



*State of New Mexico*  
*City of Belen*  
*Annual Financial Report*  
*June 30, 2013*



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## **INTRODUCTORY SECTION**

STATE OF NEW MEXICO

City of Belen  
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June 30, 2013

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STATE OF NEW MEXICO

City of Belen

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**STATE OF NEW MEXICO**

City of Belen

Official Roster

June 30, 2013

<u>Name</u>	<u>City Council</u>	<u>Title</u>
Rudy Jaramillo		Mayor
Jerah R. Cordova		Mayor Pro-Tem
Audrey Torres-Vallejos		Councilor
Wayne Gallegos		Councilor
David Carter		Councilor
	<u>Administration</u>	
Kathy Savilla		Municipal Judge
Mary Lucy Baca		City Manager
Roseann Peralta		Finance Clerk

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**FINANCIAL SECTION**



**Accounting & Consulting Group, LLP**  
Certified Public Accountants

## **Independent Auditors' Report**

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

### **Report on Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue fund of the City of Belen, New Mexico (the "City"), as of and for the year ended June 30, 2013, and the related notes to the financial statements which collectively comprise the City's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the City's nonmajor governmental funds and the budgetary comparisons for the major capital projects fund, proprietary funds, and all nonmajor funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2013, as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2013 and the respective changes in financial position and where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the City as of June 30, 2013, and the respective changes in financial position thereof, and the respective budgetary comparisons for the major capital projects fund, proprietary funds, and all nonmajor funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### *Other Information*

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

The Schedule of Expenditures of Federal Awards and the other schedules required by 2.2.2 NMAC are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and other schedules required by 2.2.2 NMAC are fairly stated, in all material respects, in relation to the basic financial statements 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 do not express an opinion or provide any assurance on it.

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2013 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 agreement and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Accounting & Consulting Group, LLP*

Accounting & Consulting Group, LLP  
Albuquerque, New Mexico  
November 20, 2013

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**BASIC  
FINANCIAL STATEMENTS**

**STATE OF NEW MEXICO**

City of Belen

Statement of Net Position

June 30, 2013

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Current assets			
Cash and cash equivalents	\$ 4,057,997	\$ 2,319,360	\$ 6,377,357
Investments	550,775	250,000	800,775
Receivables:			
Property taxes	201,062	-	201,062
Other taxes	976,571	19,248	995,819
Customer	-	544,215	544,215
Other	240,517	1,588	242,105
Prepaid expenses	5,000	1,000	6,000
Interfund balances	(32,105)	32,105	-
Total current assets	<u>5,999,817</u>	<u>3,167,516</u>	<u>9,167,333</u>
Noncurrent assets			
Restricted cash and cash equivalents	1,137,363	155,467	1,292,830
Restricted investments	432,000	-	432,000
Bond issuance costs, net of accumulated amortization of \$16,016	96,521	-	96,521
Bond discounts, net of accumulated amortization of \$22,591	123,227	-	123,227
Capital assets	84,565,917	39,031,753	123,597,670
Less: accumulated depreciation	<u>(52,261,589)</u>	<u>(18,931,480)</u>	<u>(71,193,069)</u>
Total noncurrent assets	<u>34,093,439</u>	<u>20,255,740</u>	<u>54,349,179</u>
Total assets	<u><u>\$ 40,093,256</u></u>	<u><u>\$ 23,423,256</u></u>	<u><u>\$ 63,516,512</u></u>

The accompanying notes are an integral part of these financial statements

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Liabilities</b>			
Current liabilities			
Accounts payable	\$ 124,024	\$ 185,264	\$ 309,288
Meter deposits	-	154,202	154,202
Accrued payroll	142,108	50,681	192,789
Accrued compensated absences	99,192	27,342	126,534
Accrued interest	106,129	3,016	109,145
Funds held in trust	6,090	-	6,090
Current portion of long-term debt	1,266,636	11,327	1,277,963
Total current liabilities	<u>1,744,179</u>	<u>431,832</u>	<u>2,176,011</u>
Noncurrent liabilities			
Accrued compensated absences	76,097	16,261	92,358
Accrued landfill closure costs	-	593,497	593,497
Bonds payable	8,251,000	-	8,251,000
Loans payable	7,154,432	118,798	7,273,230
Total noncurrent liabilities	<u>15,481,529</u>	<u>728,556</u>	<u>16,210,085</u>
Total liabilities	<u>17,225,708</u>	<u>1,160,388</u>	<u>18,386,096</u>
<b>Net Position</b>			
Net investment in capital assets	15,632,260	19,970,148	35,602,408
Restricted for:			
Debt service	2,578,409	-	2,578,409
Capital projects	778,891	-	778,891
Special revenue	1,217,460	-	1,217,460
Unrestricted	2,660,528	2,292,720	4,953,248
Total net position	<u>22,867,548</u>	<u>22,262,868</u>	<u>45,130,416</u>
Total liabilities and net position	<u>\$ 40,093,256</u>	<u>\$ 23,423,256</u>	<u>\$ 63,516,512</u>

**STATE OF NEW MEXICO**  
City of Belen  
Statement of Activities  
For the Year Ended June 30, 2013

<u>Functions/Programs</u>	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Primary Government</b>				
<b>Governmental Activities:</b>				
General government	\$ 1,546,794	\$ 404,829	\$ 252,822	\$ -
Public safety	2,860,286	-	218,102	50,590
Public works	3,847,735	-	108,167	363,271
Culture and recreation	865,116	37,784	-	91,546
Health and welfare	90,485	-	8,429	-
Interest on long-term debt	641,841	-	-	-
<i>Total governmental activities</i>	<u>9,852,257</u>	<u>442,613</u>	<u>587,520</u>	<u>505,407</u>
<b>Business-type Activities:</b>				
Wastewater	1,395,909	1,184,115	-	-
Water	1,216,936	1,604,171	-	-
Solid waste	1,090,454	1,216,116	-	85,000
<i>Total business-type activities</i>	<u>3,703,299</u>	<u>4,004,402</u>	<u>-</u>	<u>85,000</u>
<i>Total primary government</i>	<u>\$ 13,555,556</u>	<u>\$ 4,447,015</u>	<u>\$ 587,520</u>	<u>\$ 590,407</u>

**General Revenues and Transfers:**

Taxes:

Property taxes, levied for general purposes

Gross receipts taxes

Gasoline and motor vehicle taxes

Other taxes

Interest income

Miscellaneous income

Gain (loss) on sale of capital assets

Gain on sale of water rights

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning

Net position - restatement

Net position - beginning as restated

Net position - ending

The accompanying notes are an integral part of these financial statements



**Net (Expense) Revenue and Changes in Net Position**

Governmental Activities	Business-Type Activities	Total
\$ (889,143)	\$ -	\$ (889,143)
(2,591,594)	-	(2,591,594)
(3,376,297)	-	(3,376,297)
(735,786)	-	(735,786)
(82,056)	-	(82,056)
(641,841)	-	(641,841)
<u>(8,316,717)</u>	<u>-</u>	<u>(8,316,717)</u>
-	(211,794)	(211,794)
-	387,235	387,235
-	210,662	210,662
<u>-</u>	<u>386,103</u>	<u>386,103</u>
<u>(8,316,717)</u>	<u>386,103</u>	<u>(7,930,614)</u>
662,770	-	662,770
5,382,967	303,186	5,686,153
203,719	-	203,719
305,378	-	305,378
16,206	1,587	17,793
193,541	876	194,417
(624)	4,899	4,275
-	52,594	52,594
380,828	(380,828)	-
<u>7,144,785</u>	<u>(17,686)</u>	<u>7,127,099</u>
<u>(1,171,932)</u>	<u>368,417</u>	<u>(803,515)</u>
24,908,077	21,312,099	46,220,176
(868,597)	582,352	(286,245)
<u>24,039,480</u>	<u>21,894,451</u>	<u>45,933,931</u>
<u>\$ 22,867,548</u>	<u>\$ 22,262,868</u>	<u>\$ 45,130,416</u>

**STATE OF NEW MEXICO**

City of Belen  
Balance Sheet  
Governmental Funds  
June 30, 2013

	General Fund	1/2% GRT Infrastructure Special Revenue Fund	Christopher Road Capital Projects Fund	Other Governmental Funds
<i>Assets</i>				
Cash and cash equivalents	\$ 1,914,273	\$ -	\$ -	\$ 3,281,087
Investments	-	-	-	982,775
Receivables:				
Property taxes	201,062	-	-	-
Other taxes	729,500	153,781	-	93,290
Other	26,129	-	122,916	91,472
Prepaid expenses	5,000	-	-	-
Due from other funds	197,588	-	-	-
<i>Total assets</i>	<u>\$ 3,073,552</u>	<u>\$ 153,781</u>	<u>\$ 122,916</u>	<u>\$ 4,448,624</u>
<i>Liabilities</i>				
Accounts payable	\$ 82,844	\$ 3,664	\$ 8,289	\$ 29,227
Accrued payroll	140,548	-	-	1,560
Funds held in trust	850	-	-	5,240
Due to other funds	32,105	-	166,788	30,800
<i>Total liabilities</i>	<u>256,347</u>	<u>3,664</u>	<u>175,077</u>	<u>66,827</u>
<i>Fund balances</i>				
Nonspendable				
Prepaid expenses	5,000	-	-	-
Spendable				
Restricted for:				
Infrastructure maintenance	-	-	-	553,424
Public safety	-	-	-	326,407
Culture and recreation	-	-	-	29,189
Transportation and roads	-	-	-	216,168
Promotion	-	-	-	92,272
Debt service expenditures	-	150,117	-	2,428,292
Capital projects	-	-	-	778,891
Committed to:				
Minimum fund balance	433,482	-	-	-
Unassigned	2,378,723	-	(52,161)	(42,846)
<i>Total fund balances</i>	<u>2,817,205</u>	<u>150,117</u>	<u>(52,161)</u>	<u>4,381,797</u>
<i>Total liabilities and fund balances</i>	<u>\$ 3,073,552</u>	<u>\$ 153,781</u>	<u>\$ 122,916</u>	<u>\$ 4,448,624</u>

The accompanying notes are an integral part of these financial statements

<u>Total</u>	
\$	5,195,360
	982,775
	201,062
	976,571
	240,517
	5,000
	<u>197,588</u>
\$	<u><u>7,798,873</u></u>

\$	124,024
	142,108
	6,090
	<u>229,693</u>
	<u><u>501,915</u></u>

5,000

	553,424
	326,407
	29,189
	216,168
	92,272
	2,578,409
	778,891
	433,482
	<u>2,283,716</u>
	<u><u>7,296,958</u></u>
\$	<u><u>7,798,873</u></u>

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STATE OF NEW MEXICO

City of Belen

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2013

Exhibit B-1

Page 2 of 2

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

Fund balances - total governmental funds	\$	7,296,958
The City has unamortized bond issuance costs and discounts. Bond issuance costs and discounts are not current financial resources and, therefore, are not reported in the funds:		
Bond issuance costs		96,521
Bond discounts		123,227
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		32,304,328
Interest on long-term debt is not accrued in the fund financial statements unless it is due and payable:		
Accrued interest		(106,129)
Some liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:		
Accrued compensated absences		(175,289)
Bonds payable		(8,907,000)
Loans payable		(7,542,520)
Capital leases payable		(222,548)
Total net position of governmental activities	\$	<u><u>22,867,548</u></u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
City of Belen  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2013

	General Fund	1/2% GRT Infrastructure Special Revenue Fund	Christopher Road Capital Projects Fund	Other Governmental Funds
<i>Revenues</i>				
Taxes				
Property	\$ 662,770	\$ -	\$ -	\$ -
Gross receipts	4,027,707	903,210	-	452,050
Gasoline and motor vehicle taxes	54,088	-	-	149,631
Other	255,054	-	-	50,324
Intergovernmental income				
Federal operating grants	-	-	-	144,352
Federal capital grants	-	-	-	163,491
State operating grants	208,703	-	-	234,465
State capital grants	-	-	122,916	219,000
Charges for services	74,813	-	-	37,784
Licenses and fees	160,130	-	-	169,886
Interest income	2,724	-	-	13,482
Miscellaneous	115,484	-	-	78,057
<i>Total revenues</i>	<u>5,561,473</u>	<u>903,210</u>	<u>122,916</u>	<u>1,712,522</u>
<i>Expenditures</i>				
Current				
General government	1,322,145	-	-	150,369
Public safety	2,457,009	-	-	231,709
Public works	1,019,267	21,519	174,968	179,183
Culture and recreation	187,554	-	-	178,322
Health and welfare	-	-	-	91,608
Promotion	-	-	-	24,993
Capital outlay	253,548	-	-	522,963
Debt service				
Principal	-	-	-	1,136,095
Interest	-	-	-	619,939
Bond issuance costs	-	-	-	10,000
<i>Total expenditures</i>	<u>5,239,523</u>	<u>21,519</u>	<u>174,968</u>	<u>3,145,181</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>321,950</u>	<u>881,691</u>	<u>(52,052)</u>	<u>(1,432,659)</u>
<i>Other financing sources (uses)</i>				
Proceeds from sale of capital assets	10,892	-	-	-
Debt proceeds	222,548	-	-	427,000
Transfers in	78,615	407,393	60	2,883,302
Transfers (out)	(1,216,657)	(1,298,470)	-	(473,415)
<i>Total other financing sources (uses)</i>	<u>(904,602)</u>	<u>(891,077)</u>	<u>60</u>	<u>2,836,887</u>
<i>Net change in fund balances</i>	<u>(582,652)</u>	<u>(9,386)</u>	<u>(51,992)</u>	<u>1,404,228</u>
<i>Fund balances - beginning of year</i>	3,419,162	159,503	-	2,985,058
<i>Fund balances - restatement</i>	<u>(19,305)</u>	<u>-</u>	<u>(169)</u>	<u>(7,489)</u>
<i>Fund balances - beginning as restated</i>	<u>3,399,857</u>	<u>159,503</u>	<u>(169)</u>	<u>2,977,569</u>
<i>Fund balances - end of year</i>	<u>\$ 2,817,205</u>	<u>\$ 150,117</u>	<u>\$ (52,161)</u>	<u>\$ 4,381,797</u>

The accompanying notes are an integral part of these financial statements

<u>Total</u>	
\$	662,770
	5,382,967
	203,719
	305,378
	144,352
	163,491
	443,168
	341,916
	112,597
	330,016
	16,206
	193,541
	<u>8,300,121</u>
	1,472,514
	2,688,718
	1,394,937
	365,876
	91,608
	24,993
	776,511
	1,136,095
	619,939
	10,000
	<u>8,581,191</u>
	<u>(281,070)</u>
	10,892
	649,548
	3,369,370
	(2,988,542)
	<u>1,041,268</u>
	<u>760,198</u>
	6,563,723
	<u>(26,963)</u>
	<u>6,536,760</u>
\$	<u><u>7,296,958</u></u>

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**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, 2013

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	\$ 760,198
--	------------

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	776,511
Depreciation expense	(3,188,938)

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

Book value of assets disposed	(11,516)
-------------------------------	----------

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	28,530
Increase in accrued interest	(21,902)

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 position. 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:

Amortization of bond issuance costs and discounts	(11,362)
Proceeds from issuance of long-term debt	(427,000)
Proceeds of capital lease	(222,548)
Bond issuance costs capitalized in current year	10,000
Principal payments on bonds payable	595,000
Principal payments on loans payable	541,095

Change in net position of governmental activities	<u>\$ (1,171,932)</u>
---	-----------------------

The accompanying notes are an integral part of these financial statements

## 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, 2013

	Budgeted Amounts		Actual	Variances
	Original	Final	(GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes				
Property taxes	\$ 500,000	\$ 500,000	\$ 662,770	\$ 162,770
Gross receipts	3,509,000	4,076,073	4,027,707	(48,366)
Gas and motor vehicle	39,000	49,937	54,088	4,151
Other	175,000	251,099	255,054	3,955
Intergovernmental income				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	221,100	283,989	208,703	(75,286)
State capital grants	-	-	-	-
Charges for services	75,000	75,000	74,813	(187)
Licenses and fees	133,400	133,400	160,130	26,730
Interest income	2,000	2,000	2,724	724
Miscellaneous	65,000	65,000	115,484	50,484
<i>Total revenues</i>	<u>4,719,500</u>	<u>5,436,498</u>	<u>5,561,473</u>	<u>124,975</u>
<i>Expenditures</i>				
Current				
General government	1,311,291	1,311,291	1,322,145	(10,854)
Public safety	2,256,961	2,256,961	2,457,009	(200,048)
Public works	870,952	870,952	1,019,267	(148,315)
Culture and recreation	175,179	175,179	187,554	(12,375)
Capital outlay	21,000	21,000	253,548	(232,548)
<i>Total expenditures</i>	<u>4,635,383</u>	<u>4,635,383</u>	<u>5,239,523</u>	<u>(604,140)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>84,117</u>	<u>801,115</u>	<u>321,950</u>	<u>(479,165)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(1,225)	(718,223)	-	718,223
Proceeds from sale of capital assets	-	-	10,892	10,892
Loan proceeds	-	-	222,548	222,548
Transfers in	110,800	110,800	78,615	(32,185)
Transfers (out)	(193,692)	(193,692)	(1,216,657)	(1,022,965)
<i>Total other financing sources (uses)</i>	<u>(84,117)</u>	<u>(801,115)</u>	<u>(904,602)</u>	<u>(103,487)</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>(582,652)</u>	<u>(582,652)</u>
<i>Fund balances - beginning of year</i>	-	-	3,419,162	3,419,162
<i>Fund balances - restatement</i>	-	-	(19,305)	(19,305)
<i>Fund balances - beginning as restated</i>	-	-	3,399,857	3,399,857
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,817,205</u>	<u>\$ 2,817,205</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Exhibit C-2

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, 2013

	Budgeted Amounts		Actual	Variances
	Original	Final	(GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	880,000	880,000	903,210	23,210
Gas 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>880,000</u>	<u>880,000</u>	<u>903,210</u>	<u>23,210</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	19,600	19,600	21,519	(1,919)
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>19,600</u>	<u>19,600</u>	<u>21,519</u>	<u>(1,919)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>860,400</u>	<u>860,400</u>	<u>881,691</u>	<u>21,291</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	20	20	-	(20)
Proceeds from sale of capital assets	-	-	-	-
Transfers in	155,423	155,423	407,393	251,970
Transfers (out)	(1,015,843)	(1,015,843)	(1,298,470)	(282,627)
<i>Total other financing sources (uses)</i>	<u>(860,400)</u>	<u>(860,400)</u>	<u>(891,077)</u>	<u>(30,677)</u>
<i>Net change in fund balance</i>	-	-	(9,386)	(9,386)
<i>Fund balances - beginning of year</i>	-	-	159,503	159,503
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150,117</u>	<u>\$ 150,117</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**

City of Belen  
Statement of Net Position  
Proprietary Funds  
June 30, 2013

	<u>Wastewater</u>	<u>Water</u>	<u>Solid Waste</u>
<i>Assets</i>			
<i>Current assets</i>			
Cash and cash equivalents	\$ 290,867	\$ 1,362,643	\$ 665,850
Investments	-	250,000	-
Receivables:			
Other taxes	-	-	19,248
Customer	126,118	301,150	116,947
Other	-	1,588	-
Prepaid expenses	-	1,000	-
Due from other funds	11,743	18,645	1,717
<i>Total current assets</i>	<u>428,728</u>	<u>1,935,026</u>	<u>803,762</u>
<i>Noncurrent assets</i>			
Restricted cash and cash equivalents	-	155,467	-
Capital assets	28,101,724	10,724,843	205,186
Less: accumulated depreciation	(13,243,606)	(5,577,098)	(110,776)
<i>Total noncurrent assets</i>	<u>14,858,118</u>	<u>5,303,212</u>	<u>94,410</u>
<i>Total assets</i>	<u>\$ 15,286,846</u>	<u>\$ 7,238,238</u>	<u>\$ 898,172</u>
<i>Liabilities and net position</i>			
<i>Liabilities</i>			
<i>Current liabilities</i>			
Accounts payable	\$ 2,487	\$ 84,926	\$ 97,851
Meter deposits payable	-	154,202	-
Accrued compensated absences	10,669	16,582	91
Accrued interest payable	-	3,016	-
Current portion of long-term debt	-	11,327	-
<i>Total current liabilities</i>	<u>30,772</u>	<u>300,323</u>	<u>100,737</u>
<i>Noncurrent liabilities</i>			
Accrued compensated absences	7,372	7,879	1,010
Accrued landfill closure costs	-	-	593,497
Loans and capital leases payable	-	118,798	-
<i>Total noncurrent liabilities</i>	<u>7,372</u>	<u>126,677</u>	<u>594,507</u>
<i>Total liabilities</i>	<u>38,144</u>	<u>427,000</u>	<u>695,244</u>
<i>Net position</i>			
Net investment in capital assets	14,858,118	5,017,620	94,410
Unrestricted	390,584	1,793,618	108,518
<i>Total net position</i>	<u>15,248,702</u>	<u>6,811,238</u>	<u>202,928</u>
<i>Total liabilities and net position</i>	<u>\$ 15,286,846</u>	<u>\$ 7,238,238</u>	<u>\$ 898,172</u>

The accompanying notes are an integral part of these financial statements

Total

\$ 2,319,360  
 250,000  
 19,248  
 544,215  
 1,588  
 1,000  
32,105  
3,167,516

155,467  
 39,031,753  
(18,931,480)  
20,255,740

\$ 23,423,256

\$ 185,264  
 154,202  
 27,342  
 3,016  
11,327  
431,832

16,261  
 593,497  
118,798  
728,556

1,160,388

19,970,148  
 2,292,720  
22,262,868

\$ 23,423,256

**STATE OF NEW MEXICO**  
City of Belen  
Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Funds  
For the Year Ended June 30, 2013

	<u>Wastewater</u>	<u>Water</u>	<u>Solid Waste</u>
<i>Operating revenues</i>			
Charges for services	\$ 1,184,115	\$ 1,604,171	\$ 1,216,116
<i>Total operating revenues</i>	<u>1,184,115</u>	<u>1,604,171</u>	<u>1,216,116</u>
<i>Operating expenses</i>			
Depreciation	647,622	182,612	6,855
Personnel services	261,812	461,824	34,464
Utilities	144,613	185,109	5,614
Contractual services	137,926	64,854	967,583
Supplies	51,516	97,249	5,660
Maintenance and materials	91,219	124,288	3,936
Gross receipts taxes	58,207	67,624	62,669
Other costs	2,994	31,019	3,672
<i>Total operating expenses</i>	<u>1,395,909</u>	<u>1,214,579</u>	<u>1,090,453</u>
<i>Operating income (loss)</i>	<u>(211,794)</u>	<u>389,592</u>	<u>125,663</u>
<i>Non-operating revenues (expenses)</i>			
Gross receipts taxes	-	190,200	112,986
Interest expense	-	(2,357)	-
Interest income	-	1,587	-
Gain on sale of fixed assets	370	4,529	-
Gain on sale of water rights	-	52,594	-
Miscellaneous income	-	875	-
<i>Total non-operating revenues (expenses)</i>	<u>370</u>	<u>247,428</u>	<u>112,986</u>
<i>Income (loss) before transfers and contributions</i>	<u>(211,424)</u>	<u>637,020</u>	<u>238,649</u>
Government contributions	-	-	85,000
Transfers in	24,931	-	-
Transfers (out)	(190,414)	(215,345)	-
<i>Change in net position</i>	<u>(376,907)</u>	<u>421,675</u>	<u>323,649</u>
<i>Net position, beginning of year</i>	14,860,399	6,502,940	(51,240)
<i>Net position - restatement</i>	<u>765,210</u>	<u>(113,377)</u>	<u>(69,481)</u>
<i>Net position - beginning as restated</i>	<u>15,625,609</u>	<u>6,389,563</u>	<u>(120,721)</u>
<i>Net position, end of year</i>	<u>\$ 15,248,702</u>	<u>\$ 6,811,238</u>	<u>\$ 202,928</u>

The accompanying notes are an integral part of these financial statements

<u>Total</u>
<u>\$ 4,004,402</u>
<u>4,004,402</u>
837,089
758,100
335,336
1,170,363
154,425
219,443
188,500
<u>37,685</u>
<u>3,700,941</u>
<u>303,461</u>
303,186
(2,357)
1,587
4,899
52,594
<u>875</u>
<u>360,784</u>
<u>664,245</u>
85,000
24,931
<u>(405,759)</u>
<u>368,417</u>
21,312,099
<u>582,352</u>
<u>21,894,451</u>
<u><u>\$ 22,262,868</u></u>

**STATE OF NEW MEXICO**  
City of Belen  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2013

	Wastewater	Water	Solid Waste
<i>Cash flows from operating activities</i>			
Cash received from user charges	\$ 1,199,190	\$ 1,592,942	\$ 1,215,759
Cash payments to employees for services	(247,916)	(424,686)	(31,578)
Cash payments to suppliers for goods and services	(512,568)	(524,228)	(1,102,245)
<i>Net cash provided (used) by operating activities</i>	<u>438,706</u>	<u>644,028</u>	<u>81,936</u>
<i>Cash flows from noncapital financing activities</i>			
Gross receipts tax revenues	-	190,200	112,986
Miscellaneous income	-	875	-
Payments for noncurrent accrued compensated absences	7,209	(5,321)	1,010
Transfers	(165,483)	(215,345)	-
<i>Net cash provided (used) by noncapital financing activities</i>	<u>(170,017)</u>	<u>(48,236)</u>	<u>112,279</u>
<i>Cash flows from capital and related financing activities</i>			
Government contributions	-	-	85,000
Interest paid	-	(3,305)	-
Principal payments	-	(10,993)	-
Sale of capital assets	370	4,529	-
Sale of water rights	-	52,594	-
Acquisition of capital assets	(97,455)	(341,178)	-
<i>Net cash provided (used) by capital and related financing activities</i>	<u>(97,085)</u>	<u>(298,353)</u>	<u>85,000</u>
<i>Cash flows from investing activities</i>			
Interest on investments	-	1,587	-
Cash received for investment	-	250,000	-
<i>Net cash provided (used) by investing activities</i>	<u>-</u>	<u>251,587</u>	<u>-</u>
<i>Net increase (decrease) in cash and cash equivalents</i>	171,604	549,026	279,215
<i>Cash and cash equivalents - beginning of year</i>	119,263	969,084	386,635
<i>Cash and cash equivalents - end of year</i>	<u>\$ 290,867</u>	<u>\$ 1,518,110</u>	<u>\$ 665,850</u>
<i>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</i>			
Operating income (loss)	\$ (211,794)	\$ 389,592	\$ 125,663
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	647,622	182,612	6,855
Changes in assets and liabilities			
Receivables	15,075	(11,229)	(357)
Accounts payable	(26,093)	5,513	(53,111)
Accrued payroll expenses	17,616	30,270	2,795
Current accrued compensated absences	(3,720)	6,868	91
Meter deposits	-	40,402	-
<i>Net cash provided (used) by operating activities</i>	<u>\$ 438,706</u>	<u>\$ 644,028</u>	<u>\$ 81,936</u>

The accompanying notes are an integral part of these financial statements



<u>Total</u>	
\$	4,007,891
	(704,180)
	<u>(2,139,041)</u>
	<u>1,164,670</u>
	303,186
	875
	2,898
	<u>(380,828)</u>
	<u>(105,974)</u>
	85,000
	(3,305)
	(10,993)
	4,899
	52,594
	<u>(438,633)</u>
	<u>(310,438)</u>
	1,587
	<u>250,000</u>
	<u>251,587</u>
	999,845
	<u>1,474,982</u>
\$	<u><u>2,474,827</u></u>
\$	303,461
	837,089
	3,489
	(73,691)
	50,681
	3,239
	<u>40,402</u>
\$	<u><u>1,164,670</u></u>

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**STATE OF NEW MEXICO**  
City of Belen  
Notes to Financial Statements  
June 30, 2013

**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 services (police and fire), culture-recreation, public improvements, housing, planning and zoning, highways and streets, public utilities (wastewater, water and solid waste), health and social services, 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.

During the year ended June 30, 2013, the City adopted Governmental Accounting standards Board (GASB) Statements No. 60 through 63. GASB Statement No. 60, Accounting and Financial Reporting for Service Concession Arrangements. The City does not have any Service Concession Arrangements. GASB Statement No. 61, The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34, modifies certain requirements for inclusion of component units in the financial reporting entity. GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in FASB and AICPA Pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements. GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources.

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 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.

**STATE OF NEW MEXICO**  
City of Belen  
Notes to Financial Statements  
June 30, 2013

**NOTE 1. Summary of Significant Accounting Policies (continued)**

**A. *Financial Reporting Entity(continued)***

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 Statements No. 14, as amended by GASB Statement No. 39 and GASB Statement No. 61. Blended component units, although legally separate entities, are in substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

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

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

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

Based upon the application of these criteria, the City has no component units, and is not a component unit of another governmental agency.

**B. *Government-wide and fund financial statements***

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

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

**STATE OF NEW MEXICO**  
City of Belen  
Notes to Financial Statements  
June 30, 2013

**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 and proprietary funds. Major individual governmental funds and major individual proprietary 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 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, 2013

**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 *1/2% GRT Infrastructure Special Revenue Fund* is used 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 Bonds Series 2005 and 2008. Authorized by the City Council.

The *Christopher Road Capital Projects Fund* accounts for the revenues and expenses related to infrastructure improvement projects. Authorized by the 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.

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.

The City reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. The City does not currently employ indirect cost allocation systems. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

**STATE OF NEW MEXICO**  
City of Belen  
Notes to Financial Statements  
June 30, 2013

**NOTE 1. Summary of Significant Accounting Policies (continued)**

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

Proprietary funds distinguish operating revenues and 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 Position or Equity**

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

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

Investments for the City are reported at fair value. 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 90 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. The allowance for doubtful accounts for customer receivables is calculated based on the aging of the customer accounts receivable and the City's historical experience with these receivables.

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 10<sup>th</sup> and May 10<sup>th</sup> 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.

**STATE OF NEW MEXICO**  
City of Belen  
Notes to Financial Statements  
June 30, 2013

**NOTE 1. Summary of Significant Accounting Policies (continued)**

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

**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).

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 and improvements	40
Machinery and equipment	10
Furniture and fixtures	10
Vehicles	10
Infrastructure	20-40
Wastewater system	20-30

**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 90 days after year end and amounts received after 60 days after year end for property taxes.



**STATE OF NEW MEXICO**  
City of Belen  
Notes to Financial Statements  
June 30, 2013

**NOTE 1. Summary of Significant Accounting Policies (continued)**

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

**Compensated Absences:** City employees accrue sick leave at the rate of 15 days per year. The maximum amount of accrual of sick leave is 1,040 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.

Employees 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 position.

**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 position. 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.

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

For assigned fund balance, the City Council or an official or body to which the City Council delegates the authority is authorized to assign amounts to a specific purpose. Under the current authorization system, for funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

For the classification of fund balances, the City considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available. Also for the classification of fund balances, the City considers committed, assigned, or unassigned amounts to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

**Nonspendable Fund Balance:** At June 30, 2013, the City reported \$5,000 in nonspendable fund balances, related to prepaid expenses in the General Fund.

**STATE OF NEW MEXICO**  
City of Belen  
Notes to Financial Statements  
June 30, 2013

**NOTE 1. Summary of Significant Accounting Policies (continued)**

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

**Restricted and Committed Fund Balance:** At June 30, 2013, the City has presented restricted fund balance on the governmental funds balance sheet in the amount of \$1,217,460 for various City operations as restricted by enabling legislation in the special revenue funds, \$2,578,409 in fund balance restricted for debt service, and \$778,891 in fund balance restricted for capital projects. The details of these fund balance items are located on the governmental funds balance sheet as detailed on pages 18-19.

**Minimum Fund Balance Policy:** The City's policy for maintaining a minimum amount of fund balance for operations is to minimize any sudden and unplanned discontinuity to programs and operations and for unforeseen contingencies. At a minimum, the budget shall ensure that the City holds cash reserves of 1/12th the General Fund expenditures for the upcoming budget year. The City has presented committed fund balance on the governmental funds balance sheet in the amount of \$433,482 to meet minimum fund balance requirements for the General Fund.

**Equity Classifications**

*Government-wide Statements*

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

- a. Net investment in capital assets: Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position: Net position is reported as restricted when constraints are placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. Descriptions for the related restrictions for net position restricted for "special revenue, debt service and capital projects" are described on pages 38 and 67-69.
- c. Unrestricted net position: Net position that does not meet the definition of "restricted" or "Net investment in Capital Assets."

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

All other interfund transactions, except quasi-external transactions and reimbursements are reported as transfers. Nonrecurring or 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, the current portion of accrued compensated absences, and the useful lives of capital assets.

**STATE OF NEW MEXICO**  
City of Belen  
Notes to Financial Statements  
June 30, 2013

**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 depreciation, and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year.

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

	Excess (deficiency) of revenues over expenditures or operating income (loss)	
	Original Budget	Final Budget
Budgeted Funds:		
General Fund	\$ 84,117	\$ 801,115
1/2% GRT Infrastructure Special Revenue Fund	\$ 860,400	\$ 860,400
Christopher Road Capital Projects Fund	\$ -	\$ -
Nonmajor Governmental Funds	\$ (188,136)	\$ (464,955)
Wastewater Proprietary Fund	\$ 233,696	\$ 233,696
Water Proprietary Fund	\$ 46,676	\$ 46,676
Solid Waste Proprietary Fund	\$ 32,681	\$ 32,681

The accompanying Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual and Statements of Revenues, Expenses, and Changes in Net Position – Budget (GAAP Basis) and Actual present comparisons of the legally adopted budget with actual data on a budgetary (GAAP) 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, 2013.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the City. Deposits may be made to the extent that they are insured by an agency of the United States or collateralized as required by statute. The financial institution must provide pledged collateral for 50% of the deposit amount in excess of the deposit insurance.

The rate of interest 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.

**STATE OF NEW MEXICO**  
City of Belen  
Notes to Financial Statements  
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**NOTE 3. Deposits and Investments (continued)**

Excess funds may be temporarily invested in securities which are issued by the State or by the United States government, or by their departments or agencies, and which are either direct obligations of the State or the United States or are backed by the full faith and credit of those governments.

By operation of federal law, beginning January 1, 2013, funds deposited in a noninterest-bearing transaction account no longer will receive unlimited deposit insurance coverage by the Federal Deposit Insurance Corporation (FDIC). Beginning January 1, 2013, all of the City's accounts at an insured depository institution, including all noninterest-bearing transaction accounts, will be insured by the FDIC up to the standard maximum deposit insurance amount of \$250,000.

*Custodial Credit Risk – Deposits* Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk, other than following state statutes as set forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2013, \$7,394,985 of the City's deposits of \$8,533,309 was exposed to custodial credit risk. \$4,161,380 was uninsured and collateralized by collateral held by the pledging bank's trust department not in the City's name and \$3,233,605 was uninsured and uncollateralized.

	Wells Fargo Bank	My Bank	US Bank	Bank of Albuquerque	First Community Bank	Total
Amount of deposits	\$ 7,394,210	\$ 117,134	\$ 750,775	\$ 232,000	\$ 39,190	\$ 8,533,309
FDIC Coverage	(250,000)	(117,134)	(250,000)	(232,000)	(39,190)	(888,324)
Total uninsured public funds	<u>7,144,210</u>	<u>-</u>	<u>500,775</u>	<u>-</u>	<u>-</u>	<u>7,644,985</u>
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the City's name	<u>3,660,605</u>	<u>-</u>	<u>500,775</u>	<u>-</u>	<u>-</u>	<u>4,161,380</u>
Uninsured and uncollateralized	<u>\$ 3,483,605</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,483,605</u>
Collateral requirement (50% of uninsured funds)	\$ 3,572,105	\$ -	\$ 250,388	\$ -	\$ -	\$ 3,822,493
Pledged Collateral	<u>3,660,605</u>	<u>-</u>	<u>545,972</u>	<u>51,466</u>	<u>-</u>	<u>4,258,043</u>
Over (Under) collateralized	<u>\$ 88,500</u>	<u>\$ -</u>	<u>\$ 295,584</u>	<u>\$ 51,466</u>	<u>\$ -</u>	<u>\$ 435,550</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.

The City utilizes pooled accounts for some of their programs and funds. The General, Special Revenue, Debt Service, and Capital Projects Funds are all in multiple accounts. Separate accounts exist for funds segregated to comply with regulations, the provisions of debt agreements and City policies. Negative cash balances in individual funds that were part of the pooled accounts were reclassified as due to/from accounts in the combining balance sheet as of June 30, 2013. The following fund had a negative cash balance as of June 30, 2013:

Christopher Road Capital Projects Fund	<u>\$ 166,788</u>
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**STATE OF NEW MEXICO**  
City of Belen  
Notes to Financial Statements  
June 30, 2013

**NOTE 3. Deposits and Investments (continued)**

The carrying amount of deposits shown above are included in the City's Statement of Net Position as follows:

Cash and cash equivalents per Exhibit A-1	\$ 6,377,357
Restricted cash and cash equivalents per Exhibit A-1	1,292,830
Investments per Exhibit A-1	800,775
Restricted investments per Exhibit A-1	432,000
Add: outstanding checks and other reconciling items	216,200
Less: outstanding deposits	(12,014)
Less: petty cash	(400)
Less: New Mexico State Treasurer Debt Service	<u>(573,439)</u>
 Bank balance of deposits	 <u><u>\$ 8,533,309</u></u>

**Investments**

The investments held in the New Mexico State Treasurer Debt Service accounts consist of cash and cash equivalents; U.S. Treasury Notes; and U.S. Agency Notes, with varying maturity dates and yields.

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

*Concentration Credit Risk – Investments.* For an investment, concentration credit risk is when any one issuer is 5% or more of the investment portfolio of the City. The investments in the U.S Agency Notes consisting of notes held in Fannie Mae and Freddie Mac and the U.S. Treasury Notes represent 100% of the investment portfolio. Since the City's investments consist of accounts held by the New Mexico State Treasurer's Office, which only purchases investments with the highest credit rating, the additional concentration is not viewed to be an additional risk by the City. The City's policy related to concentration credit risk is to comply with the state statute as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978).

The City has invested excess funds totaling \$1,232,775 in certificates of deposit in area banks. The certificates of deposit have original maturities in excess of 90 days and are classified as investments in the financial statements. \$432,000 of the investment balance is classified as investments restricted for debt service.

**STATE OF NEW MEXICO**  
City of Belen  
Notes to Financial Statements  
June 30, 2013

**NOTE 4. Receivables**

Receivables as of June 30, 2013, are as follows:

Governmental Activities:	General	1/2% GRT Infrastructure	Christopher Road	Total Nonmajor Funds	Total
Property taxes	\$ 201,062	\$ -	\$ -	\$ -	\$ 201,062
Other taxes:					
Gross receipts taxes	693,892	153,781	-	77,010	924,683
Gasoline and oil taxes	-	-	-	10,705	10,705
Lodger's taxes	-	-	-	5,575	5,575
Franchise taxes	35,608	-	-	-	35,608
Other receivables:					
Licenses and fees	-	-	-	6,056	6,056
Intergovernmental-grants:					
State	-	-	122,916	-	122,916
Federal	-	-	-	6,465	6,465
Interest receivable	-	-	-	78,951	78,951
Miscellaneous	26,129	-	-	-	26,129
Totals by category	<u>\$ 956,691</u>	<u>\$ 153,781</u>	<u>\$ 122,916</u>	<u>\$ 184,762</u>	<u>\$ 1,418,150</u>

All of the above receivables are deemed to be fully collectible.

Business-type Activities:	Wastewater	Water	Solid Waste	Total
Customer receivables	\$ 137,003	\$ 319,277	\$ 127,979	\$ 584,259
Other taxes receivable:				
Gross receipts tax	-	-	19,248	19,248
Other receivables:				
Interest income	-	1,588	-	1,588
Total gross receivables	<u>137,003</u>	<u>320,865</u>	<u>147,227</u>	<u>605,095</u>
Less: allowance for doubtful accounts	<u>(10,885)</u>	<u>(18,127)</u>	<u>(11,032)</u>	<u>(40,044)</u>
Total net receivables	<u>\$ 126,118</u>	<u>\$ 302,738</u>	<u>\$ 136,195</u>	<u>\$ 565,051</u>

**NOTE 5. Interfund Receivables, Payables, and Transfers**

The City records temporary interfund receivables and payables to enable the funds to operate until grant monies are available.

**STATE OF NEW MEXICO**  
City of Belen  
Notes to Financial Statements  
June 30, 2013

**NOTE 5. Interfund Receivables, Payables, and Transfers (continued)**

The composition of interfund balances during the year ended June 30, 2013 is as follows:

<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Amount</u>
	Christopher Road Capital Projects	
General Fund	Fund	\$ 166,788
	Law Enforcement Protection	
General Fund	Special Revenue Fund	30,800
Wastewater	General Fund	11,743
Water	General Fund	18,645
Solid Waste	General Fund	1,717
		<u>\$ 229,693</u>

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	Street Paving Revolving	\$ 78,615
Multi-Purpose Park	General Fund	2,235
1/2% GRT Infrastructure	General Fund	407,393
Jail	General Fund	1,801
Confiscated Fund	General Fund	5,000
Alexander Airport	General Fund	18,594
Property Abatement Fund	General Fund	100,000
Becker Avenue	General Fund	19,496
RSVP	General Fund	41,858
Debt Service	1/2% GRT Infrastructure	282,627
Debt Service	1/8% GRT Infrastructure	394,800
Debt Service	Water	190,414
Debt Service	Wastewater	190,414
2005 GRT Revenue Bonds	1/2% GRT Infrastructure	474,130
Camino Del Llano	General Fund	6,396
2008 GRT Revenue Bonds	1/2% GRT Infrastructure	541,713
Christopher Road	General Fund	60
CDBG Housing Plan	General Fund	3,645
Road/Infrastructure Improvements	General Fund	610,179
Wastewater	Water	24,931
		<u>\$ 3,394,301</u>

**STATE OF NEW MEXICO**  
City of Belen  
Notes to Financial Statements  
June 30, 2013

**NOTE 6. Capital Assets**

The following is a summary of capital assets and changes occurring during the year ended June 30, 2013. Land, water rights and construction in progress are not subject to depreciation.

	Balance June 30, 2012	Adjustments to Net Position	Additions	Deletions	Balance June 30, 2013
<b>Governmental activities:</b>					
Capital assets not being depreciated:					
Land	\$ 8,632,637	\$ -	\$ -	\$ -	\$ 8,632,637
Construction in progress	273,259	-	-	-	273,259
<b>Total capital assets not being depreciated</b>	<b>8,905,896</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,905,896</b>
Capital assets being depreciated:					
Buildings and improvements	19,805,900	-	-	-	19,805,900
Machinery and equipment	3,095,562	(599,479)	135,775	-	2,631,858
Furniture and fixtures	553,030	-	-	-	553,030
Vehicles	1,454,277	-	640,737	21,158	2,073,856
Infrastructure	50,880,566	(285,189)	-	-	50,595,377
<b>Total capital assets being depreciated</b>	<b>75,789,335</b>	<b>(884,668)</b>	<b>776,512</b>	<b>21,158</b>	<b>75,660,021</b>
Less accumulated depreciation:					
Buildings	(11,005,292)	-	(654,383)	-	(11,659,675)
Machinery and equipment	(2,075,954)	188,532	(130,094)	-	(2,017,516)
Furniture and fixtures	(258,025)	-	(49,547)	-	(307,572)
Vehicles	(840,566)	-	(148,758)	(9,642)	(979,682)
Infrastructure	(34,945,490)	(145,498)	(2,206,156)	-	(37,297,144)
<b>Total accumulated depreciation</b>	<b>(49,125,327)</b>	<b>43,034</b>	<b>(3,188,938)</b>	<b>(9,642)</b>	<b>(52,261,589)</b>
<b>Total capital assets, net of depreciation</b>	<b>\$ 35,569,904</b>	<b>\$ (841,634)</b>	<b>\$ (2,412,426)</b>	<b>\$ 11,516</b>	<b>\$ 32,304,328</b>

Depreciation expense for the year ended June 30, 2013 was charged to governmental activities as follows:

Governmental Activities	
General Government	\$ 162,535
Public Safety	192,929
Public Works	2,334,695
Culture and recreation	498,779
	<u>\$ 3,188,938</u>



**STATE OF NEW MEXICO**  
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Notes to Financial Statements  
June 30, 2013

**NOTE 6. Capital Assets (continued)**

	Balance June 30, 2012	Adjustments to Net Position	Additions	Deletions	Balance June 30, 2013
<b>Business-type activities:</b>					
Capital assets not being depreciated:					
Water rights	\$ 2,600,865	\$ 70,954	\$ -	\$ -	\$ 2,671,819
Land	-	24,200	-	-	24,200
Construction in progress	-	-	-	-	-
Total capital assets not being depreciated	<u>2,600,865</u>	<u>95,154</u>	<u>-</u>	<u>-</u>	<u>2,696,019</u>
Capital assets being depreciated:					
Wastewater system	7,461,524	571,167	-	-	8,032,691
Buildings	7,288,778	703,308	-	-	7,992,086
Machinery and equipment	968,245	(1,999)	108,400	-	1,074,646
Furniture and fixtures	42,621	(19,200)	-	-	23,421
Vehicles	212,984	-	330,233	-	543,217
Infrastructure	19,365,285	(695,612)	-	-	18,669,673
Total capital assets being depreciated	<u>35,339,437</u>	<u>557,664</u>	<u>438,633</u>	<u>-</u>	<u>36,335,734</u>
Less accumulated depreciation:					
Wastewater system	(2,035,675)	(2,429,897)	(162,164)	-	(4,627,736)
Buildings	(5,957,054)	-	(183,073)	-	(6,140,127)
Machinery and equipment	(1,105,269)	179,133	(13,018)	-	(939,154)
Furniture and fixtures	(40,121)	19,200	(563)	-	(21,484)
Vehicles	(149,509)	-	(20,138)	-	(169,647)
Infrastructure	(8,835,895)	2,260,696	(458,133)	-	(7,033,332)
Total accumulated depreciation	<u>(18,123,523)</u>	<u>29,132</u>	<u>(837,089)</u>	<u>-</u>	<u>(18,931,480)</u>
Total capital assets, net of depreciation	<u>\$ 19,816,779</u>	<u>\$ 681,950</u>	<u>\$ (398,456)</u>	<u>\$ -</u>	<u>\$ 20,100,273</u>

Depreciation expense for the year ended June 30, 2013 was charged to business-type activities as follows:

Business-Type Activities	
Wastewater	\$ 647,622
Water	182,612
Solid Waste	6,855
	<u>\$ 837,089</u>

**STATE OF NEW MEXICO**  
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**NOTE 7. Long-term Debt**

**Governmental Activities:**

During the year ended June 30, 2013, the following changes occurred in the liabilities reported in the government-wide statement of net position:

	Balance June 30, 2012	Additions	Retirements	Balance June 30, 2013	Due Within One Year
Revenue Bonds	\$ 9,075,000	\$ 427,000	\$ 595,000	\$ 8,907,000	\$ 656,000
NMFA and NMED Loans	8,083,615	-	541,095	7,542,520	568,961
Capital Leases	-	222,548	-	222,548	41,675
Compensated Absences	203,819	85,931	114,461	175,289	99,192
Total long-term debt	<u>\$ 17,362,434</u>	<u>\$ 735,479</u>	<u>\$ 1,250,556</u>	<u>\$ 16,847,357</u>	<u>\$ 1,365,828</u>

**Revenue Bonds**

At June 30, 2013, the City had three revenue bonds outstanding. For the Series 2005 and 2008 Gross Receipts Tax Revenue Bonds, the City pledged revenues from the State-Shared Gross Receipts Tax revenues. For the Series 2012 Fire Protection Revenue Bond, the City pledged revenues from the Fire Protection funds disbursed by the State of New Mexico to the City. The revenue bonds are as follows:

Description	Date of Issue	Maturity Date	Interest Rate	Original Amount of Issue	Balance June 30, 2013
Series 2005 Gross Receipts Tax	July 2005	June 2017	3.80-4.5%	\$ 4,320,000	\$ 1,700,000
Series 2008 Gross Receipts Tax	October 2008	June 2033	3.75-5.125%	7,570,000	6,780,000
Series 2012 Fire Protection Revenue	August 2012	August 2022	3.50%	427,000	<u>427,000</u>
Total Revenue Bonds					<u>\$ 8,907,000</u>

The annual requirements to amortize the revenue bonds as of June 30, 2013, including interest payments, are as follows:

**Bonds Payable**

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2014	\$ 656,000	\$ 405,588	\$ 1,061,588
2015	688,000	378,040	1,066,040
2016	704,000	351,955	1,055,955
2017	735,000	324,478	1,059,478
2018	297,000	294,890	591,890
2019-2023	1,677,000	1,272,243	2,949,243
2024-2028	1,820,000	870,527	2,690,527
2029-2033	2,330,000	367,165	2,697,165
	<u>\$ 8,907,000</u>	<u>\$ 4,264,886</u>	<u>\$ 13,171,886</u>

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**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	Maturity Date	Interest Rate	Original Amount of Issue	Balance June 30, 2013
NMFA Reinken Road & Main Street	November 2001	May 2026	0.00%	\$ 4,779,793	\$ 107,692
NMED CWSRF Loan	December 2003	December 2022	2.00%	4,049,684	2,228,582
NMFA Refinance Reinken	July 2011	May 2026	0.73-4.02%	3,355,652	2,947,776
NMFA Refinancing WW/W	April 2011	May 2032	0.95-4.83%	2,220,008	1,937,866
NMED RIP 2005-06	July 2005	July 2025	3.00%	448,503	320,604
Total NMFA Loans					<u><u>\$ 7,542,520</u></u>

**Capital Lease**

The City purchased a street sweeper under a capital lease agreement during the year ended June 30, 2013. The lease is as follows:

**Capital Leases:**

Description	Date of Issue	Balloon Payment Due	Interest Rate	Original Amount of Issue	Balance June 30, 2013
Capital Lease - Sweeper	February 2013	March 2018	3.29%	\$ 222,548	\$ 222,548
Total Capital Leases					<u><u>\$ 222,548</u></u>

**STATE OF NEW MEXICO**  
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**NOTE 7. Long-term Debt (continued)**

The annual requirements to amortize the NMFA and NMED Loans and the Capital Lease as of June 30, 2013, including interest payments, are as follows:

**Loans and Capital Leases Payable**

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2014	\$ 610,636	\$ 214,354	\$ 824,990
2015	620,082	204,329	824,411
2016	632,037	192,744	824,781
2017	644,123	179,937	824,060
2018	658,630	165,659	824,289
2019-2023	2,957,757	588,775	3,546,532
2024-2028	1,297,239	398,119	1,695,358
2029-2032	344,564	41,853	386,417
	<u>\$ 7,765,068</u>	<u>\$ 1,985,770</u>	<u>\$ 9,750,838</u>

**Compensated Absences**

Employees of the City are able to accrue a limited amount of vacation and other compensatory time during the year. During the fiscal year June 30, 2013, compensated absences decreased \$28,530 from the prior year accrual. In prior years, the general fund was typically used to liquidate such liabilities.

**Business-type Activities:**

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, 2013:

	Balance June 30, 2012	Additions	Retirements	Balance June 30, 2013	Due Within One Year
Loans and Notes	\$ 141,118	\$ -	\$ 10,993	\$ 130,125	\$ 11,327
Compensated Absences	37,466	35,180	29,043	43,603	27,342
Total long-term debt	<u>\$ 178,584</u>	<u>\$ 35,180</u>	<u>\$ 40,036</u>	<u>\$ 173,728</u>	<u>\$ 38,669</u>

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**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	Maturity Date	Interest Rate	Original Amount of Issue	Balance June 30, 2013
San Juan-Chama Project	January 1989	January 2022	3.05%	\$ 331,030	\$ 130,125
Total Loans					<u>\$ 130,125</u>

The annual requirement to amortize San Juan-Chama Project Loan as of June 30, 2013, including interest payments, is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2014	\$ 11,327	\$ 3,892	\$ 15,219
2015	11,672	3,547	15,219
2016	12,028	3,191	15,219
2017	12,394	2,825	15,219
2018	12,772	2,447	15,219
2019-2022	<u>69,932</u>	<u>6,517</u>	<u>76,449</u>
	<u>\$ 130,125</u>	<u>\$ 22,419</u>	<u>\$ 152,544</u>

**Compensated Absences**

Employees of the City are able to accrue a limited amount of vacation and other compensatory time during the year. During the fiscal year June 30, 2013, compensated absences increased \$6,137 from the prior year accrual. In prior years, the fund associated with these liabilities has been used to liquidate them.

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**NOTE 8. Other Required Individual Fund Disclosures**

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

- A. Deficit fund balance/net position of individual funds. The deficit fund balances as of June 30, 2013 were as follows:

**Governmental Funds:**

Jail Special Revenue Fund	\$ (11,951)
Law Enforcement Special Revenue Fund	(30,800)
Camino del Llano Capital Projects Fund	(96)
Christopher Road Capital Projects Fund – Major Fund	(52,161)

- B. Excess of expenditures over appropriations. Budgetary authority is at the fund level. The following funds exceeded approved budgetary authority for the year ended June 30, 2013:

**Governmental Funds:**

General Fund	\$ 604,140
1/2% GRT Infrastructure Special Revenue Fund	1,919
Parks and Recreation Special Revenue Fund	33,041
Fire Protection Special Revenue Fund	6,365
EMS Rescue Special Revenue Fund	429
1/8% GRT Infrastructure Special Revenue Fund	1,492
Jail Special Revenue Fund	9,901
Law Enforcement Special Revenue Fund	600
RSVP Special Revenue Fund	32
2008 GRT Revenue Bonds Special Revenue Fund	500
Multi-Purpose Park Capital Projects Fund	93,781
Alexander Airport Capital Projects Fund	127,430
Becker Avenue Capital Projects Fund	48,267
Camino del Llano Capital Projects Fund	7,009
Christopher Road Capital Projects Fund	174,968
Road/Infrastructure Improvements Capital Projects Fund	487

- C. Designated cash appropriations in excess of available balances. The following funds were authorized cash appropriations in excess of available balances for the year ended June 30, 2013:

**Governmental Funds:**

Property Abatement Special Revenue Fund	\$ 90,000
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**NOTE 9. Pension Plan – Public Employees Retirement Association**

*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 Employees Retirement Association (PERA) is the administrator of the plan, which is a cost-sharing, multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits, and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to PERA, P. O. Box 2123, Santa Fe, New Mexico 87504-2123. The report is also available on PERA’s website at <http://www.pera.state.nm.us>.

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**NOTE 9. Pension Plan – Public Employees Retirement Association (continued)**

*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, 2013, 2012 and 2011 were \$546,457, \$499,803 and \$492,562, respectively, which equal the amount of the required contributions for each fiscal year.

**NOTE 10. Post-Employment Benefits – State Retiree Health Care Plan**

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

Eligible retirees are: 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the person’s behalf unless that person retires before the employer’s RHCA effective date, in which 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](http://www.nmrhca.state.nm.us).

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

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**NOTE 10. Post-Employment Benefits – State Retiree Health Care Plan (continued)**

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

The City's contribution to the RHCA for the years ended June 30, 2013, 2012, and 2011 were \$51,603, \$43,215 and \$37,373, respectively, which equal the required contributions for each year.

**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, 2013. 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 evaluated contracts and commitments occurring during the fiscal year ended June 30, 2013, and has determined that no commitments requiring disclosure existed at June 30, 2013.

**NOTE 14. Restricted Net Position**

The government-wide statement of net position reports \$4,574,760 of restricted net position, all of which is restricted by enabling legislation. See pages 38 and 67 to 69 for descriptions of the related restrictions for special revenue, debt service and capital projects funds.



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**NOTE 15. 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 (defined as all income and revenues directly or indirectly derived by operation of the City’s Joint Water and Sewer System less the operation and maintenance expenses of the System and parity obligations) and state-shared infrastructure 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 are \$2,228,582 and \$495,733, respectively. Principal and interest paid for the current year, total customer net revenues, and state-shared infrastructure gross receipts tax revenues were \$247,665, \$177,798, and \$190,200, respectively.

**NOTE 16. Risk Management**

The City is exposed to various risks of loss related to torts, thefts of, damage to, and destruction of property, errors and omissions and natural disasters. The City purchases private insurance to manage these risks.

The City has not filed any claims for which the settlement amount exceeded the insurance coverage during the past three years. However, should a claim be filed against the City which exceeds the insurance coverage, the City would be responsible for a loss in excess of the coverage amounts.

At June 30, 2013, no unpaid claims have been filed which exceed the policy limits and to the best of management’s knowledge and belief all known and unknown claims will be covered by insurance.

**NOTE 17. Restatements**

*Governmental and Proprietary Funds:* The City restated fund balance and net position to clear out old accrual balances in the following funds:

General Fund	\$ (19,305)
Parks and Recreation Special Revenue Fund	(236)
Fire Protection Special Revenue Fund	(2,884)
Jail Special Revenue Fund	(3,876)
RSVP Special Revenue Fund	(493)
Christopher Road Capital Projects Fund	<u>(169)</u>
Total – Governmental Funds	<u>\$ (26,963)</u>
Wastewater Fund	\$ (14,987)
Water Fund	(15,130)
Solid Waste Fund	<u>(69,481)</u>
Total – Proprietary Funds	<u>\$ (99,598)</u>

*Proprietary Funds:* The City restated to correctly present the beginning balance of meter deposits and capital assets and related accumulated depreciation as follows:

Wastewater Fund	\$ 780,197
Water Fund	<u>(98,247)</u>
Total – Proprietary Funds	<u>\$ 681,950</u>

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**NOTE 17. Restatements (continued)**

*Government Wide:* For governmental activities, the City restated net position to correctly present the beginning balance of capital assets and related accumulated depreciation, in the amount of \$(841,634).

When combined, the restatements resulted in a restatement of net position of \$(868,597) for governmental activities and \$582,352 for business-type activities, as presented on the Statement of Activities.

**NOTE 18. 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
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 2016
Amount of project	Unknown
City contributions	Unknown
Audit responsibility	Both parties

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**NOTE 18. 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	\$3,750/year
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

**Extending the Availability of the City of Belen's Transfer Station to County Residents**

Participants	Valencia County City of Belen
Responsible party	City of Belen
Description	Establishes fee amount and procedure for County residents to use the City of Belen's Transfer Station
Term of agreement	One year
Amount of project	Unknown
City contributions	Unknown
Audit responsibility	City of Belen

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**NOTE 18. Joint Powers Agreements and Memorandums of Understanding (continued)**

**Storage of Transit Vehicles**

Participants	Rio Metro Regional Transit District City of Belen
Responsible party	Rio Metro Regional Transit District City of Belen
Description	Establishes agreement for use of storage facilities for the Transit District's vehicles
Term of agreement	One year, annual extensions
Amount of project	Unknown
City contributions	Unknown
Audit responsibility	Rio Metro Regional Transit District City of Belen

**Participation in Recycling Program**

Participants	Valencia County City of Belen
Responsible party	Valencia County City of Belen
Description	Provides for County residents' continued participation in the City's recycling program and allows the City to invoice the County up to \$600 each month to cover tipping fees incurred for County residents
Term of agreement	Indefinite
Amount of project	Unknown
City contributions	Unknown
Audit responsibility	Valencia County City of Belen

**STATE OF NEW MEXICO**  
City of Belen  
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**NOTE 18. Joint Powers Agreements and Memorandums of Understanding (continued)**

**Furnish Mutual Aid and Assistance in Fire Suppression and Emergency Responses**

Participants	Socorro County City of Belen
Responsible party	Socorro County City of Belen
Description	Agreement for the participants to provide assistance in emergency responses and preserving life and property within the other party's jurisdiction
Term of agreement	2012 through 2017
Amount of project	Unknown
City contributions	Unknown
Audit responsibility	Socorro County City of Belen

**Furnish Mutual Aid and Assistance in Fire Suppression and Emergency Responses**

Participants	Valencia County City of Belen
Responsible party	Valencia County City of Belen
Description	Agreement for the participants to provide assistance in emergency responses and preserving life and property within the other party's jurisdiction
Term of agreement	2012 through 2017
Amount of project	Unknown
City contributions	Unknown
Audit responsibility	Valencia County City of Belen

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**NOTE 18. Joint Powers Agreements and Memorandums of Understanding (continued)**

**Joint Powers Agreement between Valencia County and the City of Belen to Work Cooperatively to Achieve the Establishment of a Hospital in Valencia County**

Participants	Valencia County City of Belen
Responsible party	Valencia County City of Belen
Description	Agreement for the County and City to independently study the feasibility of the proposed Belen Site for a hospital in Valencia County
Term of agreement	Indefinite
Amount of project	2012 through December 31, 2014
City contributions	Unknown
Audit responsibility	Valencia County City of Belen

**License Agreement between the Belen Consolidated Schools and the City of Belen Regarding the Belen High School Pond**

Participants	Belen Consolidated Schools City of Belen
Responsible party	Belen Consolidated Schools City of Belen
Description	Agreement for the Schools to grant to the City a License to construct, improve, expand, operate, maintain, and repair, at the City's expense, an expansion to the High School Pond to accommodate additional storm water run off in accordance with the Drainage Master Plan developed by the City.
Term of agreement	Indefinite
Amount of project	Unknown
City contributions	Unknown
Audit responsibility	Belen Consolidated Schools City of Belen

**STATE OF NEW MEXICO**  
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**NOTE 19. Subsequent Events**

The date to which events occurring after June 30, 2013, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or disclosures is November 20, 2013 which is the date on which the financial statements were available to be issued.

**NOTE 20. Concentrations**

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

**NOTE 21. Subsequent Pronouncements**

In March 2012, GASB Statement No. 65 *Items Previously Reported as Assets and Liabilities*, was issued. Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. Earlier application is encouraged. The City will implement this standard during fiscal year June 30, 2014.

In March 2012, GASB Statement No. 66 *Technical Corrections-2012—an amendment of GASB Statements No. 10 and No. 62*, was issued. Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. Earlier application is encouraged. The City will implement this standard during fiscal year June 30, 2014.

In June 2012, GASB Statement No. 67 *Financial Reporting for Pension Plans—an amendment of GASB Statements No. 25*, was issued. Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2013. Earlier application is encouraged. The standard is expected to have no effect on the City in upcoming years.

In June 2012, GASB Statement No. 68 *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, was issued. Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2014. Earlier application is encouraged. The City will implement this standard during fiscal year June 30, 2015.

In January 2013, GASB Statement No. 69 *Government Combinations and Disposals of Government Operations*, was issued. Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2013. Earlier application is encouraged. The provisions of this Statement generally are required to be applied prospectively. The City is still evaluating the possible effects of this standard.

In April 2013, GASB Statement No. 70 *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, was issued. Effective Date: The provisions of this Statement are effective for reporting periods beginning after June 15, 2013. Earlier application is encouraged. Except for disclosures related to cumulative amounts paid or received in relation to a financial guarantee, the provisions of this Statement are required to be applied retroactively. Disclosures related to cumulative amounts paid or received in relation to a financial guarantee may be applied prospectively. The City is still evaluating how this reporting standard will affect the City.

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**SUPPLEMENTARY INFORMATION**

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**STATE OF NEW MEXICO**  
City of Belen  
Nonmajor Governmental Fund Descriptions  
June 30, 2013

**Special Revenue Funds**

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. Authorization is by City Council.

Department of Justice

To account for grant funds provided for law enforcement services within the City. 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.

Evidence

To account for and provide the proper security for unclaimed evidence funds pending litigation. Authorization is by City Council.

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."

Confiscated Fund

To account for the seizure and forfeiture of property used or intended to be used in the commission of a crime. Authorization is by City Council.

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.

**STATE OF NEW MEXICO**  
City of Belen  
Nonmajor Governmental Fund Descriptions  
June 30, 2013

**Special Revenue Funds (continued)**

Belen Community Garden

To account for funds held by the City for the maintenance and upkeep of the Belen Community Garden. Authorization is by City Council.

Property Abatement Fund

To account for the condemnation and cleanup of certain abandoned and dangerous properties within the City limits. Authorization is by City Council.

Judicial Fund

To account for bail bonds held by the City pending resolution of criminal cases. Authorization is by City Council.

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.

Technology Infrastructure Fee

To account for the proceeds and use of the Technology Infrastructure Fee levied on all utility customers to finance technology improvements and infrastructure. 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.

2008 GRT Revenue Bonds

To account for the proceeds from the issuance of the Series 2008 Gross Receipts Tax Revenue Bonds used to fund various projects within the City, and the related debt service payments. Authorization is by City Council.

**STATE OF NEW MEXICO**  
City of Belen  
Nonmajor Governmental Fund Descriptions  
June 30, 2013

**Debt Service Funds**

Debt Service

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

2005 GRT Revenue Bonds

To provide funds for debt service payments on the Series 2005 Gross Receipts Tax Revenue Bonds. Authorization is by City Council.

**Capital Projects Funds**

Multi-Purpose Park

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

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 funds used to renovate the City Library. Authorized by the City Council.

Becker Avenue Project

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

Camino Del Llano

To account for a federal grant received from the Army Corp of Engineers used for the 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.

CDBG Housing Plan

To account for a Federal CDBG Grant received for the development of a housing plan. Authority is Title I of the Housing and Community Development Act and 1974 Public Law 93-383.

Road/Infrastructure Improvements

To account for improvements to various roadways and infrastructure assets owned by the City. Authorized by the City Council.

**STATE OF NEW MEXICO**  
City of Belen  
Nonmajor Governmental Funds  
Combining Balance Sheet  
June 30, 2013

Special Revenue

	Parks and Recreation	Fire Protection	EMS Rescue	1/8% GRT Infrastructure
<i>Assets</i>				
Cash and cash equivalents	\$ 26,045	\$ 232,926	\$ -	\$ 478,916
Investments	-	-	-	-
Receivables:				
Other taxes	-	-	-	77,010
Other	-	-	-	-
<i>Total assets</i>	<u>\$ 26,045</u>	<u>\$ 232,926</u>	<u>\$ -</u>	<u>\$ 555,926</u>
<i>Liabilities</i>				
Accounts payable	\$ 3,423	\$ 662	\$ -	\$ 2,502
Accrued payroll	-	-	-	-
Funds held in trust	-	-	-	-
Due to other funds	-	-	-	-
<i>Total liabilities</i>	<u>3,423</u>	<u>662</u>	<u>-</u>	<u>2,502</u>
<i>Fund balances</i>				
Spendable				
Restricted for:				
Infrastructure maintenance	-	-	-	553,424
Public safety	-	232,264	-	-
Culture and recreation	22,622	-	-	-
Transportation and roads	-	-	-	-
Promotion	-	-	-	-
Debt service expenditures	-	-	-	-
Capital projects	-	-	-	-
Unassigned	-	-	-	-
<i>Total fund balances</i>	<u>22,622</u>	<u>232,264</u>	<u>-</u>	<u>553,424</u>
<i>Total liabilities and fund balances</i>	<u>\$ 26,045</u>	<u>\$ 232,926</u>	<u>\$ -</u>	<u>\$ 555,926</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

Department of Justice	Jail	Evidence	Law Enforcement	Confiscated Fund	Lodger's Tax
\$ 100	\$ 8,915	\$ 42,101	\$ -	\$ 3,460	\$ 87,922
-	-	-	-	-	-
-	-	-	-	-	5,575
-	-	-	-	-	-
<u>\$ 100</u>	<u>\$ 8,915</u>	<u>\$ 42,101</u>	<u>\$ -</u>	<u>\$ 3,460</u>	<u>\$ 93,497</u>
\$ -	\$ 20,865	\$ -	\$ -	\$ -	\$ 1,225
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	30,800	-	-
-	<u>20,865</u>	<u>-</u>	<u>30,800</u>	<u>-</u>	<u>1,225</u>
-	-	-	-	-	-
100	-	42,101	-	3,460	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	92,272
-	-	-	-	-	-
-	-	-	-	-	-
-	(11,950)	-	(30,800)	-	-
<u>100</u>	<u>(11,950)</u>	<u>42,101</u>	<u>(30,800)</u>	<u>3,460</u>	<u>92,272</u>
<u>\$ 100</u>	<u>\$ 8,915</u>	<u>\$ 42,101</u>	<u>\$ -</u>	<u>\$ 3,460</u>	<u>\$ 93,497</u>

**STATE OF NEW MEXICO**  
City of Belen  
Nonmajor Governmental Funds  
Combining Balance Sheet  
June 30, 2013

	Special Revenue			
	Belen Community Garden	Property Abatement Fund	Judicial Fund	Martin Luther King
<i>Assets</i>				
Cash and cash equivalents	\$ 2,050	\$ 7,848	\$ 3,190	\$ 1,623
Investments	-	-	-	-
Receivables:				
Other taxes	-	-	-	-
Other	-	-	-	-
<i>Total assets</i>	\$ 2,050	\$ 7,848	\$ 3,190	\$ 1,623
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-
Funds held in trust	2,050	-	3,190	-
Due to other funds	-	-	-	-
<i>Total liabilities</i>	2,050	-	3,190	-
<i>Fund balances</i>				
Spendable				
Restricted for:				
Infrastructure maintenance	-	-	-	-
Public safety	-	7,848	-	-
Culture and recreation	-	-	-	1,623
Transportation and roads	-	-	-	-
Promotion	-	-	-	-
Debt service expenditures	-	-	-	-
Capital projects	-	-	-	-
Unassigned	-	-	-	-
<i>Total fund balances</i>	-	7,848	-	1,623
<i>Total liabilities and fund balances</i>	\$ 2,050	\$ 7,848	\$ 3,190	\$ 1,623

The accompanying notes are an integral part of these financial statements



Special Revenue				Debt Service	
Technology Infrastructure Fee	RSVP	Street Paving Revolving	2008 GRT Revenue Bonds	Debt Service	2005 GRT Revenue Bonds
\$ 34,578	\$ 493	\$ 205,463	\$ 89,787	\$ 1,134,173	\$ 142,606
-	-	-	550,775	-	432,000
-	-	10,705	-	-	-
6,056	6,465	-	10,405	-	68,546
<u>\$ 40,634</u>	<u>\$ 6,958</u>	<u>\$ 216,168</u>	<u>\$ 650,967</u>	<u>\$ 1,134,173</u>	<u>\$ 643,152</u>
\$ -	\$ 454	\$ -	\$ -	\$ -	\$ -
-	1,560	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>2,014</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
40,634	-	-	-	-	-
-	4,944	-	-	-	-
-	-	216,168	-	-	-
-	-	-	650,967	1,134,173	643,152
-	-	-	-	-	-
-	-	-	-	-	-
<u>40,634</u>	<u>4,944</u>	<u>216,168</u>	<u>650,967</u>	<u>1,134,173</u>	<u>643,152</u>
<u>\$ 40,634</u>	<u>\$ 6,958</u>	<u>\$ 216,168</u>	<u>\$ 650,967</u>	<u>\$ 1,134,173</u>	<u>\$ 643,152</u>

**STATE OF NEW MEXICO**  
City of Belen  
Nonmajor Governmental Funds  
Combining Balance Sheet  
June 30, 2013

Capital Projects

	Multi-Purpose Park	Alexander Airport	Library Renovation	Becker Avenue Project
<i>Assets</i>				
Cash and cash equivalents	\$ -	\$ -	\$ 4	\$ 169,195
Investments	-	-	-	-
Receivables:				
Other taxes	-	-	-	-
Other	-	-	-	-
<i>Total assets</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ 169,195</u>
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-
Funds held in trust	-	-	-	-
Due to other funds	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>				
Spendable				
Restricted for:				
Infrastructure maintenance	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Transportation and roads	-	-	-	-
Promotion	-	-	-	-
Debt service expenditures	-	-	-	-
Capital projects	-	-	4	169,195
Unassigned	-	-	-	-
<i>Total fund balances</i>	<u>-</u>	<u>-</u>	<u>4</u>	<u>169,195</u>
<i>Total liabilities and fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ 169,195</u>

The accompanying notes are an integral part of these financial statements

<u>Capital Projects</u>			
<u>Camino Del Llano</u>	<u>CDBG Housing Plan</u>	<u>Road/ Infrastructure Improvements</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ 609,692	\$ 3,281,087
-	-	-	982,775
-	-	-	93,290
-	-	-	91,472
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 609,692</u>	<u>\$ 4,448,624</u>
\$ 96	\$ -	\$ -	\$ 29,227
-	-	-	1,560
-	-	-	5,240
-	-	-	30,800
<u>96</u>	<u>-</u>	<u>-</u>	<u>66,827</u>
-	-	-	553,424
-	-	-	326,407
-	-	-	29,189
-	-	-	216,168
-	-	-	92,272
-	-	-	2,428,292
-	-	609,692	778,891
<u>(96)</u>	<u>-</u>	<u>-</u>	<u>(42,846)</u>
<u>(96)</u>	<u>-</u>	<u>609,692</u>	<u>4,381,797</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 609,692</u>	<u>\$ 4,448,624</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, 2013

	Special Revenue			
	Parks and Recreation	Fire Protection	EMS Rescue	1/8% GRT Infrastructure
<i>Revenues</i>				
Taxes				
Gross receipts	\$ -	\$ -	\$ -	\$ 452,050
Gasoline and motor vehicle taxes	-	-	-	-
Other	-	-	-	-
Intergovernmental income				
Federal operating grants	-	-	-	-
Federal capital grants	-	50,590	-	-
State operating grants	-	181,139	8,429	-
State capital grants	-	-	-	-
Charges for services	37,784	-	-	-
Licenses and fees	10,670	-	-	-
Interest income	-	-	-	-
Miscellaneous	26,061	-	-	-
<i>Total revenues</i>	<u>74,515</u>	<u>231,729</u>	<u>8,429</u>	<u>452,050</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	-	118,174	-	-
Public works	-	-	-	14,692
Culture and recreation	84,541	-	-	-
Health and welfare	-	-	8,429	-
Promotion	-	-	-	-
Capital outlay	-	467,096	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	10,000	-	-
<i>Total expenditures</i>	<u>84,541</u>	<u>595,270</u>	<u>8,429</u>	<u>14,692</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(10,026)</u>	<u>(363,541)</u>	<u>-</u>	<u>437,358</u>
<i>Other financing sources (uses)</i>				
Debt proceeds	-	427,000	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	(394,800)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>427,000</u>	<u>-</u>	<u>(394,800)</u>
<i>Net change in fund balances</i>	<u>(10,026)</u>	<u>63,459</u>	<u>-</u>	<u>42,558</u>
<i>Fund balances - beginning of year</i>	32,884	171,689	-	510,866
<i>Fund balances - restatement</i>	(236)	(2,884)	-	-
<i>Fund balances - beginning as restated</i>	<u>32,648</u>	<u>168,805</u>	<u>-</u>	<u>510,866</u>
<i>Fund balances - end of year</i>	<u>\$ 22,622</u>	<u>\$ 232,264</u>	<u>\$ -</u>	<u>\$ 553,424</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

Department of Justice	Jail	Evidence	Law Enforcement	Confiscated Fund	Lodger's Tax
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	50,324
-	-	-	-	-	-
-	-	-	-	-	-
5,563	-	-	31,400	-	-
-	-	-	-	-	-
-	98,344	-	-	-	-
-	-	-	-	-	-
-	-	9,344	-	-	-
<u>5,563</u>	<u>98,344</u>	<u>9,344</u>	<u>31,400</u>	<u>-</u>	<u>50,324</u>
-	-	-	-	-	-
5,463	97,801	-	8,731	1,540	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	24,993
-	-	-	22,669	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>5,463</u>	<u>97,801</u>	<u>-</u>	<u>31,400</u>	<u>1,540</u>	<u>24,993</u>
<u>100</u>	<u>543</u>	<u>9,344</u>	<u>-</u>	<u>(1,540)</u>	<u>25,331</u>
-	-	-	-	-	-
-	1,801	-	-	5,000	-
-	-	-	-	-	-
<u>-</u>	<u>1,801</u>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>-</u>
<u>100</u>	<u>2,344</u>	<u>9,344</u>	<u>-</u>	<u>3,460</u>	<u>25,331</u>
-	(10,418)	32,757	(30,800)	-	66,941
-	(3,876)	-	-	-	-
<u>-</u>	<u>(14,294)</u>	<u>32,757</u>	<u>(30,800)</u>	<u>-</u>	<u>66,941</u>
<u>\$ 100</u>	<u>\$ (11,950)</u>	<u>\$ 42,101</u>	<u>\$ (30,800)</u>	<u>\$ 3,460</u>	<u>\$ 92,272</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, 2013

	Special Revenue			
	Belen Community Garden	Property Abatement Fund	Judicial Fund	Martin Luther King
<i>Revenues</i>				
Taxes				
Gross receipts	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle taxes	-	-	-	-
Other	-	-	-	-
Intergovernmental income				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	1,790
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,790</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	1,460
Public safety	-	-	-	-
Public works	-	92,152	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Promotion	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>92,152</u>	<u>-</u>	<u>1,460</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(92,152)</u>	<u>-</u>	<u>330</u>
<i>Other financing sources (uses)</i>				
Debt proceeds	-	-	-	-
Transfers in	-	100,000	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>7,848</u>	<u>-</u>	<u>330</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,293</u>
<i>Fund balances - restatement</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning as restated</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,293</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ 7,848</u>	<u>\$ -</u>	<u>\$ 1,623</u>

The accompanying notes are an integral part of these financial statements

Special Revenue			Debt Service		
Technology Infrastructure Fee	RSVP	Street Paving Revolving	2008 GRT Revenue Bonds	Debt Service	2005 GRT Revenue Bonds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	149,631	-	-	-
-	-	-	-	-	-
-	36,185	-	-	-	-
-	-	-	-	-	-
-	7,934	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
60,872	-	-	-	-	-
-	-	-	563	1,599	11,320
-	198	-	-	-	33,704
<u>60,872</u>	<u>44,317</u>	<u>149,631</u>	<u>563</u>	<u>1,599</u>	<u>45,024</u>
12,690	-	-	500	230	4,673
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	83,179	-	-	-	-
-	-	-	-	-	-
33,198	-	-	-	-	-
-	-	-	210,000	541,095	385,000
-	-	-	331,714	204,095	84,130
-	-	-	-	-	-
<u>45,888</u>	<u>83,179</u>	<u>-</u>	<u>542,214</u>	<u>745,420</u>	<u>473,803</u>
<u>14,984</u>	<u>(38,862)</u>	<u>149,631</u>	<u>(541,651)</u>	<u>(743,821)</u>	<u>(428,779)</u>
-	-	-	-	-	-
-	41,858	-	541,713	1,058,255	474,130
-	-	(78,615)	-	-	-
-	41,858	(78,615)	541,713	1,058,255	474,130
<u>14,984</u>	<u>2,996</u>	<u>71,016</u>	<u>62</u>	<u>314,434</u>	<u>45,351</u>
25,650	2,441	145,152	650,905	819,739	597,801
-	(493)	-	-	-	-
<u>25,650</u>	<u>1,948</u>	<u>145,152</u>	<u>650,905</u>	<u>819,739</u>	<u>597,801</u>
<u>\$ 40,634</u>	<u>\$ 4,944</u>	<u>\$ 216,168</u>	<u>\$ 650,967</u>	<u>\$ 1,134,173</u>	<u>\$ 643,152</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, 2013

	Capital Projects			
	Multi-Purpose Park	Alexander Airport	Library Renovation	Becker Avenue Project
<i>Revenues</i>				
Taxes				
Gross receipts	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle taxes	-	-	-	-
Other	-	-	-	-
Intergovernmental income				
Federal operating grants	-	108,167	-	-
Federal capital grants	91,546	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	219,000
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	6,956	4	-
<i>Total revenues</i>	<u>91,546</u>	<u>115,123</u>	<u>4</u>	<u>219,000</u>
<i>Expenditures</i>				
Current				
General government	-	130,816	-	-
Public safety	-	-	-	-
Public works	-	3,459	-	48,267
Culture and recreation	93,781	-	-	-
Health and welfare	-	-	-	-
Promotion	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>93,781</u>	<u>134,275</u>	<u>-</u>	<u>48,267</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(2,235)</u>	<u>(19,152)</u>	<u>4</u>	<u>170,733</u>
<i>Other financing sources (uses)</i>				
Debt proceeds	-	-	-	-
Transfers in	2,235	18,594	-	19,496
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>2,235</u>	<u>18,594</u>	<u>-</u>	<u>19,496</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>(558)</u>	<u>4</u>	<u>190,229</u>
<i>Fund balances - beginning of year</i>	-	558	-	(21,034)
<i>Fund balances - restatement</i>	-	-	-	-
<i>Fund balances - beginning as restated</i>	-	558	-	(21,034)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ 169,195</u>

The accompanying notes are an integral part of these financial statements



Capital Projects			
Camino Del Llano	CDBG Housing Plan	Road/ Infrastructure Improvements	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 452,050
-	-	-	149,631
-	-	-	50,324
-	-	-	144,352
-	21,355	-	163,491
-	-	-	234,465
-	-	-	219,000
-	-	-	37,784
-	-	-	169,886
-	-	-	13,482
-	-	-	78,057
-	21,355	-	1,712,522
-	-	-	150,369
-	-	-	231,709
7,009	13,117	487	179,183
-	-	-	178,322
-	-	-	91,608
-	-	-	24,993
-	-	-	522,963
-	-	-	1,136,095
-	-	-	619,939
-	-	-	10,000
7,009	13,117	487	3,145,181
(7,009)	8,238	(487)	(1,432,659)
-	-	-	427,000
6,396	3,645	610,179	2,883,302
-	-	-	(473,415)
6,396	3,645	610,179	2,836,887
(613)	11,883	609,692	1,404,228
517	(11,883)	-	2,985,058
-	-	-	(7,489)
517	(11,883)	-	2,977,569
\$ (96)	\$ -	\$ 609,692	\$ 4,381,797

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## STATE OF NEW MEXICO

Statement B-1

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, 2013

	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	-	-	-	-
Intergovernmental income				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	21,500	21,500	37,784	16,284
Licenses and fees	10,000	10,000	10,670	670
Interest income	-	-	-	-
Miscellaneous	20,000	20,000	26,061	6,061
<i>Total revenues</i>	<u>51,500</u>	<u>51,500</u>	<u>74,515</u>	<u>23,015</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	51,500	51,500	84,541	(33,041)
Health and welfare	-	-	-	-
Capital outlay				
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>51,500</u>	<u>51,500</u>	<u>84,541</u>	<u>(33,041)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(10,026)</u>	<u>(10,026)</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>	<u>-</u>	<u>-</u>	<u>(10,026)</u>	<u>(10,026)</u>
<i>Fund balance - beginning of year</i>	-	-	32,884	32,884
<i>Fund balances - restatement</i>	-	-	(236)	(236)
<i>Fund balances - beginning as restated</i>	-	-	32,648	32,648
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,622</u>	<u>\$ 22,622</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-2

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, 2013

	Budgeted Amounts		Actual (GAAP Basis)	Variations Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues</i>				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Intergovernmental income				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	50,590	50,590
State operating grants	135,000	181,139	181,139	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>135,000</u>	<u>181,139</u>	<u>231,729</u>	<u>50,590</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	121,809	121,809	118,174	3,635
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	467,096	467,096	-
Debt service				
Principal	-	-	-	-
Interest	-	-	10,000	(10,000)
<i>Total expenditures</i>	<u>121,809</u>	<u>588,905</u>	<u>595,270</u>	<u>(6,365)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>13,191</u>	<u>(407,766)</u>	<u>(363,541)</u>	<u>44,225</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(13,191)	(68,824)	-	68,824
Debt proceeds	-	476,590	427,000	(49,590)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(13,191)</u>	<u>407,766</u>	<u>427,000</u>	<u>19,234</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>63,459</u>	<u>63,459</u>
<i>Fund balance - beginning of year</i>	-	-	171,689	171,689
<i>Fund balances - restatement</i>	-	-	(2,884)	(2,884)
<i>Fund balances - beginning as restated</i>	-	-	168,805	168,805
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 232,264</u>	<u>\$ 232,264</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-3

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, 2013

	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	8,000	8,429	8,429	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>8,000</u>	<u>8,429</u>	<u>8,429</u>	<u>-</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	8,000	8,000	8,429	(429)
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>8,000</u>	<u>8,000</u>	<u>8,429</u>	<u>(429)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>429</u>	<u>-</u>	<u>(429)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	(429)	-	429
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(429)</u>	<u>-</u>	<u>429</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<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-4

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, 2013

	Budgeted Amounts		Actual	Variations
	Original	Final	(GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	408,000	457,850	452,050	(5,800)
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>408,000</u>	<u>457,850</u>	<u>452,050</u>	<u>(5,800)</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	13,200	13,200	14,692	(1,492)
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>13,200</u>	<u>13,200</u>	<u>14,692</u>	<u>(1,492)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>394,800</u>	<u>444,650</u>	<u>437,358</u>	<u>(7,292)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	(49,850)	-	49,850
Transfers in	-	-	-	-
Transfers (out)	(394,800)	(394,800)	(394,800)	-
<i>Total other financing sources (uses)</i>	<u>(394,800)</u>	<u>(444,650)</u>	<u>(394,800)</u>	<u>49,850</u>
<i>Net change in fund balance</i>	-	-	42,558	42,558
<i>Fund balance - beginning of year</i>	-	-	510,866	510,866
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 553,424</u>	<u>\$ 553,424</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-5

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, 2013

	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	-	5,563	5,563	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>5,563</u>	<u>5,563</u>	<u>-</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	-	5,463	5,463	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>5,463</u>	<u>5,463</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>100</u>	<u>100</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	(100)	-	100
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(100)</u>	<u>-</u>	<u>100</u>
<i>Net change in fund balance</i>	-	-	100	100
<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>\$ 100</u>	<u>\$ 100</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-6

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, 2013

	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	-	-	-	-
Intergovernmental income				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services				
Licenses and fees	87,900	95,596	98,344	2,748
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>87,900</u>	<u>95,596</u>	<u>98,344</u>	<u>2,748</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	87,900	87,900	97,801	(9,901)
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay				
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>87,900</u>	<u>87,900</u>	<u>97,801</u>	<u>(9,901)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>7,696</u>	<u>543</u>	<u>(7,153)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	(9,497)	-	9,497
Transfers in	-	1,801	1,801	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(7,696)</u>	<u>1,801</u>	<u>9,497</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>2,344</u>	<u>2,344</u>
<i>Fund balance - beginning of year</i>	-	-	(10,418)	(10,418)
<i>Fund balances - restatement</i>	-	-	(3,876)	(3,876)
<i>Fund balances - beginning as restated</i>	-	-	(14,294)	(14,294)
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,950)</u>	<u>\$ (11,950)</u>

The accompanying notes are an integral part of these financial statements



## STATE OF NEW MEXICO

Statement B-7

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, 2013

	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	-	-	9,344	9,344
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>9,344</u>	<u>9,344</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>9,344</u>	<u>9,344</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>	-	-	9,344	9,344
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>32,757</u>	<u>32,757</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,101</u>	<u>\$ 42,101</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-8

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, 2013

	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	30,800	31,400	31,400	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>30,800</u>	<u>31,400</u>	<u>31,400</u>	<u>-</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	-	-	8,731	(8,731)
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	30,800	30,800	22,669	8,131
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>30,800</u>	<u>30,800</u>	<u>31,400</u>	<u>(600)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>600</u>	<u>-</u>	<u>(600)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	(600)	-	600
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(600)</u>	<u>-</u>	<u>600</u>
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(30,800)</u>	<u>(30,800)</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (30,800)</u>	<u>\$ (30,800)</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-9

City of Belen

Confiscated Fund Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended June 30, 2013

	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	5,000	5,000	-	(5,000)
<i>Total revenues</i>	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	5,000	5,000	1,540	3,460
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>5,000</u>	<u>5,000</u>	<u>1,540</u>	<u>3,460</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(1,540)</u>	<u>(1,540)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	5,000	5,000
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>
<i>Net change in fund balance</i>	-	-	3,460	3,460
<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>\$ 3,460</u>	<u>\$ 3,460</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-10

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, 2013

	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	35,000	46,119	50,324	4,205
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>35,000</u>	<u>46,119</u>	<u>50,324</u>	<u>4,205</u>
<i>Expenditures</i>				
Current				
General government	35,000	35,000	24,993	10,007
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>35,000</u>	<u>35,000</u>	<u>24,993</u>	<u>10,007</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>11,119</u>	<u>25,331</u>	<u>14,212</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	(11,119)	-	11,119
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(11,119)</u>	<u>-</u>	<u>11,119</u>
<i>Net change in fund balance</i>	-	-	25,331	25,331
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>66,941</u>	<u>66,941</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 92,272</u>	<u>\$ 92,272</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-11

City of Belen

Belen Community Garden Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended June 30, 2013

	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	-	-	-	-
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>-</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-12

City of Belen

Property Abatement Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended June 30, 2013

	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	-	-	-	-
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	100,000	100,000	92,152	7,848
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>100,000</u>	<u>100,000</u>	<u>92,152</u>	<u>7,848</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(100,000)</u>	<u>(100,000)</u>	<u>(92,152)</u>	<u>7,848</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	90,000	90,000	-	(90,000)
Transfers in	10,000	10,000	100,000	90,000
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	7,848	7,848
<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>\$ 7,848</u>	<u>\$ 7,848</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-13

City of Belen

Judicial Fund Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended June 30, 2013

	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	-	-	-	-
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>-</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-14

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, 2013

	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	1,200	1,200	-	(1,200)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	300	300	1,790	1,490
<i>Total revenues</i>	<u>1,500</u>	<u>1,500</u>	<u>1,790</u>	<u>290</u>
<i>Expenditures</i>				
Current				
General government	1,500	1,500	1,460	40
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,500</u>	<u>1,500</u>	<u>1,460</u>	<u>40</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>330</u>	<u>330</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>	-	-	330	330
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,293</u>	<u>1,293</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,623</u>	<u>\$ 1,623</u>

The accompanying notes are an integral part of these financial statements



## STATE OF NEW MEXICO

Statement B-15

City of Belen

Technology Infrastructure Fee Special Revenue Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget (GAAP Basis) and Actual  
For the Year Ended June 30, 2013

	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	60,000	60,000	60,872	872
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>60,000</u>	<u>60,000</u>	<u>60,872</u>	<u>872</u>
<i>Expenditures</i>				
Current				
General government	20,000	20,000	12,690	7,310
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	40,000	40,000	33,198	6,802
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>60,000</u>	<u>60,000</u>	<u>45,888</u>	<u>14,112</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>14,984</u>	<u>14,984</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>	-	-	14,984	14,984
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>25,650</u>	<u>25,650</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,634</u>	<u>\$ 40,634</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, 2013

	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	-	-	-	-
Intergovernmental income				
Federal operating grants	32,436	32,436	36,185	3,749
Federal capital grants	-	-	-	-
State operating grants	12,262	12,262	7,934	(4,328)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	200	200	198	(2)
<i>Total revenues</i>	<u>44,898</u>	<u>44,898</u>	<u>44,317</u>	<u>(581)</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	83,147	83,147	83,179	(32)
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>83,147</u>	<u>83,147</u>	<u>83,179</u>	<u>(32)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(38,249)</u>	<u>(38,249)</u>	<u>(38,862)</u>	<u>(613)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	38,249	38,249	41,858	3,609
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>38,249</u>	<u>38,249</u>	<u>41,858</u>	<u>3,609</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>2,996</u>	<u>2,996</u>
<i>Fund balance - beginning of year</i>	-	-	2,441	2,441
<i>Fund balances - restatement</i>	-	-	(493)	(493)
<i>Fund balances - beginning as restated</i>	-	-	1,948	1,948
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,944</u>	<u>\$ 4,944</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, 2013

	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	110,800	151,378	149,631	(1,747)
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>110,800</u>	<u>151,378</u>	<u>149,631</u>	<u>(1,747)</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>110,800</u>	<u>151,378</u>	<u>149,631</u>	<u>(1,747)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(110,800)	(151,378)	-	151,378
Transfers in	-	-	-	-
Transfers (out)	-	-	(78,615)	(78,615)
<i>Total other financing sources (uses)</i>	<u>(110,800)</u>	<u>(151,378)</u>	<u>(78,615)</u>	<u>72,763</u>
<i>Net change in fund balance</i>	-	-	71,016	71,016
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>145,152</u>	<u>145,152</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 216,168</u>	<u>\$ 216,168</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-18

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, 2013

	Budgeted Amounts		Actual	Variances
	Original	Final	(GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	493,490	493,490	-	(493,490)
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	-	-	562	562
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>493,490</u>	<u>493,490</u>	<u>562</u>	<u>(492,928)</u>
<i>Expenditures</i>				
Current				
General government	-	-	500	(500)
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	210,000	210,000	210,000	-
Interest	331,713	331,713	331,713	-
<i>Total expenditures</i>	<u>541,713</u>	<u>541,713</u>	<u>542,213</u>	<u>(500)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(48,223)</u>	<u>(48,223)</u>	<u>(541,651)</u>	<u>(493,428)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(493,490)	(493,490)	-	493,490
Transfers in	541,713	541,713	541,713	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>48,223</u>	<u>48,223</u>	<u>541,713</u>	<u>493,490</u>
<i>Net change in fund balance</i>	-	-	62	62
<i>Fund balance - beginning of year</i>	-	-	650,905	650,905
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 650,967</u>	<u>\$ 650,967</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, 2013

	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	-	-	-	-
Interest income	-	-	1,599	1,599
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>1,599</u>	<u>1,599</u>
<i>Expenditures</i>				
Current				
General government	290	290	230	60
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	556,791	556,791	541,095	15,696
Interest	218,546	218,546	204,095	14,451
<i>Total expenditures</i>	<u>775,627</u>	<u>775,627</u>	<u>745,420</u>	<u>30,207</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(775,627)</u>	<u>(775,627)</u>	<u>(743,821)</u>	<u>31,806</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	775,627	775,627	1,058,255	282,628
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>775,627</u>	<u>775,627</u>	<u>1,058,255</u>	<u>282,628</u>
<i>Net change in fund balance</i>	-	-	314,434	314,434
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>819,739</u>	<u>819,739</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,134,173</u>	<u>\$ 1,134,173</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-20

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, 2013

	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	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	11,320	11,320
Miscellaneous	-	33,766	33,704	(62)
<i>Total revenues</i>	<u>-</u>	<u>33,766</u>	<u>45,024</u>	<u>11,258</u>
<i>Expenditures</i>				
Current				
General government	5,000	5,000	4,673	327
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	385,000	385,000	385,000	-
Interest	84,130	84,130	84,130	-
<i>Total expenditures</i>	<u>474,130</u>	<u>474,130</u>	<u>473,803</u>	<u>327</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(474,130)</u>	<u>(440,364)</u>	<u>(428,779)</u>	<u>11,585</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	(33,766)	-	33,766
Transfers in	474,130	474,130	474,130	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>474,130</u>	<u>440,364</u>	<u>474,130</u>	<u>33,766</u>
<i>Net change in fund balance</i>	-	-	45,351	45,351
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>597,801</u>	<u>597,801</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 643,152</u>	<u>\$ 643,152</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-21

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, 2013

	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	-	-	91,546	91,546
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>91,546</u>	<u>91,546</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	93,781	(93,781)
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>93,781</u>	<u>(93,781)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(2,235)</u>	<u>(2,235)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	2,235	2,235
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>2,235</u>	<u>2,235</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-22

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, 2013

	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	-	-	108,167	108,167
Federal capital grants	-	-	-	-
State operating grants	6,161	6,161	-	(6,161)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	685	685	6,956	6,271
<i>Total revenues</i>	<u>6,846</u>	<u>6,846</u>	<u>115,123</u>	<u>108,277</u>
<i>Expenditures</i>				
Current				
General government	-	-	130,816	(130,816)
Public safety	-	-	-	-
Public works	6,845	6,845	3,459	3,386
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>6,845</u>	<u>6,845</u>	<u>134,275</u>	<u>(127,430)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>1</u>	<u>1</u>	<u>(19,152)</u>	<u>(19,153)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(1)	(1)	-	1
Transfers in	-	-	18,594	18,594
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(1)</u>	<u>(1)</u>	<u>18,594</u>	<u>18,595</u>
<i>Net change in fund balance</i>	-	-	(558)	(558)
<i>Fund balance - beginning of year</i>	-	-	558	558
<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-23

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, 2013

	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	-	-	4	4
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>4</u>	<u>4</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>4</u>	<u>4</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>	-	-	4	4
<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>\$ 4</u>	<u>\$ 4</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-24

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, 2013

	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	-	-	219,000	219,000
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>219,000</u>	<u>219,000</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	48,267	(48,267)
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>48,267</u>	<u>(48,267)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>170,733</u>	<u>170,733</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	19,496	19,496
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>19,496</u>	<u>19,496</u>
<i>Net change in fund balance</i>	-	-	190,229	190,229
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(21,034)</u>	<u>(21,034)</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 169,195</u>	<u>\$ 169,195</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-25

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, 2013

	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	-	-	7,009	(7,009)
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>7,009</u>	<u>(7,009)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(7,009)</u>	<u>(7,009)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	6,396	6,396
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>6,396</u>	<u>6,396</u>
<i>Net change in fund balance</i>	-	-	(613)	(613)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>517</u>	<u>517</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (96)</u>	<u>\$ (96)</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-26

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, 2013

	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	-	-	-	-
Intergovernmental income				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	122,916	122,916
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>122,916</u>	<u>122,916</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	174,968	(174,968)
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>174,968</u>	<u>(174,968)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(52,052)</u>	<u>(52,052)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	60	60
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>60</u>	<u>60</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>(51,992)</u>	<u>(51,992)</u>
<i>Fund balance - beginning of year</i>	-	-	-	-
<i>Fund balances - restatement</i>	-	-	(169)	(169)
<i>Fund balances - beginning as restated</i>	-	-	(169)	(169)
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (52,161)</u>	<u>\$ (52,161)</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-27

City of Belen

CDBG Housing Plan Capital Projects Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended June 30, 2013

	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	27,500	27,500	21,355	(6,145)
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	5,000	5,000	-	(5,000)
<i>Total revenues</i>	<u>32,500</u>	<u>32,500</u>	<u>21,355</u>	<u>(11,145)</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	32,500	32,500	13,117	19,383
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>32,500</u>	<u>32,500</u>	<u>13,117</u>	<u>19,383</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>8,238</u>	<u>8,238</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	3,645	3,645
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>3,645</u>	<u>3,645</u>
<i>Net change in fund balance</i>	-	-	11,883	11,883
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(11,883)</u>	<u>(11,883)</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-28

City of Belen

Road/Infrastructure Improvements Capital Projects Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget (GAAP Basis) and Actual  
For the Year Ended June 30, 2013

	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	729,301	729,301	-	(729,301)
<i>Total revenues</i>	<u>729,301</u>	<u>729,301</u>	<u>-</u>	<u>(729,301)</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	487	(487)
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>487</u>	<u>(487)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>729,301</u>	<u>729,301</u>	<u>(487)</u>	<u>(729,788)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(729,301)	(729,301)	-	729,301
Transfers in	-	-	610,179	610,179
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(729,301)</u>	<u>(729,301)</u>	<u>610,179</u>	<u>1,339,480</u>
<i>Net change in fund balance</i>	-	-	609,692	609,692
<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>\$ 609,692</u>	<u>\$ 609,692</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-29

City of Belen

Wastewater Proprietary Fund

Statement of Revenues, Expenses and Changes in Net Position

Budget (GAAP Basis) and Actual

For the Year Ended June 30, 2013

	Budget Amounts		Actual (GAAP Basis)	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Operating revenues</i>				
Charges for services	\$ 1,022,500	\$ 1,022,500	\$ 1,184,115	\$ 161,615
<i>Total operating revenues</i>	<u>1,022,500</u>	<u>1,022,500</u>	<u>1,184,115</u>	<u>161,615</u>
<i>Operating expenses</i>				
Personnel services	304,745	304,745	261,812	42,933
Utilities	143,000	143,000	144,613	(1,613)
Contractual services	96,950	96,950	137,926	(40,976)
Supplies	34,500	34,500	51,516	(17,016)
Maintenance and materials	161,500	161,500	91,219	70,281
Gross receipts taxes	46,000	46,000	58,207	(12,207)
Other costs	2,109	2,109	2,994	(885)
<i>Total operating expenses</i>	<u>788,804</u>	<u>788,804</u>	<u>748,287</u>	<u>40,517</u>
<i>Operating income (loss)</i>	<u>233,696</u>	<u>233,696</u>	<u>435,828</u>	<u>202,132</u>
<i>Non-operating revenues (expenses)</i>				
Gross receipts taxes	-	-	-	-
Interest expense	-	-	-	-
Interest income	-	-	-	-
Miscellaneous income	-	-	370	370
<i>Total non-operating revenues (expenses)</i>	<u>-</u>	<u>-</u>	<u>370</u>	<u>370</u>
Government contributions	-	-	-	-
Transfers in	-	-	24,931	24,931
Transfers (out)	(190,414)	(190,414)	(190,414)	-
<i>Change in net position</i>	<u>\$ 43,282</u>	<u>\$ 43,282</u>	<u>270,715</u>	<u>\$ 227,433</u>
<i>Revenues (expenses) not budgeted:</i>				
Depreciation			(647,622)	
<i>Change in net position per Exhibit D-2</i>			<u>(376,907)</u>	
<i>Total net position - beginning of year</i>			14,860,399	
<i>Total net position - restatement</i>			<u>765,210</u>	
<i>Total net position - beginning as restated</i>			<u>15,625,609</u>	
<i>Total net position, end of year</i>			<u>\$ 15,248,702</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-30

City of Belen

Water Proprietary Fund

Statement of Revenues, Expenses and Changes in Net Position  
Budget (GAAP Basis) and Actual  
For the Year Ended June 30, 2013

	Budget Amounts		Actual (GAAP Basis)	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Operating revenues</i>				
Charges for services	\$ 1,291,744	\$ 1,291,744	\$ 1,604,171	\$ 312,427
<i>Total operating revenues</i>	<u>1,291,744</u>	<u>1,291,744</u>	<u>1,604,171</u>	<u>312,427</u>
<i>Operating expenses</i>				
Personnel services	361,146	361,146	461,824	(100,678)
Utilities	180,406	180,406	185,109	(4,703)
Contractual services	70,630	70,630	64,854	5,776
Supplies	92,000	92,000	97,249	(5,249)
Maintenance and materials	438,000	438,000	124,288	313,712
Gross receipts taxes	72,000	72,000	67,624	4,376
Other costs	30,886	30,886	31,019	(133)
<i>Total operating expenses</i>	<u>1,245,068</u>	<u>1,245,068</u>	<u>1,031,967</u>	<u>213,101</u>
<i>Operating income (loss)</i>	<u>46,676</u>	<u>46,676</u>	<u>572,204</u>	<u>525,528</u>
<i>Non-operating revenues (expenses)</i>				
Gross receipts taxes	160,000	160,000	190,200	30,200
Interest expense	-	-	(2,357)	(2,357)
Interest income	500	500	1,587	1,087
Gain on sale of fixed assets	-	-	4,529	4,529
Gain on sale of water rights	35,000	35,000	52,594	17,594
Miscellaneous income	-	-	875	875
<i>Total non-operating revenues (expenses)</i>	<u>195,500</u>	<u>195,500</u>	<u>247,428</u>	<u>51,928</u>
Government contributions	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	<u>(190,414)</u>	<u>(190,414)</u>	<u>(215,345)</u>	<u>(24,931)</u>
<i>Change in net position</i>	<u>\$ 51,762</u>	<u>\$ 51,762</u>	<u>604,287</u>	<u>\$ 552,525</u>
<i>Revenues (expenses) not budgeted:</i>				
Depreciation			<u>(182,612)</u>	
<i>Change in net position per Exhibit D-2</i>			<u>421,675</u>	
<i>Total net position - beginning of year</i>			6,502,940	
<i>Total net position - restatement</i>			<u>(113,377)</u>	
<i>Total net position - beginning as restated</i>			<u>6,389,563</u>	
<i>Total net position, end of year</i>			<u>\$ 6,811,238</u>	

The accompanying notes are an integral part of these financial statements



## STATE OF NEW MEXICO

Statement B-31

City of Belen

Solid Waste Proprietary Fund

Statement of Revenues, Expenses and Changes in Net Position

Budget (GAAP Basis) and Actual

For the Year Ended June 30, 2013

	Budget Amounts		Actual (GAAP Basis)	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Operating revenues</i>				
Charges for services	\$ 1,210,000	\$ 1,210,000	\$ 1,216,116	\$ 6,116
<i>Total operating revenues</i>	<u>1,210,000</u>	<u>1,210,000</u>	<u>1,216,116</u>	<u>6,116</u>
<i>Operating expenses</i>				
Personnel services	30,613	30,613	34,464	(3,851)
Utilities	8,500	8,500	5,614	2,886
Contractual services	1,058,520	1,058,520	967,583	90,937
Supplies	4,800	4,800	5,660	(860)
Maintenance and materials	10,000	10,000	3,936	6,064
Gross receipts taxes	60,000	60,000	62,669	(2,669)
Other costs	4,886	4,886	3,672	1,214
<i>Total operating expenses</i>	<u>1,177,319</u>	<u>1,177,319</u>	<u>1,083,598</u>	<u>93,721</u>
<i>Operating income (loss)</i>	<u>32,681</u>	<u>32,681</u>	<u>132,518</u>	<u>99,837</u>
<i>Non-operating revenues (expenses)</i>				
Gross receipts taxes	82,000	82,000	112,986	30,986
Gain on sale of fixed asset	-	-	-	-
Miscellaneous income	-	-	-	-
<i>Total non-operating revenues (expenses)</i>	<u>82,000</u>	<u>82,000</u>	<u>112,986</u>	<u>30,986</u>
Government contributions	-	85,000	85,000	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Change in net position</i>	<u>\$ 114,681</u>	<u>\$ 199,681</u>	<u>330,504</u>	<u>\$ 130,823</u>
<i>Revenues (expenses) not budgeted:</i>				
Depreciation			<u>(6,855)</u>	
<i>Change in net position per Exhibit D-2</i>			<u>323,649</u>	
<i>Total net position - beginning of year</i>			(51,240)	
<i>Total net position - restatement</i>			<u>(69,481)</u>	
<i>Total net position - beginning as restated</i>			<u>(120,721)</u>	
<i>Total net position, end of year</i>			<u>\$ 202,928</u>	

The accompanying notes are an integral part of these financial statements

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**SUPPORTING SCHEDULES**

**STATE OF NEW MEXICO**  
City of Belen  
Schedule of Deposit and Investment Accounts  
June 30, 2013

Schedule I

Bank Name/Account Name	Account Type	Bank Balance	Deposits in Transit	Outstanding Checks	Book Balance
<b>Wells Fargo Bank</b>					
General Fund	Checking	\$ 5,797,340	\$ 12,014	\$ 216,200	\$ 5,593,154
General 1/12th	Checking	1,346,870	-	-	1,346,870
Certificate of Deposit - Investment	CD	250,000	-	-	250,000
Total Wells Fargo Bank		<u>7,394,210</u>	<u>12,014</u>	<u>216,200</u>	<u>7,190,024</u>
<b>My Bank</b>					
Meter Deposits	Checking	117,134	-	-	117,134
Total My Bank		<u>117,134</u>	<u>-</u>	<u>-</u>	<u>117,134</u>
<b>US Bank</b>					
Certificate of Deposit - Investment	CD	200,000	-	-	200,000
Certificate of Deposit - Investment	CD	550,775	-	-	550,775
Total US Bank		<u>750,775</u>	<u>-</u>	<u>-</u>	<u>750,775</u>
<b>Bank of Albuquerque - Investments</b>					
Certificate of Deposit - Investment	CD	232,000	-	-	232,000
Total Bank of Albuquerque		<u>232,000</u>	<u>-</u>	<u>-</u>	<u>232,000</u>
<b>First Community Bank</b>					
Belen Firetruck Reserve	Checking	39,190	-	-	39,190
Total First Community Bank		<u>39,190</u>	<u>-</u>	<u>-</u>	<u>39,190</u>
<b>New Mexico Finance Authority - Cash</b>					
	State Treasurer				
NMFA Reserve Accounts	Debt Service	573,439	-	-	573,439
Total New Mexico Finance Authority		<u>573,439</u>	<u>-</u>	<u>-</u>	<u>573,439</u>
<b>Total deposits and investments</b>		<u>\$ 9,106,748</u>	<u>\$ 12,014</u>	<u>\$ 216,200</u>	8,902,562
Plus: petty cash					400
Less: restricted investments - Exhibit A-1					432,000
Less: investments per Exhibit A-1					800,775
Cash and cash equivalents per Exhibit A-1					<u>\$ 7,670,187</u>

See independent auditors' report

## STATE OF NEW MEXICO

Schedule II

City of Belen

Schedule of Collateral Pledged By Depository for Public Funds

June 30, 2013

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value at June 30, 2013	Name and Location of Safekeeper
<b>Wells Fargo Bank</b>					
	FMAC FGPC	9/1/2026	3128PWMK1	\$ 1,612,898	BNY Mellon, New York, NY
	FNMA FNMS	12/1/2040	3138A2BQ1	19,983	BNY Mellon, New York, NY
	FNMA FNMS	12/1/2040	3138A2BX6	18,514	BNY Mellon, New York, NY
	FNMA FNMS	12/1/2025	3138A2CB3	41,884	BNY Mellon, New York, NY
	FNMA FNMS	1/1/2041	3138A2MN6	30,427	BNY Mellon, New York, NY
	FNMA FNMS	12/1/2025	3138A2VJ5	38,374	BNY Mellon, New York, NY
	FNMA FNMS	2/1/2041	3138A54P4	176,919	BNY Mellon, New York, NY
	FNMA FNMS	2/1/2041	3138A7FZ6	2,960	BNY Mellon, New York, NY
	FNMA FNMS	3/1/2041	3138A8RD0	40,320	BNY Mellon, New York, NY
	FNMA FNMS	3/1/2026	3138A9LN2	6,910	BNY Mellon, New York, NY
	FNMA FNMS	3/1/2041	3138AAZX3	46,801	BNY Mellon, New York, NY
	FNMA FNMS	5/1/2041	3138ACBF3	26,118	BNY Mellon, New York, NY
	FNMA FNAR	9/1/2041	3138APRZ3	12,131	BNY Mellon, New York, NY
	FNMA FNMS	11/1/2026	3138AVF83	33,989	BNY Mellon, New York, NY
	FNMA FNMS	11/1/2026	3138AXSK8	16,816	BNY Mellon, New York, NY
	FNMA FNMS	3/1/2042	3138E5LF3	28,002	BNY Mellon, New York, NY
	FNMA FNMS	8/1/2026	3138EGU69	103,837	BNY Mellon, New York, NY
	FNMA FNMS	9/1/2042	3138MBYT7	220,201	BNY Mellon, New York, NY
	FNMA FNMS	1/1/2043	3138MRF30	47,994	BNY Mellon, New York, NY
	FNMA FNMS	12/1/2042	3138NWR43	19,121	BNY Mellon, New York, NY
	FNMA FNMS	1/1/2043	3138NXKJ5	4,804	BNY Mellon, New York, NY
	FNMA FNMS	2/1/2043	3138NY4U6	14,505	BNY Mellon, New York, NY
	FNMA FNMS	1/1/2043	3138W0XR5	33,950	BNY Mellon, New York, NY
	FNMA FNMS	3/1/2043	3138W7GH1	198,944	BNY Mellon, New York, NY
	FNMA FNMS	3/1/2043	3138W7GX6	150,403	BNY Mellon, New York, NY
	FNMA FNMS	5/1/2043	3138WQAY8	14,642	BNY Mellon, New York, NY
	FNMA FNMS	1/1/2043	31417EKV2	19,304	BNY Mellon, New York, NY
	FNMA FNMS	1/1/2043	31417ESU6	139,180	BNY Mellon, New York, NY
	FNMA FNMS	2/1/2042	31418ADH8	4,116	BNY Mellon, New York, NY
	FNMA FNMS	8/1/2040	31418V4X7	12,074	BNY Mellon, New York, NY
	FNMA FNMS	8/1/2040	31418WPP9	32,992	BNY Mellon, New York, NY
	FNMA FNMS	12/1/2039	31419AGZ4	10,212	BNY Mellon, New York, NY
	FNMA FNMS	9/1/2040	31419ANB9	163,024	BNY Mellon, New York, NY
	FNMA FNMS	3/1/2041	31419BCT0	318,256	BNY Mellon, New York, NY
	Total Wells Fargo Bank			<u>3,660,605</u>	
<b>US Bank</b>					
	FNMA FNCL POOL	9/1/2036	31410PWP4	<u>545,972</u>	Federal Home Loan Bank, Dallas, Texas
	Total US Bank			<u>545,972</u>	
<b>Bank of Albuquerque</b>					
	FNR 2009-53	11/25/2026	31396QES4	<u>51,466</u>	Federal Home Loan Bank, Topeka, Kansas
	Total Bank of Albuquerque			<u>51,466</u>	
	Total Pledged Collateral			<u>\$ 4,258,043</u>	

See independent auditors' report

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**COMPLIANCE SECTION**



**Accounting & Consulting Group, LLP**  
Certified Public Accountants

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

**INDEPENDENT AUDITORS' REPORT**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and the major special revenue fund of the City of Belen, New Mexico (the "City") as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents, and the combining and individual funds and related budgetary comparisons of the City presented as supplementary information, and have issued our report thereon dated November 20, 2013.

**Internal Control Over Financial Reporting**

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as FS 2007-02, FS 2009-02, and FS 2010-01 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as FS 2009-01 and FS 2012-03 to be significant deficiencies.



## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items FS 2009-01, FS 2009-04, FS 2013-001, FS 2013-002, FS-2013-003, and FS 2013-004.

## **City's Responses to Findings**

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

## **Purpose of this Report**

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

*Accounting & Consulting Group, LLP*

Accounting & Consulting Group, LLP  
Albuquerque, NM  
November 20, 2013

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**FEDERAL FINANCIAL ASSISTANCE**



**Accounting & Consulting Group, LLP**  
Certified Public Accountants

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

**INDEPENDENT AUDITORS' REPORT**

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

**Report on Compliance for Each Major Federal Program**

We have audited the City of Belen's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Belen's major federal programs for the year ended June 30, 2013. The City of Belen's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

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

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

**Opinion on Each Major Federal Program**

In our opinion, the City of Belen complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

## Report on Internal Control over Compliance

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

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

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

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

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP  
Albuquerque, NM  
November 20, 2013

**STATE OF NEW MEXICO**  
City of Belen  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2013

<u>Federal Grantor/Passthrough Grantor/Program Title</u>	<u>Grant Number</u>	<u>Federal CFDA Number</u>	<u>Disbursements/ Expenditures</u>
U. S. Department of Agriculture			
Direct programs:			
Community Facilities Loan/Grant Program		10.766 (1)	\$ 467,096
Total U. S. Department of Agriculture			467,096
Department of Housing and Urban Development			
Passed through the State of New Mexico:			
Community Development Block Grant		14.228	21,355
EDI Special Projects - Eagle Park	B-6-SP-NM-06	14.XXX	91,546
Total Department of Housing and Urban Development			112,901
Federal Aviation Administration			
Direct programs:			
Airport Improvement Grant	E80-12-02	20.106	108,167
Total Federal Aviation Administration			108,167
Corporation for National and Community Service			
Passed through the NM Department Area Agency on Aging:			
Retired Senior Volunteer Program (RSVP)	14-624-4000-0054	94.002	29,720
Total Corporation for National and Community Service			29,720
Total Federal Financial Assistance			\$ 717,884

(1) Denotes major Federal financial assistance program

See independent auditors' report  
See accompanying notes to schedule of expenditures of federal awards

**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, New Mexico (the City) and is presented on the modified accrual basis of accounting, which is the same basis as was used to prepare the fund financial statements. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

**2 Subrecipients**

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

**3 Non-Cash Federal Assistance**

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

**4 Loan Amounts**

The City owed \$427,000 to the United States Department of Agriculture at June 30, 2013 under the Community Facilities Loan/Grant Program.

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

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 717,884
Total expenditures funded by other sources	<u>10,729,516</u>
Total expenditures	<u><u>\$ 11,447,400</u></u>

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**STATE OF NEW MEXICO**  
City of Belen  
Schedule of Findings and Questioned Costs  
June 30, 2013

**Section I – Summary of Auditor’s Results**

*Financial Statements:*

- |  |            |
|--|------------|
| 1. Type of auditors’ report issued   | Unmodified |
| 2. Internal control over financial reporting:                                    |            |
| a. Material weaknesses 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. Type of auditors’ report issued on compliance for major programs   | Unmodified |
| 2. Internal control over major programs:  |            |
| a. Material weaknesses identified?  | No         |
| b. Significant deficiencies identified not considered to be material weaknesses?                                      | No         |
| 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
10.766	Community Facilities Loans and Grants

- |   |           |
|---|-----------|
| 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, 2013

**Section II – Prior Year Audit Findings**

**Prior Year Audit Findings**

**Financial Statement Findings**

<b>Financial Statement Findings</b>		<b>Disposition</b>
FS 2007-02	Preparation of Financial Statements	Repeated
FS 2009-01	PERA Reports and General Ledger	Modified and repeated
FS 2009-02	Landfill Postclosure Liability	Repeated
FS 2009-04	Budgetary Noncompliance	Modified and repeated
FS 2010-01	Design Deficiencies in Internal Control over Financial Reporting	Modified and repeated
FS 2012-01	Accrued Vacation Calculations	Resolved, not repeated
FS 2012-02	Stale Dated Transaction Not Cancelled	Resolved, not repeated
FS 2012-03	Controls over Physical and Virtual Access not Implemented	Modified and repeated
FS 2012-04	Missing and Incomplete Procurement Documentation	Resolved, not repeated

**Section III – Findings - Financial Statement Audit**

**FS 2007-02 Preparation of Financial Statements (Material Weakness)**

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

*Criteria:* According to the Accounting Standards Board Statement on Auditing Standards No. 115, 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' Recommendations:* 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's Caselle financial statements have been converted to GAAP format. All financial statements are reviewed every month for errors and/or omissions. Every balance sheet account except for fixed assets is reconciled on a monthly basis. The City will look into training opportunities on financial statement preparation.

**Section III – Findings - Financial Statement Audit (continued)**

**FS 2009-01 PERA Report Preparation (Significant Deficiency/Noncompliance)**

*Condition:* Contribution Remittance reports filed with PERA during the year ended June 30, 2013 were not properly completed. The reports only included the total amount due to PERA for employer and employee contributions, and did not report total wages subject to PERA.

*Criteria:* Per NMAC 2.2.2.10 G (7), 100% of payroll must be reported to PERA.

*Effect:* The City is not in compliance with Public Employees Retirement Act reporting requirements.

*Cause:* The City is unable to generate a report showing the total wages subject to PERA for inclusion on the reports submitted.

*Auditors' Recommendation:* We recommend that the City develop a report to calculate the total wages subject to PERA for inclusion on submitted reports.

*Agency's Response:* The Payroll clerk has corrected the problem by creating a report that shows the total wages subject to PERA included with the total amount due to PERA for employer and employee contributions.

**FS 2009-02 Landfill Postclosure Liability (Material Weakness)**

*Condition:* The City originally obtained an engineering study for the landfill, however there has been no recent study conducted to update the estimated landfill liability as of June 30, 2013.

*Criteria:* GASB Statement No. 18 requires the landfill liability to be evaluated and estimated annually.

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

*Cause:* The City has not performed an engineering study or considered the effect of inflation and changes in estimate in order to properly estimate their landfill liability.

*Auditors' Recommendations:* The City should hire a firm to conduct an engineering study related to the estimated landfill postclosure liability and annually update the estimate based on costs incurred, the effect of inflation and deflation, and any other changes.

*Agency's Response:* In the City's 2013-2014 Budget, funds have been earmarked for the completion of a new study.

**STATE OF NEW MEXICO**  
 City of Belen  
 Schedule of Findings and Questioned Costs  
 June 30, 2013

**Section III – Findings - Financial Statement Audit (continued)**

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

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

<u>Governmental Funds</u>	
General Fund	\$ 604,140
Parks and Recreation Special Revenue Fund	33,041
Fire Protection Special Revenue Fund	6,365
EMS Rescue Special Revenue Fund	429
1/8% GRT Infrastructure Special Revenue Fund	1,492
1/2% GRT Infrastructure Special Revenue Fund	1,919
Jail Special Revenue Fund	9,901
Law Enforcement Special Revenue Fund	600
RSVP Special Revenue Fund	32
2008 GRT Revenue Bonds Special Revenue Fund	500
Multi-Purpose Park Capital Projects Fund	93,781
Alexander Airport Capital Projects Fund	127,430
Becker Avenue Capital Projects Fund	48,267
Camino del Llano Capital Projects Fund	7,009
Christopher Road Capital Projects Fund	174,968
Road/Infrastructure Improvements Capital Projects Fund	487

When the City’s budgeted expenditures exceed its budgeted revenue, the City 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.

Designated cash appropriations exceeded available balances in the following funds:

<u>Governmental Funds</u>	
Property Abatement Special Revenue Fund	\$ 90,000

*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. 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. In addition, Section 2.2.2.10. (P) (1), NMAC, states that the City’s cash balances rebudgeted to absorb budget deficits cannot exceed the actual cash balance available at the end of the prior year.

*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.

*Cause:* There was inadequate monitoring of budgeting procedures at year end.

**Section III – Findings - Financial Statement Audit (continued)**

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

*Auditors' Recommendations:* We recommend all City funds, with the exception of agency funds, be budgeted and approved by the City Council. Once adopted, budgets must be monitored for compliance with state statute. In addition, we recommend the City's cash balances rebudgeted to absorb budget deficits do not exceed the actual cash balances available at the end of the prior year.

*Agency's Response:* All City funds are approved by the City Council upon the budget approval process. All funds are monitored monthly to ensure that sufficient cash is available. The City will ensure that cash balances rebudgeted to absorb budget deficits do not exceed the actual cash balances available at the end of the prior year.

**FS 2010-01 Design Deficiencies in Internal Control over Financial Reporting (Material Weakness)**

*Condition:* The City's internal control structure is inadequate. The City does not have a comprehensive documented internal control system over financial information. The City does not maintain proper oversight or monitoring in regards to the City's accounting activities and has not taken the proper measures to monitor and mitigate the risk for fraud, misappropriation of assets, or misstatement of financial statements. During our audit, we noted the following internal control deficiencies:

- The Finance Clerk and Accounts Payable Clerk both have access to all modules in the accounting system used in the cash disbursement process.
- The Finance Clerk and the Accounts Payable Clerk are able to make changes to the vendor master file. These changes are not reviewed or approved.
- Manual journal entries are prepared and posted by the Finance Clerk without independent review.
- Bank reconciliations are prepared by the Finance Clerk without independent review.
- The Utility Collections Supervisor and Cashiers perform incompatible duties within the cash receipting process, including opening mail, receipting funds from the mail and in person, posting cash receipts to the customer accounts and the general ledger, and changing information in the customer master file without approval or review.
- Adjustments to cash and customer accounts can be made the Utility Collections Supervisor and are not reviewed.
- Changes and adjustments to the customer master records are not required to be reviewed after entry into the system.
- Delinquent receivables for utility billings are not regularly reviewed.
- Billing for one customer was incorrectly calculated, and the customer was being billed in increments of 100 gallons instead of 1,000 gallons. This situation existed for several years; the total overbilling has not been determined.
- Deposit slips for funds received through the Utility Department are not matched to supporting documentation before being taken to the bank for deposit.
- Inadequate segregation of duties at the Municipal Court results in one individual often being responsible for all aspects of a court case, including input of data and collection of funds.
- The City does not have an updated policy for safeguarding capital assets.
- The City does not have an updated policy for identifying impairment of capital assets.
- A capital asset inventory was conducted during the year, but changes resulting from the inventory were not properly reflected in the accounting records. This resulted in assets not properly included in the capital asset listing.
- One deposit of \$80.41 out of five deposits tested totaling \$424.57 was not deposited within 24 hours of receipt.
- For two checks tested totaling \$160 out of five checks tested totaling \$768, the check register reviewed by the Finance Clerk, City Manager, and Mayor was not available for review.

**Section III – Findings - Financial Statement Audit (continued)**

**FS 2010-01 Design Deficiencies in Internal Control over Financial Reporting (Material Weakness) (continued)**

- In payroll testwork, we noted one paycheck where timesheets provided did not match the number of hours paid to the employee.
- In payroll testwork, we noted two pay periods where the payroll register reviewed by the City Manager was not available for review.
- In testwork over 209 voided and missing checks, we could not locate the physical copy of the check to verify that it was properly defaced in 21 cases.
- In testwork over bank reconciliations, we noted one outstanding deposit listed at \$3,352 that was not a proper reconciling item.
- While performing the Search for Unrecorded Liabilities, we discovered \$130,793 in accounts payable that had not been accrued by the client.

*Criteria:* NMAC 6.20.2.11 states:

A. Every City shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP, and that state and federal programs are managed in compliance with applicable laws and regulations. The internal control structure shall include written administrative controls (rules, procedures and practices, and policies that affect the organization) and accounting controls (activity cycles, financial statement captions, accounting applications including computer systems) that are in accordance with GAAP.

B. Each City shall develop, establish and maintain a structure of internal accounting controls and written procedures to provide for segregation of duties, a system of authorization and recording procedures, and sound accounting practices in performance of duties and functions. The duties to be segregated are the authorization to execute a transaction, recording the transaction, and custody of assets involved in the transaction.

- (1) City management must ensure that protection of the public trust is a major focus when granting the authorization to execute business of the City.
- (2) Employees handling significant amounts of cash must be adequately bonded. Access to assets is permitted only in accordance with City authorization.
- (3) Receipts, checks or warrants, purchase orders, and vouchers shall be sequentially pre-numbered.
- (4) The City shall have proper safeguards to protect unused checks and other pre-numbered forms, undeposited cash and other receipts, and facsimile signature plates.
- (5) Transactions are to be recorded as necessary to permit preparation of financial statements in conformity with GAAP. In addition, the City shall establish any other criteria applicable to such statements to maintain accountability for assets.
- (6) The City shall conduct independent checks on performance and proper valuation of recorded amounts, such as clerical checks, reconciliations, comparison of assets with recorded accountability, computer-programmed controls, management review of reports that summarize the detail of account balances, and user review of computer generated reports.

C. An internal control structure is required to demonstrate the City's ability to record, process, summarize and report financial data consistent with the following financial statement assertions:

- (1) rights and ownership;
- (2) existence and occurrence;
- (3) valuation and allocations;
- (4) completeness; and,
- (5) presentation and disclosure.

**Section III – Findings - Financial Statement Audit (continued)**

**FS 2010-01 Design Deficiencies in Internal Control over Financial Reporting (Material Weakness)(continued)**

D. The internal control structure shall demonstrate that the City identifies applicable laws and regulations, and that procedures are designed to provide reasonable assurance that the City complies with those laws and regulations. Internal control procedures shall be established, implemented and documented through City correspondence, manuals, training, and other additional methods. Appropriate internal control procedures shall be adopted by the Council within a City to safeguard its assets, check the accuracy and reliability of its accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies. The internal control structure shall address all City transactions.

The SAS No. 112 Appendix lists the following circumstances as a possible control deficiency, significant deficiency, or material weakness, “inadequate documentation of the components of internal control.” SAS 112 paragraph 19 states that ineffective oversight of the agency’s financial reporting and internal control by those charged with governance should be regarded as at least a significant deficiency and a strong indicator of a material weakness in internal control.

*Effect:* Because certain internal controls have weaknesses in design, key controls are not in place to properly safeguard assets and prevent or detect material misstatements due to errors or fraud.

*Cause:* The City has not performed a formalized and documented risk assessment process for those key controls in place to prevent and detect errors or fraud.

*Auditors’ Recommendations:* The City should ensure that a comprehensive internal control structure over financial information is designed, documented, and implemented. Management should follow and ensure that all staff follows the City’s documented internal control procedures. The City Council is charged with governance and should provide effective oversight of the internal control and financial reporting process.

*Agency’s Response:* Management shall ensure that all staff follows the City’s documented internal control procedures.

**FS 2012-03 Controls over Physical and Virtual Access not Implemented (Significant Deficiency)**

*Condition:* Procedures regarding cancelling employee physical and virtual access to City property are not being properly followed. The Information Technology Department is not being notified of employee terminations in a timely manner in order to cancel employee access to systems and cancel the cards granting access to City property.

*Criteria:* Safeguarding public assets and information is a primary responsibility of the City.

*Effect:* City assets and/or data could be misappropriated.

*Cause:* The Human Resources Department is not following City policy in notifying the Information Technology Department of the termination and the need to cancel the access for terminated employees.

*Auditors’ Recommendations:* We recommend that all departments be reminded of the necessity of following City policies and procedures, including those for notification of appropriate personnel at termination of employment.

*Agency’s Response:* The City will reinforce the City’s policy on notifying the IT department when there is a status change for an employee.



**Section III – Findings - Financial Statement Audit (continued)**

**FS 2013-001 Incorrect Per Diem Payment (Other Matter)**

*Condition:* During testwork over accrued compensation accruals, we noted that one individual received a check for per diem that was in excess of the proper amount. The individual decided to return home each night instead of staying overnight, but was paid the per diem rate for overnight travel. The excess per diem amount paid was \$340.

*Criteria:* NMAC 6.20.2.19 requires the City to comply with the Per Diem and Mileage Act, Sections 10-8-1 through 10-8-4, for all per diem and reimbursement rates.

*Effect:* The City overpaid the individual's per diem amount by \$340.

*Cause:* Revision of the payment amount was overlooked when the individual changed plans for the trip.

*Auditors' Recommendation:* We recommend that all travel and per diem expenditures be reviewed carefully prior to approval and prior to payment.

*Agency's Response:* The Finance Department will verify that all travel and per diem expenditures are accurate and reviewed carefully to ensure proper payout.

**FS 2013-002 – Department of Finance and Administration Cash Report (Other Matter)**

*Condition:* During testwork, we noted that the City's Cash Report to the Department of Finance and Administration would not tie to the City's general ledger cash by \$254,609. Upon review of the report, it appears that the difference is due to differences in the beginning cash balance amounts.

*Criteria:* NMSA 1978 6.6.3 states that every local public body shall make all reports as may be required by the local government division. The local government division requires that municipalities file quarterly financial reports for review by the local government division.

*Effect:* The City is unable to provide the Department of Finance and Administration cash balances which tie to the City's cash.

*Cause:* The City has not been reconciling cash balances to the Department of Finance and Administration reports quarterly.

*Auditors' Recommendations:* We recommend the City reconcile balances on the cash accounts in the accounting system to the balances reported to the Department of Finance and Administration quarterly.

*Agency's Response:* The City will provide the Department of Finance and Administration cash balances which tie to the City's cash by reconciling the cash balances as part of the month end process.

**Section III – Findings - Financial Statement Audit (continued)**

**FS 2013-003 — Annual Inventory (Other Matter)**

*Condition:* The City did not certify an annual capital asset inventory of all movable chattels and equipment on the inventory listing.

*Criteria:* According to State Audit Rule 2.2.2.10 Y Capital Asset Inventory: (2) Section 12-6-10(A) NMSA 1978 requires each agency to conduct an annual physical inventory of movable chattels and equipment on the inventory list at the end of each fiscal year. The agency shall certify the correctness of the inventory after the physical inventory. This certification should be provided to the agency's auditors.

*Effect:* The capital asset inventory listing prepared by the City is not in compliance with the State Audit Rule.

*Cause:* The City did perform an annual inventory count but overlooked the requirement to have the City Council certify the inventory.

*Auditors' Recommendation:* We recommend the City present the capital asset inventory to the City Council for certification in a timely manner.

*Agency's Response:* The City's annual inventory, when complete, will be presented to the City Council in a public meeting for Certification. The City Council will certify the list of all current and disposed inventories.

**2013-0004 Late Submission of IPA Recommendation and Audit Contract to the State Auditor (Other Matter)**

*Condition:* The audit contract for the June 30, 2013 fiscal year end audit was submitted to the State Auditor on May 30, 2013, after the due date of May 15, 2013.

*Criteria:* Paragraph (6) of Subsection G of 2.2.2.8 NMAC states that Local Public Bodies that do not qualify for the tiered system must deliver the fully completed and signed IPA Recommendation Form for Audits and the completed audit contract to the State Auditor by May 15, 2013.

*Effect:* The City did not comply with Paragraph (6) of Subsection G of 2.2.2.8 NMAC.

*Cause:* The required documents were not approved and submitted by the deadline due to an oversight by the City.

*Auditors' Recommendation:* The City should ensure that all documentation required by the State Auditor is submitted in accordance with regulatory due dates.

*Agency's Response:* The City will ensure that all documentation is submitted in accordance with regulatory due dates.

**STATE OF NEW MEXICO**

City of Belen  
Other Disclosures  
June 30, 2013

**OTHER DISCLOSURES**

**Exit Conference**

An exit conference was held on November 26, 2013. In attendance were the following:

**Representing the City of Belen:**

Mary Lucy Baca	City Manager
Rudy Jaramillo	Mayor
David Carter	City Councilor
Audrey Torres-Vallejos	City Councilor
Roseann Peralta	Finance Clerk
Elena L. Garcia	Accounts Payable Clerk
Leona Vigil	Planning & Zoning Director

**Representing Accounting & Consulting Group, LLP:**

Robert Cordova, CPA	Partner
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**Auditor Prepared Financial Statements**

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