



State of New Mexico

City of Belén

Annual Financial Report

June 30, 2014

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INTRODUCTORY SECTION

STATE OF NEW MEXICO

City of Belen
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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, 2014

<u>Name</u>	<u>City Council</u>	<u>Title</u>
Jerah R. Cordova		Mayor
David Carter		Mayor Pro-Tem
Darleen Aragon		Councilor
Wayne Gallegos		Councilor
Frank Ortega		Councilor
	<u>Administration</u>	
Kathy Savilla		Municipal Judge
Leona Vigil		Acting City Manager
Jay Ruybalid		City Manager (as of August, 2014)
Roseann Peralta		Finance Director

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FINANCIAL SECTION



Accounting & Consulting Group, LLP
Certified Public Accountants

Independent Auditors' Report

Hector H. Balderas
New Mexico State Auditor 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, 2014, and the related notes to the financial statements which collectively comprise the City's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the City's nonmajor governmental funds and the budgetary comparisons for the major capital 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, 2014, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2014, and the respective changes in financial position and where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the City as of June 30, 2014, and the respective changes in financial position thereof, and the respective budgetary comparisons for the major capital projects fund, proprietary funds, and all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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 introductory section and Supporting Schedules I and II required by Section 2.2.2 NMAC are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Supporting Schedules I and II required by Section 2.2.2 NMAC are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, Supporting Schedules I and II required by Section 2.2.2 NMAC are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The 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 December 1, 2014 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant 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
December 1, 2014

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**BASIC
FINANCIAL STATEMENTS**

STATE OF NEW MEXICO

City of Belen

Statement of Net Position

June 30, 2014

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 3,255,546	\$ 2,865,600	\$ 6,121,146
Investments	550,775	250,000	800,775
Receivables:			
Property taxes	21,437	-	21,437
Other taxes	925,229	18,368	943,597
Customer, net	-	551,689	551,689
Other	171,626	2,096	173,722
Prepaid expenses	5,000	1,000	6,000
Interfund balances	3,634	(3,634)	-
Total current assets	<u>4,933,247</u>	<u>3,685,119</u>	<u>8,618,366</u>
Noncurrent assets			
Restricted cash and cash equivalents	1,441,031	172,812	1,613,843
Restricted investments	432,000	-	432,000
Bond discounts, net of accumulated amortization of \$34,913	117,066	-	117,066
Capital assets	85,693,982	39,259,605	124,953,587
Less: accumulated depreciation	<u>(55,040,549)</u>	<u>(19,820,857)</u>	<u>(74,861,406)</u>
Total noncurrent assets	<u>32,643,530</u>	<u>19,611,560</u>	<u>52,255,090</u>
Total assets	<u><u>\$ 37,576,777</u></u>	<u><u>\$ 23,296,679</u></u>	<u><u>\$ 60,873,456</u></u>

The accompanying notes are an integral part of these financial statements

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Liabilities			
Current liabilities			
Accounts payable	\$ 166,518	\$ 161,642	\$ 328,160
Meter deposits	-	173,142	173,142
Accrued payroll	110,935	23,646	134,581
Accrued compensated absences	99,563	29,150	128,713
Accrued interest	96,482	2,659	99,141
Funds held in trust	17,253	-	17,253
Current portion of long-term debt	1,308,716	12,028	1,320,744
Total current liabilities	<u>1,799,467</u>	<u>402,267</u>	<u>2,201,734</u>
Noncurrent liabilities			
Accrued compensated absences	51,723	9,512	61,235
Accrued landfill closure costs	-	288,729	288,729
Bonds payable	7,563,000	-	7,563,000
Loans payable	6,508,711	106,425	6,615,136
Total noncurrent liabilities	<u>14,123,434</u>	<u>404,666</u>	<u>14,528,100</u>
Total liabilities	<u>15,922,901</u>	<u>806,933</u>	<u>16,729,834</u>
Net Position			
Net investment in capital assets	15,273,006	19,320,295	34,593,301
Restricted for:			
Debt service	2,578,409	-	2,578,409
Capital projects	451,522	-	451,522
Special revenue	1,217,460	-	1,217,460
Unrestricted	2,133,479	3,169,451	5,302,930
Total net position	<u>21,653,876</u>	<u>22,489,746</u>	<u>44,143,622</u>
Total liabilities and net position	<u>\$ 37,576,777</u>	<u>\$ 23,296,679</u>	<u>\$ 60,873,456</u>

STATE OF NEW MEXICO
City of Belen
Statement of Activities
For the Year Ended June 30, 2014

<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>
Primary Government				
Governmental Activities:				
General government	\$ 1,944,301	\$ 385,165	\$ 249,827	\$ -
Public safety	2,951,321	-	213,416	-
Public works	3,181,236	-	13,487	245,448
Culture and recreation	844,991	30,615	-	-
Health and welfare	79,252	-	9,381	-
Interest on long-term debt	614,110	-	-	-
<i>Total governmental activities</i>	<u>9,615,211</u>	<u>415,780</u>	<u>486,111</u>	<u>245,448</u>
Business-type Activities:				
Wastewater	1,438,988	1,199,556	-	-
Water	1,293,609	1,630,692	-	-
Solid waste	1,197,594	1,216,521	-	-
<i>Total business-type activities</i>	<u>3,930,191</u>	<u>4,046,769</u>	<u>-</u>	<u>-</u>
<i>Total primary government</i>	<u>\$ 13,545,402</u>	<u>\$ 4,462,549</u>	<u>\$ 486,111</u>	<u>\$ 245,448</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

Effect of change in accounting estimate (Note 12)

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning

Net position - restatement (Note 21)

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

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ (1,309,309)	\$ -	\$ (1,309,309)
(2,737,905)	-	(2,737,905)
(2,922,301)	-	(2,922,301)
(814,376)	-	(814,376)
(69,871)	-	(69,871)
(614,110)	-	(614,110)
<u>(8,467,872)</u>	<u>-</u>	<u>(8,467,872)</u>
-	(239,432)	(239,432)
-	337,083	337,083
-	18,927	18,927
<u>-</u>	<u>116,578</u>	<u>116,578</u>
<u>(8,467,872)</u>	<u>116,578</u>	<u>(8,351,294)</u>
670,731	-	670,731
5,463,073	312,133	5,775,206
205,778	-	205,778
296,030	-	296,030
12,672	709	13,381
253,622	10,395	264,017
(95,175)	-	(95,175)
-	26,285	26,285
-	304,768	304,768
543,990	(543,990)	-
<u>7,350,721</u>	<u>110,300</u>	<u>7,461,021</u>
<u>(1,117,151)</u>	<u>226,878</u>	<u>(890,273)</u>
22,867,548	22,262,868	45,130,416
(96,521)	-	(96,521)
<u>22,771,027</u>	<u>22,262,868</u>	<u>45,033,895</u>
<u>\$ 21,653,876</u>	<u>\$ 22,489,746</u>	<u>\$ 44,143,622</u>

STATE OF NEW MEXICO

City of Belen
Balance Sheet
Governmental Funds
June 30, 2014

	<u>General Fund</u>	<u>1/2% GRT Infrastructure Special Revenue Fund</u>	<u>Christopher Road Capital Projects Fund</u>	<u>Other Governmental Funds</u>
<i>Assets</i>				
Cash and cash equivalents	\$ 1,539,415	\$ -	\$ -	\$ 3,157,162
Investments	-	-	-	982,775
Receivables:				
Property taxes	21,437	-	-	-
Other taxes	675,303	146,799	-	103,127
Other	93	-	75,649	95,884
Prepaid expenses	5,000	-	-	-
Due from other funds	502,563	-	-	-
<i>Total assets</i>	<u>\$ 2,743,811</u>	<u>\$ 146,799</u>	<u>\$ 75,649</u>	<u>\$ 4,338,948</u>
<i>Liabilities</i>				
Accounts payable	\$ 99,007	\$ 3,503	\$ 16,627	\$ 47,381
Accrued payroll	110,663	-	-	272
Funds held in trust	850	-	-	16,403
Due to other funds	-	-	461,358	37,571
<i>Total liabilities</i>	<u>210,520</u>	<u>3,503</u>	<u>477,985</u>	<u>101,627</u>
<i>Fund balances</i>				
Nonspendable				
Prepaid expenses	5,000	-	-	-
Spendable				
Restricted for:				
Infrastructure maintenance	-	-	-	543,182
Public safety	-	-	-	185,432
Culture and recreation	-	-	-	61,444
Transportation and roads	-	-	-	237,351
Promotion	-	-	-	98,658
Debt service expenditures	-	143,296	-	2,735,662
Capital projects	-	-	-	451,522
Committed to:				
Minimum fund balance	433,482	-	-	-
Unassigned	2,094,809	-	(402,336)	(75,930)
<i>Total fund balances</i>	<u>2,533,291</u>	<u>143,296</u>	<u>(402,336)</u>	<u>4,237,321</u>
<i>Total liabilities and fund balances</i>	<u>\$ 2,743,811</u>	<u>\$ 146,799</u>	<u>\$ 75,649</u>	<u>\$ 4,338,948</u>

The accompanying notes are an integral part of these financial statements

<u>Total</u>	
\$	4,696,577
	982,775
	21,437
	925,229
	171,626
	5,000
	<u>502,563</u>
\$	<u><u>7,305,207</u></u>

\$	166,518
	110,935
	17,253
	<u>498,929</u>
	<u><u>793,635</u></u>

	5,000
	543,182
	185,432
	61,444
	237,351
	98,658
	2,878,958
	451,522
	433,482
	<u>1,616,543</u>
	<u><u>6,511,572</u></u>
\$	<u><u>7,305,207</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, 2014

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	\$	6,511,572
The City has unamortized bond discounts. Bond discounts are not current financial resources and, therefore, are not reported in the funds:		
Bond discounts		117,066
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		30,653,433
Interest on long-term debt is not accrued in the fund financial statements unless it is due and payable:		
Accrued interest		(96,482)
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		(151,286)
Bonds payable		(8,251,000)
Loans payable		(6,948,555)
Capital leases payable		(180,872)
Total net position of governmental activities	\$	<u>21,653,876</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, 2014

	General Fund	1/2% GRT Infrastructure Special Revenue Fund	Christopher Road Capital Projects Fund	Other Governmental Funds
<i>Revenues</i>				
Taxes				
Property	\$ 670,731	\$ -	\$ -	\$ -
Gross receipts	4,087,950	916,509	-	458,614
Gasoline and motor vehicle taxes	45,151	-	-	160,627
Other	242,295	-	-	53,735
Intergovernmental income				
Federal operating grants	-	-	-	31,510
Federal capital grants	-	-	-	109,865
State operating grants	198,426	-	-	256,175
State capital grants	-	-	67,733	67,850
Charges for services	73,032	-	-	30,615
Licenses and fees	150,397	-	-	161,736
Interest income	3,024	-	-	9,648
Miscellaneous	120,609	-	7,916	125,097
<i>Total revenues</i>	<u>5,591,615</u>	<u>916,509</u>	<u>75,649</u>	<u>1,465,472</u>
<i>Expenditures</i>				
Current				
General government	1,710,300	-	-	63,177
Public safety	2,491,455	-	-	277,839
Public works	1,196,517	21,821	2,887	26,077
Culture and recreation	189,407	-	-	134,095
Health and welfare	-	-	-	79,057
Economic development	-	-	-	47,349
Capital outlay	194,161	-	422,937	589,965
Debt service				
Principal	-	-	-	1,291,641
Interest	-	-	-	623,758
<i>Total expenditures</i>	<u>5,781,840</u>	<u>21,821</u>	<u>425,824</u>	<u>3,132,958</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(190,225)</u>	<u>894,688</u>	<u>(350,175)</u>	<u>(1,667,486)</u>
<i>Other financing sources (uses)</i>				
Transfers in	389,444	369,440	-	2,435,813
Transfers (out)	(483,133)	(1,270,949)	-	(912,803)
<i>Total other financing sources (uses)</i>	<u>(93,689)</u>	<u>(901,509)</u>	<u>-</u>	<u>1,523,010</u>
<i>Net change in fund balances</i>	(283,914)	(6,821)	(350,175)	(144,476)
<i>Fund balances - beginning of year</i>	<u>2,817,205</u>	<u>150,117</u>	<u>(52,161)</u>	<u>4,381,797</u>
<i>Fund balances - end of year</i>	<u>\$ 2,533,291</u>	<u>\$ 143,296</u>	<u>\$ (402,336)</u>	<u>\$ 4,237,321</u>

The accompanying notes are an integral part of these financial statements

<u>Total</u>	
\$	670,731
	5,463,073
	205,778
	296,030
	31,510
	109,865
	454,601
	135,583
	103,647
	312,133
	12,672
	253,622
	<u>8,049,245</u>
	1,773,477
	2,769,294
	1,247,302
	323,502
	79,057
	47,349
	1,207,063
	1,291,641
	623,758
	<u>9,362,443</u>
	<u>(1,313,198)</u>
	3,194,697
	<u>(2,666,885)</u>
	<u>527,812</u>
	(785,386)
	<u>7,296,958</u>
\$	<u><u>6,511,572</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, 2014

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	\$ (785,386)
--	--------------

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	1,207,061
Depreciation expense	(2,778,960)
Transfer of capital asset from business-type activities	16,178

Losses in the Statement of Activities that do not use current financial
resources are not reported as expenditures in the funds:

Book value of assets disposed	(95,175)
-------------------------------	----------

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	24,003
Decrease in accrued interest	9,647

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	(6,160)
Principal payments on bonds payable	656,000
Principal payments on loans payable	593,965
Principal payments on capital leases payable	41,676

Change in net position of governmental activities	<u>\$ (1,117,151)</u>
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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, 2014

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(GAAP Basis)	Final to Actual
<i>Revenues</i>				
Taxes				
Property taxes	\$ 575,000	\$ 575,000	\$ 670,731	\$ 95,731
Gross receipts	3,887,000	3,887,000	4,087,950	200,950
Gas and motor vehicle	47,000	47,000	45,151	(1,849)
Other	246,000	246,000	242,295	(3,705)
Intergovernmental income				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	245,700	245,700	198,426	(47,274)
State capital grants	-	-	-	-
Charges for services	75,000	75,000	73,032	(1,968)
Licenses and fees	159,500	160,000	150,397	(9,603)
Interest income	2,000	2,000	3,024	1,024
Miscellaneous	106,000	106,000	120,609	14,609
<i>Total revenues</i>	<u>5,343,200</u>	<u>5,343,700</u>	<u>5,591,615</u>	<u>247,915</u>
<i>Expenditures</i>				
Current				
General government	1,486,455	1,768,275	1,710,300	57,975
Public safety	2,412,790	2,554,357	2,491,455	62,902
Public works	838,197	1,105,036	1,196,519	(91,483)
Culture and recreation	148,995	198,668	189,407	9,261
Capital outlay	254,900	268,580	194,159	74,421
<i>Total expenditures</i>	<u>5,201,779</u>	<u>5,955,358</u>	<u>5,781,840</u>	<u>173,518</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>141,421</u>	<u>(611,658)</u>	<u>(190,225)</u>	<u>421,433</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(380)	747,081	-	(747,081)
Proceeds from sale of capital assets	-	5,618	-	(5,618)
Transfers in	375,000	375,000	389,444	14,444
Transfers (out)	(516,041)	(516,041)	(483,133)	32,908
<i>Total other financing sources (uses)</i>	<u>(141,421)</u>	<u>611,658</u>	<u>(93,689)</u>	<u>(705,347)</u>
<i>Net change in fund balance</i>	-	-	(283,914)	(283,914)
<i>Fund balances - beginning of year</i>	-	-	2,817,205	2,817,205
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,533,291</u>	<u>\$ 2,533,291</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, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final	(GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	886,000	923,491	916,509	(6,982)
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>886,000</u>	<u>923,491</u>	<u>916,509</u>	<u>(6,982)</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	20,500	20,500	21,821	(1,321)
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>20,500</u>	<u>20,500</u>	<u>21,821</u>	<u>(1,321)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>865,500</u>	<u>902,991</u>	<u>894,688</u>	<u>(8,303)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(500)	(1,481)	-	1,481
Proceeds from sale of capital assets	-	-	-	-
Transfers in	117,543	369,440	369,440	-
Transfers (out)	(982,543)	(1,270,950)	(1,270,949)	1
<i>Total other financing sources (uses)</i>	<u>(865,500)</u>	<u>(902,991)</u>	<u>(901,509)</u>	<u>1,482</u>
<i>Net change in fund balance</i>	-	-	(6,821)	(6,821)
<i>Fund balances - beginning of year</i>	-	-	150,117	150,117
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 143,296</u>	<u>\$ 143,296</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, 2014

	<u>Wastewater</u>	<u>Water</u>	<u>Solid Waste</u>
<i>Assets</i>			
<i>Current assets</i>			
Cash and cash equivalents	\$ 495,236	\$ 1,689,038	\$ 681,326
Investments	-	250,000	-
Receivables:			
Other taxes	-	-	18,368
Customer, net	126,281	296,019	129,389
Other	-	2,096	-
Prepaid expenses	-	1,000	-
<i>Total current assets</i>	<u>621,517</u>	<u>2,238,153</u>	<u>829,083</u>
<i>Noncurrent assets</i>			
Restricted cash and cash equivalents	-	172,812	-
Capital assets	28,203,144	10,752,810	303,651
Less: accumulated depreciation	<u>(13,896,120)</u>	<u>(5,809,364)</u>	<u>(115,373)</u>
<i>Total noncurrent assets</i>	<u>14,307,024</u>	<u>5,116,258</u>	<u>188,278</u>
<i>Total assets</i>	<u>\$ 14,928,541</u>	<u>\$ 7,354,411</u>	<u>\$ 1,017,361</u>
<i>Liabilities and net position</i>			
<i>Liabilities</i>			
<i>Current liabilities</i>			
Accounts payable	\$ 34,804	\$ 46,612	\$ 80,226
Meter deposits payable	-	173,142	-
Accrued payroll	7,087	16,212	347
Accrued compensated absences	10,711	17,385	1,054
Interfund payable	966	2,346	322
Accrued interest payable	-	2,659	-
Current portion of long-term debt	-	12,028	-
<i>Total current liabilities</i>	<u>53,568</u>	<u>270,384</u>	<u>81,949</u>
<i>Noncurrent liabilities</i>			
Accrued compensated absences	4,609	4,099	804
Accrued landfill closure costs	-	-	288,729
Loans and capital leases payable	-	106,425	-
<i>Total noncurrent liabilities</i>	<u>4,609</u>	<u>110,524</u>	<u>289,533</u>
<i>Total liabilities</i>	<u>58,177</u>	<u>380,908</u>	<u>371,482</u>
<i>Net position</i>			
Net investment in capital assets	14,307,024	4,824,993	188,278
Unrestricted	<u>563,340</u>	<u>2,148,510</u>	<u>457,601</u>
<i>Total net position</i>	<u>14,870,364</u>	<u>6,973,503</u>	<u>645,879</u>
<i>Total liabilities and net position</i>	<u>\$ 14,928,541</u>	<u>\$ 7,354,411</u>	<u>\$ 1,017,361</u>

The accompanying notes are an integral part of these financial statements

	<u>Total</u>
\$	2,865,600
	250,000
	18,368
	551,689
	2,096
	1,000
	<u>3,688,753</u>

	172,812
	39,259,605
	<u>(19,820,857)</u>
	<u>19,611,560</u>
\$	<u><u>23,300,313</u></u>

\$	161,642
	173,142
	23,646
	29,150
	3,634
	2,659
	12,028
	<u>405,901</u>

	9,512
	288,729
	106,425
	<u>404,666</u>
	<u>810,567</u>

	19,320,295
	3,169,451
	<u>22,489,746</u>
\$	<u><u>23,300,313</u></u>

STATE OF NEW MEXICO
City of Belen
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2014

	<u>Wastewater</u>	<u>Water</u>	<u>Solid Waste</u>
<i>Operating revenues</i>			
Charges for services	\$ 1,199,556	\$ 1,630,692	\$ 1,216,521
<i>Total operating revenues</i>	<u>1,199,556</u>	<u>1,630,692</u>	<u>1,216,521</u>
<i>Operating expenses</i>			
Depreciation	652,514	232,266	4,597
Personnel services	243,598	513,718	51,197
Utilities	162,961	121,259	10,585
Contractual services	94,049	70,777	1,053,249
Supplies	65,198	156,292	11,704
Maintenance and materials	161,305	90,826	6,965
Gross receipts taxes	56,583	71,887	55,417
Other costs	2,780	34,929	3,880
<i>Total operating expenses</i>	<u>1,438,988</u>	<u>1,291,954</u>	<u>1,197,594</u>
<i>Operating income (loss)</i>	<u>(239,432)</u>	<u>338,738</u>	<u>18,927</u>
<i>Non-operating revenues (expenses)</i>			
Gross receipts taxes	-	197,483	114,650
Interest expense	-	(1,655)	-
Interest income	-	709	-
Gain on sale of water rights	-	26,285	-
Miscellaneous income	-	5,789	4,606
Effect of change in accounting estimate (Note 12)	-	-	304,768
<i>Total non-operating revenues (expenses)</i>	<u>-</u>	<u>228,611</u>	<u>424,024</u>
<i>Income (loss) before transfers and contributions</i>	<u>(239,432)</u>	<u>567,349</u>	<u>442,951</u>
Government contributions	-	-	-
Transfers in	-	-	-
Transfers (out)	(138,906)	(405,084)	-
<i>Change in net position</i>	(378,338)	162,265	442,951
<i>Net position, beginning of year</i>	<u>15,248,702</u>	<u>6,811,238</u>	<u>202,928</u>
<i>Net position, end of year</i>	<u>\$ 14,870,364</u>	<u>\$ 6,973,503</u>	<u>\$ 645,879</u>

The accompanying notes are an integral part of these financial statements

<u>Total</u>
<u>\$ 4,046,769</u>
<u>4,046,769</u>
889,377
808,513
294,805
1,218,075
233,194
259,096
183,887
<u>41,589</u>
<u>3,928,536</u>
<u>118,233</u>
312,133
(1,655)
709
26,285
10,395
<u>304,768</u>
<u>652,635</u>
<u>770,868</u>
-
-
<u>(543,990)</u>
226,878
<u>22,262,868</u>
<u><u>\$ 22,489,746</u></u>

STATE OF NEW MEXICO
City of Belen
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2014

	Wastewater	Water	Solid Waste
<i>Cash flows from operating activities</i>			
Cash received from user charges	\$ 1,199,393	\$ 1,635,315	\$ 1,204,959
Cash payments to employees for services	(254,085)	(526,973)	(52,682)
Cash payments to suppliers for goods and services	(510,560)	(565,344)	(1,159,424)
<i>Net cash provided (used) by operating activities</i>	434,748	542,998	(7,147)
<i>Cash flows from noncapital financing activities</i>			
Gross receipts tax revenues	-	197,483	114,650
Miscellaneous income	-	5,789	4,606
Payments for noncurrent accrued compensated absences	(2,763)	(3,780)	(206)
Transfers	(138,906)	(388,906)	-
<i>Net cash provided (used) by noncapital financing activities</i>	(128,960)	(168,423)	121,089
<i>Cash flows from capital and related financing activities</i>			
Interest paid	-	(2,012)	-
Principal payments	-	(11,672)	-
Sale of water rights	-	26,285	-
Acquisition of capital assets	(101,419)	(44,145)	(98,466)
<i>Net cash provided (used) by capital and related financing activities</i>	(101,419)	(31,544)	(98,466)
<i>Cash flows from investing activities</i>			
Interest on investments	-	709	-
<i>Net cash provided (used) by investing activities</i>	-	709	-
<i>Net increase (decrease) in cash and cash equivalents</i>	204,369	343,740	15,476
<i>Cash and cash equivalents - beginning of year</i>	290,867	1,518,110	665,850
<i>Cash and cash equivalents - end of year</i>	\$ 495,236	\$ 1,861,850	\$ 681,326
<i>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</i>			
Operating income (loss)	\$ (239,432)	\$ 338,738	\$ 18,927
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	652,514	232,266	4,597
Changes in assets and liabilities			
Receivables	(163)	4,623	(11,562)
Accounts payable	32,316	(38,314)	(17,624)
Accrued payroll expenses	(10,529)	(14,058)	(2,448)
Current accrued compensated absences	42	803	963
Meter deposits	-	18,940	-
<i>Net cash provided (used) by operating activities</i>	\$ 434,748	\$ 542,998	\$ (7,147)
<i>Noncash transactions:</i>			
Change in accounting estimate - landfill liability	\$ -	\$ -	\$ 304,768
Transfer of capital asset to governmental activities	\$ -	\$ 16,178	\$ -

The accompanying notes are an integral part of these financial statements

<u>Total</u>	
\$	4,039,667
	(833,740)
	<u>(2,235,328)</u>
	<u>970,599</u>
	312,133
	10,395
	(6,749)
	<u>(527,812)</u>
	<u>(176,294)</u>
	(2,012)
	(11,672)
	26,285
	<u>(244,030)</u>
	<u>(231,429)</u>
	<u>709</u>
	<u>709</u>
	563,585
	<u>2,474,827</u>
\$	<u><u>3,038,412</u></u>
\$	118,233
	889,377
	(7,102)
	(23,622)
	(27,035)
	1,808
	<u>18,940</u>
\$	<u><u>970,599</u></u>

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STATE OF NEW MEXICO
City of Belen
Notes to Financial Statements
June 30, 2014

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, 2014, the City adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* ("GASB 65"), which establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

The financial statements of the City have been prepared in accordance 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.

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.

STATE OF NEW MEXICO
City of Belen
Notes to Financial Statements
June 30, 2014

NOTE 1. Summary of Significant Accounting Policies (continued)

A. *Financial Reporting Entity(continued)*

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

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

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

Based upon the application of these criteria, the City 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.

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*.

STATE OF NEW MEXICO
City of Belen
Notes to Financial Statements
June 30, 2014

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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.

STATE OF NEW MEXICO
City of Belen
Notes to Financial Statements
June 30, 2014

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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.

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.

STATE OF NEW MEXICO
City of Belen
Notes to Financial Statements
June 30, 2014

NOTE 1. Summary of Significant Accounting Policies (continued)

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

Investments for the City are reported at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

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

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources in the event they are not received within 60 days of year end.

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. In the government-wide and governmental fund financial statements, delinquent property taxes are recorded when levied. Property taxes are considered to be 100% collectible. 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 10th and May 10th are considered delinquent and the City may assess penalties and interest. The taxes attach as an enforceable lien on property thirty (30) days thereafter, at which time they become delinquent. Property taxes are collected by Valencia County and remitted monthly to the City.

Restricted Assets: Restricted assets consist of those funds expendable for operating purposes but restricted by donors or other outside agencies as to the specific purpose for which they may be used, including cash held for deposits for utility customers and debt service expenditures.

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.

STATE OF NEW MEXICO
City of Belen
Notes to Financial Statements
June 30, 2014

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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

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 160 hours per calendar year, down from 240 hours per calendar year in the prior 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 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.

STATE OF NEW MEXICO
City of Belen
Notes to Financial Statements
June 30, 2014

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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, 2014, the City reported \$5,000 in nonspendable fund balances, related to prepaid expenses in the General Fund.

Restricted and Committed Fund Balance: At June 30, 2014, the City has presented restricted fund balance on the governmental funds balance sheet in the amount of \$1,126,067 for various City operations as restricted by enabling legislation in the special revenue funds, \$2,878,958 in fund balance restricted for debt service, and \$451,522 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 \$486,616 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.

STATE OF NEW MEXICO
City of Belen
Notes to Financial Statements
June 30, 2014

NOTE 1. Summary of Significant Accounting Policies (continued)

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

Estimates: The preparation of financial statements in accordance 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.

E. Deferred Inflows and Outflows of Resources

Deferred Inflows: Deferred inflows of resources are acquisitions of net position/fund balance by the governmental entity that are applicable to future reporting periods. There are two sets of circumstances in which the City accrues deferred inflows.

- *Unearned revenue* - Under both the accrual and the modified accrual basis of accounting, revenue may be recognized only when it is earned. If assets are recognized in connection with a transaction before the earnings process is complete, those assets must be offset by a deferred inflow.
- *Unavailable revenue* – Under the modified accrual basis of accounting, it is not enough that revenue has been earned if it is to be recognized as revenue of the current period. Revenue must also be susceptible to accrual (it must be both measureable and available to finance expenditures of the current fiscal period). If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the Authority must offset the assets with a deferred inflow of resources.

Deferred Outflows: Deferred outflows of resources are consumptions of net position/fund balance by the governmental entity that are applicable to future reporting periods.

The City has not recorded deferred inflows or deferred outflows of resources for the year ended June 30, 2014, as information is not available or reasonably estimable for these amounts.

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.

STATE OF NEW MEXICO
City of Belen
Notes to Financial Statements
June 30, 2014

NOTE 2. Stewardship, Compliance and Accountability (continued)

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

	Excess (deficiency) of revenues over expenditures or operating income (loss)	
	Original Budget	Final Budget
Budgeted Funds:		
General Fund	\$ 141,421	\$ (611,658)
1/2% GRT Infrastructure Special Revenue Fund	\$ 865,500	\$ 902,991
Christopher Road Capital Projects Fund	\$ 16,134	\$ (292,920)
Nonmajor Governmental Funds	\$ (878,331)	\$(1,138,344)
Wastewater Proprietary Fund	\$ 143,331	\$ 143,331
Water Proprietary Fund	\$ 241,486	\$ 241,486
Solid Waste Proprietary Fund	\$ (144,800)	\$ (144,800)

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, 2014.

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

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

Excess 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.

All of the City's accounts at an insured depository institution, including all noninterest-bearing transaction accounts, are insured by the FDIC up to the standard maximum deposit insurance amount of \$250,000.

STATE OF NEW MEXICO

City of Belen

Notes to Financial Statements

June 30, 2014

NOTE 3. Deposits and Investments (continued)

Custodial Credit Risk – Deposits Custodial credit risk is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk, other than following state statutes as set forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2014, \$7,719,709 of the City’s bank balance of \$8,587,045 was exposed to custodial credit risk. \$4,209,659 was uninsured and collateralized by collateral held by the pledging bank’s trust department not in the City’s name and \$3,510,050 was uninsured and uncollateralized.

	Wells Fargo Bank	My Bank	US Bank	Bank of Albuquerque	Total
Amount of deposits	\$ 7,361,170	\$ 117,336	\$ 815,470	\$ 293,069	\$ 8,587,045
FDIC Coverage	(250,000)	(117,336)	(250,000)	(250,000)	(867,336)
Total uninsured public funds	<u>7,111,170</u>	<u>-</u>	<u>565,470</u>	<u>43,069</u>	<u>7,719,709</u>
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the City's name	<u>3,601,120</u>	<u>-</u>	<u>565,470</u>	<u>43,069</u>	<u>4,209,659</u>
Uninsured and uncollateralized	<u>\$ 3,510,050</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,510,050</u>
Collateral requirement (50% of uninsured funds)	\$ 3,555,585	\$ -	\$ 282,735	\$ 21,535	\$ 3,859,855
Pledged Collateral	<u>3,601,120</u>	<u>-</u>	<u>575,527</u>	<u>83,108</u>	<u>4,259,755</u>
Over (Under) collateralized	<u>\$ 45,535</u>	<u>\$ -</u>	<u>\$ 292,791</u>	<u>\$ 61,574</u>	<u>\$ 399,900</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, 2014. The following funds had a negative cash balance as of June 30, 2014:

Christopher Road Capital Projects Fund	\$ 294,570
Multi-Purpose Park Capital Projects Fund	673
Jail Special Revenue Fund	<u>5,845</u>
Total	<u>\$ 301,088</u>

STATE OF NEW MEXICO
City of Belen
Notes to Financial Statements
June 30, 2014

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	\$ 6,121,146
Restricted cash and cash equivalents per Exhibit A-1	1,613,843
Investments per Exhibit A-1	800,775
Restricted investments per Exhibit A-1	432,000
Add: outstanding checks and other reconciling items	235,665
Less: outstanding deposits	(42,795)
Less: petty cash	(600)
Less: New Mexico State Treasurer Debt Service	<u>(572,989)</u>
 Bank balance of deposits	 <u><u>\$ 8,587,045</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. Investments held for debt service reserves for the 2005 and 2008 Series Gross Receipts Tax Revenue Bonds are required to have initial maturities of less than five years.

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, 2014

NOTE 4. Receivables

Receivables as of June 30, 2014, are as follows:

Governmental Activities:	General	1/2% GRT Infrastructure	Christopher Road	Total Nonmajor Funds	Total
Property taxes	\$ 21,437	\$ -	\$ -	\$ -	\$ 21,437
Other taxes:					
Gross receipts taxes	659,993	146,799	-	73,466	880,258
Gasoline and oil taxes	-	-	-	26,053	26,053
Lodger's taxes	-	-	-	3,608	3,608
Franchise taxes	15,310	-	-	-	15,310
Other receivables:					
Licenses and fees	-	-	-	5,750	5,750
Intergovernmental-grants:					
State	-	-	75,649	-	75,649
Federal	-	-	-	3,560	3,560
Interest receivable	-	-	-	86,574	86,574
Miscellaneous	93	-	-	-	93
Totals by category	<u>\$ 696,833</u>	<u>\$ 146,799</u>	<u>\$ 75,649</u>	<u>\$ 199,011</u>	<u>\$ 1,118,292</u>

Information on the full amount of property tax receivable for the City was not available for the year ended June 30, 2014. The above receivable represents property tax revenues received within the period of availability. All of the above receivables are deemed to be fully collectible.

Business-type Activities:	Wastewater	Water	Solid Waste	Total
Customer receivables	\$ 178,671	\$ 376,792	\$ 174,748	\$ 730,211
Other taxes receivable:				
Gross receipts tax	-	-	18,368	18,368
Other receivables:				
Interest income	-	2,096	-	2,096
Total gross receivables	<u>137,003</u>	<u>378,888</u>	<u>147,227</u>	<u>750,675</u>
Less: allowance for doubtful accounts	<u>(52,390)</u>	<u>(80,773)</u>	<u>(45,359)</u>	<u>(178,522)</u>
Total net receivables	<u>\$ 126,281</u>	<u>\$ 298,115</u>	<u>\$ 101,868</u>	<u>\$ 572,153</u>

STATE OF NEW MEXICO
City of Belen
Notes to Financial Statements
June 30, 2014

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.

The composition of interfund balances during the year ended June 30, 2014 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	\$ 461,358
	Law Enforcement Protection	
General Fund	Special Revenue Fund	30,800
General Fund	Multi-Purpose Park Fund	673
General Fund	Corrections Fund	5,845
General Fund	RSVP Special Revenue Fund	253
General Fund	Wastewater Fund	966
General Fund	Water Fund	2,346
General Fund	Solid Waste Fund	322
		<u>\$ 502,563</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	\$ 139,444
General Fund	Water	250,000
1/2% GRT Infrastructure	General Fund	369,440
Confiscated Fund	General Fund	5,000
Alexander Airport	Road/Infrastructure Improvements	32,500
Becker Avenue	Road/Infrastructure Improvements	153,739
RSVP	General Fund	38,249
Debt Service	1/2% GRT Infrastructure	288,407
Debt Service	1/8% GRT Infrastructure	498,324
Debt Service	Fire Protection Fund	88,796
Debt Service	Water	138,906
Debt Service	Wastewater	138,906
Debt Service	General Fund	48,997
2005 GRT Revenue Bonds	1/2% GRT Infrastructure	443,205
Camino Del Llano	General Fund	21,447
2008 GRT Revenue Bonds	1/2% GRT Infrastructure	539,337
		<u>\$ 3,194,697</u>

STATE OF NEW MEXICO
City of Belen
Notes to Financial Statements
June 30, 2014

NOTE 6. Capital Assets

The following is a summary of capital assets and changes occurring during the year ended June 30, 2014. Land, water rights and construction in progress are not subject to depreciation.

	Balance June 30, 2013	Additions	Deletions	Transfers	Balance June 30, 2014
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 8,632,637	\$ -	\$ -	\$ -	\$ 8,632,637
Construction in progress	273,259	917,330	217,249	-	973,340
Total capital assets not being depreciated	8,905,896	917,330	217,249	-	9,605,977
Capital assets being depreciated:					
Buildings and improvements	19,805,900	-	-	-	19,805,900
Machinery and equipment	2,631,858	88,831	-	-	2,720,689
Furniture and fixtures	553,030	-	-	-	553,030
Vehicles	2,073,856	200,902	-	16,178	2,290,936
Infrastructure	50,595,377	122,073	-	-	50,717,450
Total capital assets being depreciated	75,660,021	411,806	-	16,178	76,088,005
Less accumulated depreciation:					
Buildings	(11,659,675)	(647,416)	-	-	(12,307,091)
Machinery and equipment	(2,017,516)	(133,751)	-	-	(2,151,267)
Furniture and fixtures	(307,572)	(49,481)	-	-	(357,053)
Vehicles	(979,682)	(195,182)	-	-	(1,174,864)
Infrastructure	(37,297,144)	(1,753,130)	-	-	(39,050,274)
Total accumulated depreciation	(52,261,589)	(2,778,960)	-	-	(55,040,549)
Total capital assets, net of depreciation	\$ 32,304,328	\$ (1,449,824)	\$ 217,249	\$ 16,178	\$ 30,653,433

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

Governmental Activities	
General Government	\$ 130,680
Public Safety	192,900
Public Works	1,934,157
Culture and recreation	521,223
	<u>\$ 2,778,960</u>

STATE OF NEW MEXICO
City of Belen
Notes to Financial Statements
June 30, 2014

NOTE 6. Capital Assets (continued)

	Balance June 30, 2013	Additions	Deletions	Adjustments to Net Position	Balance June 30, 2014
Business-type activities:					
Capital assets not being depreciated:					
Water rights	\$ 2,671,819	\$ -	\$ -	\$ -	\$ 2,671,819
Land	24,200	-	-	-	24,200
Total capital assets not being depreciated	<u>2,696,019</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,696,019</u>
Capital assets being depreciated:					
Wastewater system	8,032,691	-	-	-	8,032,691
Buildings	7,992,086	-	-	-	7,992,086
Machinery and equipment	1,074,646	73,453	-	-	1,148,099
Furniture and fixtures	23,421	-	-	-	23,421
Vehicles	543,217	170,577	-	(16,178)	697,616
Infrastructure	18,669,673	-	-	-	18,669,673
Total capital assets being depreciated	<u>36,335,734</u>	<u>244,030</u>	<u>-</u>	<u>(16,178)</u>	<u>36,563,586</u>
Less accumulated depreciation:					
Wastewater system	(4,627,736)	(458,133)	-	-	(5,085,869)
Buildings	(6,140,127)	(201,283)	-	-	(6,341,410)
Machinery and equipment	(939,154)	(17,595)	-	-	(956,749)
Furniture and fixtures	(21,484)	(538)	-	-	(22,022)
Vehicles	(169,647)	(48,242)	-	-	(217,889)
Infrastructure	(7,033,332)	(163,586)	-	-	(7,196,918)
Total accumulated depreciation	<u>(18,931,480)</u>	<u>(889,377)</u>	<u>-</u>	<u>-</u>	<u>(19,820,857)</u>
Total capital assets, net of depreciation	<u>\$ 20,100,273</u>	<u>\$ (645,347)</u>	<u>\$ -</u>	<u>\$ (16,178)</u>	<u>\$ 19,438,748</u>

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

Business-Type Activities	
Wastewater	\$ 652,514
Water	232,266
Solid Waste	4,597
	<u>\$ 889,377</u>

STATE OF NEW MEXICO
City of Belen
Notes to Financial Statements
June 30, 2014

NOTE 7. Long-term Debt

Governmental Activities:

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

	Balance June 30, 2013	Additions	Retirements	Balance June 30, 2014	Due Within One Year
Revenue Bonds	\$ 8,907,000	\$ -	\$ 656,000	\$ 8,251,000	\$ 688,000
NMFA and NMED Loans	7,542,520	-	593,965	6,948,555	577,669
Capital Leases	222,548	-	41,676	180,872	43,047
Compensated Absences	175,289	93,058	117,061	151,286	99,563
Total long-term debt	<u>\$ 16,847,357</u>	<u>\$ 93,058</u>	<u>\$ 1,408,702</u>	<u>\$ 15,531,713</u>	<u>\$ 1,408,279</u>

Revenue Bonds

At June 30, 2014, 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, 2014
Series 2005 Gross Receipts Tax	July 2005	June 2017	3.80-4.5%	\$ 4,320,000	\$ 1,295,000
Series 2008 Gross Receipts Tax	October 2008	June 2033	3.75-5.125%	7,570,000	6,565,000
Series 2012 Fire Protection Revenue	August 2012	August 2022	3.50%	427,000	391,000
Total Revenue Bonds					<u>\$ 8,251,000</u>

The annual requirements to amortize the revenue bonds as of June 30, 2014, including interest payments, are as follows:

Bonds Payable

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
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	294,953	591,953
2019	308,000	282,008	590,008
2020-2024	1,699,000	1,198,991	2,897,991
2025-2029	1,910,000	779,527	2,689,527
2030-2033	1,910,000	249,413	2,159,413
	<u>\$ 8,251,000</u>	<u>\$ 3,859,365</u>	<u>\$ 12,110,365</u>

STATE OF NEW MEXICO
City of Belen
Notes to Financial Statements
June 30, 2014

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, 2014
NMFA Reinken Road & Main Street	November 2001	May 2026	0.00%	\$ 4,779,793	\$ 99,532
NMED CWSRF Loan	December 2003	December 2022	2.00%	4,049,684	2,025,410
NMFA Refinance Reinken	July 2011	May 2026	0.73-4.02%	3,355,652	2,749,956
NMFA Refinancing WW/W	April 2011	May 2032	0.95-4.83%	2,220,008	1,794,725
NMED RIP 2005-06	July 2005	July 2025	3.00%	448,503	278,932
Total NMFA Loans					<u><u>\$ 6,948,555</u></u>

Capital Lease

The City purchased a street sweeper under a capital lease agreement during the year ended June 30, 2014. The lease is as follows:

Capital Leases:

Description	Date of Issue	Balloon Payment Due	Interest Rate	Original Amount of Issue	Balance June 30, 2014
Capital Lease - Sweeper	February 2013	March 2018	3.29%	\$ 222,548	\$ 180,872
Total Capital Leases					<u><u>\$ 180,872</u></u>

STATE OF NEW MEXICO
City of Belen
Notes to Financial Statements
June 30, 2014

NOTE 7. Long-term Debt (continued)

The annual requirements to amortize the NMFA and NMED Loans and the Capital Lease as of June 30, 2014, including interest payments, are as follows:

Loans and Capital Leases Payable

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2015	\$ 620,716	\$ 199,631	\$ 820,347
2016	632,691	187,946	820,637
2017	644,796	175,037	819,833
2018	659,323	160,656	819,979
2019	627,382	140,274	767,656
2020-2024	2,731,018	481,429	3,212,447
2025-2029	949,779	147,759	1,097,538
2030-2033	263,722	25,545	289,267
	<u>\$ 7,129,427</u>	<u>\$ 1,518,277</u>	<u>\$ 8,647,704</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, 2014, compensated absences decreased \$24,003 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, 2014:

	Balance June 30, 2013	Additions	Retirements	Balance June 30, 2014	Due Within One Year
Loans and Notes	\$ 130,125	\$ -	\$ 11,672	\$ 118,453	\$ 12,028
Compensated Absences	43,603	36,888	41,829	38,662	29,150
Total long-term debt	<u>\$ 173,728</u>	<u>\$ 36,888</u>	<u>\$ 53,501</u>	<u>\$ 157,115</u>	<u>\$ 41,178</u>

STATE OF NEW MEXICO
City of Belen
Notes to Financial Statements
June 30, 2014

NOTE 7. Long-term Debt (continued)

San Juan-Chama Project Loan

In 1990, the City entered into a 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, 2014
San Juan-Chama Project	January 1989	January 2022	3.05%	\$ 331,030	\$ 118,453
Total Loans					<u>\$ 118,453</u>

The annual requirement to amortize San Juan-Chama Project Loan as of June 30, 2014, including interest payments, is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2015	\$ 12,028	\$ 3,191	\$ 15,219
2016	12,394	2,825	15,219
2017	12,772	2,447	15,219
2018	13,161	2,058	15,219
2019	13,562	1,657	15,219
2020-2022	<u>54,536</u>	<u>6,622</u>	<u>61,158</u>
	<u>\$ 118,453</u>	<u>\$ 18,800</u>	<u>\$ 137,253</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, 2014, compensated absences decreased \$4,941 from the prior year accrual. In prior years, the fund associated with these liabilities has been used to liquidate them.

STATE OF NEW MEXICO
City of Belen
Notes to Financial Statements
June 30, 2014

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, 2014 were as follows:

Governmental Funds:

Jail Special Revenue Fund	\$ (12,012)
Law Enforcement Special Revenue Fund	(29,688)
Multi-Purpose Park Capital Projects Fund	(673)
Becker Avenue Capital Projects Fund	(10,288)
Camino del Llano Capital Projects Fund	(23,269)
Christopher Road Capital Projects Fund – Major Fund	(402,336)

- 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, 2014:

Governmental Funds:

1/2% GRT Infrastructure Special Revenue Fund	\$ 1,321
Fire Protection Special Revenue Fund	6,088
1/8% GRT Infrastructure Special Revenue Fund	406
Jail Special Revenue Fund	639
Evidence Special Revenue Fund	402
Lodger’s Tax Special Revenue Fund	349
2008 GRT Revenue Bonds Special Revenue Fund	499
Debt Service Fund	30,418
Becker Avenue Capital Projects Fund	15,933
Camino Del Llano Capital Projects Fund	43,093
Christopher Road Capital Projects Fund	9,988

- 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, 2014:

Governmental Funds:

Fire Protection Special Revenue Fund	\$ 9,018
EMS Rescue Special Revenue Fund	1,456
Multi-Purpose Park Capital Projects Fund	673
Christopher Road Capital Projects Fund	459,708
ALTSD Replacement Units Capital Projects Fund	1,000

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, NM 87504-2123. The report is also available on PERA’s website at <http://www.pera.state.nm.us>.

STATE OF NEW MEXICO
City of Belen
Notes to Financial Statements
June 30, 2014

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

Funding Policy. Municipal general member coverage plan 4 members are required to contribute 17.15% 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 17.80% 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 17.70% 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, 2014, 2013 and 2012 were \$428,303, \$546,457 and \$499,803, respectively, which equal the amount of the required contributions for each fiscal year, except for the year ended June 30, 2014, during which year the City failed to submit the full amount of the required contribution, as discussed in finding FS 2009-001.

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.

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.

STATE OF NEW MEXICO
City of Belen
Notes to Financial Statements
June 30, 2014

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 member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2014, 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, 2014, the statute required each participating employer to contribution 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The City's contribution to the RHCA for the years ended June 30, 2014, 2013, and 2012 were \$54,813, \$51,603 and \$43,215, 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, 2014. The estimate of closure and post-closure costs was updated during the year ended June 30, 2014, and has decreased by \$304,768, for a balance of \$288,729. The City has no other responsibility for landfill activity. The effect of this change in accounting estimate is that net position and the change in net position have increased by \$304,768, as of and for the year ended June 30, 2014.

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, 2014. As of June 30, 2014, construction commitments of \$1,512 existed for the Christopher Road project.

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.

STATE OF NEW MEXICO
City of Belen
Notes to Financial Statements
June 30, 2014

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 \$2,025,410 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 \$2,025,410 and \$207,485, respectively. Principal and interest paid on this obligation for the current year, total customer net revenues, and state-shared infrastructure gross receipts tax revenues were \$247,666, \$99,306, and \$197,483, 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.

Subsequent to June 30, 2014, two claims were paid out by the City. One totaled \$27,000 and was fully covered by the City’s insurance. The other was \$40,000, of which \$25,000 was covered by the City’s insurance.

NOTE 17. Joint Powers Agreements and Memorandums of Understanding

Central Solid Waste Authority

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

STATE OF NEW MEXICO
City of Belen
Notes to Financial Statements
June 30, 2014

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

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

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

STATE OF NEW MEXICO
City of Belen
Notes to Financial Statements
June 30, 2014

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

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

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

STATE OF NEW MEXICO
City of Belen
Notes to Financial Statements
June 30, 2014

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

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

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

STATE OF NEW MEXICO
City of Belen
Notes to Financial Statements
June 30, 2014

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

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

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

STATE OF NEW MEXICO
City of Belen
Notes to Financial Statements
June 30, 2014

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

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

NOTE 18. Subsequent Events

The date to which events occurring after June 30, 2014, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or disclosures is December 1, 2014, which is the date on which the financial statements were available to be issued.

NOTE 19. 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 20. Subsequent Pronouncements

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 the fiscal year ended June 30, 2015, and believes it will significantly impact the City's financial statements.

STATE OF NEW MEXICO
City of Belen
Notes to Financial Statements
June 30, 2014

NOTE 20. Subsequent Pronouncements (continued)

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 government combinations and disposals of government operations occurring in financial reporting 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 how this standard will affect the City.

In November 2013, GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*, was issued. Effective Date: The provisions of this Statement are effective for reporting periods beginning after June 15, 2014. The provisions of this Statement are required to be applied simultaneously with the provisions of Statement 68. The standard will be implemented during the fiscal year ended June 30, 2015. The City is still evaluating how this standard will affect the City.

NOTE 21. Restatement

In the Statement of Net Position, beginning net position was restated in the amount of \$(96,521) to remove previously capitalized bond issuance costs and the related accumulated amortization, as a result of the implementation of GASB 65.

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SUPPLEMENTARY INFORMATION

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STATE OF NEW MEXICO
City of Belen
Nonmajor Governmental Fund Descriptions
June 30, 2014

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, 2014

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, 2014

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.

Road/Infrastructure Improvements

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

ALTSD Replacement Units

To account for state grant funds received as a fiscal agent for the Valencia County Senior Center and used to replace walk-in freezers at the Center. Authorized by the City Council.

STATE OF NEW MEXICO
City of Belen
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2014

Special Revenue

	Parks and Recreation	Fire Protection	EMS Rescue	1/8% GRT Infrastructure
<i>Assets</i>				
Cash and cash equivalents	\$ 37,780	\$ 75,732	\$ -	\$ 427,730
Investments	-	-	-	-
Receivables:				
Other taxes	-	-	-	73,466
Other	-	-	-	-
<i>Total assets</i>	<u>\$ 37,780</u>	<u>\$ 75,732</u>	<u>\$ -</u>	<u>\$ 501,196</u>
<i>Liabilities</i>				
Accounts payable	\$ 2,483	\$ 2,704	\$ -	\$ 2,388
Accrued payroll	-	-	-	-
Funds held in trust	-	-	-	-
Due to other funds	-	-	-	-
<i>Total liabilities</i>	<u>2,483</u>	<u>2,704</u>	<u>-</u>	<u>2,388</u>
<i>Fund balances</i>				
Spendable				
Restricted for:				
Infrastructure maintenance	-	-	-	498,808
Public safety	-	73,028	-	-
Culture and recreation	35,297	-	-	-
Transportation and roads	-	-	-	-
Promotion	-	-	-	-
Debt service expenditures	-	-	-	-
Capital projects	-	-	-	-
Unassigned	-	-	-	-
<i>Total fund balances</i>	<u>35,297</u>	<u>73,028</u>	<u>-</u>	<u>498,808</u>
<i>Total liabilities and fund balances</i>	<u>\$ 37,780</u>	<u>\$ 75,732</u>	<u>\$ -</u>	<u>\$ 501,196</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
\$ 3,928	\$ -	\$ 43,244	\$ 1,112	\$ 4,460	\$ 95,050
-	-	-	-	-	-
-	-	-	-	-	3,608
-	-	-	-	-	-
<u>\$ 3,928</u>	<u>\$ -</u>	<u>\$ 43,244</u>	<u>\$ 1,112</u>	<u>\$ 4,460</u>	<u>\$ 98,658</u>
\$ -	\$ 6,167	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	5,845	-	30,800	-	-
-	<u>12,012</u>	-	<u>30,800</u>	-	-
-	-	-	-	-	-
3,928	-	43,244	-	4,460	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	98,658
-	-	-	-	-	-
-	(12,012)	-	(29,688)	-	-
<u>3,928</u>	<u>(12,012)</u>	<u>43,244</u>	<u>(29,688)</u>	<u>4,460</u>	<u>98,658</u>
<u>\$ 3,928</u>	<u>\$ -</u>	<u>\$ 43,244</u>	<u>\$ 1,112</u>	<u>\$ 4,460</u>	<u>\$ 98,658</u>

STATE OF NEW MEXICO
City of Belen
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2014

	Special Revenue			
	Belen Community Garden	Property Abatement Fund	Judicial Fund	Martin Luther King
<i>Assets</i>				
Cash and cash equivalents	\$ 9,030	\$ 60,772	\$ 7,373	\$ 1,313
Investments	-	-	-	-
Receivables:				
Other taxes	-	-	-	-
Other	-	-	-	-
<i>Total assets</i>	\$ 9,030	\$ 60,772	\$ 7,373	\$ 1,313
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-
Funds held in trust	9,030	-	7,373	-
Due to other funds	-	-	-	-
<i>Total liabilities</i>	9,030	-	7,373	-
<i>Fund balances</i>				
Spendable				
Restricted for:				
Infrastructure maintenance	-	-	-	-
Public safety	-	60,772	-	-
Culture and recreation	-	-	-	1,313
Transportation and roads	-	-	-	-
Promotion	-	-	-	-
Debt service expenditures	-	-	-	-
Capital projects	-	-	-	-
Unassigned	-	-	-	-
<i>Total fund balances</i>	-	60,772	-	1,313
<i>Total liabilities and fund balances</i>	\$ 9,030	\$ 60,772	\$ 7,373	\$ 1,313

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
\$ 38,624	\$ 21,881	\$ 211,298	\$ 89,287	\$ 1,433,658	\$ 143,368
-	-	-	550,775	-	432,000
-	-	26,053	-	-	-
5,750	3,560	-	11,012	-	75,562
<u>\$ 44,374</u>	<u>\$ 25,441</u>	<u>\$ 237,351</u>	<u>\$ 651,074</u>	<u>\$ 1,433,658</u>	<u>\$ 650,930</u>
\$ -	\$ 82	\$ -	\$ -	\$ -	\$ -
-	272	-	-	-	-
-	-	-	-	-	-
-	253	-	-	-	-
<u>-</u>	<u>607</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
44,374	-	-	-	-	-
-	-	-	-	-	-
-	24,834	-	-	-	-
-	-	237,351	-	-	-
-	-	-	-	-	-
-	-	-	651,074	1,433,658	650,930
-	-	-	-	-	-
-	-	-	-	-	-
<u>44,374</u>	<u>24,834</u>	<u>237,351</u>	<u>651,074</u>	<u>1,433,658</u>	<u>650,930</u>
<u>\$ 44,374</u>	<u>\$ 25,441</u>	<u>\$ 237,351</u>	<u>\$ 651,074</u>	<u>\$ 1,433,658</u>	<u>\$ 650,930</u>

STATE OF NEW MEXICO
City of Belen
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2014

Capital Projects

	Multi-Purpose Park	Alexander Airport	Library Renovation	Becker Avenue Project
<i>Assets</i>				
Cash and cash equivalents	\$ -	\$ 28,026	\$ 43	\$ -
Investments	-	-	-	-
Receivables:				
Other taxes	-	-	-	-
Other	-	-	-	-
<i>Total assets</i>	<u>\$ -</u>	<u>\$ 28,026</u>	<u>\$ 43</u>	<u>\$ -</u>
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ 10,288
Accrued payroll	-	-	-	-
Funds held in trust	-	-	-	-
Due to other funds	673	-	-	-
<i>Total liabilities</i>	<u>673</u>	<u>-</u>	<u>-</u>	<u>10,288</u>
<i>Fund balances</i>				
Spendable				
Restricted for:				
Infrastructure maintenance	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Transportation and roads	-	-	-	-
Promotion	-	-	-	-
Debt service expenditures	-	-	-	-
Capital projects	-	28,026	43	-
Unassigned	(673)	-	-	(10,288)
<i>Total fund balances</i>	<u>(673)</u>	<u>28,026</u>	<u>43</u>	<u>(10,288)</u>
<i>Total liabilities and fund balances</i>	<u>\$ -</u>	<u>\$ 28,026</u>	<u>\$ 43</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

Capital Projects			
Camino Del Llano	Road/ Infrastructure Improvements	ALTSD Replacement Units	Total Nonmajor Governmental Funds
\$ -	\$ 423,453	\$ -	\$ 3,157,162
-	-	-	982,775
-	-	-	103,127
-	-	-	95,884
<u>\$ -</u>	<u>\$ 423,453</u>	<u>\$ -</u>	<u>\$ 4,338,948</u>
\$ 23,269	\$ -	\$ -	\$ 47,381
-	-	-	272
-	-	-	16,403
-	-	-	37,571
<u>23,269</u>	<u>-</u>	<u>-</u>	<u>101,627</u>
-	-	-	543,182
-	-	-	185,432
-	-	-	61,444
-	-	-	237,351
-	-	-	98,658
-	-	-	2,735,662
-	423,453	-	451,522
(23,269)	-	-	(75,930)
<u>(23,269)</u>	<u>423,453</u>	<u>-</u>	<u>4,237,321</u>
<u>\$ -</u>	<u>\$ 423,453</u>	<u>\$ -</u>	<u>\$ 4,338,948</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, 2014

	Special Revenue			
	Parks and Recreation	Fire Protection	EMS Rescue	1/8% GRT Infrastructure
<i>Revenues</i>				
Taxes				
Gross receipts	\$ -	\$ -	\$ -	\$ 458,614
Gasoline and motor vehicle taxes	-	-	-	-
Other	-	-	-	-
Intergovernmental income				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	176,523	9,381	-
State capital grants	-	-	-	-
Charges for services	30,615	-	-	-
Licenses and fees	11,605	-	-	-
Interest income	-	-	-	-
Miscellaneous	36,027	-	-	-
<i>Total revenues</i>	<u>78,247</u>	<u>176,523</u>	<u>9,381</u>	<u>458,614</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	-	174,060	-	-
Public works	-	-	-	14,906
Culture and recreation	65,572	-	-	-
Health and welfare	-	-	9,381	-
Economic development	-	-	-	-
Capital outlay	-	72,903	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>65,572</u>	<u>246,963</u>	<u>9,381</u>	<u>14,906</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>12,675</u>	<u>(70,440)</u>	<u>-</u>	<u>443,708</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	-
Transfers (out)	-	(88,796)	-	(498,324)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(88,796)</u>	<u>-</u>	<u>(498,324)</u>
<i>Net change in fund balances</i>	12,675	(159,236)	-	(54,616)
<i>Fund balances - beginning of year</i>	<u>22,622</u>	<u>232,264</u>	<u>-</u>	<u>553,424</u>
<i>Fund balances - end of year</i>	<u>\$ 35,297</u>	<u>\$ 73,028</u>	<u>\$ -</u>	<u>\$ 498,808</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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	53,735
-	-	-	-	-	-
-	-	-	-	-	-
6,093	-	-	30,800	-	-
-	-	-	-	-	-
-	90,031	-	-	-	-
-	-	-	-	-	-
-	-	1,545	-	-	-
<u>6,093</u>	<u>90,031</u>	<u>1,545</u>	<u>30,800</u>	<u>-</u>	<u>53,735</u>
-	-	-	-	-	-
2,265	90,093	402	7,019	4,000	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	47,349
-	-	-	22,669	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,265</u>	<u>90,093</u>	<u>402</u>	<u>29,688</u>	<u>4,000</u>	<u>47,349</u>
<u>3,828</u>	<u>(62)</u>	<u>1,143</u>	<u>1,112</u>	<u>(4,000)</u>	<u>6,386</u>
-	-	-	-	5,000	-
-	-	-	-	-	-
-	-	-	-	<u>5,000</u>	-
3,828	(62)	1,143	1,112	1,000	6,386
100	(11,950)	42,101	(30,800)	3,460	92,272
<u>\$ 3,928</u>	<u>\$ (12,012)</u>	<u>\$ 43,244</u>	<u>\$ (29,688)</u>	<u>\$ 4,460</u>	<u>\$ 98,658</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, 2014

	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	-	-	-	1,000
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	52,924	-	95
<i>Total revenues</i>	<u>-</u>	<u>52,924</u>	<u>-</u>	<u>1,095</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	1,405
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,405</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>52,924</u>	<u>-</u>	<u>(310)</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	52,924	-	(310)
<i>Fund balances - beginning of year</i>	-	7,848	-	1,623
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ 60,772</u>	<u>\$ -</u>	<u>\$ 1,313</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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	160,627	-	-	-
-	-	-	-	-	-
-	31,510	-	-	-	-
-	-	-	-	-	-
-	18,891	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
60,100	-	-	-	-	-
-	-	-	608	2,040	7,000
-	916	-	-	-	33,551
<u>60,100</u>	<u>51,317</u>	<u>160,627</u>	<u>608</u>	<u>2,040</u>	<u>40,551</u>
56,360	-	-	1,000	135	4,173
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	69,676	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	215,000	671,641	405,000
-	-	-	323,838	233,115	66,805
<u>56,360</u>	<u>69,676</u>	<u>-</u>	<u>539,838</u>	<u>904,891</u>	<u>475,978</u>
<u>3,740</u>	<u>(18,359)</u>	<u>160,627</u>	<u>(539,230)</u>	<u>(902,851)</u>	<u>(435,427)</u>
-	38,249	-	539,337	1,202,336	443,205
-	-	(139,444)	-	-	-
<u>-</u>	<u>38,249</u>	<u>(139,444)</u>	<u>539,337</u>	<u>1,202,336</u>	<u>443,205</u>
3,740	19,890	21,183	107	299,485	7,778
40,634	4,944	216,168	650,967	1,134,173	643,152
<u>\$ 44,374</u>	<u>\$ 24,834</u>	<u>\$ 237,351</u>	<u>\$ 651,074</u>	<u>\$ 1,433,658</u>	<u>\$ 650,930</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, 2014

	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	-	-	-	-
Federal capital grants	-	109,865	-	-
State operating grants	-	13,487	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	39	-
<i>Total revenues</i>	-	123,352	39	-
<i>Expenditures</i>				
Current				
General government	-	104	-	-
Public safety	-	-	-	-
Public works	-	5,649	-	5,522
Culture and recreation	673	-	-	-
Health and welfare	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	122,073	-	327,700
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	673	127,826	-	333,222
<i>Excess (deficiency) of revenues over expenditures</i>	(673)	(4,474)	39	(333,222)
<i>Other financing sources (uses)</i>				
Transfers in	-	32,500	-	153,739
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	32,500	-	153,739
<i>Net change in fund balances</i>	(673)	28,026	39	(179,483)
<i>Fund balances - beginning of year</i>	-	-	4	169,195
<i>Fund balances - end of year</i>	\$ (673)	\$ 28,026	\$ 43	\$ (10,288)

The accompanying notes are an integral part of these financial statements

Capital Projects			
Camino Del Llano	Road/ Infrastructure Improvements	ALTSD Replacement Units	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 458,614
-	-	-	160,627
-	-	-	53,735
-	-	-	31,510
-	-	-	109,865
-	-	-	256,175
-	-	67,850	67,850
-	-	-	30,615
-	-	-	161,736
-	-	-	9,648
-	-	-	125,097
-	-	67,850	1,465,472
-	-	-	63,177
-	-	-	277,839
-	-	-	26,077
-	-	67,850	134,095
-	-	-	79,057
-	-	-	47,349
44,620	-	-	589,965
-	-	-	1,291,641
-	-	-	623,758
44,620	-	67,850	3,132,958
(44,620)	-	-	(1,667,486)
21,447	-	-	2,435,813
-	(186,239)	-	(912,803)
21,447	(186,239)	-	1,523,010
(23,173)	(186,239)	-	(144,476)
(96)	609,692	-	4,381,797
\$ (23,269)	\$ 423,453	\$ -	\$ 4,237,321

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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, 2014

	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	28,000	37,180	30,615	(6,565)
Licenses and fees	10,000	10,000	11,605	1,605
Interest income	-	-	-	-
Miscellaneous	20,500	36,263	36,027	(236)
<i>Total revenues</i>	<u>58,500</u>	<u>83,443</u>	<u>78,247</u>	<u>(5,196)</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	58,500	73,593	65,572	8,021
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>58,500</u>	<u>73,593</u>	<u>65,572</u>	<u>8,021</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>9,850</u>	<u>12,675</u>	<u>2,825</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	(9,850)	-	9,850
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(9,850)</u>	<u>-</u>	<u>9,850</u>
<i>Net change in fund balance</i>	-	-	12,675	12,675
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>22,622</u>	<u>22,622</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,297</u>	<u>\$ 35,297</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, 2014

	Budgeted Amounts		Actual	Variations
	Original	Final	(GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Intergovernmental income				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	168,000	176,523	176,523	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>168,000</u>	<u>176,523</u>	<u>176,523</u>	<u>-</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	132,000	209,231	174,060	35,171
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	31,644	72,903	(41,259)
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>132,000</u>	<u>240,875</u>	<u>246,963</u>	<u>(6,088)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>36,000</u>	<u>(64,352)</u>	<u>(70,440)</u>	<u>(6,088)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	241,944	-	(241,944)
Transfers in	-	-	-	-
Transfers (out)	(36,000)	(177,592)	(88,796)	88,796
<i>Total other financing sources (uses)</i>	<u>(36,000)</u>	<u>64,352</u>	<u>(88,796)</u>	<u>(153,148)</u>
<i>Net change in fund balance</i>	-	-	(159,236)	(159,236)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>232,264</u>	<u>232,264</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,028</u>	<u>\$ 73,028</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, 2014

	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	8,400	9,381	9,381	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>8,400</u>	<u>9,381</u>	<u>9,381</u>	<u>-</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	8,400	10,837	9,381	1,456
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>8,400</u>	<u>10,837</u>	<u>9,381</u>	<u>1,456</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(1,456)</u>	<u>-</u>	<u>1,456</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	1,456	-	(1,456)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>1,456</u>	<u>-</u>	<u>(1,456)</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, 2014

	Budgeted Amounts		Actual	Variations
	Original	Final	(GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	460,000	460,000	458,614	(1,386)
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>460,000</u>	<u>460,000</u>	<u>458,614</u>	<u>(1,386)</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	14,500	14,500	14,906	(406)
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>14,500</u>	<u>14,500</u>	<u>14,906</u>	<u>(406)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>445,500</u>	<u>445,500</u>	<u>443,708</u>	<u>(1,792)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	52,828	52,828	-	(52,828)
Transfers in	-	-	-	-
Transfers (out)	(498,328)	(498,328)	(498,324)	4
<i>Total other financing sources (uses)</i>	<u>(445,500)</u>	<u>(445,500)</u>	<u>(498,324)</u>	<u>(52,824)</u>
<i>Net change in fund balance</i>	-	-	(54,616)	(54,616)
<i>Fund balance - beginning of year</i>	-	-	553,424	553,424
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 498,808</u>	<u>\$ 498,808</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, 2014

	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	-	6,093	6,093	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>6,093</u>	<u>6,093</u>	<u>-</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	-	3,071	2,265	806
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>3,071</u>	<u>2,265</u>	<u>806</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>3,022</u>	<u>3,828</u>	<u>806</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	(3,022)	-	3,022
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(3,022)</u>	<u>-</u>	<u>3,022</u>
<i>Net change in fund balance</i>	-	-	3,828	3,828
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>100</u>	<u>100</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,928</u>	<u>\$ 3,928</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, 2014

	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	-	-	-	-
Charges for services				
Licenses and fees	89,400	89,400	90,031	631
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>89,400</u>	<u>89,400</u>	<u>90,031</u>	<u>631</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	89,400	89,400	90,093	(693)
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay				
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>89,400</u>	<u>89,400</u>	<u>90,093</u>	<u>(693)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(62)</u>	<u>(62)</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>	-	-	(62)	(62)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(11,950)</u>	<u>(11,950)</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (12,012)</u>	<u>\$ (12,012)</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, 2014

	Budgeted Amounts		Actual (GAAP Basis)	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues</i>				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	1,545	1,545
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>1,545</u>	<u>1,545</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	-	-	402	(402)
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>402</u>	<u>(402)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>1,143</u>	<u>1,143</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>	-	-	1,143	1,143
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>42,101</u>	<u>42,101</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,244</u>	<u>\$ 43,244</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, 2014

	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	30,800	30,800	30,800	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>30,800</u>	<u>30,800</u>	<u>30,800</u>	<u>-</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	-	-	7,019	(7,019)
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>29,688</u>	<u>1,112</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>1,112</u>	<u>1,112</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>	-	-	1,112	1,112
<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>\$ (29,688)</u>	<u>\$ (29,688)</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, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final	(GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	5,000	5,000	4,000	1,000
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>4,000</u>	<u>1,000</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(5,000)</u>	<u>(5,000)</u>	<u>(4,000)</u>	<u>1,000</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	5,000	5,000	5,000	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	1,000	1,000
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>3,460</u>	<u>3,460</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,460</u>	<u>\$ 4,460</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, 2014

	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	35,000	55,702	53,735	(1,967)
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>55,702</u>	<u>53,735</u>	<u>(1,967)</u>
<i>Expenditures</i>				
Current				
General government	47,000	47,000	47,349	(349)
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>47,000</u>	<u>47,000</u>	<u>47,349</u>	<u>(349)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(12,000)</u>	<u>8,702</u>	<u>6,386</u>	<u>(2,316)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	12,000	(8,702)	-	8,702
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>12,000</u>	<u>(8,702)</u>	<u>-</u>	<u>8,702</u>
<i>Net change in fund balance</i>	-	-	6,386	6,386
<i>Fund balance - beginning of year</i>	-	-	92,272	92,272
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 98,658</u>	<u>\$ 98,658</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, 2014

	Budgeted Amounts		Actual (GAAP Basis)	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues</i>				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>				
	-	-	-	-
<i>Fund balance - beginning of year</i>				
	<u>-</u>	<u>-</u>	<u>-</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, 2014

	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	-	52,925	52,924	(1)
<i>Total revenues</i>	-	52,925	52,924	(1)
<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>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	52,925	52,924	(1)
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	(52,925)	-	52,925
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	(52,925)	-	52,925
<i>Net change in fund balance</i>	-	-	52,924	52,924
<i>Fund balance - beginning of year</i>	-	-	7,848	7,848
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 60,772	\$ 60,772

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, 2014

	Budgeted Amounts		Actual (GAAP Basis)	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues</i>				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>				
	-	-	-	-
<i>Fund balance - beginning of year</i>				
	<u>-</u>	<u>-</u>	<u>-</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, 2014

	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	1,000	(200)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	500	500	95	(405)
<i>Total revenues</i>	<u>1,700</u>	<u>1,700</u>	<u>1,095</u>	<u>(605)</u>
<i>Expenditures</i>				
Current				
General government	1,700	1,700	1,405	295
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,700</u>	<u>1,700</u>	<u>1,405</u>	<u>295</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(310)</u>	<u>(310)</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>	-	-	(310)	(310)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,623</u>	<u>1,623</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,313</u>	<u>\$ 1,313</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, 2014

	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	60,000	60,000	60,100	100
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>60,000</u>	<u>60,000</u>	<u>60,100</u>	<u>100</u>
<i>Expenditures</i>				
Current				
General government	20,000	20,000	56,360	(36,360)
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	40,000	40,000	-	40,000
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>60,000</u>	<u>60,000</u>	<u>56,360</u>	<u>3,640</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>3,740</u>	<u>3,740</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>	-	-	3,740	3,740
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>40,634</u>	<u>40,634</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,374</u>	<u>\$ 44,374</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, 2014

	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	-	-	-	-
Intergovernmental income				
Federal operating grants	32,436	32,436	31,510	(926)
Federal capital grants	-	-	-	-
State operating grants	16,000	16,000	18,891	2,891
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	140	140	916	776
<i>Total revenues</i>	<u>48,576</u>	<u>48,576</u>	<u>51,317</u>	<u>2,741</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	72,622	72,622	69,676	2,946
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>72,622</u>	<u>72,622</u>	<u>69,676</u>	<u>2,946</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(24,046)</u>	<u>(24,046)</u>	<u>(18,359)</u>	<u>5,687</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(14,203)	(14,203)	-	14,203
Transfers in	38,249	38,249	38,249	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>24,046</u>	<u>24,046</u>	<u>38,249</u>	<u>14,203</u>
<i>Net change in fund balance</i>	-	-	19,890	19,890
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>4,944</u>	<u>4,944</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,834</u>	<u>\$ 24,834</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, 2014

	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	125,000	125,000	160,627	35,627
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>125,000</u>	<u>125,000</u>	<u>160,627</u>	<u>35,627</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>125,000</u>	<u>125,000</u>	<u>160,627</u>	<u>35,627</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	(125,000)	(125,000)	(139,444)	(14,444)
<i>Total other financing sources (uses)</i>	<u>(125,000)</u>	<u>(125,000)</u>	<u>(139,444)</u>	<u>(14,444)</u>
<i>Net change in fund balance</i>	-	-	21,183	21,183
<i>Fund balance - beginning of year</i>	-	-	216,168	216,168
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 237,351</u>	<u>\$ 237,351</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, 2014

	Budgeted Amounts		Actual (GAAP Basis)	Variations Favorable (Unfavorable) Final to Actual
	Original	Final		
<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	-	-	607	607
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>493,490</u>	<u>493,490</u>	<u>607</u>	<u>(492,883)</u>
<i>Expenditures</i>				
Current				
General government	500	500	1,000	(500)
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	215,000	215,000	215,000	-
Interest	323,838	323,838	323,837	1
<i>Total expenditures</i>	<u>539,338</u>	<u>539,338</u>	<u>539,837</u>	<u>(499)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(45,848)</u>	<u>(45,848)</u>	<u>(539,230)</u>	<u>(493,382)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(493,490)	(493,490)	-	493,490
Transfers in	539,338	539,338	539,337	(1)
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>45,848</u>	<u>45,848</u>	<u>539,337</u>	<u>493,489</u>
<i>Net change in fund balance</i>	-	-	107	107
<i>Fund balance - beginning of year</i>	-	-	650,967	650,967
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 651,074</u>	<u>\$ 651,074</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, 2014

	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	-	-	2,040	2,040
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>2,040</u>	<u>2,040</u>
<i>Expenditures</i>				
Current				
General government	-	-	135	(135)
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	650,227	650,227	671,641	(21,414)
Interest	210,639	224,246	233,115	(8,869)
<i>Total expenditures</i>	<u>860,866</u>	<u>874,473</u>	<u>904,891</u>	<u>(30,418)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(860,866)</u>	<u>(874,473)</u>	<u>(902,851)</u>	<u>(28,378)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(271)	(327,866)	-	327,866
Transfers in	861,137	1,202,339	1,202,336	(3)
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>860,866</u>	<u>874,473</u>	<u>1,202,336</u>	<u>327,863</u>
<i>Net change in fund balance</i>	-	-	299,485	299,485
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,134,173</u>	<u>1,134,173</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,433,658</u>	<u>\$ 1,433,658</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, 2014

	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	-	-	7,000	7,000
Miscellaneous	33,600	33,600	33,551	(49)
<i>Total revenues</i>	<u>33,600</u>	<u>33,600</u>	<u>40,551</u>	<u>6,951</u>
<i>Expenditures</i>				
Current				
General government	5,000	5,000	4,173	827
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	405,000	405,000	405,000	-
Interest	66,805	66,805	66,805	-
<i>Total expenditures</i>	<u>476,805</u>	<u>476,805</u>	<u>475,978</u>	<u>827</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(443,205)</u>	<u>(443,205)</u>	<u>(435,427)</u>	<u>7,778</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	443,205	443,205	443,205	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>443,205</u>	<u>443,205</u>	<u>443,205</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	7,778	7,778
<i>Fund balance - beginning of year</i>	-	-	643,152	643,152
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 650,930</u>	<u>\$ 650,930</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, 2014

	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	-	673	673	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>673</u>	<u>673</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(673)</u>	<u>(673)</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	673	-	(673)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>673</u>	<u>-</u>	<u>(673)</u>
<i>Net change in fund balance</i>	-	-	(673)	(673)
<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>\$ (673)</u>	<u>\$ (673)</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, 2014

	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	142,500	109,865	109,865	-
State operating grants	-	13,487	13,487	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	32,500	-	-	-
<i>Total revenues</i>	<u>175,000</u>	<u>123,352</u>	<u>123,352</u>	<u>-</u>
<i>Expenditures</i>				
Current				
General government	-	104	104	-
Public safety	-	-	-	-
Public works	-	5,649	5,649	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	150,000	122,073	122,073	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>150,000</u>	<u>127,826</u>	<u>127,826</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>25,000</u>	<u>(4,474)</u>	<u>(4,474)</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(25,000)	(28,026)	-	28,026
Transfers in	-	32,500	32,500	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(25,000)</u>	<u>4,474</u>	<u>32,500</u>	<u>28,026</u>
<i>Net change in fund balance</i>	-	-	28,026	28,026
<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>\$ 28,026</u>	<u>\$ 28,026</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, 2014

	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	-	-	39	39
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>39</u>	<u>39</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>39</u>	<u>39</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>	-	-	39	39
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>4</u>	<u>4</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43</u>	<u>\$ 43</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, 2014

	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	175,000	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>175,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	5,521	5,522	(1)
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	220,000	311,768	327,700	(15,932)
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>220,000</u>	<u>317,289</u>	<u>333,222</u>	<u>(15,933)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(45,000)</u>	<u>(317,289)</u>	<u>(333,222)</u>	<u>(15,933)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	61,000	163,550	-	(163,550)
Transfers in	-	153,739	153,739	-
Transfers (out)	(16,000)	-	-	-
<i>Total other financing sources (uses)</i>	<u>45,000</u>	<u>317,289</u>	<u>153,739</u>	<u>(163,550)</u>
<i>Net change in fund balance</i>	-	-	(179,483)	(179,483)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>169,195</u>	<u>169,195</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10,288)</u>	<u>\$ (10,288)</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, 2014

	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	425,000	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>425,000</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	498,866	1,527	44,620	(43,093)
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>498,866</u>	<u>1,527</u>	<u>44,620</u>	<u>(43,093)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(73,866)</u>	<u>(1,527)</u>	<u>(44,620)</u>	<u>(43,093)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	73,866	(19,920)	-	19,920
Transfers in	-	21,447	21,447	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>73,866</u>	<u>1,527</u>	<u>21,447</u>	<u>19,920</u>
<i>Net change in fund balance</i>	-	-	(23,173)	(23,173)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(96)</u>	<u>(96)</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (23,269)</u>	<u>\$ (23,269)</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, 2014

	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	-	-	-	-
Intergovernmental income				
Federal operating grants	-	-	-	-
Federal capital grants	400,000	-	-	-
State operating grants	-	-	-	-
State capital grants	115,000	115,000	67,733	(47,267)
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	7,916	7,916	-
<i>Total revenues</i>	<u>515,000</u>	<u>122,916</u>	<u>75,649</u>	<u>(47,267)</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	6,592	2,887	3,705
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	498,866	409,244	422,937	(13,693)
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>498,866</u>	<u>415,836</u>	<u>425,824</u>	<u>(9,988)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>16,134</u>	<u>(292,920)</u>	<u>(350,175)</u>	<u>(57,255)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(16,134)	292,920	-	(292,920)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(16,134)</u>	<u>292,920</u>	<u>-</u>	<u>(292,920)</u>
<i>Net change in fund balance</i>	-	-	(350,175)	(350,175)
<i>Fund balance - beginning of year</i>	-	-	(52,161)	(52,161)
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (402,336)</u>	<u>\$ (402,336)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-27

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, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final	(GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
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)	48,500	186,239	-	(186,239)
Transfers in	-	-	-	-
Transfers (out)	(48,500)	(186,239)	(186,239)	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(186,239)</u>	<u>(186,239)</u>
<i>Net change in fund balance</i>	-	-	(186,239)	(186,239)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>609,692</u>	<u>609,692</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 423,453</u>	<u>\$ 423,453</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-28

City of Belen

ALTSD Replacement Units Capital Projects Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended June 30, 2014

	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	-	67,850	67,850	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>67,850</u>	<u>67,850</u>	<u>-</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	68,850	67,850	1,000
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>68,850</u>	<u>67,850</u>	<u>1,000</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(1,000)</u>	<u>-</u>	<u>1,000</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	1,000	-	(1,000)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-29

City of Belen

Wastewater Proprietary Fund

Statement of Revenues, Expenses and Changes in Net Position

Budget (GAAP Basis) and Actual

For the Year Ended June 30, 2014

	Budget Amounts		Actual (GAAP Basis)	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Operating revenues</i>				
Charges for services	\$ 1,077,500	\$ 1,077,500	\$ 1,199,556	\$ 122,056
<i>Total operating revenues</i>	<u>1,077,500</u>	<u>1,077,500</u>	<u>1,199,556</u>	<u>122,056</u>
<i>Operating expenses</i>				
Personnel services	331,669	331,669	243,598	88,071
Utilities	163,000	163,000	162,961	39
Contractual services	101,000	101,000	94,049	6,951
Supplies	47,000	47,000	65,198	(18,198)
Maintenance and materials	238,500	238,500	161,305	77,195
Gross receipts taxes	50,000	50,000	56,583	(6,583)
Other costs	3,000	3,000	2,780	220
<i>Total operating expenses</i>	<u>934,169</u>	<u>934,169</u>	<u>786,474</u>	<u>147,695</u>
<i>Operating income (loss)</i>	<u>143,331</u>	<u>143,331</u>	<u>413,082</u>	<u>269,751</u>
<i>Non-operating revenues (expenses)</i>				
Gross receipts taxes	-	-	-	-
Interest expense	-	-	-	-
Interest income	-	-	-	-
Miscellaneous income	-	-	-	-
<i>Total non-operating revenues (expenses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Government contributions	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	(138,906)	(138,906)	(138,906)	-
<i>Change in net position</i>	<u>\$ 4,425</u>	<u>\$ 4,425</u>	<u>274,176</u>	<u>\$ 269,751</u>
<i>Revenues (expenses) not budgeted:</i>				
Depreciation			(652,514)	
<i>Change in net position per Exhibit D-2</i>			(378,338)	
<i>Total net position - beginning of year</i>			<u>15,248,702</u>	
<i>Total net position, end of year</i>			<u>\$ 14,870,364</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, 2014

	Budget Amounts		Actual (GAAP Basis)	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Operating revenues</i>				
Charges for services	\$ 1,407,100	\$ 1,407,100	\$ 1,630,692	\$ 223,592
<i>Total operating revenues</i>	1,407,100	1,407,100	1,630,692	223,592
<i>Operating expenses</i>				
Personnel services	439,614	439,614	513,718	(74,104)
Utilities	190,000	190,000	121,259	68,741
Contractual services	84,300	84,300	70,777	13,523
Supplies	138,000	138,000	156,292	(18,292)
Maintenance and materials	193,000	193,000	90,826	102,174
Gross receipts taxes	75,000	75,000	71,887	3,113
Other costs	45,700	45,700	34,929	10,771
<i>Total operating expenses</i>	1,165,614	1,165,614	1,059,688	105,926
<i>Operating income (loss)</i>	241,486	241,486	571,004	329,518
<i>Non-operating revenues (expenses)</i>				
Gross receipts taxes	160,000	160,000	197,483	37,483
Interest expense	-	-	(1,655)	(1,655)
Interest income	500	500	709	209
Gain on sale of fixed assets	-	-	-	-
Gain on sale of water rights	35,000	35,000	26,285	(8,715)
Miscellaneous income	-	-	5,789	5,789
<i>Total non-operating revenues (expenses)</i>	195,500	195,500	228,611	33,111
Government contributions	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	(388,906)	(388,906)	(405,084)	(16,178)
<i>Change in net position</i>	\$ 48,080	\$ 48,080	394,531	\$ 346,451
<i>Revenues (expenses) not budgeted:</i>				
Depreciation			(232,266)	
<i>Change in net position per Exhibit D-2</i>			162,265	
<i>Total net position - beginning of year</i>			6,811,238	
<i>Total net position, end of year</i>			\$ 6,973,503	

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, 2014

	Budget Amounts		Actual (GAAP Basis)	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Operating revenues</i>				
Charges for services	\$ 1,212,000	\$ 1,212,000	\$ 1,216,521	\$ 4,521
<i>Total operating revenues</i>	1,212,000	1,212,000	1,216,521	4,521
<i>Operating expenses</i>				
Personnel services	84,400	84,399	51,197	33,202
Utilities	8,000	8,000	10,585	(2,585)
Contractual services	1,058,500	1,058,500	1,053,249	5,251
Supplies	5,900	5,900	11,704	(5,804)
Maintenance and materials	136,000	136,000	6,965	129,035
Gross receipts taxes	60,000	60,000	55,417	4,583
Other costs	4,000	4,000	3,880	120
<i>Total operating expenses</i>	1,356,800	1,356,799	1,192,997	163,802
<i>Operating income (loss)</i>	(144,800)	(144,799)	23,524	168,323
<i>Non-operating revenues (expenses)</i>				
Gross receipts taxes	82,000	82,000	114,650	32,650
Gain on sale of fixed asset	-	-	-	-
Miscellaneous income	-	-	4,606	4,606
<i>Total non-operating revenues (expenses)</i>	82,000	82,000	119,256	37,256
Government contributions	85,000	85,000	-	(85,000)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Change in net position</i>	\$ 22,200	\$ 22,201	142,780	\$ 120,579
<i>Revenues (expenses) not budgeted:</i>				
Depreciation			(4,597)	
Effect of change in accounting estimate			304,768	
<i>Change in net position per Exhibit D-2</i>			442,951	
<i>Total net position - beginning of year</i>			202,928	
<i>Total net position, end of year</i>			\$ 645,879	

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, 2014

Schedule I

Bank Name/Account Name	Account Type	Bank Balance	Deposits in Transit	Outstanding Checks	Book Balance
Wells Fargo Bank					
General Fund	Checking	\$ 5,449,823	\$ 42,795	\$ 235,665	\$ 5,256,953
General 1/12th	Checking	1,659,251	-	-	1,659,251
Certificate of Deposit - Investment	CD	252,096	-	-	252,096
Total Wells Fargo Bank		<u>7,361,170</u>	<u>42,795</u>	<u>235,665</u>	<u>7,168,300</u>
My Bank					
Meter Deposits	Checking	117,336	-	-	117,336
Total My Bank		<u>117,336</u>	<u>-</u>	<u>-</u>	<u>117,336</u>
US Bank					
Belen Firetruck Reserve	Checking	39,190	-	-	39,190
Certificate of Deposit - Investment	CD	214,493	-	-	214,493
Certificate of Deposit - Investment	CD	561,787	-	-	561,787
Total US Bank		<u>815,470</u>	<u>-</u>	<u>-</u>	<u>815,470</u>
Bank of Albuquerque - Investments					
Certificate of Deposit - Investment	CD	293,069	-	-	293,069
Total Bank of Albuquerque		<u>293,069</u>	<u>-</u>	<u>-</u>	<u>293,069</u>
New Mexico Finance Authority - Cash					
	State Treasurer				
NMFA Reserve Accounts	Debt Service	572,989	-	-	572,989
Total New Mexico Finance Authority		<u>572,989</u>	<u>-</u>	<u>-</u>	<u>572,989</u>
Total deposits and investments		<u>\$ 9,160,034</u>	<u>\$ 42,795</u>	<u>\$ 235,665</u>	8,967,164
Plus: petty cash					600
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>\$ 7,734,989</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, 2014

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value at June 30, 2014	Name and Location of Safekeeper
Wells Fargo Bank					
	FNMA FNMS	12/1/2040	3138A2BQ1	\$ 229,360	BNY Mellon, New York, NY
	FNMA FNMS	9/1/2043	31419BCT0	<u>3,371,760</u>	BNY Mellon, New York, NY
Total Wells Fargo Bank				<u>3,601,120</u>	
US Bank					
	FNMA FNCL POOL	9/1/2036	31410PWN9	216,500	Federal Home Loan Bank, Dallas, Texas
	FNMA FNCL POOL	9/1/2036	31410PWP4	<u>359,027</u>	Federal Home Loan Bank, Dallas, Texas
Total US Bank				<u>575,527</u>	
Bank of Albuquerque					
	FG J13879	11/25/2026	3128PTJY2	<u>83,108</u>	Federal Home Loan Bank, Topeka, Kansas
Total Bank of Albuquerque				<u>83,108</u>	
Total Pledged Collateral				<u>\$ 4,259,755</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 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, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents, and the combining and individual funds and related budgetary comparisons of the City presented as supplementary information, and have issued our report thereon dated December 1, 2014.

Internal Control Over Financial Reporting

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

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 responses, 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 responses as FS 2007-002 and FS 2010-001 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 responses as FS 2009-001 and FS 2014-001 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 responses as items FS 2009-001, FS 2009-004, FS 2013-001, FS 2013-002, FS-2013-003, FS 2014-002, and FS 2014-003.

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 responses. 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
December 1, 2014

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STATE OF NEW MEXICO
City of Belen
Schedule of Findings and Responses
June 30, 2014

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 |

STATE OF NEW MEXICO
City of Belen
Schedule of Findings and Responses
June 30, 2014

Section II – Prior Year Audit Findings

Prior Year Audit Findings

Financial Statement Findings

Financial Statement Findings		Disposition
FS 2007-02	Preparation of Financial Statements	Repeated
FS 2009-01	PERA Report Preparation	Modified and repeated
FS 2009-02	Landfill Postclosure Liability	Resolved, not repeated
FS 2009-04	Expenditures in Excess of Budget and Budgeted Cash in Excess of Available Balance	Modified and repeated
FS 2010-01	Design Deficiencies in Internal Control over Financial Reporting	Modified and repeated
FS 2012-03	Controls over Physical and Virtual Access not Implemented	Resolved, not repeated
FS 2013-001	Incorrect Per Diem Payment	Modified and repeated
FS 2013-002	Department of Finance and Administration Cash Report	Modified and repeated
FS 2013-003	Annual Inventory (Other Matter)	Repeated
FS 2013-004	Late Submission of IPA Recommendation and Audit Contract to the State Auditor	Resolved, not repeated

Section III – Findings - Financial Statement Audit

FS 2007-002 (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 Auditing Standards Board Statement on Auditing Standards AU-C 265, 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 using the City's accounting software to properly incorporate and implement 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 using the accounting system to prepare reports and statements to fulfill 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
- Preparation of government-wide financial statements
- Preparation of fund financial statements
- Preparation of notes to the financial statements
- Preparation of required supplementary information
 - Management's discussion and analysis
- Preparation of 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.

Views of Responsible Officials and Planned Corrective Actions: The City's Financial Statements are reviewed every month for errors and/or omissions. The City has looked into training opportunities to reverse this finding.

Section III – Findings - Financial Statement Audit (continued)

FS 2009-001 (FS 2009-01) PERA Contribution Remittances (Significant Deficiency/Noncompliance)

Condition: During a portion of the year ended June 30, 2014, PERA reports were not correctly completed, and improper amounts were submitted to PERA. Contributions from employees making more than \$20,000/year were submitted using the rate for employees making less than \$20,000/year. Amounts were properly withheld from employee paychecks. This resulted in the City improperly retaining funds that had been withheld from employee checks in payment of employee contributions to PERA. After year-end, the City was required to remit \$9,171.82 to PERA in partial payment of this liability. ACG’s calculation of the incorrectly reported and submitted amount equaled \$19,093.41. It is unknown at this time whether the City will be required to remit additional funds.

Criteria: PERA contribution requirements for the City and the City’s employees are established in State statute under Chapter 10, Article 11, NMSA 1978.

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

Cause: A setting in the system for a portion of the year resulted in checks generated using incorrect contribution amounts.

Auditors’ Recommendation: We recommend that the City reconcile and review PERA reports and contribution amounts prior to submittal and payment.

Views of Responsible Officials and Planned Corrective Actions: The City’s has required that all PERA reports be verified and reconciled to ensure that the amounts are correct and the report is accurate.

FS 2009-004 (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>	
1/2% GRT Infrastructure Special Revenue Fund	\$ 1,321
Fire Protection Special Revenue Fund	6,088
1/8% GRT Infrastructure Special Revenue Fund	406
Jail Special Revenue Fund	693
Evidence Special Revenue Fund	402
Lodger’s Tax Special Revenue Fund	349
2008 GRT Revenue Bonds Special Revenue Fund	499
Debt Service Fund	30,418
Becker Avenue Capital Projects Fund	15,933
Camino Del Llano Capital Projects Fund	43,093
Christopher Road Capital Projects Fund	9,988

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.

Section III – Findings - Financial Statement Audit (continued)

FS 2009-004 (FS 2009-04) Expenditures in Excess of Budget and Budgeted Cash in Excess of Available Balance (Noncompliance) (continued)

Designated cash appropriations exceeded available balances in the following funds:

Governmental Funds

Fire Protection Special Revenue Fund	\$	9,018
EMS Rescue Special Revenue Fund		1,456
Multi-Purpose Park Capital Projects Fund		673
Christopher Road Capital Projects Fund		459,708
Storm Drain Capital Projects Fund		1,000

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. (O) (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.

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.

Views of Responsible Officials and Planned Corrective Actions: 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 budget adjustments are made to absorb the budget deficits and do not exceed the actual cash balances available at the end of the year.

Section III – Findings - Financial Statement Audit (continued)

FS 2010-001 (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 Director and Accounts Payable Clerk both have access to all modules in the accounting system used in the cash disbursement process.
- The Finance Director and the Accounts Payable Clerk are able to make changes to the vendor master file. These changes are not reviewed or approved.
- The system does not prevent duplicate payments on invoices. There is a warning message but the payment may still be processed.
- Manual journal entries are prepared and posted by the Finance Director without independent review.
- Bank reconciliations are prepared by the Finance Director 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.
- 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.
- Four deposits totaling \$521.27 out of ten deposits tested totaling \$1,497.64 were not deposited within 24 hours of receipt.
- In testwork over credit card payments, the City could not produce supporting documentation for one transaction. The transaction totaled \$2,729.27, out of six transactions tested for a total of \$9,815.66.
- In testwork over bank reconciliations, we noted outstanding deposits totaling \$29,495.65 that were not proper reconciling items and noted an unreconciled difference of \$18,816.97 on the bank reconciliation.
- When generating an accounts payable listing in the system, no invoices meeting the criteria for accounts payable were included.
- Capital asset reports required several revisions to properly report dollar amounts of additions and to ensure that all assets were being depreciated in accordance with the City's policies.

Section III – Findings - Financial Statement Audit (continued)

FS 2010-001 (FS 2010-01) Design Deficiencies in Internal Control over Financial Reporting (Material Weakness) (continued)

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.

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.

Section III – Findings - Financial Statement Audit (continued)

FS 2010-001 (FS 2010-01) Design Deficiencies in Internal Control over Financial Reporting (Material Weakness) (continued)

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.

Views of Responsible Officials and Planned Corrective Actions: Management will ensure that all documented internal control procedures are being followed and will work on creating a new structure on internal control policies.

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

Condition: During testwork over travel and per diem expenditures, we noted that one individual received a check for per diem that was in excess of the proper amount. Per diem was calculated for 13 nights out of state (\$1,495), then the cost of the hotel, which was paid for by the City of Belen, was backed out (\$559.06), so a total of \$935.94 was paid to the employee. The payment should have been made based on actual expenses incurred for meals and incidentals. The total overpayment is impossible to calculate without evidence substantiating the actual expenses incurred; however, based on the maximum expenses allowed under 2.42.2.9 (2) NMAC, of \$45/day for meals, the maximum payable for 13 days of meals is \$585. Therefore, the employee was overpaid at least \$350.94.

In addition, the employee was advanced 100% of the \$935.94 paid, instead of the 80% advance allowed by 2.42.2.10 NMAC.

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 at least \$350.94.

Cause: The payment was approved by the Council without a full understanding of the rules contained in the Travel and Per Diem Act.

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

Views of Responsible Officials and Planned Corrective Actions: All travel and Per Diem requests will be reviewed carefully before payment is disbursed.

Section III – Findings - Financial Statement Audit (continued)

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 \$726,713. 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.

Views of Responsible Officials and Planned Corrective Actions: The City will ensure that all cash account balances in the accounting system balances to the reported Department of Finance and Administration quarterly report.

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.

Views of Responsible Officials and Planned Corrective Actions: The City's Annual Inventory will be presented to the City Council for Certification on a timely manner.

Section III – Findings - Financial Statement Audit (continued)

FS 2014-001 — Utility Customer Accounts (Significant Deficiency)

Condition: Adjustments to utility customer accounts may be made without review and without supporting documentation. There is no formal process in place for adjustments to customer accounts and there is a lack of consistent controls in place. No review of adjustments is required by the City's policies, and review occurs only sporadically. In our testwork over 25 adjustments, totaling \$(97,882.61), made to utility customer accounts, we found the following:

- In one instance, the customer received a larger credit than warranted by the circumstances. An interim credit was provided while a leak was being investigated; when the leak was corrected, a final credit was provided. However, the final credit provided did not take into account the interim credit already provided. The total excess credit provided was \$(24.40).
- In two instances, credit was provided upon the customers' repair of a leak. No support for the leak being repaired – such as a plumber's invoice, or receipt for materials – was retained by the City. The total credits provided here equaled \$(178.56).
- In one instance, no support was available for the adjustment made. The adjustment totaled \$31.39.
- In one instance, which was a correction of a prior year overcharge – where usage was calculated using an incorrect multiplier – no support for the calculation was available. This adjustment totaled \$(120,575.78). Per City staff, this was a result of many months' overcharge for a large customer.

Criteria: The requirements of NMAC 6.20.2.11 include consideration of the City's internal control structure over all transaction classes and cycles, including those related to utility billing and adjustments of customer accounts. These require the City to 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.

Effect: The City could be exposed to risk of fraud or error in these adjustments.

Cause: The City's policies do not require review or other control procedures for adjustments to utility customer accounts.

Auditors' Recommendation: We recommend that the City's management and Utility personnel work together to formulate formal policies for utility customer account adjustments and ensure that such policies are adopted and implemented.

Views of Responsible Officials and Planned Corrective Actions: The City has implemented a new procedure for adjustments; they are reviewed for accuracy and proper documentation is required for adjustments.

Section III – Findings - Financial Statement Audit (continued)

FS 2014-002 – Form SSA 1945 – Other Matter

Condition: During our testwork we noted that the City has several classes of employees who do not receive social security benefits. The City has not obtained signed Forms SSA-1945 from these employees.

Criteria: Section 419(C) of Public Law 108-203, the Social Security Protection Act of 2004 requires State and local government employers to provide a statement to employees hired January 1, 2005 or later in a job not covered under Social Security.

Effect: City employees may not have been aware of that fact that their future benefits may be reduced.

Cause: The City was unaware of the requirement to complete a Form SSA 1945.

Auditors' Recommendations: We recommend that the City require a Form SSA 1945 to be part of the hiring process for positions that are not covered by Social Security, and that current employees not covered by Social Security be required to sign the Form 1945, which is to be retained in the personnel files.

Views of Responsible Officials and Planned Corrective Actions: The City will have all current affected employees sign form SSA 1945. Form SSA1945 will be added to the Hiring Process for those affected positions.

FS 2014-003 – Compliance with the Anti-Donation Clause – In-Kind Services (Other Matter)

Condition: During our audit, we noted that the City has provided in-kind services, including employee time, police, fire, and EMS presence and overtime, use of City equipment and facilities, and printing of promotional materials, to various local events and entities in violation of Article 9, Section 14 of the New Mexico Constitution, also referred to as the Anti-Donation Clause. Much of the funding has been provided through a local non-profit that includes in its management members of the City's management and governing body. The total value of the in-kind services provided is estimated by City management at \$7,113. In addition, we noted that the City has provided, through the same entity, cash funding in the amount of \$27,500, for local events. Of this amount, \$27,500 was repaid to the City.

Criteria: Article 9, Section 14 of the New Mexico Constitution states that "neither the state nor any county, school district or municipality...shall directly or indirectly lend or pledge its credit or make any donation to or in aid of any person, association or public or private corporation...". The various exemptions included in this section do not address the hosting of public events as an exemption from the Anti-Donation clause.

Effect: The City has violated the provisions of Article 9, Section 14 of the New Mexico Constitution.

Cause: Objections to the provision of funds and in-kind services to such events were overridden. Council approval was granted and the events went on as planned, including the use of City employees, equipment, facilities, and supplies free of charge.

Auditors' Recommendations: We recommend that the City establish policies to charge for the use of City employees, services, equipment, and facilities, and apply those policies to all entities seeking to use City resources.

Views of Responsible Officials and Planned Corrective Actions: The City will establish Policies and Procedures to ensure that City resources are compensated for services requested.

STATE OF NEW MEXICO

City of Belen
Other Disclosures
June 30, 2014

OTHER DISCLOSURES

Exit Conference

An exit conference was held on December 1, 2014. In attendance were the following:

Representing the City of Belen:

Jay Ruybalid	City Manager
Jerah Cordova	Mayor
Frank Ortega	City Councilor
Roseann Peralta	Finance Director
Elena L. Garcia	Accounts Payable Clerk
Leona Vigil	City Clerk

Representing Accounting & Consulting Group, LLP:

Alan Bowers, CPA	Manager
Gwen Mansfield-Vogt, CPA	Audit Supervisor

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.