not been implemented by the City.

Auditors' recommendation: The City should consult with the software provider and determine a viable solution to issue and ensure that the solution is implemented. In addition, during the monthly reconciliation process, the individual fund cash balances should be reconciled to the master account and the bank statement to ensure the accuracy of the individual fund cash balances.

Agency's Response: The City has combined all operating funds into one operating bank account. The City also hired a consultant to review the history of this finding and make corrections. The consultant's findings in conjunction with the consolidation of bank accounts have eliminated this problem so far in FY09/10. When FY08/09 audit results are rolled into FY09/10 we will revisit this issue and verify that the problem has been rectified. Any remaining discrepancies will be reviewed and appropriate corrections made.

FS 2007-02 Preparation of Financial Statements

Condition: The financial statements and related disclosures are not being prepared by the City.

Criteria: According to the American Institute of Certified Public Accountants' Statement on Auditing Standards No. 112, a system of internal control over financial reporting does not stop at the general ledger. Well designed systems include controls over financial statement preparation, including footnote disclosures.

Effect: When sufficient controls over the preparation of financial statements and related disclosures are not designed, implemented and operating effectively, an entity's ability to prevent, detect, and correct misstatements in its financial statements is limited.

Cause: The City's personnel did not have the time and have not been adequately trained in understanding the elements of external financial reporting, including the preparation of financial statements and related footnote disclosures.

Auditors' Recommendation: We recommend City management and personnel receive training on understanding the requirements of external financial reporting.

The training should include, but not be limited to:

- Selection of appropriate accounting policies:
 - Governmental Accounting Standards Board (GASB)
 - Generally Accepted Accounting Principles (specifically as applied to governmental units)
 - Financial Accounting Standards Board (FASB)
- Understanding the financial reporting entity
- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements
- Required supplementary information
 - Management's discussion and analysis
- Supplementary information required by the Office of the State Auditor

In addition, we recommend that the City develop and implement policies and procedures designed to prevent or detect possible misstatements in its financial statements and related footnote disclosures.

Agency's Response: The City will modify a financial statement format provided by the previous auditors to conform to the current auditors' presentation methodologies. These financial statements, and accompanying updated footnotes, will be provided to the auditors along with a standard Trail Balance.

The City welcomes the opportunity for training by the auditors in the above listed areas, when time and staffing permit.

FS 2007-03 Construction in Progress

Condition: The City's recording of construction in progress is not complete and because it did not match construction in progress expenditures in the different funds, the auditor made the appropriate adjustments in the total amount of \$1,387,887 for the year ended June 30, 2009 in the governmental activities. The business-type activities' construction in progress did not include costs from previous years of \$359,605 which required prior period adjustments.

Criteria: GASB 34 requires governmental entities to present all capital assets, including construction in progress, in its government-wide financial statements.

Effect: The City has not recorded its construction in progress expenditures in its schedule of capital assets for the current fiscal year. The City's capital assets may be understated.

Cause: The City may not have considered it necessary.

Auditors' Recommendation: The City should keep accurate records of its construction in progress and record the amounts in its capital asset schedules at the correct amounts.

Agency's Response: Future Construction in Progress projects will be tied to a purchase order number. It will identify construction and engineering costs and any change orders tracking costs from fiscal year to fiscal year. Postings to the fixed asset register will be done when a project is completed. The City will also look into project management software.

FS 2008-02 Capital Asset Listing

Condition: During tests of capital assets the auditors found one asset for a water well that was being depreciated at 10 years rather than 50 years. Also, the beginning balances on the depreciation schedule did not agree to the prior year audit report. Therefore, the auditors were required to adjust depreciation in the governmental and business-type activities by \$24,621 and \$69,265, respectively. In addition, there was a vehicle in the business-type activities that was not included in the prior year additions for \$40,623.

Criteria: A complete, up-to-date list of capital assets should be maintained to ensure fiscal accountability by the City. The listing should be compared to the certified inventory conducted by the City each year in accordance with state statutes. Proper useful lives of the City's capital assets should be assigned to each asset in accordance with City policy.

Effect: The City's capital assets may be understated and depreciation overstated.

Cause: The City is not keeping an accurate list of its capital assets.

Auditors' Recommendation: We recommend that the City maintain better controls over the recording of its acquisition and disposition of capital assets.

Agency's Response: Asset modifications will be done on a monthly basis with a report to the auditor every six months. Backup records will be kept in a separate file with copies for the auditors. End of calendar year (December) and beginning of fiscal year (July) verifications will be scheduled.

FS 2009-01 PERA Reports and General Ledger

Condition: The amount in the general ledger for employer's contribution to PERA does not tie to the reconciling amount.

Criteria: Per NMAC 2.80.500.8 each state agency or affiliated public employer shall be responsible for deducting the applicable contribution from the salary or wages paid to each member for each payroll period. The total amount of PERA withheld from employees was \$466,289 per the PERA reports, but the general ledger indicated that \$716,498 was withheld from employees for PERA.

Effect: The amount of PERA being withheld from employee paychecks could be incorrect and not be detected due to the lack of the reconciliation process.

Cause: The City does not have a reconciliation process for balancing the amount paid to what is reported to PERA.

Auditors' Recommendation: We recommend that the City implement a process for reconciling amounts sent to PERA and amounts recorded in the general ledger.

Agency's Response: A method will be developed to reconcile PERA reports to the general ledger PERA expenses. PERA reconciliations will be done monthly.

FS 2009-02 Landfill Postclosure Liability

Condition: The City has estimated postclosure costs for the landfill to be \$593,497 as of June 30, 2009 but does not have any supporting documentation to verify the balance.

Criteria: Good accounting practices require there be supporting documentation to verify accounts balances.

Effect: The landfill postclosure liability could be understated or overstated.

Cause: The City did not keep a copy of the original engineering study which estimated the landfill postclosure liability.

Auditors' Recommendation: The City should hire a firm to conduct an engineering study related to the estimated landfill postclosure liability.

Agency's Response: An extensive search of the historical records at City Hall failed to produce a copy of the engineering study upon which the postclosure calculations were based. We will continue our efforts to locate an engineering study through either the engineering firm, or one of the consultants that assisted in preparing the document.

FS 2009-03 Information Technology

Condition: During our audit, we noted that:

- Adequate controls have not been established for the protection of IT resources including data and information in the following areas:
 1. Information Security Policy/User Awareness
 2. Physical Security
 3. Disaster Recovery/Contingency Planning

Criteria: State of New Mexico Statewide Guideline S-GUIDE-002.003 (per NMSA 1978 Section 15-1C-1 et. Seq. and NMAC 1.12.6 and NMAC 1.12.2) establishes an Enterprise Security Policy for the protection of IT assets and resources including data and information. The policy establishes that protection must be provided for IT assets, resources, and data/information from unauthorized access, use, disclosure, disruption, modification, or destruction in order to provide integrity, confidentiality, availability, accountability, and assurance, and establishes that controls must be maintained over information systems, resources, and data/information sufficient to contain risk of loss or misuse of information.

Effect: Lack of IT policies, lack of physical controls over servers, and lack of contingency planning leave the City of Belen at risk for loss or misuse of data and information.

Cause: The City of Belen is not properly safeguarding IT assets and resources. The following deficiencies were noted:

- Lack of IT policies
- Lack of physical controls over servers
- Lack of contingency planning

Auditors' Recommendations: The City should consider implementing the following recommendations:

- Establish policies to govern IT use and security
- Relocate printer in server room so that server room can be locked and physical access to servers can be restricted to authorized personnel only
- Develop a contingency plan detailing how to recover IT systems and become operational in the event of a disaster or interruption of the IT function.

Agency's Response:

1. Information Security Policy/User Awareness – All users see a user awareness window when they log on to the City's network before proceeding to the log on screen. We are in the process of implementing Domain Group Security Policies. Human Resource is working on a written email and internet security usage policy to be incorporated into the personnel Ordinance.

2. Physical Security – This is an issue at City Hall. Management concurs there is a high traffic volume of people in the area of the file servers and the vault area. Management has recently decided to relocate the departmental mailboxes and lock the doors to the back of the water billing area restricting all but authorized employees from these areas. In addition, we will look into moving some of the printer supplies to another location and reduce the need to go into the server area all together. The Police Department and RSVP offices are in compliance with State and FIPS Guidelines.

3. Disaster Recovery/Contingency Planning – The City does have a plan in place but it is not formally documented. Right now all servers are backed up daily to an offsite storage service located at the Library. Backups are kept for five days and are rotated weekly. End of fiscal year backups are maintained on yet another offsite storage device located at City Hall. Plans are in the works to maintain a once a month tape archive when the IT budget allows.

STATE OF NEW MEXICO
 City of Belen
 Schedule of Findings and Questioned Costs
 June 30, 2009

FS 2009-04 Expenditures in Excess of Budget and Budgeted Cash in Excess of Available Balance

Per Section 6-6-11, NMSA 1978 (the Batemen Act), it is unlawful for any board of county commissioners, municipal governing body or any local school board, for any purpose whatever to become indebted or contract any debts of any kind or nature whatsoever during any current year which, at the end of such current year, is not and cannot then be paid out of the money actually collected and belonging to that current year, and any indebtedness for any current year which is not paid and cannot be paid, as above provided for, is void. When an agency's budgeted expenditures exceed its budgeted revenue, the agency budgets "designated cash" left over from the previous year to make up the short fall. However, "designated cash" in the current year budget cannot exceed prior year cash and receivables in the same fund.

Condition: City of Belen exceeded the budgeted expenditures in the following funds:

<u>Governmental and Proprietary Funds</u>	<u>Amount</u>
Parks and Recreation	\$ 1,417
1/8% GRT Infrastructure	44,429
RSVP	10,529
Street Paving Revolving	102,753
Water	31,699

Budgets were not adopted for the following Governmental Funds. As a result, budget authority was exceeded.

	<u>Amount</u>
2008 GRT Revenue Bonds Special Revenue Fund	\$1,090,710
Harvey House	582
2008 GRT Revenue Bonds Debt Service Fund	234,495

Designated cash appropriations exceeded available balances in the following funds:

<u>Governmental Funds</u>	<u>Amount</u>
Becker Avenue	\$ 4,151

Criteria: All City funds, with the exception of agency funds, are to be budgeted by the local governing body and submitted to the State of New Mexico Department of Finance and Administration – Local Government Division for approval. Once adopted, any claims or warrants in excess of budget are a violation of New Mexico State Statute 6-6-6, 1978 Compilation.

Effect: Any expenditure in excess of the approved budget(s) shall be a liability against the officials so allowing or paying such claims or warrants, and recovery of such excess amounts so allowed or paid may be had against the bondsmen of such official.

The effect of a budget with inadequate designated cash available to cover the excess of budgeted expenditures over budgeted revenue could result in the City incurring debt to pay for current year budgeted expenditures, which would be noncompliance with the Batemen Act. Per Section 6-6-11, NMSA 1978, "Any officer of any county, municipality, school district or local school board, who shall issue any certificate or other form of approval of indebtedness separate from the account filed in the first place or who shall at any time use the fund belonging to any current year for any other purpose than paying the current expenses of that year, or who shall violate any of the provision of the Bateman Act, is guilty of a misdemeanor."

Cause: Inadequate monitoring of budgeting procedures at year end.

FS 2009-04 Expenditures in Excess of Budget and Budgeted Cash in Excess of Available Balance (continued)

Auditors' Recommendation: Budget for future years should be revised to include the special revenue and debt service funds that are not currently in the City's records. All future year budgets should include all required funds. Greater attention should be given to the budget monitoring process at year-end.

Agency's Response: Budget adjustments will be completed more frequently to prevent this problem from occurring again.

FS 2009-05 Meter Deposits

Condition: Meter deposits are being accounted for in the meter deposit fund. This fund is specifically set up for meter deposits that are owed to the individual upon cancellation of service. The cash in the meter deposit fund does not reconcile to the meter deposits liability balance by \$16,149.

Criteria: The meter deposits liability should be reconciled to the meter deposit cash accounts.

Effect: Customers could request their meter deposits and the City might not have enough cash in the meter deposit fund to pay the customers without transferring money from another fund.

Cause: The monies in the cash accounts are not being reconciled to the meter deposit liability maintained with the City.

Auditors' Recommendation: A policy should be implemented to ensure that all current staff and any future staff are aware of how to deposit, refund, or collect meter deposits and maintain the meter deposit listing.

Agency's Response: This issue looks like it developed in a prior fiscal year. Just like Audit Financial Statement Finding 04-07, we will roll the audited FY08/09 financial statements into FY09/10 and see how much of the difference still exists. We will attempt to correct the actual cause of the problem. If not identifiable, sufficient funds will be transferred to the Meter Deposit account to bring it back into balance with the liability and the account will be monitored monthly.

STATE OF NEW MEXICO

City of Belen
Other Disclosures
June 30, 2009

OTHER DISCLOSURES

Exit Conference

An exit conference was held on November 30, 2009. In attendance were the following:

Representing the City of Belen:

Wayne Gallegos	Mayor Pro-Tem
Sally Garley	City Manager
Mildred Garley	Former Finance Director
Michael Steininger	Current Finance Director

Representing Accounting & Consulting Group, LLP:

Ray Roberts	Managing Partner
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Auditor Prepared Financial Statements

Although it would be preferred and desirable for the City to prepare its own financial statements, the City's personnel did not have the time to prepare them. Accounting & Consulting Group, LLP prepared the financial statements of the City of Belen from the original books and records provided to them by the management of the City. Management is responsible for the financial statements.