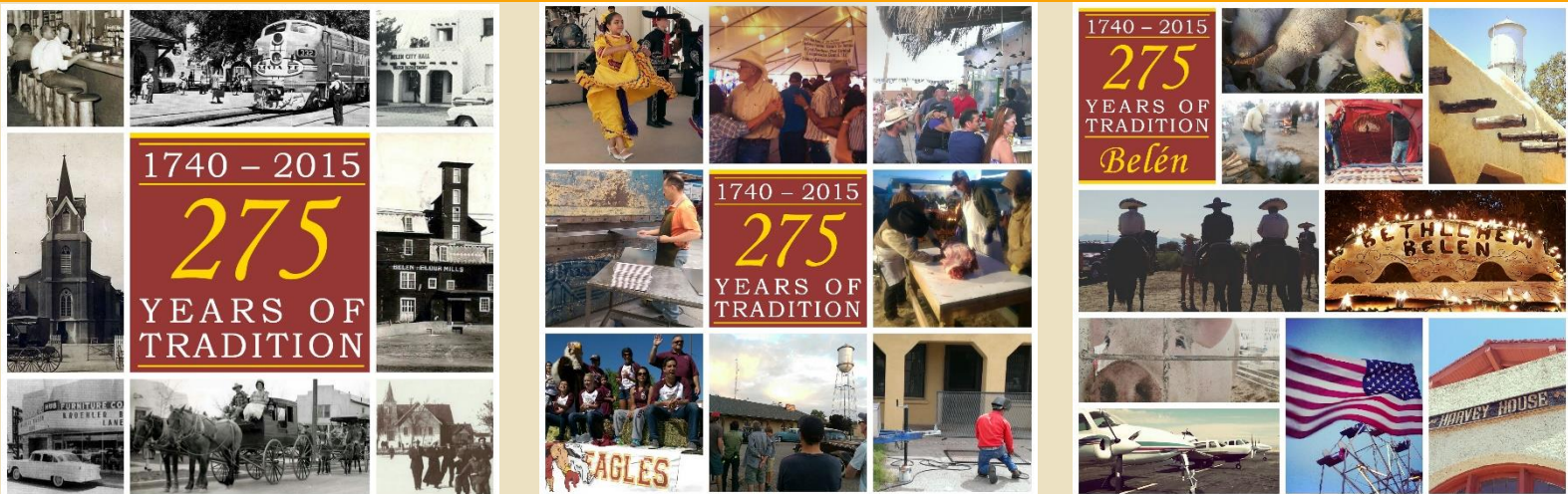




*State of New Mexico*  
*City of Belen*  
*Annual Financial Report*  
*June 30, 2015*



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## **INTRODUCTORY SECTION**

**STATE OF NEW MEXICO**

City of Belen  
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June 30, 2015

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STATE OF NEW MEXICO

City of Belen

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June 30, 2015

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**STATE OF NEW MEXICO**

City of Belen

Official Roster

June 30, 2015

<u><b>Name</b></u>	<u><b>City Council</b></u>	<u><b>Title</b></u>
Jerah R. Cordova		Mayor
David Carter		Mayor Pro-Tem
Darleen Aragon		Councilor
Wayne Gallegos		Councilor
Frank Ortega		Councilor
	<u><b>Administration</b></u>	
Kathy Savilla		Municipal Judge
Leona Vigil		City Clerk
Jay Ruybalid		City Manager
Roseann Peralta		Finance Director

**FINANCIAL SECTION**



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

## **Independent Auditors' Report**

Timothy Keller  
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, 2015, and the related notes to the financial statements which collectively comprise the City's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the City's nonmajor governmental funds and the budgetary comparisons for the major capital projects funds, 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, 2015, as listed in the table of contents.

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

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

### **Auditor's Responsibility**

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

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2015, and the respective changes in financial position and where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and major special revenue 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, 2015, and the respective changes in financial position thereof, and the respective budgetary comparisons for the major capital projects funds, 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.

Accounting principles generally accepted in the United States of America require Schedules I and II and the notes to the required supplementary information on pages 70-78 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the City's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The introductory section and Supporting Schedules III through V 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 III and IV 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 III and IV 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 and Schedule V have 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 them.

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2015 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant 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 7, 2015

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**BASIC  
FINANCIAL STATEMENTS**

**STATE OF NEW MEXICO**

City of Belen

Statement of Net Position

June 30, 2015

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Assets and Deferred Outflows</b>			
Current assets			
Cash and cash equivalents	\$ 3,840,405	\$ 3,424,612	\$ 7,265,017
Investments	550,775	-	550,775
Receivables:			
Property taxes	28,374	-	28,374
Other taxes	1,062,169	21,042	1,083,211
Customer, net	-	520,683	520,683
Other	208,364	-	208,364
Prepaid expenses	5,000	1,000	6,000
Interfund balances	(246,469)	246,469	-
Total current assets	<u>5,448,618</u>	<u>4,213,806</u>	<u>9,662,424</u>
Noncurrent assets			
Restricted cash and cash equivalents	1,518,846	194,572	1,713,418
Restricted investments	432,000	-	432,000
Bond discounts, net of accumulated amortization of \$41,074	110,905	-	110,905
Capital assets	87,436,873	40,176,884	127,613,757
Less: accumulated depreciation	<u>(57,101,270)</u>	<u>(20,732,830)</u>	<u>(77,834,100)</u>
Total noncurrent assets	<u>32,397,354</u>	<u>19,638,626</u>	<u>52,035,980</u>
Deferred outflows of resources			
Employer contributions subsequent to the measurement date	508,828	101,490	610,318
Change in assumptions	<u>32,375</u>	<u>6,458</u>	<u>38,833</u>
Total deferred outflows	<u>541,203</u>	<u>107,948</u>	<u>649,151</u>
Total assets and deferred outflows	<u>\$ 38,387,175</u>	<u>\$ 23,960,380</u>	<u>\$ 62,347,555</u>

The accompanying notes are an integral part of these financial statements

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Liabilities and deferred inflows</b>			
Current liabilities			
Accounts payable	\$ 729,723	\$ 342,327	\$ 1,072,050
Meter deposits	-	194,997	194,997
Accrued payroll	303,886	30,151	334,037
Accrued compensated absences	107,540	31,746	139,286
Accrued interest	89,201	2,659	91,860
Funds held in trust	7,042	-	7,042
Current portion of long-term debt	1,340,182	12,028	1,352,210
Total current liabilities	<u>2,577,574</u>	<u>613,908</u>	<u>3,191,482</u>
Noncurrent liabilities			
Accrued compensated absences	38,965	10,794	49,759
Accrued landfill closure costs	-	274,708	274,708
Bonds payable	6,859,000	-	6,859,000
Loans and capital leases payable	5,890,347	95,098	5,985,445
Net pension liability	3,619,060	721,852	4,340,912
Total noncurrent liabilities	<u>16,407,372</u>	<u>1,102,452</u>	<u>17,509,824</u>
Total liabilities	<u>18,984,946</u>	<u>1,716,360</u>	<u>20,701,306</u>
Deferred inflows of resources			
Change in experience	93,379	18,626	112,005
Net difference between projected and actual investment earnings on pension plan investments	1,158,152	231,003	1,389,155
Total deferred inflows of resources	<u>1,251,531</u>	<u>249,629</u>	<u>1,501,160</u>
<b>Net Position</b>			
Net investment in capital assets	16,246,074	19,336,928	35,583,002
Restricted for:			
Debt service	3,703,370	-	3,703,370
Capital projects	790,781	-	790,781
Special revenue	2,335,319	-	2,335,319
Unrestricted	(4,924,846)	2,657,463	(2,267,383)
Total net position	<u>18,150,698</u>	<u>21,994,391</u>	<u>40,145,089</u>
Total liabilities, deferred inflows, and net position	<u>\$ 38,387,175</u>	<u>\$ 23,960,380</u>	<u>\$ 62,347,555</u>

**STATE OF NEW MEXICO**  
City of Belen  
Statement of Activities  
For the Year Ended June 30, 2015

<u>Functions/Programs</u>	<u>Program Revenues</u>			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
<b>Governmental Activities:</b>				
General government	\$ 2,013,189	\$ 348,219	\$ 290,178	\$ -
Public safety	2,955,342	-	215,707	110,302
Public works	2,788,512	-	28,159	1,123,679
Culture and recreation	784,574	44,847	1,256	-
Health and welfare	86,281	-	9,098	-
Interest on long-term debt	562,270	-	-	-
<i>Total governmental activities</i>	<u>9,190,168</u>	<u>393,066</u>	<u>544,398</u>	<u>1,233,981</u>
<b>Business-type Activities:</b>				
Wastewater	1,388,192	1,262,526	-	296,702
Water	1,597,215	1,781,488	-	-
Solid waste	1,313,218	1,306,904	-	-
<i>Total business-type activities</i>	<u>4,298,625</u>	<u>4,350,918</u>	<u>-</u>	<u>296,702</u>
<i>Total primary government</i>	<u>\$ 13,488,793</u>	<u>\$ 4,743,984</u>	<u>\$ 544,398</u>	<u>\$ 1,530,683</u>

**General Revenues and Transfers:**

Taxes:

Property taxes, levied for general purposes

Gross receipts taxes

Gasoline and motor vehicle taxes

Other taxes

Interest income

Miscellaneous income

Gain (loss) on sale of capital assets

Gain on sale of water rights

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning

Net position - restatement (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**

Governmental Activities	Business-Type Activities	Total
\$ (1,374,792)	\$ -	\$ (1,374,792)
(2,629,333)	-	(2,629,333)
(1,636,674)	-	(1,636,674)
(738,471)	-	(738,471)
(77,183)	-	(77,183)
(562,270)	-	(562,270)
<u>(7,018,723)</u>	<u>-</u>	<u>(7,018,723)</u>
-	171,036	171,036
-	184,273	184,273
-	(6,314)	(6,314)
<u>-</u>	<u>348,995</u>	<u>348,995</u>
<u>(7,018,723)</u>	<u>348,995</u>	<u>(6,669,728)</u>
679,050	-	679,050
6,304,873	332,871	6,637,744
194,210	-	194,210
332,342	-	332,342
14,052	288	14,340
154,708	5,842	160,550
(55,751)	-	(55,751)
-	27,410	27,410
326,312	(326,312)	-
<u>7,949,796</u>	<u>40,099</u>	<u>7,989,895</u>
<u>931,073</u>	<u>389,094</u>	<u>1,320,167</u>
21,653,876	22,489,746	44,143,622
(4,434,251)	(884,449)	(5,318,700)
<u>17,219,625</u>	<u>21,605,297</u>	<u>38,824,922</u>
<u>\$ 18,150,698</u>	<u>\$ 21,994,391</u>	<u>\$ 40,145,089</u>

**STATE OF NEW MEXICO**

City of Belen  
Balance Sheet  
Governmental Funds  
June 30, 2015

	<u>General Fund</u>	<u>1/2% GRT Infrastructure Special Revenue Fund</u>	<u>Multi-Purpose Park Capital Projects Fund</u>	<u>Camino Del Llano Capital Projects Fund</u>
<i>Assets</i>				
Cash and cash equivalents	\$ 1,614,000	\$ -	\$ -	\$ -
Investments	-	-	-	-
Receivables:				
Property taxes	28,374	-	-	-
Other taxes	789,118	168,251	-	-
Other	44,975	-	-	-
Prepaid expenses	5,000	-	-	-
Due from other funds	625,388	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total assets</i>	<u>\$ 3,106,855</u>	<u>\$ 168,251</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Liabilities</i>				
Accounts payable	\$ 105,183	\$ 4,007	\$ 208,338	\$ 180,968
Accrued payroll	301,881	-	-	-
Funds held in trust	500	-	-	-
Due to other funds	-	-	218,166	447,351
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total liabilities</i>	<u>407,564</u>	<u>4,007</u>	<u>426,504</u>	<u>628,319</u>
<i>Fund balances</i>				
Nonspendable				
Prepaid expenses	5,000	-	-	-
Spendable				
Restricted for:				
Infrastructure maintenance	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Transportation and roads	-	-	-	-
Promotion	-	-	-	-
Debt service expenditures	-	164,244	-	-
Capital projects	-	-	-	-
Committed to:				
Minimum fund balance	490,510	-	-	-
Unassigned	2,203,781	-	(426,504)	(628,319)
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total fund balances</i>	<u>2,699,291</u>	<u>164,244</u>	<u>(426,504)</u>	<u>(628,319)</u>
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total liabilities and fund balances</i>	<u>\$ 3,106,855</u>	<u>\$ 168,251</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements



Christopher Road Capital Projects Fund	Other Governmental Funds	Total
\$ 172,014	\$ 3,573,237	\$ 5,359,251
-	982,775	982,775
-	-	28,374
-	104,800	1,062,169
-	163,389	208,364
-	-	5,000
-	-	625,388
<u>\$ 172,014</u>	<u>\$ 4,824,201</u>	<u>\$ 8,271,321</u>
\$ 90,001	\$ 141,226	\$ 729,723
-	2,005	303,886
-	6,542	7,042
166,788	39,552	871,857
<u>256,789</u>	<u>189,325</u>	<u>1,912,508</u>
-	-	5,000
-	720,961	720,961
-	234,197	234,197
-	81,131	81,131
-	298,835	298,835
-	61,141	61,141
-	2,820,956	2,985,200
-	448,455	448,455
-	-	490,510
(84,775)	(30,800)	1,033,383
<u>(84,775)</u>	<u>4,634,876</u>	<u>6,358,813</u>
<u>\$ 172,014</u>	<u>\$ 4,824,201</u>	<u>\$ 8,271,321</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, 2015

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	\$	6,358,813
The City has unamortized bond discounts. Bond discounts are not current financial resources and, therefore, are not reported in the funds:		
Bond discounts		110,905
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		30,335,603
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:		
Deferred outflows of resources related to employer contributions subsequent to the measurement date		508,828
Deferred outflows of resources related to changes in assumptions		32,375
Deferred inflows of resources related to changes in assumptions		(93,379)
Deferred inflows of resources related to investment experience		(1,158,152)
Interest on long-term debt is not accrued in the fund financial statements unless it is due and payable:		
Accrued interest		(89,201)
Some liabilities, including bonds, loans, and capital leases payable, and the net pension liability, are not due and payable in the current period and, therefore, are not reported in the funds:		
Accrued compensated absences		(146,505)
Bonds payable		(7,563,000)
Loans payable		(6,388,704)
Capital leases payable		(137,825)
Net pension liability		(3,619,060)
Total net position of governmental activities	\$	<u><u>18,150,698</u></u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
City of Belen  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2015

	General Fund	1/2% GRT Infrastructure Special Revenue Fund	Multi-Purpose Park Capital Projects Fund	Camino Del Llano Capital Projects Fund
<i>Revenues</i>				
Taxes				
Property	\$ 679,050	\$ -	\$ -	\$ -
Gross receipts	4,721,143	1,054,686	-	-
Gasoline and motor vehicle taxes	52,726	-	-	-
Other	278,744	-	-	-
Intergovernmental income				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	251,988	-	-	-
State capital grants	-	-	-	-
Charges for services	60,663	-	-	-
Licenses and fees	129,315	-	-	-
Interest income	3,267	-	-	-
Miscellaneous	89,081	-	-	-
<i>Total revenues</i>	<u>6,265,977</u>	<u>1,054,686</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
Current				
General government	1,767,815	-	-	-
Public safety	2,600,761	-	-	-
Public works	1,218,755	24,875	-	-
Culture and recreation	212,981	-	-	-
Health and welfare	-	-	-	-
Economic development	-	-	-	-
Capital outlay	176,617	-	425,831	605,050
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>5,976,929</u>	<u>24,875</u>	<u>425,831</u>	<u>605,050</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>289,048</u>	<u>1,029,811</u>	<u>(425,831)</u>	<u>(605,050)</u>
<i>Other financing sources (uses)</i>				
Transfers in	119,500	268,055	-	-
Transfers (out)	(242,548)	(1,276,918)	-	-
<i>Total other financing sources (uses)</i>	<u>(123,048)</u>	<u>(1,008,863)</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	166,000	20,948	(425,831)	(605,050)
<i>Fund balances - beginning of year</i>	<u>2,533,291</u>	<u>143,296</u>	<u>(673)</u>	<u>(23,269)</u>
<i>Fund balances - end of year</i>	<u>\$ 2,699,291</u>	<u>\$ 164,244</u>	<u>\$ (426,504)</u>	<u>\$ (628,319)</u>

The accompanying notes are an integral part of these financial statements

Christopher Road Capital Projects Fund	Other Governmental Funds	Total
\$ -	\$ -	\$ 679,050
-	529,044	6,304,873
-	141,484	194,210
-	53,598	332,342
-	42,509	42,509
-	87,724	87,724
-	249,901	501,889
709,924	436,333	1,146,257
-	31,298	91,961
-	171,790	301,105
-	10,785	14,052
-	65,626	154,707
<u>709,924</u>	<u>1,820,092</u>	<u>9,850,679</u>
-	41,297	1,809,112
-	241,114	2,841,875
4,462	68,515	1,316,607
-	61,683	274,664
-	87,843	87,843
-	91,115	91,115
521,173	319,412	2,048,083
-	1,290,898	1,290,898
-	569,553	569,553
<u>525,635</u>	<u>2,771,430</u>	<u>10,329,750</u>
<u>184,289</u>	<u>(951,338)</u>	<u>(479,071)</u>
133,272	2,216,423	2,737,250
-	(891,472)	(2,410,938)
<u>133,272</u>	<u>1,324,951</u>	<u>326,312</u>
317,561	373,613	(152,759)
<u>(402,336)</u>	<u>4,261,263</u>	<u>6,511,572</u>
<u>\$ (84,775)</u>	<u>\$ 4,634,876</u>	<u>\$ 6,358,813</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, 2015

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	\$ (152,759)
<p>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:</p>	
Capital expenditures recorded in capital outlay	2,048,083
Depreciation expense	(2,310,162)
<p>Losses in the Statement of Activities that do not use current financial resources are not reported as expenditures in the funds:</p>	
Book value of assets disposed	(55,751)
<p>Governmental funds report City pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned, net of employee contributions, is reported as pension expense:</p>	
City pension contributions	508,828
Pension expense	(403,966)
<p>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:</p>	
Decrease in accrued compensated absences	4,781
Decrease in accrued interest	7,282
<p>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:</p>	
Amortization of bond discounts	(6,161)
Principal payments on bonds payable	688,000
Principal payments on loans payable	559,851
Principal payments on capital leases payable	43,047
Change in net position of governmental activities	\$ 931,073

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, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes				
Property taxes	\$ 600,000	\$ 600,000	\$ 679,050	\$ 79,050
Gross receipts	4,133,500	4,234,258	4,721,143	486,885
Gas and motor vehicle	52,000	52,000	52,726	726
Other	269,000	269,000	278,744	9,744
Intergovernmental income				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	347,000	414,180	251,988	(162,192)
State capital grants	-	-	-	-
Charges for services	91,000	91,000	60,663	(30,337)
Licenses and fees	173,200	173,560	129,315	(44,245)
Interest income	3,000	3,000	3,267	267
Miscellaneous	112,500	117,060	89,081	(27,979)
<i>Total revenues</i>	<u>5,781,200</u>	<u>5,954,058</u>	<u>6,265,977</u>	<u>311,919</u>
<i>Expenditures</i>				
Current				
General government	1,567,658	1,736,682	1,767,815	(31,133)
Public safety	2,561,028	2,580,006	2,600,761	(20,755)
Public works	990,926	1,030,269	1,218,754	(188,485)
Culture and recreation	176,579	176,579	212,981	(36,402)
Capital outlay	120,000	238,620	176,618	62,002
<i>Total expenditures</i>	<u>5,416,191</u>	<u>5,762,156</u>	<u>5,976,929</u>	<u>(214,773)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>365,009</u>	<u>191,902</u>	<u>289,048</u>	<u>97,146</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(17,148)	145,959	-	(145,959)
Proceeds from sale of capital assets	-	10,000	-	(10,000)
Transfers in	123,500	123,500	119,500	(4,000)
Transfers (out)	(471,361)	(471,361)	(242,548)	228,813
<i>Total other financing sources (uses)</i>	<u>(365,009)</u>	<u>(191,902)</u>	<u>(123,048)</u>	<u>68,854</u>
<i>Net change in fund balance</i>	-	-	166,000	166,000
<i>Fund balances - beginning of year</i>	-	-	2,533,291	2,533,291
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,699,291</u>	<u>\$ 2,699,291</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, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	925,000	985,000	1,054,686	69,686
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>925,000</u>	<u>985,000</u>	<u>1,054,686</u>	<u>69,686</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	20,500	22,302	24,875	(2,573)
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>20,500</u>	<u>22,302</u>	<u>24,875</u>	<u>(2,573)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>904,500</u>	<u>962,698</u>	<u>1,029,811</u>	<u>67,113</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	(58,198)	-	58,198
Proceeds from sale of capital assets	-	-	-	-
Transfers in	372,730	372,730	268,055	(104,675)
Transfers (out)	(1,277,230)	(1,277,230)	(1,276,918)	312
<i>Total other financing sources (uses)</i>	<u>(904,500)</u>	<u>(962,698)</u>	<u>(1,008,863)</u>	<u>(46,165)</u>
<i>Net change in fund balance</i>	-	-	20,948	20,948
<i>Fund balances - beginning of year</i>	-	-	143,296	143,296
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 164,244</u>	<u>\$ 164,244</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, 2015

	<u>Wastewater</u>	<u>Water</u>	<u>Solid Waste</u>	<u>Total</u>
<i>Assets and deferred outflows</i>				
<i>Current assets</i>				
Cash and cash equivalents	\$ 1,012,438	\$ 1,542,851	\$ 869,323	\$ 3,424,612
Receivables:				
Other taxes	-	-	21,042	21,042
Customer, net	128,732	271,241	120,710	520,683
Other	-	-	-	-
Prepaid expenses	-	1,000	-	1,000
Due from other funds	274,548	-	-	274,548
<i>Total current assets</i>	<u>1,415,718</u>	<u>1,815,092</u>	<u>1,011,075</u>	<u>4,241,885</u>
<i>Noncurrent assets</i>				
Restricted cash and cash equivalents	-	194,572	-	194,572
Capital assets	27,304,374	12,614,959	257,551	40,176,884
Less: accumulated depreciation	<u>(14,746,651)</u>	<u>(5,877,244)</u>	<u>(108,935)</u>	<u>(20,732,830)</u>
<i>Total noncurrent assets</i>	<u>12,557,723</u>	<u>6,932,287</u>	<u>148,616</u>	<u>19,638,626</u>
<i>Deferred outflows of resources</i>				
Employer contributions subsequent to the measurement date	30,694	61,224	9,572	101,490
Change in assumptions	1,953	3,896	609	6,458
<i>Total deferred outflows</i>	<u>32,647</u>	<u>65,120</u>	<u>10,181</u>	<u>107,948</u>
<i>Total assets and deferred outflows</i>	<u>\$ 14,006,088</u>	<u>\$ 8,812,499</u>	<u>\$ 1,169,872</u>	<u>\$ 23,988,459</u>

The accompanying notes are an integral part of these financial statements

	<u>Wastewater</u>	<u>Water</u>	<u>Solid Waste</u>	<u>Total</u>
<i>Liabilities, deferred inflows, and net position</i>				
<i>Liabilities</i>				
<i>Current liabilities</i>				
Accounts payable	\$ 112,116	\$ 80,768	\$ 149,443	\$ 342,327
Meter deposits payable	-	194,997	-	194,997
Accrued payroll	9,447	16,950	3,754	30,151
Accrued compensated absences	12,266	17,886	1,594	31,746
Due to other funds	8,818	15,791	3,470	28,079
Accrued interest payable	-	2,659	-	2,659
Current portion of long-term debt	-	12,028	-	12,028
<i>Total current liabilities</i>	<u>142,647</u>	<u>341,079</u>	<u>158,261</u>	<u>641,987</u>
<i>Noncurrent liabilities</i>				
Accrued compensated absences	1,913	6,158	2,723	10,794
Accrued landfill closure costs	-	-	274,708	274,708
Loans and capital leases payable	-	95,098	-	95,098
Net pension liability	218,312	435,458	68,082	721,852
<i>Total noncurrent liabilities</i>	<u>220,225</u>	<u>536,714</u>	<u>345,513</u>	<u>1,102,452</u>
<i>Total liabilities</i>	<u>362,872</u>	<u>877,793</u>	<u>503,774</u>	<u>1,744,439</u>
<i>Deferred inflows of resources</i>				
Change in experience	5,633	11,236	1,757	18,626
Net difference between projected and actual investment earnings on pension plan investments	69,863	139,353	21,787	231,003
<i>Total deferred inflows of resources</i>	<u>75,496</u>	<u>150,589</u>	<u>23,544</u>	<u>249,629</u>
<i>Net position</i>				
Net investment in capital assets	12,557,723	6,630,589	148,616	19,336,928
Unrestricted	1,009,997	1,153,528	493,938	2,657,463
<i>Total net position</i>	<u>13,567,720</u>	<u>7,784,117</u>	<u>642,554</u>	<u>21,994,391</u>
<i>Total liabilities, deferred inflows, and net position</i>	<u>\$ 14,006,088</u>	<u>\$ 8,812,499</u>	<u>\$ 1,169,872</u>	<u>\$ 23,988,459</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, 2015

	<u>Wastewater</u>	<u>Water</u>	<u>Solid Waste</u>
<i>Operating revenues</i>			
Charges for services	\$ 1,262,526	\$ 1,781,488	\$ 1,306,904
<i>Total operating revenues</i>	<u>1,262,526</u>	<u>1,781,488</u>	<u>1,306,904</u>
<i>Operating expenses</i>			
Depreciation	656,201	247,133	12,639
Personnel services	257,780	555,090	94,332
Utilities	143,829	128,701	9,421
Contractual services	83,954	90,097	1,062,704
Supplies	40,517	188,617	41,057
Maintenance and materials	144,071	253,789	26,572
Gross receipts taxes	61,840	78,920	61,070
Other costs	-	50,904	5,423
<i>Total operating expenses</i>	<u>1,388,192</u>	<u>1,593,251</u>	<u>1,313,218</u>
<i>Operating income (loss)</i>	<u>(125,666)</u>	<u>188,237</u>	<u>(6,314)</u>
<i>Non-operating revenues (expenses)</i>			
Gross receipts taxes	-	200,593	132,278
Interest expense	-	(3,964)	-
Interest income	-	288	-
Gain on sale of water rights	-	27,410	-
Miscellaneous income	-	5,842	-
Effect of change in accounting estimate (Note 12)	-	-	-
<i>Total non-operating revenues (expenses)</i>	<u>-</u>	<u>230,169</u>	<u>132,278</u>
<i>Income (loss) before transfers and contributions</i>	<u>(125,666)</u>	<u>418,406</u>	<u>125,964</u>
Government contributions	296,702	-	-
Transfers in	900,000	-	-
Transfers (out)	(161,406)	(1,060,906)	(4,000)
<i>Change in net position</i>	909,630	(642,500)	121,964
<i>Net position, beginning of year</i>	14,870,364	6,973,503	645,879
<i>Net position - restatement</i>	<u>(2,212,274)</u>	<u>1,453,114</u>	<u>(125,289)</u>
<i>Net position - beginning, as restated</i>	<u>12,658,090</u>	<u>8,426,617</u>	<u>520,590</u>
<i>Net position, end of year</i>	<u>\$ 13,567,720</u>	<u>\$ 7,784,117</u>	<u>\$ 642,554</u>

The accompanying notes are an integral part of these financial statements

<u>Total</u>
<u>\$ 4,350,918</u>
<u>4,350,918</u>
915,973
907,202
281,951
1,236,755
270,191
424,432
201,830
<u>56,327</u>
<u>4,294,661</u>
<u>56,257</u>
332,871
(3,964)
288
27,410
5,842
<u>-</u>
<u>362,447</u>
<u>418,704</u>
296,702
900,000
<u>(1,226,312)</u>
389,094
22,489,746
<u>(884,449)</u>
<u>21,605,297</u>
<u>\$ 21,994,391</u>

**STATE OF NEW MEXICO**  
City of Belen  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2015

	Wastewater	Water	Solid Waste
<i>Cash flows from operating activities</i>			
Cash received from user charges	\$ 1,260,075	\$ 1,808,362	\$ 1,312,909
Cash payments to employees for services	(260,191)	(566,469)	(92,684)
Cash payments to suppliers for goods and services	(396,897)	(735,017)	(1,136,703)
<i>Net cash provided (used) by operating activities</i>	<u>602,987</u>	<u>506,876</u>	<u>83,522</u>
<i>Cash flows from noncapital financing activities</i>			
Gross receipts tax revenues	-	200,593	132,278
Miscellaneous income	-	5,842	-
Payments for noncurrent accrued compensated absences	(2,696)	2,058	1,919
Transfers	738,594	(1,060,906)	(4,000)
<i>Net cash provided (used) by noncapital financing activities</i>	<u>469,202</u>	<u>(838,968)</u>	<u>133,345</u>
<i>Cash flows from capital and related financing activities</i>			
Government contributions	296,702	-	-
Interest paid	-	(3,964)	-
Principal payments	-	(11,327)	-
Closure and post-closure landfill care	-	-	(14,021)
Sale of water rights	-	27,410	-
Acquisition of capital assets	(851,689)	(54,742)	(14,849)
<i>Net cash provided (used) by capital and related financing activities</i>	<u>(554,987)</u>	<u>(42,623)</u>	<u>(28,870)</u>
<i>Cash flows from investing activities</i>			
Interest on investments	-	288	-
Investment redeemed for cash	-	250,000	-
<i>Net cash provided (used) by investing activities</i>	<u>-</u>	<u>250,288</u>	<u>-</u>
<i>Net increase (decrease) in cash and cash equivalents</i>	517,202	(124,427)	187,997
<i>Cash and cash equivalents - beginning of year</i>	<u>495,236</u>	<u>1,861,850</u>	<u>681,326</u>
<i>Cash and cash equivalents - end of year</i>	<u>\$ 1,012,438</u>	<u>\$ 1,737,423</u>	<u>\$ 869,323</u>
<i>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</i>			
Operating income (loss)	\$ (125,666)	\$ 188,237	\$ (6,314)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	656,201	247,133	12,639
Employer pension contributions	(30,694)	(61,224)	(9,572)
Pension expense	24,368	48,606	7,600
Changes in assets and liabilities			
Receivables	(2,451)	26,874	6,005
Accounts payable	77,314	34,156	69,217
Accrued payroll expenses	2,360	738	3,407
Current accrued compensated absences	1,555	501	540
Meter deposits	-	21,855	-
<i>Net cash provided (used) by operating activities</i>	<u>\$ 602,987</u>	<u>\$ 506,876</u>	<u>\$ 83,522</u>

The accompanying notes are an integral part of these financial statements

<u>Total</u>	
\$	4,381,346
	(919,344)
	<u>(2,268,617)</u>
	<u>1,193,385</u>
	332,871
	5,842
	1,281
	<u>(326,312)</u>
	<u>(236,421)</u>
	296,702
	(3,964)
	(11,327)
	(14,021)
	27,410
	<u>(921,280)</u>
	<u>(626,480)</u>
	288
	<u>250,000</u>
	<u>250,288</u>
	580,772
	<u>3,038,412</u>
\$	<u>3,619,184</u>
\$	56,257
	915,973
	(101,490)
	80,574
	30,428
	180,687
	6,505
	2,596
	<u>21,855</u>
\$	<u>1,193,385</u>

**STATE OF NEW MEXICO**  
City of Belen  
Notes to Financial Statements  
June 30, 2015

**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, 2015, the City adopted GASB Statements No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27* (“GASB 68”), and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68* (“GASB 71”). These two Statements are required to be implemented at the same time. GASB 68 addresses accounting and financial reporting for pensions that are provided to the employees of state and local governments through pension plans that are administered through trusts that have the following characteristics:

- Contributions from employers and nonemployer contributing entities to the pension plan and earnings on those contributions are irrevocable.
- Pension plan assets are dedicated to providing pensions to plan members in accordance with the benefit terms.
- Pension plan assets are legally protected from the creditors of employers, nonemployer contributing entities, and the pension plan administrator. If the plan is a defined benefit plan, plan assets are also legally protected from creditors of the plan members.

GASB 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to pensions. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. As a result of the implementation of GASB 68, the government recognized a net pension liability (“NPL”) measured as of a date no later than the end of its prior fiscal year. If the government employer makes a contribution to the pension plan subsequent to the measurement date but prior to the end of the current fiscal year, GASB 68 requires the government to recognize that contribution as a deferred outflow of resources. In addition, GASB 68 requires the recognition of deferred outflows of resources and deferred inflows of resources for changes in the NPL that arise from other types of events, but does not require the government to recognize beginning deferred outflows of resources or deferred inflows of resources if the amounts are not practical to estimate.



**STATE OF NEW MEXICO**  
City of Belen  
Notes to Financial Statements  
June 30, 2015

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

At transition to Statement 68, Statement 71 requires the employer or nonemployer contributing entity to recognize a beginning deferred outflow of resources for its pension contributions made subsequent to the measurement date of the beginning net pension liability but before the start of the government's fiscal year, thus avoiding possible understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation. This pronouncement has materially impacted the financial statements and additional disclosures are included in the notes to the financial statements to highlight the effects.

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.

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.

**STATE OF NEW MEXICO**  
City of Belen  
Notes to Financial Statements  
June 30, 2015

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

**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*.

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.

**STATE OF NEW MEXICO**  
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June 30, 2015

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

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

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 *Multi-Purpose Park Capital Projects Fund* accounts 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.

The *Camino Del Llano Capital Projects Fund* accounts for various grant and other revenues used for the Camino Del Llano Capital Projects Fund. Authorized by the City Council.

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

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

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

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

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

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

**STATE OF NEW MEXICO**  
City of Belen  
Notes to Financial Statements  
June 30, 2015

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

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

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, Deferred Outflows and Inflows of Resources, and Net Position or Equity**

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

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

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

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

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

**STATE OF NEW MEXICO**  
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June 30, 2015

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

***D. Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Net Position or Equity (continued)***

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. In the government-wide and governmental fund financial statements, delinquent property taxes are recorded when levied. Property taxes are considered to be 100% collectible. The allowance for doubtful accounts for customer receivables is calculated based on the aging of the customer accounts receivable and the City's historical experience with these receivables.

Property taxes are levied on November 1 based on the assessed value of property as listed on the previous January 1 and are due in two payments by December 10th and May 10th. Property taxes uncollected after December 10<sup>th</sup> and May 10<sup>th</sup> are considered delinquent and the City may assess penalties and interest. The taxes attach as an enforceable lien on property thirty (30) days thereafter, at which time they become delinquent. Property taxes are collected by Valencia County and remitted monthly to the City.

**Deferred Outflows of Resources:** In addition to assets, the balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a use of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until that time. The City has two types of item that qualify for reporting in this category: change in assumptions in the amount of \$38,833 and employer contributions subsequent to the measurement date in the amount of \$610,318. These amounts are reported in the Statement of Net Position. These amounts are deferred and recognized as an outflow of resources in the period that the amounts become due.

**Deferred Inflows of Resources:** In addition to liabilities, the balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Revenue must be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period) to be recognized. If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding liability for deferred inflows of resources. The City has two types of deferred inflows of resources presented on the Statement of Net Position which arise due to the implementation of GASB Statement No. 68 and the related net pension liability. Accordingly, the items, change in assumptions in the amount of \$112,005 and Net difference between projected and actual investment earnings in the amount of \$1,389,155 are reported on the Statement of Net Position. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**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).

**STATE OF NEW MEXICO**  
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Notes to Financial Statements  
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**NOTE 1. Summary of Significant Accounting Policies (continued)**

**D. Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Net Position or Equity (continued)**

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

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

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

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

**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.

**STATE OF NEW MEXICO**  
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**NOTE 1. Summary of Significant Accounting Policies (continued)**

**D. Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Net Position or Equity (continued)**

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

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

**Nonspendable Fund Balance:** At June 30, 2015, 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, 2015, the City has presented restricted fund balance on the governmental funds balance sheet in the amount of \$1,396,265 for various City operations as restricted by enabling legislation in the special revenue funds, \$2,985,200 in fund balance restricted for debt service, and \$448,455 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 16-17.

**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 \$490,510 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 35 and 80-83.
- c. Unrestricted net position: Net position that does not meet the definition of "restricted" or "Net investment in Capital Assets."

**STATE OF NEW MEXICO**  
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**NOTE 1. Summary of Significant Accounting Policies (continued)**

*D. Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Net Position or Equity (continued)*

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

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

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

**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, the net pension liability and related amounts, and the useful lives of capital assets.

**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  
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**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 <u>or operating income (loss)</u>	
	<u>Original Budget</u>	<u>Final Budget</u>
<b>Budgeted Funds:</b>		
General Fund	\$ 365,009	\$ 191,902
1/2% GRT Infrastructure Special Revenue Fund	\$ 904,500	\$ 962,698
Christopher Road Capital Projects Fund	\$ (133,272)	\$ (133,272)
Multi-Purpose Park Capital Projects Fund	\$ -	\$ -
Camino Del Llano Capital Projects Fund	\$ (49,062)	\$ (86,341)
Nonmajor Governmental Funds	\$ (672,659)	\$ (459,766)
Wastewater Proprietary Fund	\$ (146,794)	\$ (151,154)
Water Proprietary Fund	\$ (13,006)	\$ (201,885)
Solid Waste Proprietary Fund	\$ (128,718)	\$ (119,871)

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, 2015.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the City. Deposits may be made to the extent that they are insured by an agency of the United States or 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  
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**NOTE 3. Deposits and Investments (continued)**

*Custodial Credit Risk – Deposits* Custodial credit risk is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk, other than following state statutes as set forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2015, \$8,818,462 of the City’s bank balance of \$9,685,943 was exposed to custodial credit risk. \$5,531,527 was uninsured and collateralized by collateral held by the pledging bank’s trust department not in the City’s name and \$3,286,935 was uninsured and uncollateralized.

	Wells Fargo Bank	My Bank	US Bank	Bank of Albuquerque	Total
Amount of deposits	\$ 8,422,659	\$ 117,481	\$ 850,235	\$ 295,568	\$ 9,685,943
FDIC Coverage	(250,000)	(117,481)	(250,000)	(250,000)	(867,481)
Total uninsured public funds	<u>8,172,659</u>	<u>-</u>	<u>600,235</u>	<u>45,568</u>	<u>8,818,462</u>
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the City’s name	<u>4,949,736</u>	<u>-</u>	<u>536,223</u>	<u>45,568</u>	<u>5,531,527</u>
Uninsured and uncollateralized	<u>\$ 3,222,923</u>	<u>\$ -</u>	<u>\$ 64,012</u>	<u>\$ -</u>	<u>\$ 3,286,935</u>
Collateral requirement (50% of uninsured funds)	\$ 4,086,330	\$ -	\$ 300,118	\$ 22,784	\$ 4,409,231
Pledged Collateral	<u>4,949,736</u>	<u>-</u>	<u>536,223</u>	<u>60,124</u>	<u>5,546,083</u>
Over (Under) collateralized	<u>\$ 863,407</u>	<u>\$ -</u>	<u>\$ 236,105</u>	<u>\$ 37,340</u>	<u>\$ 1,136,851</u>

The collateral pledged is listed on Schedule IV 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, 2015. The following funds had a negative cash balance as of June 30, 2015:

Camino del Llano Capital Projects Fund	\$ 172,803
Multi-Purpose Park Capital Projects Fund	218,166
Jail Special Revenue Fund	<u>7,002</u>
Total	<u>\$ 397,971</u>

**STATE OF NEW MEXICO**  
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**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	\$ 7,265,017
Restricted cash and cash equivalents per Exhibit A-1	1,713,418
Investments per Exhibit A-1	550,775
Restricted investments per Exhibit A-1	432,000
Add: outstanding checks and other reconciling items	325,242
Less: outstanding deposits	(22,762)
Less: petty cash	(600)
Less: New Mexico State Treasurer Debt Service	<u>(577,147)</u>
 Bank balance of deposits	 <u><u>\$ 9,685,943</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 \$982,775 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.

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**NOTE 4. Receivables**

Receivables as of June 30, 2015, are as follows:

Governmental Activities:	<u>General</u>	<u>1/2% GRT Infrastructure</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Property taxes	\$ 28,374	\$ -	\$ -	\$ 28,374
Other taxes:				
Gross receipts taxes	750,274	168,251	84,172	1,002,697
Gasoline and oil taxes	-	-	14,113	14,113
Lodger's taxes	-	-	6,515	6,515
Franchise taxes	34,181	-	-	34,181
Other taxes	4,663	-	-	4,663
Other receivables:				
Licenses and fees	3,018	-	35,693	38,711
Intergovernmental-grants:				
State	25,838	-	33,139	58,977
Federal	-	-	1,001	1,001
Interest receivable	135	-	93,556	93,691
Miscellaneous	15,984	-	-	15,984
Totals by category	<u>\$ 862,467</u>	<u>\$ 168,251</u>	<u>\$ 268,189</u>	<u>\$ 1,298,907</u>

Information on the full amount of property tax receivable for the City was not available for the year ended June 30, 2015. 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:	<u>Wastewater</u>	<u>Water</u>	<u>Solid Waste</u>	<u>Total</u>
Customer receivables	\$ 140,260	\$ 287,240	\$ 132,528	\$ 560,028
Other taxes receivable:				
Gross receipts tax	-	-	21,042	21,042
Total gross receivables	137,003	287,240	132,528	581,070
Less: allowance for doubtful accounts	<u>(11,528)</u>	<u>(15,999)</u>	<u>(11,818)</u>	<u>(39,345)</u>
Total net receivables	<u>\$ 128,732</u>	<u>\$ 271,241</u>	<u>\$ 120,710</u>	<u>\$ 541,725</u>

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**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, 2015 is as follows:

<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Amount</u>
	Christopher Road Capital Projects	
General Fund	Fund	\$ 166,788
	Camino del Llano Capital Projects	
General Fund	Fund	172,803
	Law Enforcement Protection	
General Fund	Special Revenue Fund	30,800
General Fund	Multi-Purpose Park Fund	218,166
General Fund	Corrections Fund	7,002
General Fund	RSVP Special Revenue Fund	1,750
General Fund	Wastewater Fund	8,818
General Fund	Water Fund	15,791
General Fund	Solid Waste Fund	3,470
	Camino del Llano Capital Projects	
Wastewater Fund	Fund	<u>274,548</u>
		<u>\$ 899,936</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	\$ 80,000
General Fund	Water	17,500
General Fund	Waterwater	18,000
General Fund	Solid Waste	4,000
1/2% GRT Infrastructure	General Fund	268,055
Confiscated Fund	General Fund	5,000
Alexander Airport	Road/Infrastructure Improvements	260,000
Community Garden Fund	General Fund	1,504
Becker Avenue	General Fund	10,693
RSVP	General Fund	32,436
Debt Service	1/2% GRT Infrastructure	291,063
Debt Service	1/8% GRT Infrastructure	291,375
Debt Service	Fire Protection Fund	51,685
Debt Service	Water	143,406
Debt Service	Wastewater	143,406
2005 GRT Revenue Bonds	1/2% GRT Infrastructure	434,080
2008 GRT Revenue Bonds	1/2% GRT Infrastructure	551,775
Christopher Road	Road/Infrastructure Improvements	133,272
Wastewater	Water	<u>900,000</u>
		<u>\$ 3,637,250</u>

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**NOTE 6. Capital Assets**

The following is a summary of capital assets and changes occurring during the year ended June 30, 2015. Land, water rights and construction in progress are not subject to depreciation.

	Balance June 30, 2014	Additions	Deletions	Transfers	Balance June 30, 2015
<b>Governmental activities:</b>					
Capital assets not being depreciated:					
Land	\$ 8,632,637	\$ -	\$ -	\$ -	\$ 8,632,637
Construction in progress	973,340	1,932,117	16,998	(310,702)	2,577,757
<b>Total capital assets not being depreciated</b>	<b>9,605,977</b>	<b>1,932,117</b>	<b>16,998</b>	<b>(310,702)</b>	<b>11,210,394</b>
Capital assets being depreciated:					
Buildings and improvements	19,805,900	-	-	-	19,805,900
Machinery and equipment	2,720,689	26,940	179,532	-	2,568,097
Furniture and fixtures	553,030	-	-	-	553,030
Vehicles	2,290,936	89,026	108,662	-	2,271,300
Infrastructure	50,717,450	-	-	310,702	51,028,152
<b>Total capital assets being depreciated</b>	<b>76,088,005</b>	<b>115,966</b>	<b>288,194</b>	<b>310,702</b>	<b>76,226,479</b>
Less accumulated depreciation:					
Buildings	(12,307,091)	(644,236)	-	-	(12,951,327)
Machinery and equipment	(2,151,267)	(130,698)	(145,249)	-	(2,136,716)
Furniture and fixtures	(357,053)	(48,274)	-	-	(405,327)
Vehicles	(1,174,864)	(200,843)	(104,192)	-	(1,271,515)
Infrastructure	(39,050,274)	(1,286,111)	-	-	(40,336,385)
<b>Total accumulated depreciation</b>	<b>(55,040,549)</b>	<b>(2,310,162)</b>	<b>(249,441)</b>	<b>-</b>	<b>(57,101,270)</b>
<b>Total capital assets, net of depreciation</b>	<b>\$ 30,653,433</b>	<b>\$ (262,079)</b>	<b>\$ 55,751</b>	<b>\$ -</b>	<b>\$ 30,335,603</b>

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

Governmental Activities	
General Government	\$ 133,963
Public Safety	196,102
Public Works	1,467,126
Culture and recreation	512,971
	<u>\$ 2,310,162</u>

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

	Balance June 30, 2014	Additions	Deletions	Adjustments to Net Position	Balance June 30, 2015
<b>Business-type activities:</b>					
Capital assets not being depreciated:					
Water rights	\$ 2,671,819	\$ -	\$ -	\$ (70,954)	\$ 2,600,865
Land	24,200	-	-	-	24,200
Construction in progress	-	772,863	-	-	772,863
<b>Total capital assets not being depreciated</b>	<b>2,696,019</b>	<b>772,863</b>	<b>-</b>	<b>(70,954)</b>	<b>3,397,928</b>
Capital assets being depreciated:					
Wastewater system	8,032,691	7,220	-	10,636,982	18,676,893
Buildings	7,992,086	17,938	-	-	8,010,024
Machinery and equipment	1,148,099	16,848	4,000	-	1,160,947
Furniture and fixtures	23,421	-	-	-	23,421
Vehicles	697,616	100,763	-	-	798,379
Infrastructure	18,669,673	5,647	-	(10,566,028)	8,109,292
<b>Total capital assets being depreciated</b>	<b>36,563,586</b>	<b>148,416</b>	<b>4,000</b>	<b>70,954</b>	<b>36,778,956</b>
Less accumulated depreciation:					
Wastewater system	(5,085,869)	(458,267)	-	(2,405,597)	(7,949,733)
Buildings	(6,341,410)	(201,897)	-	-	(6,543,307)
Machinery and equipment	(956,749)	(18,008)	(4,000)	-	(970,757)
Furniture and fixtures	(22,022)	(538)	-	-	(22,560)
Vehicles	(217,889)	(62,055)	-	-	(279,944)
Infrastructure	(7,196,918)	(175,208)	-	2,405,597	(4,966,529)
<b>Total accumulated depreciation</b>	<b>(19,820,857)</b>	<b>(915,973)</b>	<b>(4,000)</b>	<b>-</b>	<b>(20,732,830)</b>
<b>Total capital assets, net of depreciation</b>	<b>\$ 19,438,748</b>	<b>\$ 5,306</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 19,444,054</b>

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

Business-Type Activities	
Wastewater	\$ 656,201
Water	247,133
Solid Waste	12,639
	<u>\$ 915,973</u>

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

**Governmental Activities:**

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

	Balance June 30, 2014	Additions	Retirements	Balance June 30, 2015	Due Within One Year
Revenue Bonds	\$ 8,251,000	\$ -	\$ 688,000	\$ 7,563,000	\$ 704,000
NMFA and NMED Loans	6,948,555	-	559,851	6,388,704	591,719
Capital Leases	180,872	-	43,047	137,825	44,463
Compensated Absences	151,286	152,776	157,557	146,505	107,540
Total long-term debt	<u>\$ 15,531,713</u>	<u>\$ 152,776</u>	<u>\$ 1,448,455</u>	<u>\$ 14,236,034</u>	<u>\$ 1,447,722</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, 2015
Series 2005 Gross Receipts Tax	July 2005	June 2017	3.70-3.80%	\$ 4,320,000	\$ 880,000
Series 2008 Gross Receipts Tax	October 2008	June 2033	4.00-5.125%	7,570,000	6,330,000
Series 2012 Fire Protection Revenue	August 2012	August 2022	3.50%	427,000	353,000
Total Revenue Bonds					<u>\$ 7,563,000</u>

The annual requirements to amortize the revenue bonds as of June 30, 2015, including interest payments, are as follows:

**Bonds Payable**

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
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	320,000	269,240	589,240
2021-2025	1,724,000	1,122,008	2,846,008
2026-2030	2,005,000	684,027	2,689,027
2031-2035	1,470,000	152,656	1,622,656
	<u>\$ 7,563,000</u>	<u>\$ 3,481,325</u>	<u>\$ 11,044,325</u>



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

**NMFA and NMED Loans**

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

Description	Date of Issue	Maturity Date	Interest Rate	Original Amount of Issue	Balance June 30, 2015
NMFA Reinken Road & Main Street	November 2001	May 2026	0.00%	\$ 4,779,793	\$ 91,351
NMED CWSRF Loan	December 2003	December 2022	2.00%	4,049,684	1,818,175
NMFA Refinance Reinken	July 2011	May 2026	1.45-4.02%	3,355,652	2,549,981
NMFA Refinancing WW/W	April 2011	May 2032	1.78-4.83%	2,220,008	1,650,265
NMED RIP 2005-06	July 2005	July 2025	3.00%	448,503	278,932
Total NMFA Loans					<u><u>\$ 6,388,704</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, 2015
Capital Lease - Sweeper	February 2013	March 2018	3.29%	\$ 222,548	\$ 137,825
Total Capital Leases					<u><u>\$ 137,825</u></u>

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

The annual requirements to amortize the NMFA and NMED Loans and the Capital Lease as of June 30, 2015, including interest payments, are as follows:

**Loans and Capital Leases Payable**

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2016	\$ 636,182	\$ 187,946	\$ 824,128
2017	648,351	175,037	823,388
2018	662,941	160,656	823,597
2019	631,066	140,274	771,340
2020	645,974	128,707	774,681
2021-2025	2,425,778	403,861	2,829,639
2026-2030	696,856	109,160	806,016
2031-2035	179,381	13,004	192,385
	<u>\$ 6,526,529</u>	<u>\$ 1,318,645</u>	<u>\$ 7,845,174</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, 2015, compensated absences decreased \$4,781 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, 2015:

	Balance June 30, 2014	Additions	Retirements	Balance June 30, 2015	Due Within One Year
Loans and Notes	\$ 118,453	\$ -	\$ 11,327	\$ 107,126	\$ 12,028
Landfill Liability	288,729	-	14,021	274,708	-
Compensated Absences	38,662	37,528	33,650	42,540	31,746
Total long-term debt	<u>\$ 157,115</u>	<u>\$ 37,528</u>	<u>\$ 58,998</u>	<u>\$ 424,374</u>	<u>\$ 43,774</u>

**STATE OF NEW MEXICO**  
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**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, 2015
San Juan-Chama Project	January 1989	January 2022	3.05%	\$ 331,030	\$ 107,126
Total Loans					<u>\$ 107,126</u>

The annual requirement to amortize San Juan-Chama Project Loan as of June 30, 2015, including interest payments, is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2016	\$ 12,028	\$ 3,191	\$ 15,219
2017	12,394	2,825	15,219
2018	12,772	2,447	15,219
2019	13,161	2,058	15,219
2020	13,975	1,316	15,291
2021-2025	<u>42,796</u>	<u>3,071</u>	<u>45,867</u>
	<u>\$ 107,126</u>	<u>\$ 14,908</u>	<u>\$ 122,034</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, 2015, compensated absences increased \$3,878 from the prior year accrual. In prior years, the fund associated with these liabilities has been used to liquidate them.

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

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

- A. Deficit fund balance/net position of individual funds. The deficit fund balances as of June 30, 2015 were as follows:

**Governmental Funds:**

Law Enforcement Special Revenue Fund	\$ (30,800)
Multi-Purpose Park Capital Projects Fund – Major Fund	(426,504)
Camino del Llano Capital Projects Fund – Major Fund	(628,319)
Christopher Road Capital Projects Fund – Major Fund	(84,775)

- 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, 2015:

**Governmental Funds:**

General Fund – Major Fund	\$ 214,773
1/2% GRT Infrastructure Special Revenue Fund – Major Fund	2,573
EMS Rescue Special Revenue Fund	244
1/8% GRT Infrastructure Special Revenue Fund	2,195
Law Enforcement Special Revenue Fund	1,112
Lodger’s Tax Special Revenue Fund	38,744
Belen Community Garden Special Revenue Fund	1,519
Multi-Purpose Park Capital Projects Fund – Major Fund	425,831
Camino Del Llano Capital Projects Fund – Major Fund	93,709
Road/Infrastructure Improvements Capital Projects Fund	101,496

- 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, 2015:

**Governmental Funds:**

Camino Del Llano Capital Projects Fund – Major Fund	\$ 86,341
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**NOTE 9. Pension Plan – Public Employees Retirement Association**

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

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

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

**Benefits provided.** For a description of the benefits provided and recent changes to the benefits see Note 1 in the PERA audited financial statements for the fiscal year ended June 30, 2014 available at:

[http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366\\_Public\\_Employees\\_Retirement\\_Association\\_2014.pdf](http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2014.pdf).

**Contributions.** The contribution requirements of defined benefit plan members and the City of Belen are established in State Statute under Chapter 10, Article 11 NMSA 1978. The contribution requirements may be amended by acts of the legislature. For the employer and employee contribution rates in effect for FY14 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures on pages 29 through 31 of the PERA FY14 annual audit report at:

[http://osanm.org/media/audits/366\\_Public\\_Employees\\_Retirement\\_Association\\_2014.pdf](http://osanm.org/media/audits/366_Public_Employees_Retirement_Association_2014.pdf)

The PERA coverage options that apply to the City of Belen are Municipal General Division, Municipal Police Division, and Municipal Fire Division. Statutorily required contributions to the pension plan from the City of Belen were \$405,393, and employer paid member benefits that were “picked up” by the employer were \$204,925 for the year ended June 30, 2015.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:** The PERA pension liability amounts, net pension liability amounts, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2013. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2014, using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date June 30, 2014.

The assets of the PERA fund are held in one trust, but there are six distinct membership groups (municipal general members, municipal police members, municipal fire members, state general members, state police members and legislative members) for whom separate contribution rates are determined each year pursuant to chapter 10, Article 11 NMSA 1978. Therefore, the calculations of the net pension liability, pension expense and deferred inflows and outflows were performed separately for each of the membership groups: municipal general members; municipal police members; municipal fire members; state general members; state police members and legislative members. The City of Belen’s proportion of the net pension liability for each membership group that the employer participates in is based on the employer contributing entity’s percentage of that membership group’s total employer contributions for the fiscal year ended June 30, 2014. Only employer contributions for the pay period end dates that fell within the period of July 1, 2013 to June 30, 2014 were included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to FY 2014 are included in the total contribution amounts. In the event that an employer is behind in reporting to PERA its required contributions, an estimate (receivable) was used to project the unremitted employer contributions. This allowed for fair and consistent measurement of the contributions with the total population. This methodology was used to maintain consistent measurement each year in determining the percentages to be allocated among all the participating employers.

**For PERA Fund Municipal General Division,** at June 30, 2015, the City of Belen reported a liability of \$1,858,996, for its proportionate share of the net pension liability. At June 30, 2014, the City of Belen’s proportion was 0.2383 percent, which was unchanged from its proportion measured as of June 30, 2013 due to the insignificance of the difference.

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

For the year ended June 30, 2015, the City of Belen recognized PERA Fund Municipal General Division pension expense of \$176,625. At June 30, 2015, the City of Belen reported PERA Fund Municipal General Division deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflow of Resources</b>	<b>Deferred Inflow of Resources</b>
Changes of assumptions	\$ -	\$ 1,260
Net difference between projected and actual earnings on pension plan investments	-	727,288
City's contributions subsequent to the measurement date.	297,152	
Total	\$ 297,152	\$ 728,548

For Municipal General, \$297,152 reported as deferred outflows of resources related to pensions resulting from the City of Belen's contributions subsequent to the measurement date June 30, 2014 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2016	\$	(182,135)
2017		(182,135)
2018		(182,135)
2019		(182,135)
2020		(8)
Thereafter		-

**For PERA Fund Municipal Police Division**, at June 30, 2015, the City of Belen reported a liability of \$1,363,286 for its proportionate share of the net pension liability. At June 30, 2014, the City of Belen's proportion was 0.4182 percent, which was unchanged from its proportion measured as of June 30, 2013, due to the insignificance of the difference.

**STATE OF NEW MEXICO**  
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**NOTE 9. Pension Plan – Public Employees Retirement Association (continued)**

For the year ended June 30, 2015, the City of Belen recognized PERA Fund Municipal Police Division pension expense of \$189,190. At June 30, 2015, the City of Belen reported PERA Fund Municipal Police Division deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflow of Resources</b>	<b>Deferred Inflow of Resources</b>
Changes of assumptions	\$ -	\$ 110,745
Net difference between projected and actual earnings on pension plan investments	-	506,930
City's contributions subsequent to the measurement date	218,958	-
Total	\$ 218,958	\$ 617,675

\$218,958 reported as deferred outflows of resources related to pensions resulting from the City of Belen's contributions subsequent to the measurement date June 30, 2015 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2016	\$ (154,281)
2017	(154,281)
2018	(154,281)
2019	(154,281)
2020	(551)
Thereafter	-

**For PERA Fund Municipal Fire Division**, at June 30, 2015, the City of Belen reported a liability of \$1,118,630 for its proportionate share of the net pension liability. At June 30, 2014, the City of Belen's proportion was 0.2680 percent, which was unchanged from its proportion measured as of June 30, 2013, due to the insignificance of the difference.

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

For the year ended June 30, 2015, the City of Belen recognized PERA Fund Municipal Fire Division pension expense of \$118,724. At June 30, 2015, the City of Belen reported PERA Fund Municipal Fire Division deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflow of Resources</b>	<b>Deferred Inflow of Resources</b>
Changes of assumptions	\$ 38,833	\$ -
Net difference between projected and actual earnings on pension plan investments	-	154,937
City's contributions subsequent to the measurement date	94,208	-
Total	\$ 133,041	\$ 154,937

\$94,208 reported as deferred outflows of resources related to pensions resulting from the City of Belen's contributions subsequent to the measurement date June 30, 2015 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$ (29,074)
2017	(29,074)
2018	(29,074)
2019	(29,074)
2020	192
Thereafter	-

**Actuarial assumptions.** As described above, the PERA Fund member group pension liabilities and net pension liabilities are based on actuarial valuations performed as of June 30, 2013 for each of the membership groups. Then each PERA Fund member group pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2014 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2014. These actuarial methods and assumptions were adopted by the Board for use in the June 30, 2014 actuarial valuation.

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



**STATE OF NEW MEXICO**  
City of Belen  
Notes to Financial Statements  
June 30, 2015

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

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

ALL FUNDS - Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	21.10%	5.00%
International Equity	24.80	5.20
Private Equity	7.00	8.20
Core and Global Fixed Income	26.10	1.85
Fixed Income Plus Sectors	5.00	4.80
Real Estate	5.00	5.30
Real Assets	7.00	5.70
Absolute Return	4.00	4.15
Total	100.00%	

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

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

**STATE OF NEW MEXICO**  
City of Belen  
Notes to Financial Statements  
June 30, 2015

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

<b>PERA Fund Municipal General Division</b>	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
	<b>(6.75%)</b>	<b>Discount Rate</b> <b>(7.75%)</b>	<b>(8.75%)</b>
City's proportionate share of the net pension liability	\$ 3,504,625	\$ 1,858,996	\$ 587,668

<b>PERA Fund Municipal Police Division</b>	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
	<b>(6.75%)</b>	<b>Discount Rate</b> <b>(7.75%)</b>	<b>(8.75%)</b>
City's proportionate share of the net pension liability	\$ 2,599,789	\$ 1,363,286	\$ 440,006

<b>PERA Fund Municipal Fire Division</b>	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
	<b>(6.75%)</b>	<b>Discount Rate</b> <b>(7.75%)</b>	<b>(8.75%)</b>
City's proportionate share of the net pension liability	\$ 1,580,541	\$ 1,118,630	\$ 777,953

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

**Payables to the pension plan.** At June 30, 2015 there were no contributions due and payable to PERA for the City.

**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.

**STATE OF NEW MEXICO**  
City of Belen  
Notes to Financial Statements  
June 30, 2015

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

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

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

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, 2015, 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, 2015, 2014, and 2013 were \$57,057, \$54,813 and \$51,603, 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, 2015. The estimate of closure and post-closure costs has a balance of \$274,708. The City has no other responsibility for landfill activity. Details of the change in the liability are presented in Note 7 to the financial statements.

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.

**STATE OF NEW MEXICO**  
City of Belen  
Notes to Financial Statements  
June 30, 2015

**NOTE 13. Construction and Other Significant Commitments**

The City has evaluated contracts and commitments occurring during the fiscal year ended June 30, 2015. The following commitments exist at June 30, 2015:

Project	<u>Remaining Commitment at June 30, 2015</u>
Eagle Park Improvements	\$ 189,729
Eagle Water Tank	116,347
Camino Del Llano Drainage Ponds	592,710
Christopher Road	180,305
Airport - Crosswind Runway	<u>5,378,814</u>
Total commitments	<u>\$ 6,457,905</u>

**NOTE 14. Restricted Net Position**

The government-wide statement of net position reports \$6,829,470 of restricted net position, all of which is restricted by enabling legislation. See pages 35 and 80 to 83 for descriptions of the related restrictions for special revenue, debt service and capital projects funds.

**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 \$1,818,175 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 \$1,818,175 and \$167,055, 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 \$247,665, \$62,571, and \$200,593, 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.

During the year ended June 30, 2015, the City paid out settlements of \$27,000, \$40,000 and \$87,500, related to three separate cases. The City's insurance completely reimbursed the City for the settlements of \$27,000 and \$87,500. The City's insurance partially reimbursed the claim totaling \$40,000; of this amount, \$25,000 was covered by the City's insurance and \$15,000 was paid by the City. Should additional claims be filed against the City which exceed the insurance coverage, the City would be responsible for losses in excess of the coverage amounts.

Subsequent to June 30, 2015, a claim was paid out totaling \$66,661. The claim was fully covered by the City's insurance.

**STATE OF NEW MEXICO**  
City of Belen  
Notes to Financial Statements  
June 30, 2015

**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

**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

**STATE OF NEW MEXICO**  
City of Belen  
Notes to Financial Statements  
June 30, 2015

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

**Medical Director for EMS Services**

Participants	Valencia County City of Belen
Responsible party	Valencia County
Description	Valencia County to provide medical direction as necessary for the fire medical rescue services of the City of Belen Fire Department
Term of agreement	7/1/07 to Indefinite
Amount of project	Unknown
City contributions	\$3,750/year
Audit responsibility	Valencia County City of Belen

**Valencia County Detention Center**

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

**STATE OF NEW MEXICO**  
City of Belen  
Notes to Financial Statements  
June 30, 2015

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

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

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

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

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

STATE OF NEW MEXICO  
City of Belen  
Notes to Financial Statements  
June 30, 2015

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

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

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

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

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



**STATE OF NEW MEXICO**  
City of Belen  
Notes to Financial Statements  
June 30, 2015

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

**Memorandum of Understanding between City of Belen and City of Rio Communities for Animal Control Services**

Participants	City of Belen City of Rio Communities
Responsible party	City of Belen City of Rio Communities
Description	Agreement to extend emergency animal control services provided by the City of Belen to the city and residents of Rio Communities. Compensation shall be provided from the City of Rio Communities to the City of Belen on a per-call basis.
Term of agreement	November 2014 through November 2015 with automatic one-year renewals.
Amount of project	Unknown
City contributions	Unknown
Audit responsibility	City of Belen City of Rio Communities

**NOTE 18. Subsequent Events**

The date to which events occurring after June 30, 2015, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or disclosures is December 7, 2015, which is the date on which the financial statements were available to be issued.

In October 2015, the City drew down loan funds through the Clean Water State Revolving Fund (CWSRF) program totaling \$545,500. The total amount of the borrowing and the repayment terms are not yet finalized, as the related project is not complete.

**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.

**STATE OF NEW MEXICO**  
City of Belen  
Notes to Financial Statements  
June 30, 2015

**NOTE 20. Subsequent Pronouncements**

In February 2015, GASB Statement No. 72 *Fair Value Measurement and Application*, was issued. Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2015. Earlier application is encouraged. The City will implement this standard during the fiscal year ended June 30, 2016. The City is still evaluating how this pronouncement will affect the financial statements.

In June 2015, GASB Statement No. 73 *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, was issued. Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2016. Earlier application is encouraged. The City is still evaluating how this pronouncement will affect the financial statements.

In June 2015, GASB Statement No. 74 *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, was issued. Effective Date: The provisions of this Statement are effective for fiscal years beginning after June 15, 2016. This pronouncement will not effect the City's financial statements.

In June 2015, GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, was issued. Effective Date: The provisions of this Statement are effective for fiscal years beginning after June 15, 2017. The standard will be implemented during the fiscal year ended June 30, 2018. The City expects the pronouncement to have a material effect on the financial statements.

In June 2015, GASB Statement No. 76 *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, was issued. Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2015. Earlier application is encouraged. The City will implement this standard during the fiscal year ended June 30, 2016. The City expects the pronouncement to have a material effect on the financial statements.

In August 2015, GASB Statement No. 77 *Tax Abatement Disclosures*, was issued. Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2015. Earlier application is encouraged. The City will implement this standard during the fiscal year ended June 30, 2017. The City is still evaluating how this pronouncement will effect the financial statements.

**NOTE 21. Restatement**

The City has restated prior year net position in the government-wide financial statements as a result of the following:

**Governmental-Type Activities:**

The City has restated government-wide statement of net position in the amount of (\$4,434,251) for the implementation of GASB Statement No. 68 and GASB Statement No. 71. The adjustment reflects a beginning net pension liability of (\$4,939,538) and a beginning deferred outflow of resources, employer contributions subsequent to the measurement date of \$505,287.

**STATE OF NEW MEXICO**  
City of Belen  
Notes to Financial Statements  
June 30, 2015

**NOTE 21. Restatement (continued)**

**Proprietary Funds and Business-Type Activities:**

The City has restated government-wide statement of net position in the amount of (\$884,449) for the implementation of GASB Statement No. 68 and GASB Statement No. 71. The adjustment reflects a beginning net pension liability of (\$985,232) and a beginning deferred outflow of resources, employer contributions subsequent to the measurement date of \$100,783. In addition, certain capital assets have been reclassified to be presented in the proper funds. These restatements affected the proprietary funds as follows:

	<u>Wastewater</u>	<u>Water</u>	<u>Solid Waste</u>	<u>Total</u>
Net pension liability, June 30, 2014	\$ (297,967)	\$ (594,343)	\$ (92,922)	\$ (985,232)
Contributions subsequent to the measurement date, June 30, 2014	30,480	60,798	9,505	100,783
Adjustment to present capital assets in the correct fund	<u>(1,944,787)</u>	<u>1,986,659</u>	<u>(41,872)</u>	<u>-</u>
Total restatement for business-type activities	<u>\$ (2,212,274)</u>	<u>\$ 1,453,114</u>	<u>\$ (125,289)</u>	<u>\$ (884,449)</u>

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**REQUIRED SUPPLEMENTARY INFORMATION**

STATE OF NEW MEXICO

City of Belen

Schedule of the City's Proportionate Share of the Net Pension Liability  
of PERA Fund Municipal General Division  
Public Employees Retirement Association (PERA) Plan  
Last 10 Fiscal Years\*

Schedule I

Page 1 of 3

	2015 Measurement Date (As of and for the year ended <u>June 30, 2014</u> )
City of Belen's proportion of the net pension liability	0.2383%
City of Belen's proportionate share of the net pension liability	\$ 1,858,996
City of Belen's covered-employee payroll	\$ 1,480,104
City of Belen's proportionate share of the net pension liability as a percentage of its covered-employee payroll	125.60%
Plan fiduciary net position as a percentage of the total pension liability	81.29%

\* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, City of Belen will present information for those years for which information is available.

See independent auditors' report  
See notes to required supplementary information

STATE OF NEW MEXICO

City of Belen

Schedule of the City's Proportionate Share of the Net Pension Liability  
of PERA Fund Municipal Police Division  
Public Employees Retirement Association (PERA) Plan  
Last 10 Fiscal Years\*

Schedule I

Page 2 of 3

	2015 Measurement Date (As of and for the year ended <u>June 30, 2014</u> )
City of Belen's proportion of the net pension liability	0.4182%
City of Belen's proportionate share of the net pension liability	\$ 1,363,286
City of Belen's covered-employee payroll	\$ 807,916
City of Belen's proportionate share of the net pension liability as a percentage of its covered-employee payroll	168.74%
Plan fiduciary net position as a percentage of the total pension liability	81.29%

\* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, City of Belen will present information for those years for which information is available.

See independent auditors' report  
See notes to required supplementary information

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STATE OF NEW MEXICO

City of Belen

Schedule of the City's Proportionate Share of the Net Pension Liability  
of PERA Fund Municipal Fire Division  
Public Employees Retirement Association (PERA) Plan  
Last 10 Fiscal Years\*

Schedule I

Page 3 of 3

	2015 Measurement Date (As of and for the year ended <u>June 30, 2014</u> )
City of Belen's proportion of the net pension liability	0.2680%
City of Belen's proportionate share of the net pension liability	\$ 1,118,630
City of Belen's covered-employee payroll	\$ 281,072
City of Belen's proportionate share of the net pension liability as a percentage of its covered-employee payroll	397.99%
Plan fiduciary net position as a percentage of the total pension liability	81.29%

\* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, City of Belen will present information for those years for which information is available.

See independent auditors' report  
See notes to required supplementary information

**STATE OF NEW MEXICO**

City of Belen

Schedule of City's Contributions

Public Employees Retirement Association (PERA) Plan

PERA Fund Municipal General Division

Last 10 Fiscal Years\*

	As of and for the year ended June 30, 2015
Contractually required contribution	\$ 297,152
Contributions in relation to the contractually required contribution	<u>(297,152)</u>
Contribution deficiency (excess)	<u>\$ -</u>
City of Belen's covered-employee payroll	\$ 1,619,650
Contributions as a percentage of covered-employee payroll	18%

\* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, City of Belen will present information for those years for which information is available.

STATE OF NEW MEXICO

Schedule II

City of Belen

Page 2 of 3

Schedule of City's Contributions

Public Employees Retirement Association (PERA) Plan

PERA Fund Municipal Police Division

Last 10 Fiscal Years\*

	As of and for the year ended June 30, 2015
Contractually required contribution	\$ 218,958
Contributions in relation to the contractually required contribution	<u>(218,958)</u>
Contribution deficiency (excess)	<u>\$ -</u>
City of Belen's covered-employee payroll	\$ 809,457
Contributions as a percentage of covered-employee payroll	27%

\* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, City of Belen will present information for those years for which information is available.

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**STATE OF NEW MEXICO**  
 City of Belen  
 Schedule of City's Contributions  
 Public Employees Retirement Association (PERA) Plan  
 PERA Fund Municipal Fire Division  
 Last 10 Fiscal Years\*

	As of and for the year ended June <u>30, 2015</u>
Contractually required contribution	\$ 94,208
Contributions in relation to the contractually required contribution	<u>(94,208)</u>
Contribution deficiency (excess)	<u><u>\$ -</u></u>
City of Belen's covered-employee payroll	\$ 315,078
Contributions as a percentage of covered-employee payroll	30%

\* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, City of Belen will present information for those years for which information is available.

**STATE OF NEW MEXICO**  
City of Belen  
Notes to Required Supplementary Information  
For the Year Ended June 30, 2015

***Changes of benefit terms.*** The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA FY14 audit available at: [http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366\\_Public\\_Employees\\_Retirement\\_Association\\_2014.pdf](http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2014.pdf).

***Changes of assumptions.*** Changes of assumptions. The Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation as of June 30, 2014 report is available at: [http://www.pera.state.nm.us/pdf/Investments/RetirementFundValuationReports/6-30-2014%20PERA%20Valuation%20Report\\_FINAL.pdf](http://www.pera.state.nm.us/pdf/Investments/RetirementFundValuationReports/6-30-2014%20PERA%20Valuation%20Report_FINAL.pdf).

The summary of Key Findings for the PERA Fund (on page 2 of the report) states “based on a recent experience study for the five-year period ending June 30, 2013, the economic and demographic assumptions were updated for this valuation. The changes in assumptions resulted in a decrease of \$30.8 million to Fund liabilities and an increase of 0.13% to the funded ratio. For details about changes in the actuarial assumptions, see Appendix B on page 60 of the report.

**SUPPLEMENTARY INFORMATION**

**STATE OF NEW MEXICO**  
City of Belen  
Nonmajor Governmental Fund Descriptions  
June 30, 2015

**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, 2015

**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.

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**STATE OF NEW MEXICO**  
City of Belen  
Nonmajor Governmental Fund Descriptions  
June 30, 2015

**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**

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.

Road/Infrastructure Improvements

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

**STATE OF NEW MEXICO**  
City of Belen  
Nonmajor Governmental Funds  
Combining Balance Sheet  
June 30, 2015

Special Revenue

	Parks and Recreation	Fire Protection	EMS Rescue	1/8% GRT Infrastructure
<i>Assets</i>				
Cash and cash equivalents	\$ 45,897	\$ 150,161	\$ -	\$ 562,706
Investments	-	-	-	-
Receivables:				
Other taxes	-	-	-	84,172
Other	-	-	-	-
<i>Total assets</i>	<u>\$ 45,897</u>	<u>\$ 150,161</u>	<u>\$ -</u>	<u>\$ 646,878</u>
<i>Liabilities</i>				
Accounts payable	\$ 1,948	\$ 1,678	\$ -	\$ 2,736
Accrued payroll	-	-	-	-
Funds held in trust	-	-	-	-
Due to other funds	-	-	-	-
<i>Total liabilities</i>	<u>1,948</u>	<u>1,678</u>	<u>-</u>	<u>2,736</u>
<i>Fund balances</i>				
Spendable				
Restricted for:				
Infrastructure maintenance	-	-	-	644,142
Public safety	-	148,483	-	-
Culture and recreation	43,949	-	-	-
Transportation and roads	-	-	-	-
Promotion	-	-	-	-
Debt service expenditures	-	-	-	-
Capital projects	-	-	-	-
Unassigned	-	-	-	-
<i>Total fund balances</i>	<u>43,949</u>	<u>148,483</u>	<u>-</u>	<u>644,142</u>
<i>Total liabilities and fund balances</i>	<u>\$ 45,897</u>	<u>\$ 150,161</u>	<u>\$ -</u>	<u>\$ 646,878</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	\$ -	\$ 45,242	\$ -	\$ 5,460	\$ 57,628
-	-	-	-	-	-
-	-	-	-	-	6,515
-	29,613	-	-	-	-
<u>\$ 3,928</u>	<u>\$ 29,613</u>	<u>\$ 45,242</u>	<u>\$ -</u>	<u>\$ 5,460</u>	<u>\$ 64,143</u>
\$ -	\$ 2,228	\$ -	\$ -	\$ -	\$ 3,002
-	-	-	-	-	-
-	-	-	-	-	-
-	7,002	-	30,800	-	-
-	9,230	-	30,800	-	3,002
-	-	-	-	-	-
3,928	20,383	45,242	-	5,460	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	61,141
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	(30,800)	-	-
<u>3,928</u>	<u>20,383</u>	<u>45,242</u>	<u>(30,800)</u>	<u>5,460</u>	<u>61,141</u>
<u>\$ 3,928</u>	<u>\$ 29,613</u>	<u>\$ 45,242</u>	<u>\$ -</u>	<u>\$ 5,460</u>	<u>\$ 64,143</u>

**STATE OF NEW MEXICO**  
City of Belen  
Nonmajor Governmental Funds  
Combining Balance Sheet  
June 30, 2015

	Special Revenue			
	Belen Community Garden	Property Abatement Fund	Judicial Fund	Martin Luther King
<i>Assets</i>				
Cash and cash equivalents	\$ -	\$ 10,701	\$ 6,542	\$ 1,006
Investments	-	-	-	-
Receivables:				
Other taxes	-	-	-	-
Other	-	-	-	-
<i>Total assets</i>	\$ -	\$ 10,701	\$ 6,542	\$ 1,006
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-
Funds held in trust	-	-	6,542	-
Due to other funds	-	-	-	-
<i>Total liabilities</i>	-	-	6,542	-
<i>Fund balances</i>				
Spendable				
Restricted for:				
Infrastructure maintenance	-	-	-	-
Public safety	-	10,701	-	-
Culture and recreation	-	-	-	1,006
Transportation and roads	-	-	-	-
Promotion	-	-	-	-
Debt service expenditures	-	-	-	-
Capital projects	-	-	-	-
Unassigned	-	-	-	-
<i>Total fund balances</i>	-	10,701	-	1,006
<i>Total liabilities and fund balances</i>	\$ -	\$ 10,701	\$ 6,542	\$ 1,006

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
\$ 70,739	\$ 36,268	\$ 284,722	\$ 89,787	\$ 1,512,304	\$ 142,534
-	-	-	550,775	-	432,000
-	-	14,113	-	-	-
6,080	4,301	-	11,480	-	82,076
<u>\$ 76,819</u>	<u>\$ 40,569</u>	<u>\$ 298,835</u>	<u>\$ 652,042</u>	<u>\$ 1,512,304</u>	<u>\$ 656,610</u>
\$ -	\$ 638	\$ -	\$ -	\$ -	\$ -
-	2,005	-	-	-	-
-	-	-	-	-	-
-	1,750	-	-	-	-
<u>-</u>	<u>4,393</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
76,819	-	-	-	-	-
-	-	-	-	-	-
-	36,176	-	-	-	-
-	-	298,835	-	-	-
-	-	-	652,042	1,512,304	656,610
-	-	-	-	-	-
-	-	-	-	-	-
<u>76,819</u>	<u>36,176</u>	<u>298,835</u>	<u>652,042</u>	<u>1,512,304</u>	<u>656,610</u>
<u>\$ 76,819</u>	<u>\$ 40,569</u>	<u>\$ 298,835</u>	<u>\$ 652,042</u>	<u>\$ 1,512,304</u>	<u>\$ 656,610</u>

**STATE OF NEW MEXICO**  
City of Belen  
Nonmajor Governmental Funds  
Combining Balance Sheet  
June 30, 2015

Capital Projects

	Alexander Airport	Library Renovation	Becker Avenue Project	Road/ Infrastructure Improvements
<i>Assets</i>				
Cash and cash equivalents	\$ 189,032	\$ 66	\$ -	\$ 358,514
Investments	-	-	-	-
Receivables:				
Other taxes	-	-	-	-
Other	1,839	-	-	28,000
<i>Total assets</i>	<u>\$ 190,871</u>	<u>\$ 66</u>	<u>\$ -</u>	<u>\$ 386,514</u>
<i>Liabilities</i>				
Accounts payable	\$ 27,500	\$ -	\$ -	\$ 101,496
Accrued payroll	-	-	-	-
Funds held in trust	-	-	-	-
Due to other funds	-	-	-	-
<i>Total liabilities</i>	<u>27,500</u>	<u>-</u>	<u>-</u>	<u>101,496</u>
<i>Fund balances</i>				
Spendable				
Restricted for:				
Infrastructure maintenance	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Transportation and roads	-	-	-	-
Promotion	-	-	-	-
Debt service expenditures	-	-	-	-
Capital projects	163,371	66	-	285,018
Unassigned	-	-	-	-
<i>Total fund balances</i>	<u>163,371</u>	<u>66</u>	<u>-</u>	<u>285,018</u>
<i>Total liabilities and fund balances</i>	<u>\$ 190,871</u>	<u>\$ 66</u>	<u>\$ -</u>	<u>\$ 386,514</u>

The accompanying notes are an integral part of these financial statements



Total Nonmajor  
Governmental  
Funds

	<u>3,573,237</u>
\$	982,775
	104,800
	<u>163,389</u>
\$	<u>4,824,201</u>
\$	141,226
	2,005
	6,542
	<u>39,552</u>
	<u>189,325</u>
	720,961
	234,197
	81,131
	298,835
	61,141
	2,820,956
	448,455
	<u>(30,800)</u>
	<u>4,634,876</u>
\$	<u>4,824,201</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, 2015

	Special Revenue			
	Parks and Recreation	Fire Protection	EMS Rescue	1/8% GRT Infrastructure
<i>Revenues</i>				
Taxes				
Gross receipts	\$ -	\$ -	\$ -	\$ 529,044
Gasoline and motor vehicle taxes	-	-	-	-
Other	-	-	-	-
Intergovernmental income				
Federal operating grants	-	-	-	-
Federal capital grants	-	30,302	-	-
State operating grants	1,256	184,308	9,098	-
State capital grants	-	80,000	-	-
Charges for services	31,298	-	-	-
Licenses and fees	13,549	-	-	-
Interest income	-	-	-	-
Miscellaneous	22,713	-	-	-
<i>Total revenues</i>	68,816	294,610	9,098	529,044
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	-	167,470	-	-
Public works	-	-	-	17,195
Culture and recreation	60,164	-	-	-
Health and welfare	-	-	9,098	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	60,164	167,470	9,098	17,195
<i>Excess (deficiency) of revenues over expenditures</i>	8,652	127,140	-	511,849
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	-
Transfers (out)	-	(51,685)	-	(366,515)
<i>Total other financing sources (uses)</i>	-	(51,685)	-	(366,515)
<i>Net change in fund balances</i>	8,652	75,455	-	145,334
<i>Fund balances - beginning of year</i>	35,297	73,028	-	498,808
<i>Fund balances - end of year</i>	\$ 43,949	\$ 148,483	\$ -	\$ 644,142

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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	53,598
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	31,400	-	-
-	-	-	-	-	-
-	97,837	-	-	-	-
-	-	-	-	-	-
-	-	3,199	-	-	-
-	97,837	3,199	31,400	-	53,598
-	-	-	-	-	-
-	65,442	1,201	3,001	4,000	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	91,115
-	-	-	29,511	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	65,442	1,201	32,512	4,000	91,115
-	32,395	1,998	(1,112)	(4,000)	(37,517)
-	-	-	-	5,000	-
-	-	-	-	-	-
-	-	-	-	5,000	-
-	32,395	1,998	(1,112)	1,000	(37,517)
3,928	(12,012)	43,244	(29,688)	4,460	98,658
\$ 3,928	\$ 20,383	\$ 45,242	\$ (30,800)	\$ 5,460	\$ 61,141

**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, 2015

	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	15	844	-	135
<i>Total revenues</i>	15	844	-	1,135
<i>Expenditures</i>				
Current				
General government	-	-	-	1,442
Public safety	-	-	-	-
Public works	-	50,915	-	-
Culture and recreation	1,519	-	-	-
Health and welfare	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	1,519	50,915	-	1,442
<i>Excess (deficiency) of revenues over expenditures</i>	(1,504)	(50,071)	-	(307)
<i>Other financing sources (uses)</i>				
Transfers in	1,504	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	1,504	-	-	-
<i>Net change in fund balances</i>	-	(50,071)	-	(307)
<i>Fund balances - beginning of year</i>	-	60,772	-	1,313
<i>Fund balances - end of year</i>	\$ -	\$ 10,701	\$ -	\$ 1,006

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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	141,484	-	-	-
-	-	-	-	-	-
-	36,113	-	-	-	-
-	-	-	-	-	-
-	21,000	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
60,404	-	-	-	-	-
-	-	-	469	3,806	6,510
-	538	-	-	-	33,343
<u>60,404</u>	<u>57,651</u>	<u>141,484</u>	<u>469</u>	<u>3,806</u>	<u>39,853</u>
27,959	-	-	500	-	4,673
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	78,745	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	235,000	640,898	415,000
-	-	-	315,776	205,197	48,580
<u>27,959</u>	<u>78,745</u>	<u>-</u>	<u>551,276</u>	<u>846,095</u>	<u>468,253</u>
<u>32,445</u>	<u>(21,094)</u>	<u>141,484</u>	<u>(550,807)</u>	<u>(842,289)</u>	<u>(428,400)</u>
-	32,436	-	551,775	920,935	434,080
-	-	(80,000)	-	-	-
<u>-</u>	<u>32,436</u>	<u>(80,000)</u>	<u>551,775</u>	<u>920,935</u>	<u>434,080</u>
32,445	11,342	61,484	968	78,646	5,680
44,374	24,834	237,351	651,074	1,433,658	650,930
<u>\$ 76,819</u>	<u>\$ 36,176</u>	<u>\$ 298,835</u>	<u>\$ 652,042</u>	<u>\$ 1,512,304</u>	<u>\$ 656,610</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, 2015

	Capital Projects			
	Alexander Airport	Library Renovation	Becker Avenue Project	Road/ Infrastructure Improvements
<i>Revenues</i>				
Taxes				
Gross receipts	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle taxes	-	-	-	-
Other	-	-	-	-
Intergovernmental income				
Federal operating grants	6,396	-	-	-
Federal capital grants	57,422	-	-	-
State operating grants	1,839	-	-	-
State capital grants	-	-	-	356,333
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	4,816	23	-	-
<i>Total revenues</i>	<u>70,473</u>	<u>23</u>	<u>-</u>	<u>356,333</u>
<i>Expenditures</i>				
Current				
General government	6,723	-	-	-
Public safety	-	-	-	-
Public works	-	-	405	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Economic development	-	-	-	-
Capital outlay	188,405	-	-	101,496
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>195,128</u>	<u>-</u>	<u>405</u>	<u>101,496</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(124,655)</u>	<u>23</u>	<u>(405)</u>	<u>254,837</u>
<i>Other financing sources (uses)</i>				
Transfers in	260,000	-	10,693	-
Transfers (out)	-	-	-	(393,272)
<i>Total other financing sources (uses)</i>	<u>260,000</u>	<u>-</u>	<u>10,693</u>	<u>(393,272)</u>
<i>Net change in fund balances</i>	135,345	23	10,288	(138,435)
<i>Fund balances - beginning of year</i>	28,026	43	(10,288)	423,453
<i>Fund balances - end of year</i>	<u>\$ 163,371</u>	<u>\$ 66</u>	<u>\$ -</u>	<u>\$ 285,018</u>

The accompanying notes are an integral part of these financial statements

Total Nonmajor  
Governmental  
Funds

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\$ 529,044  
141,484  
53,598  
  
42,509  
87,724  
249,901  
436,333  
31,298  
171,790  
10,785  
65,626

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1,820,092

---

41,297  
241,114  
68,515  
61,683  
87,843  
91,115  
319,412

1,290,898  
569,553

---

2,771,430

---

(951,338)

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2,216,423  
(891,472)

---

1,324,951

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373,613  
4,261,263

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\$ 4,634,876

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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, 2015

	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	-	1,256	1,256	-
State capital grants	-	-	-	-
Charges for services	31,000	31,000	31,298	298
Licenses and fees	10,000	10,000	13,549	3,549
Interest income	-	-	-	-
Miscellaneous	25,500	25,500	22,713	(2,787)
<i>Total revenues</i>	<u>66,500</u>	<u>67,756</u>	<u>68,816</u>	<u>1,060</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	73,816	74,348	60,164	14,184
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>73,816</u>	<u>74,348</u>	<u>60,164</u>	<u>14,184</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(7,316)</u>	<u>(6,592)</u>	<u>8,652</u>	<u>15,244</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	7,316	6,592	-	(6,592)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>7,316</u>	<u>6,592</u>	<u>-</u>	<u>(6,592)</u>
<i>Net change in fund balance</i>	-	-	8,652	8,652
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>35,297</u>	<u>35,297</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,949</u>	<u>\$ 43,949</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, 2015

	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	-	-	30,302	30,302
State operating grants	185,000	185,000	184,308	(692)
State capital grants	-	80,000	80,000	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>185,000</u>	<u>265,000</u>	<u>294,610</u>	<u>29,610</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	144,000	204,836	167,470	37,366
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>144,000</u>	<u>204,836</u>	<u>167,470</u>	<u>37,366</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>41,000</u>	<u>60,164</u>	<u>127,140</u>	<u>66,976</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	8,606	(38,781)	-	38,781
Transfers in	-	-	-	-
Transfers (out)	(49,606)	(51,685)	(51,685)	-
<i>Total other financing sources (uses)</i>	<u>(41,000)</u>	<u>(60,164)</u>	<u>(51,685)</u>	<u>8,479</u>
<i>Net change in fund balance</i>	-	-	75,455	75,455
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>73,028</u>	<u>73,028</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 148,483</u>	<u>\$ 148,483</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, 2015

	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	8,854	9,098	9,098	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>8,854</u>	<u>9,098</u>	<u>9,098</u>	<u>-</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	8,854	8,854	9,098	(244)
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>8,854</u>	<u>8,854</u>	<u>9,098</u>	<u>(244)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>244</u>	<u>-</u>	<u>(244)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	(244)	-	244
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(244)</u>	<u>-</u>	<u>244</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, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	460,000	520,000	529,044	9,044
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>520,000</u>	<u>529,044</u>	<u>9,044</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	15,000	15,000	17,195	(2,195)
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>15,000</u>	<u>15,000</u>	<u>17,195</u>	<u>(2,195)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>445,000</u>	<u>505,000</u>	<u>511,849</u>	<u>6,849</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(238,867)	(298,867)	-	298,867
Transfers in	-	-	-	-
Transfers (out)	<u>(206,133)</u>	<u>(206,133)</u>	<u>(366,515)</u>	<u>(160,382)</u>
<i>Total other financing sources (uses)</i>	<u>(445,000)</u>	<u>(505,000)</u>	<u>(366,515)</u>	<u>138,485</u>
<i>Net change in fund balance</i>	-	-	145,334	145,334
<i>Fund balance - beginning of year</i>	-	-	498,808	498,808
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 644,142</u>	<u>\$ 644,142</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, 2015

	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	4,000	4,000	-	(4,000)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>4,000</u>	<u>4,000</u>	<u>-</u>	<u>(4,000)</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	4,000	4,000	-	4,000
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>4,000</u>	<u>4,000</u>	<u>-</u>	<u>4,000</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>				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balance - beginning of year</i>				
	<u>-</u>	<u>-</u>	<u>3,928</u>	<u>3,928</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, 2015

	Budgeted Amounts		Actual	Variations
	Original	Final	(GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental income				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services				
Licenses and fees	89,400	89,400	97,837	8,437
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>89,400</u>	<u>89,400</u>	<u>97,837</u>	<u>8,437</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	89,400	89,400	65,442	23,958
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>65,442</u>	<u>23,958</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>32,395</u>	<u>32,395</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>	-	-	32,395	32,395
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(12,012)</u>	<u>(12,012)</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,383</u>	<u>\$ 20,383</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, 2015

	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	-	352	3,199	2,847
<i>Total revenues</i>	<u>-</u>	<u>352</u>	<u>3,199</u>	<u>2,847</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	-	1,201	1,201	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>1,201</u>	<u>1,201</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(849)</u>	<u>1,998</u>	<u>2,847</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	849	-	(849)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>849</u>	<u>-</u>	<u>(849)</u>
<i>Net change in fund balance</i>	-	-	1,998	1,998
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>43,244</u>	<u>43,244</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,242</u>	<u>\$ 45,242</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, 2015

	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	31,400	31,400	31,400	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>31,400</u>	<u>31,400</u>	<u>31,400</u>	<u>-</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	-	-	3,001	(3,001)
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	31,400	31,400	29,511	1,889
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>31,400</u>	<u>31,400</u>	<u>32,512</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>(29,688)</u>	<u>(29,688)</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (30,800)</u>	<u>\$ (30,800)</u>

The accompanying notes are an integral part of these financial statements



## STATE OF NEW MEXICO

Statement B-9

City of Belen

Confiscated Fund Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended June 30, 2015

	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	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>4,460</u>	<u>4,460</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,460</u>	<u>\$ 5,460</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, 2015

	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	49,500	49,500	53,598	4,098
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>49,500</u>	<u>49,500</u>	<u>53,598</u>	<u>4,098</u>
<i>Expenditures</i>				
Current				
General government	49,500	52,371	91,115	(38,744)
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>49,500</u>	<u>52,371</u>	<u>91,115</u>	<u>(38,744)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(2,871)</u>	<u>(37,517)</u>	<u>(34,646)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	2,871	-	(2,871)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>2,871</u>	<u>-</u>	<u>(2,871)</u>
<i>Net change in fund balance</i>	-	-	(37,517)	(37,517)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>98,658</u>	<u>98,658</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,141</u>	<u>\$ 61,141</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, 2015

	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	-	15	15	-
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>15</u>	<u>15</u>	<u>-</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	1,519	(1,519)
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>1,519</u>	<u>(1,519)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>15</u>	<u>(1,504)</u>	<u>(1,519)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	(1,519)	-	1,519
Transfers in	-	1,504	1,504	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(15)</u>	<u>1,504</u>	<u>1,519</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, 2015

	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	-	844	844	-
<i>Total revenues</i>	<u>-</u>	<u>844</u>	<u>844</u>	<u>-</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	52,900	50,915	1,985
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>52,900</u>	<u>50,915</u>	<u>1,985</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(52,056)</u>	<u>(50,071)</u>	<u>1,985</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	52,056	-	(52,056)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>52,056</u>	<u>-</u>	<u>(52,056)</u>
<i>Net change in fund balance</i>	-	-	(50,071)	(50,071)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>60,772</u>	<u>60,772</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,701</u>	<u>\$ 10,701</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-13

City of Belen

Judicial Fund Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended June 30, 2015

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

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-14

City of Belen

Martin Luther King Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

For the Year Ended June 30, 2015

	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	1,000	1,000	1,000	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	135	135	-
<i>Total revenues</i>	<u>1,000</u>	<u>1,135</u>	<u>1,135</u>	<u>-</u>
<i>Expenditures</i>				
Current				
General government	1,000	1,442	1,442	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,000</u>	<u>1,442</u>	<u>1,442</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(307)</u>	<u>(307)</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	307	-	(307)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>307</u>	<u>-</u>	<u>(307)</u>
<i>Net change in fund balance</i>	-	-	(307)	(307)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,313</u>	<u>1,313</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,006</u>	<u>\$ 1,006</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, 2015

	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	60,404	404
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>60,000</u>	<u>60,000</u>	<u>60,404</u>	<u>404</u>
<i>Expenditures</i>				
Current				
General government	20,000	20,000	27,959	(7,959)
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>27,959</u>	<u>32,041</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	<u>32,445</u>	<u>32,445</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>	-	-	32,445	32,445
<i>Fund balance - beginning of year</i>	-	-	<u>44,374</u>	<u>44,374</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76,819</u>	<u>\$ 76,819</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, 2015

	Budgeted Amounts		Actual	Variations
	Original	Final	(GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental income				
Federal operating grants	32,436	32,436	36,113	3,677
Federal capital grants	-	-	-	-
State operating grants	21,000	21,000	21,000	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	500	500	537	37
<i>Total revenues</i>	<u>53,936</u>	<u>53,936</u>	<u>57,650</u>	<u>3,714</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	83,312	86,202	78,745	7,457
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>83,312</u>	<u>86,202</u>	<u>78,745</u>	<u>7,457</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(29,376)</u>	<u>(32,266)</u>	<u>(21,095)</u>	<u>11,171</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	940	(170)	-	170
Transfers in	32,436	32,436	32,436	-
Transfers (out)	(4,000)	-	-	-
<i>Total other financing sources (uses)</i>	<u>29,376</u>	<u>32,266</u>	<u>32,436</u>	<u>170</u>
<i>Net change in fund balance</i>	-	-	11,341	11,341
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>24,834</u>	<u>24,834</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,175</u>	<u>\$ 36,175</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, 2015

	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	140,000	140,000	141,484	1,484
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>140,000</u>	<u>140,000</u>	<u>141,484</u>	<u>1,484</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>140,000</u>	<u>140,000</u>	<u>141,484</u>	<u>1,484</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	(140,000)	(140,000)	(80,000)	60,000
<i>Total other financing sources (uses)</i>	<u>(140,000)</u>	<u>(140,000)</u>	<u>(80,000)</u>	<u>60,000</u>
<i>Net change in fund balance</i>	-	-	61,484	61,484
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>237,351</u>	<u>237,351</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 298,835</u>	<u>\$ 298,835</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, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts	493,490	493,490	-	(493,490)
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	468	468
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>493,490</u>	<u>493,490</u>	<u>468</u>	<u>(493,022)</u>
<i>Expenditures</i>				
Current				
General government	1,000	1,000	500	500
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	235,000	235,000	235,000	-
Interest	315,775	315,775	315,775	-
<i>Total expenditures</i>	<u>551,775</u>	<u>551,775</u>	<u>551,275</u>	<u>500</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(58,285)</u>	<u>(58,285)</u>	<u>(550,807)</u>	<u>(492,522)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(493,490)	(493,490)	-	493,490
Transfers in	551,775	551,775	551,775	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>58,285</u>	<u>58,285</u>	<u>551,775</u>	<u>493,490</u>
<i>Net change in fund balance</i>	-	-	968	968
<i>Fund balance - beginning of year</i>	-	-	651,074	651,074
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 652,042</u>	<u>\$ 652,042</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, 2015

	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	-	-	3,806	3,806
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>3,806</u>	<u>3,806</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	667,673	669,673	640,898	28,775
Interest	215,242	215,321	205,197	10,124
<i>Total expenditures</i>	<u>882,915</u>	<u>884,994</u>	<u>846,095</u>	<u>38,899</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(882,915)</u>	<u>(884,994)</u>	<u>(842,289)</u>	<u>42,705</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(1)	2,078	-	(2,078)
Transfers in	882,916	882,916	920,935	38,019
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>882,915</u>	<u>884,994</u>	<u>920,935</u>	<u>35,941</u>
<i>Net change in fund balance</i>	-	-	78,646	78,646
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,433,658</u>	<u>1,433,658</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,512,304</u>	<u>\$ 1,512,304</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, 2015

	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	-	-	6,510	6,510
Miscellaneous	34,500	34,500	33,343	(1,157)
<i>Total revenues</i>	<u>34,500</u>	<u>34,500</u>	<u>39,853</u>	<u>5,353</u>
<i>Expenditures</i>				
Current				
General government	5,000	5,000	4,673	327
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	415,000	415,000	415,000	-
Interest	48,580	48,580	48,580	-
<i>Total expenditures</i>	<u>468,580</u>	<u>468,580</u>	<u>468,253</u>	<u>327</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(434,080)</u>	<u>(434,080)</u>	<u>(428,400)</u>	<u>5,680</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	434,080	434,080	434,080	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>434,080</u>	<u>434,080</u>	<u>434,080</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	5,680	5,680
<i>Fund balance - beginning of year</i>	-	-	650,930	650,930
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 656,610</u>	<u>\$ 656,610</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, 2015

	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	-	-	425,831	(425,831)
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>425,831</u>	<u>(425,831)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(425,831)</u>	<u>(425,831)</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>	-	-	(425,831)	(425,831)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(673)</u>	<u>(673)</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (426,504)</u>	<u>\$ (426,504)</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, 2015

	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	-	6,396	6,396	-
Federal capital grants	200,000	200,000	57,422	(142,578)
State operating grants	25,866	25,866	1,839	(24,027)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	4,816	4,816	-
<i>Total revenues</i>	<u>225,866</u>	<u>237,078</u>	<u>70,473</u>	<u>(166,605)</u>
<i>Expenditures</i>				
Current				
General government	10,886	17,609	6,723	10,886
Public safety	-	-	-	-
Public works	25,000	25,000	-	25,000
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	400,000	200,000	188,405	11,595
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>435,886</u>	<u>242,609</u>	<u>195,128</u>	<u>47,481</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(210,020)</u>	<u>(5,531)</u>	<u>(124,655)</u>	<u>(119,124)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	200,020	(254,469)	-	254,469
Transfers in	10,000	260,000	260,000	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>210,020</u>	<u>5,531</u>	<u>260,000</u>	<u>254,469</u>
<i>Net change in fund balance</i>	-	-	135,345	135,345
<i>Fund balance - beginning of year</i>	-	-	28,026	28,026
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 163,371</u>	<u>\$ 163,371</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, 2015

	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	-	-	23	23
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>23</u>	<u>23</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>23</u>	<u>23</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>	-	-	23	23
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>43</u>	<u>43</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 66</u>	<u>\$ 66</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, 2015

	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	-	404	405	(1)
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	10,288	-	10,288
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>10,692</u>	<u>405</u>	<u>10,287</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(10,692)</u>	<u>(405)</u>	<u>10,287</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	(1)	-	1
Transfers in	-	10,693	10,693	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>10,692</u>	<u>10,693</u>	<u>1</u>
<i>Net change in fund balance</i>	-	-	10,288	10,288
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(10,288)</u>	<u>(10,288)</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements



## STATE OF NEW MEXICO

Statement B-25

City of Belen

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, 2015

	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	425,000	-	(425,000)
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>425,000</u>	<u>425,000</u>	<u>-</u>	<u>(425,000)</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	474,062	511,341	605,050	(93,709)
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>474,062</u>	<u>511,341</u>	<u>605,050</u>	<u>(93,709)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(49,062)</u>	<u>(86,341)</u>	<u>(605,050)</u>	<u>(518,709)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	49,062	86,341	-	(86,341)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>49,062</u>	<u>86,341</u>	<u>-</u>	<u>(86,341)</u>
<i>Net change in fund balance</i>	-	-	(605,050)	(605,050)
<i>Fund balance - beginning of year</i>	-	-	(23,269)	(23,269)
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (628,319)</u>	<u>\$ (628,319)</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, 2015

	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	399,817	399,817	709,924	310,107
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>399,817</u>	<u>399,817</u>	<u>709,924</u>	<u>310,107</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	4,462	(4,462)
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	533,089	533,089	521,173	11,916
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>533,089</u>	<u>533,089</u>	<u>525,635</u>	<u>7,454</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(133,272)</u>	<u>(133,272)</u>	<u>184,289</u>	<u>317,561</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	133,272	133,272	133,272	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>133,272</u>	<u>133,272</u>	<u>133,272</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	317,561	317,561
<i>Fund balance - beginning of year</i>	-	-	(402,336)	(402,336)
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (84,775)</u>	<u>\$ (84,775)</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, 2015

	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	328,333	328,333	356,333	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>328,333</u>	<u>328,333</u>	<u>356,333</u>	<u>-</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	101,496	(101,496)
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>101,496</u>	<u>(101,496)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>328,333</u>	<u>328,333</u>	<u>254,837</u>	<u>(101,496)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(185,061)	64,939	-	(64,939)
Transfers in	-	-	-	-
Transfers (out)	<u>(143,272)</u>	<u>(393,272)</u>	<u>(393,272)</u>	<u>-</u>
<i>Total other financing sources (uses)</i>	<u>(328,333)</u>	<u>(328,333)</u>	<u>(393,272)</u>	<u>(64,939)</u>
<i>Net change in fund balance</i>	-	-	(138,435)	(166,435)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>423,453</u>	<u>423,453</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 285,018</u>	<u>\$ 257,018</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-28

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, 2015

	Budget Amounts		Actual (GAAP Basis)	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Operating revenues</i>				
Charges for services	\$ 1,202,500	\$ 1,202,500	\$ 1,262,526	\$ 60,026
<i>Total operating revenues</i>	1,202,500	1,202,500	1,262,526	60,026
<i>Operating expenses</i>				
Personnel services	334,933	334,973	257,780	77,193
Utilities	157,000	157,000	143,829	13,171
Contractual services	400,500	404,712	83,954	320,758
Supplies	54,861	54,861	40,517	14,344
Maintenance and materials	347,000	347,108	144,071	203,037
Gross receipts taxes	55,000	55,000	61,840	(6,840)
Other costs	-	-	-	-
<i>Total operating expenses</i>	1,349,294	1,353,654	731,991	621,663
<i>Operating income (loss)</i>	(146,794)	(151,154)	530,535	681,689
<i>Non-operating revenues (expenses)</i>				
Gross receipts taxes	-	-	-	-
Interest expense	-	-	-	-
Interest income	-	-	-	-
Miscellaneous income	-	-	-	-
<i>Total non-operating revenues (expenses)</i>	-	-	-	-
Government contributions	300,000	300,000	296,702	(3,298)
Transfers in	900,000	900,000	900,000	-
Transfers (out)	(161,407)	(161,407)	(161,406)	1
<i>Change in net position</i>	\$ 891,799	\$ 887,439	1,565,831	\$ 678,392
<i>Revenues (expenses) not budgeted:</i>				
Depreciation			(656,201)	
<i>Change in net position per Exhibit D-2</i>			909,630	
<i>Total net position - beginning of year</i>			14,870,364	
<i>Total net position, end of year</i>			\$ 13,567,720	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-29

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, 2015

	Budget Amounts		Actual (GAAP Basis)	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Operating revenues</i>				
Charges for services	\$ 1,623,100	\$ 1,623,100	\$ 1,781,488	\$ 158,388
<i>Total operating revenues</i>	<u>1,623,100</u>	<u>1,623,100</u>	<u>1,781,488</u>	<u>158,388</u>
<i>Operating expenses</i>				
Personnel services	469,653	496,443	555,090	(58,647)
Utilities	185,000	185,000	128,701	56,299
Contractual services	81,773	93,568	90,097	3,471
Supplies	168,000	227,308	188,617	38,691
Maintenance and materials	612,680	694,666	253,789	440,877
Gross receipts taxes	75,000	75,000	78,920	(3,920)
Other costs	44,000	53,000	50,904	2,096
<i>Total operating expenses</i>	<u>1,636,106</u>	<u>1,824,985</u>	<u>1,346,118</u>	<u>478,867</u>
<i>Operating income (loss)</i>	<u>(13,006)</u>	<u>(201,885)</u>	<u>435,370</u>	<u>637,255</u>
<i>Non-operating revenues (expenses)</i>				
Gross receipts taxes	160,700	171,200	200,593	29,393
Interest expense	-	-	(3,964)	(3,964)
Interest income	500	2,739	288	(2,451)
Gain on sale of fixed assets	-	-	-	-
Gain on sale of water rights	40,000	40,000	27,410	(12,590)
Miscellaneous income	-	-	5,842	5,842
<i>Total non-operating revenues (expenses)</i>	<u>201,200</u>	<u>213,939</u>	<u>230,169</u>	<u>16,230</u>
Government contributions	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	(1,060,907)	(1,060,907)	(1,060,906)	1
<i>Change in net position</i>	<u>\$ (872,713)</u>	<u>\$ (1,048,853)</u>	<u>(395,367)</u>	<u>\$ 653,486</u>
<i>Revenues (expenses) not budgeted:</i>				
Depreciation			(247,133)	
<i>Change in net position per Exhibit D-2</i>			(642,500)	
<i>Total net position - beginning of year</i>			6,973,503	
<i>Total net position, end of year</i>			<u>\$ 7,784,117</u>	

The accompanying notes are an integral part of these financial statements

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## STATE OF NEW MEXICO

Statement B-30

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, 2015

	Budget Amounts		Actual (GAAP Basis)	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Operating revenues</i>				
Charges for services	\$ 1,217,000	\$ 1,229,115	\$ 1,306,904	\$ 77,789
<i>Total operating revenues</i>	<u>1,217,000</u>	<u>1,229,115</u>	<u>1,306,904</u>	<u>77,789</u>
<i>Operating expenses</i>				
Personnel services	70,318	70,735	94,332	(23,597)
Utilities	18,500	18,500	9,421	9,079
Contractual services	991,000	992,100	1,062,704	(70,604)
Supplies	35,900	35,900	41,057	(5,157)
Maintenance and materials	166,000	167,751	26,572	141,179
Gross receipts taxes	60,000	60,000	61,070	(1,070)
Other costs	4,000	4,000	4,299	(299)
<i>Total operating expenses</i>	<u>1,345,718</u>	<u>1,348,986</u>	<u>1,299,455</u>	<u>49,531</u>
<i>Operating income (loss)</i>	<u>(128,718)</u>	<u>(119,871)</u>	<u>7,449</u>	<u>127,320</u>
<i>Non-operating revenues (expenses)</i>				
Gross receipts taxes	90,000	118,670	132,278	13,608
Gain on sale of fixed asset	-	-	-	-
Miscellaneous income	-	-	(1,124)	(1,124)
<i>Total non-operating revenues (expenses)</i>	<u>90,000</u>	<u>118,670</u>	<u>131,154</u>	<u>12,484</u>
Government contributions	85,000	85,000	-	(85,000)
Transfers in	-	-	-	-
Transfers (out)	(4,000)	(4,000)	(4,000)	-
<i>Change in net position</i>	<u>\$ 42,282</u>	<u>\$ 79,799</u>	<u>134,603</u>	<u>\$ 54,804</u>
<i>Revenues (expenses) not budgeted:</i>				
Depreciation			(12,639)	
<i>Change in net position per Exhibit D-2</i>			121,964	
<i>Total net position - beginning of year</i>			<u>645,879</u>	
<i>Total net position, end of year</i>			<u>\$ 642,554</u>	

The accompanying notes are an integral part of these financial statements

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**SUPPORTING SCHEDULES**

**STATE OF NEW MEXICO**  
City of Belen  
Schedule of Deposit and Investment Accounts  
June 30, 2015

Schedule III

Bank Name/Account Name	Account Type	Bank Balance	Deposits in Transit	Outstanding Checks	Book Balance
<b>Wells Fargo Bank</b>					
General Fund	Checking	\$ 6,461,673	\$ 22,762	\$ 325,242	\$ 6,159,193
General 1/12th	Checking	1,535,851	-	-	1,535,851
Certificate of Deposit - Investment	CD	425,135	-	-	425,135
Total Wells Fargo Bank		<u>8,422,659</u>	<u>22,762</u>	<u>325,242</u>	<u>8,120,179</u>
<b>My Bank</b>					
Meter Deposits	Checking	117,481	-	-	117,481
Total My Bank		<u>117,481</u>	<u>-</u>	<u>-</u>	<u>117,481</u>
<b>US Bank</b>					
Belen Firetruck Reserve	Checking	69,492	-	-	69,492
Certificate of Deposit - Investment	CD	218,488	-	-	218,488
Certificate of Deposit - Investment	CD	562,255	-	-	562,255
Total US Bank		<u>850,235</u>	<u>-</u>	<u>-</u>	<u>850,235</u>
<b>Bank of Albuquerque - Investments</b>					
Certificate of Deposit - Investment	CD	295,568	-	-	295,568
Total Bank of Albuquerque		<u>295,568</u>	<u>-</u>	<u>-</u>	<u>295,568</u>
<b>New Mexico Finance Authority - Cash</b>					
NMFA Reserve Accounts	State Treasurer Debt Service	577,147	-	-	577,147
Total New Mexico Finance Authority		<u>577,147</u>	<u>-</u>	<u>-</u>	<u>577,147</u>
Total deposits and investments		<u>\$10,263,090</u>	<u>\$ 22,762</u>	<u>\$ 325,242</u>	9,960,610
Plus: petty cash					600
Less: restricted investments - Exhibit A-1					432,000
Less: investments per Exhibit A-1					550,775
Cash and cash equivalents per Exhibit A-1					<u>\$ 8,978,435</u>

See independent auditors' report

## STATE OF NEW MEXICO

Schedule IV

City of Belen

Schedule of Collateral Pledged By Depository for Public Funds

June 30, 2015

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value at June 30, 2015	Name and Location of Safekeeper
<b>Wells Fargo Bank</b>					
	FNMA FNMS	2/1/2026	3138A8EL6	\$ 215,081	BNY Mellon, New York, NY
	FNMA FNMS	11/1/2041	3138AHQX7	264,957	BNY Mellon, New York, NY
	FNMA FNMS	7/1/2042	3138M4D82	28,683	BNY Mellon, New York, NY
	FNMA FNMS	12/1/2042	3138MRBY6	209,950	BNY Mellon, New York, NY
	FNMA FNMS	2/1/2043	3138NX7K7	1,346,810	BNY Mellon, New York, NY
	FNMA FNMS	3/1/2043	3138W4Z61	45,969	BNY Mellon, New York, NY
	FNMA FNMS	3/1/2043	3138W7GH1	256,600	BNY Mellon, New York, NY
	FNMA FNMS	7/1/2043	3138W9BD1	223,639	BNY Mellon, New York, NY
	FNMA FNMS	4/1/2043	3138WPGZ1	30,078	BNY Mellon, New York, NY
	FNMA FNMS	6/1/2033	3138WTXU5	428,810	BNY Mellon, New York, NY
	FNMA FNMS	9/1/2043	3138WUUS0	116,198	BNY Mellon, New York, NY
	FNMA FNMS	8/1/2043	3138WWBH1	545,863	BNY Mellon, New York, NY
	FNMA FNMS	9/1/2043	3138WZCT7	139,270	BNY Mellon, New York, NY
	FNMA FNMS	9/1/2043	3138X3XX5	1,051,006	BNY Mellon, New York, NY
	FNMA FNMS	3/1/2041	31410LDQ2	26,316	BNY Mellon, New York, NY
	FNMA FNMS	4/1/2043	31417GEW2	20,506	BNY Mellon, New York, NY
	Total Wells Fargo Bank			<u>4,949,736</u>	
<b>US Bank</b>					
	FNMA FNCL POOL	9/1/2036	31410PWN9	214,219	Federal Home Loan Bank, Dallas, Texas
	FNMA FNCL POOL	9/1/2036	31410PWP4	293,011	Federal Home Loan Bank, Dallas, Texas
	FNMA FNCL POOL	8/1/2024	31412QD22	28,993	Federal Home Loan Bank, Dallas, Texas
	Total US Bank			<u>536,223</u>	
<b>Bank of Albuquerque</b>					
	FG J13879	11/25/2023	3128PTJY2	<u>60,124</u>	Federal Home Loan Bank, Topeka, Kansas
	Total Bank of Albuquerque			<u>60,124</u>	
	Total Pledged Collateral			<u><u>\$ 5,546,083</u></u>	

See independent auditors' report

**STATE OF NEW MEXICO**  
City of Belen  
Schedule of Vendor Information for Purchases Exceeding \$60,000 (excluding GRT)  
For the Year Ended June 30, 2015

Prepared by: City of Belen

Title: City Clerk

Date: 8/20/2015

<b>RFB/ RFP #</b>	<b>Type of Procurement</b>	<b>Awarded Vendor</b>	<b>\$ Amount of Awarded Contract</b>	<b>\$ Amount of Amended Contract</b>
1460003800	Sealed Bid	Star Paving	\$421,958	N/A
146003800	Sealed Bid	Star Paving	N/A	N/A
146003800	Sealed Bid	Star Paving	N/A	N/A
146003800	Sealed Bid	Star Paving	N/A	N/A
146003800	Sealed Bid	Star Paving	N/A	N/A
146003800	Sealed Bid	Star Paving	N/A	N/A
146003800	Sealed Bid	Star Paving	N/A	N/A
BLN061-31	Sealed Bid	H.O. Construction	\$329,849	N/A
BLN061-31	Sealed Bid	H.O. Construction	N/A	N/A
BLN061-31	Sealed Bid	H.O. Construction	N/A	N/A
BLN061-31	Sealed Bid	H.O. Construction	N/A	N/A
BLN061-31	Sealed Bid	H.O. Construction	N/A	N/A
BLN061-31	Sealed Bid	H.O. Construction	N/A	N/A
BLN061-31	Sealed Bid	H.O. Construction	N/A	N/A
BLN061-31	Sealed Bid	H.O. Construction	N/A	N/A
BLN101-11	Sealed Bid	RMCI, Inc.	\$703,000	N/A
BLN101-11	Sealed Bid	RMCI, Inc.	N/A	N/A
BLN101-11	Sealed Bid	RMCI, Inc.	N/A	N/A
CWSRF-020	Sealed Bid	Star Paving	\$963,052	N/A
CWSRF-020	Sealed Bid	Star Paving	N/A	N/A
CWSRF-020	Sealed Bid	Star Paving	N/A	N/A
BLN131-12	Sealed Bid	Mountain States Constructors, Inc.	\$4,966,014	N/A
BLN131-12	Sealed Bid	Multiple Vendors	N/A	N/A

See independent auditors' report.

<b>Name and Physical Address per the procurement documentation, of ALL Vendor(s) that responded</b>	<b>In-State/ Out-of-State Vendor (Y or N) (Based on Statutory Definition)</b>	<b>Was the vendor in-state and chose Veteran's preference (Y or N). For federal funds answer N/A</b>	<b>Brief Description of the Scope of Work</b>
Star Paving 3109 Love Rd. SW, Albuquerque, NM 87105	Y	N	Christopher Road Phase II
Advanced Environmental Solutions 2318 Roldan Dr. Belen, NM 87002	Y	N	Christopher Road Phase II
Sparling Construction PO Box 90548 Albuquerque, NM 87199	Y	N	Christopher Road Phase II
Universal Construction PO Box 6008 Albuquerque, NM 87197	Y	N	Christopher Road Phase II
TLC Plumbing & Heating 5000 Edith Blvd. NE Albuquerque, NM 87107	Y	N	Christopher Road Phase II
Salls Brothers PO Box 66239 Albuquerque, NM 87193-6239	Y	N	Christopher Road Phase II
H.O. Construction Inc. PO Box 9468 Albuquerque, NM 87199	Y	N	Community Center Improvements Phase III
Albuquerque Asphalt, Inc. PO Box 66450 Albuquerque, NM 87119	Y	N	Community Center Improvements Phase III
C.C. Construction 908 S. Mesa Rd. Belen, NM 87002	Y	N	Community Center Improvements Phase III
Star Paving 3109 Love Rd. SW, Albuquerque, NM 87105	N	N	Community Center Improvements Phase III
Lone Mountain Contracting, Inc. 125 Bosque Farms Blvd. Bosque Farms, NM 87068	Y	N	Community Center Improvements Phase III
TFC Construction PO Box 4 La Joya, NM 87028	Y	N	Community Center Improvements Phase III
Randy Sena Construction, Inc. 6811 Huseman Pl SW Albuquerque, NM	Y	N	Community Center Improvements Phase III
RMCI, Inc. 6211 Chappell Rd NE Albuquerque, NM 87113	Y	N	Eagle Water Tank Replacement
TLC Plumbing & Heating 5000 Edith Blvd. NE Albuquerque, NM 87107	Y	N	Eagle Water Tank Replacement
Lone Mountain Contracting, Inc. 125 Bosque Farms Blvd. Bosque Farms, NM 87068	Y	N	Eagle Water Tank Replacement
Star Paving 3109 Love Rd. SW, Albuquerque, NM 87105	Y	N	Camino del Llano - install two detention ponds
NM Underground Constructor, Inc. 6201 Industry Way SE Albuquerque, NM 87105	Y	N	Camino del Llano - install two detention ponds
Advanced Environmental Solutions 2318 Roldan Dr. Belen, NM 87002	Y	N	Camino del Llano - install two detention ponds
Mountain States Constructors, Inc. 3601 Pan American FRWY #111 Albuquerque, NM 87107	Y	N	Construct Crosswind Runway
Albuquerque Asphalt, Inc. PO Box 66450 Albuquerque, NM 87119	Y	N	Construct Crosswind Runway

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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**

Timothy Keller  
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, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents, 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 7, 2015.

**Internal Control Over Financial Reporting**

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

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 deficiency described in the accompanying schedule of findings and responses as FS 2010-001 to be a material weakness.

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 deficiency described in the accompanying schedule of findings and responses as FS 2015-002 to be a significant deficiency.



## 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 2014-001, FS 2014-003, and FS 2015-001.

## 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 7, 2015

**STATE OF NEW MEXICO**  
City of Belen  
Schedule of Findings and Responses  
June 30, 2015

**Section I – Summary of Auditors’ 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        |

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

**FS 2009-001 (FS 2009-01) PERA Reporting and Contribution Remittances (Other Noncompliance)**

*Condition:* During the year ended June 30, 2015, PERA reports were not correctly completed. In addition, during the year it was discovered that the City had been overpaying PERA contributions to the State for a retired elected official. The total amount overpaid was \$14,510.70, consisting of \$6,203.10 in employer contributions and \$8,307.60 in employee contributions. The employee contributions had been picked up by the City, and so the official’s checks had not been affected. This error existed from July of 2010 through November of 2014, and was not detected previously due to the lack of controls over and accuracy of PERA reporting. As of June 30, 2015, there has been some progress towards resolving the finding, through working with the software provider and PERA. The City expects the finding to be resolved during the next fiscal year.

*Criteria:* PERA contribution requirements for the City and the City’s employees, including those requirements related to retired elected officials, are established in State statute under Chapter 10, Article 11, NMSA 1978.

*Effect:* The City is not in compliance with Public Employees Retirement Act reporting requirements and overpaid PERA contributions for several years.

*Cause:* Poor system integration into PERA reporting, a lack of understanding of the requirements, lack of a commitment to competence in staff, and inadequate internal controls resulted in incomplete reporting and improper remittances.

*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 has reconciled the report with a PERA representative and feels that the issue has been resolved. The Payroll clerk will verify and reconcile the reports to maintain accuracy. The use of the City’s Caselle Payroll outsourcing will help in generating the needed reports for reconciling.

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

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

<u>Governmental Funds</u>	
General Fund – Major Fund	\$ 214,773
1/2% GRT Infrastructure Special Revenue Fund – Major Fund	2,573
EMS Rescue Special Revenue Fund	244
1/8% GRT Infrastructure Special Revenue Fund	2,195
Law Enforcement Special Revenue Fund	1,112
Lodger’s Tax Special Revenue Fund	38,744
Belen Community Garden Special Revenue Fund	1,519
Multi-Purpose Park Capital Projects Fund – Major Fund	425,831
Camino Del Llano Capital Projects Fund – Major Fund	93,709
Road/Infrastructure Improvements Capital Projects Fund	101,496

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 II – Findings - Financial Statement Audit (continued)**

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

Designated cash appropriations exceeded available balances in the following funds:

Governmental Funds

Camino Del Llano Capital Projects Fund – Major Fund	\$	86,341
---	----	--------

Some progress has been made in addressing the finding, however BARs were not requested for all funds displaying overexpenditures.

*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:* Budget Adjustments will be done by the Finance Director on a quarterly basis and presented to the Mayor and Council for approval along with the presentation of the quarterly reports. The City expects this finding to be resolved in the next fiscal year.

**Section II – 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. When a change is made, a process exists to obtain approval of the change; however, no change log is reviewed to verify that all changes made to vendor master files have been 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.
- Delinquent receivables for utility billings are not regularly reviewed.
- 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.
- There are inadequate controls over the cash receipting process at the Recreation Center.
- 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.
- Recalculations of utility bills performed differed from the amount billed in two out of ten transactions tested (total transactions tested amounted to \$1,325.48, and the problematic transactions amounted to \$504.68). The total difference observed was \$(0.67).
- In testwork over payroll transactions, we noted one instance of \$73.50, out of six tested, totaling \$7,581.34, where a volunteer firefighter was paid a per-call stipend that did not match the currently authorized amount.
- In testwork over credit card payments, we noted two payments made, totaling \$2,267.78, with incomplete documentation. In the first case, the payment included 5 separate purchases, of which one was missing indication of approval. In the second case, the payment included 9 separate purchases, of which two were missing indication of approval and of posting. The total of the six transactions tested was \$4,564.05.
- In testwork over bank reconciliations, we noted an unreconciled difference of \$15,470.64 on the bank reconciliation.
- In testwork over voided checks, we noted that the system reused check numbers in three instances due to manual checks written.
- In testwork over voided checks, we were unable to verify that 12 checks were appropriately voided, as copies were not available for review. None of these checks were negotiated by the City's bank.

Management has made little progress in resolving this finding.

**Section II – 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 II – 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:* The City Manager will recommend that addition position in the Finance Department be added. This new position will allow for addition oversight on the day to day processes of the Finance Department. The Finance Director will implement a new process for the offsite collection of funds. The City is planning for this position to be added in the fiscal year ended June 30, 2016.

**FS 2013-001 Incorrect Travel and Per Diem Payments (Other Noncompliance)**

*Condition:* During testwork over 10 travel and per diem expenditures, totaling \$1,761.65, we noted the following:

- In one instance, the employee was advanced 100% of anticipated travel expenses, instead of 80%. The total overpayment of the advance was \$75.
- For four payments related to a conference, no documentation of registration for or attendance at the event was retained. These payments totaled \$890.21.
- For one payment, a rate of \$50/day was used for meals, in addition to payment for overnight lodging. This trip was also paid in advance at 100% instead of 80%. The total overpayment is impossible to determine as no receipts for meal expenses were retained. The overpayment related to the advance paid at 100% totaled \$50.
- In one instance, the partial-day per diem rate was exceeded by \$4.
- In two instances, no meal receipts were provided, but employees were paid \$30 for each day of travel for meals. The total overpayment is impossible to determine without meal receipts.

There has been no progress made in the corrective action plan.

*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 made payments for travel and per diem expenses exceeding statutory limits, and without proper documentation.

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

**FS 2013-001 Incorrect Travel and Per Diem Payments (Other Noncompliance) (continued)**

*Cause:* Conflicting requests and confusion between Department Heads, the Finance Department, and the City Council contributed to payments made improperly.

*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 will be subject to the City's Travel Policy from this date forward. The Finance Department will ensure that all required receipts and attendance documentation is collected. The City Council will ensure that all out of state travel is planned for in accordance of the Travel Policy before approval.

**FS 2013-002 – Department of Finance and Administration Cash Report (Finding that does not rise to the level of a significant deficiency)**

*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 \$556,669. Upon review of the report, it appears that the difference is due to differences in the beginning cash balance amounts.

There has been no progress made in the corrective action plan.

*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 Finance Director will submit an Adjustment to align the City's cash with the DFA's cash balance report. This will require assistance from the City's DFA Budget Analyst. This adjustment will need to be approved by the City Council. The City expects to do this in the first quarter of calendar year 2016.



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

**FS 2014-001 — Utility Customer Accounts (Finding that does not rise to the level of a significant deficiency)**

*Condition:* Policies have been established for proper control over utility customer accounts, but were not consistently followed for a portion of the year. In our testwork over 18 adjustments, totaling \$(63,892.45), made to utility customer accounts, we found the following:

- In one instance, the customer received a credit to their balance after reporting that a leak was fixed. There was no support in the file for the fixing of the leak, as required by City policy. The total adjustment was \$(1,394.62).
- In one instance, no support was available for the adjustment made. The file included information about a police report filed for a break-in, at which point the water in the vacant property was turned on. There was no other documentation regarding the situation and its resolution. The adjustment totaled \$(200.87).

Management has implemented a corrective action plan and expects this finding to be resolved for the year ended June 30, 2016.

*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 requiring review of all utility customer account adjustments are new and are being implemented, but were not fully followed during the year.

*Auditors' Recommendation:* We recommend that the City's management and Utility personnel work together to ensure that the policies in place become fully implemented.

*Views of Responsible Officials and Planned Corrective Actions:* The City has implemented a new procedure for adjustments; all adjustments require backup documentation as to why the adjustment is requested. It is recommended by the Utility Billing Supervisor and approved by the Finance Director or if needed; taken to the next level the City Manager.

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

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

*Condition:* During our audit, we noted that the City has begun to implement policies and procedures designed to eliminate the provision of in-kind services for local events without payment, in violation of the Anti-Donation Clause of the Constitution of the State of New Mexico. The City has implemented a corrective action plan as follows: a policy whereby entities desiring to utilize the City’s staff, equipment, property, and other items and services for local events must complete a form and provide recompense to the City for such utilization has been put into place, but has not been consistently followed.

*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:* While the process exists for entities to request the use of City facilities and services, and reimburse the City for such use, the policy is not being consistently applied.

*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 Manager has implemented new policies and procedures and will ensure that these procedures are followed for each in-kind services request from this date forward.

**FS 2015-001 – Leased Property Noncompliance (Other Noncompliance)**

*Condition:* During our audit, we noted that the City executed two leases for the rental of property to local nonprofit entities without securing appraisals from qualified appraisal professionals to determine the fair market value of the properties leased, and without public notice, ordinance, or referendum.

*Criteria:* NMSA 1978 Section 3-54-1, *Authority to sell or lease municipal utility facilities or real property; notice; referendum* contains requirements for the lease of real property owned by municipalities in the State of New Mexico. Per paragraph A and B of this section, municipalities may lease real property having a value of \$25,000 or less without requiring an ordinance or a referendum; however, the fair market value of the property must be established by engaging a qualified appraiser to obtain an appraisal in writing to be submitted to the governing body.

*Effect:* The City is unable to document whether the properties leased exceeded the \$25,000 threshold and, therefore, whether a referendum should have been presented to the voters prior to execution of the related lease agreements.

*Cause:* The City was not aware of this requirement.

*Auditors’ Recommendations:* We recommend that the City obtain an appraisal from a qualified appraiser prior to execution of lease agreements for any properties owned by the City. We also recommend that the City review all current lease agreements and, for any where a qualified appraisal cannot be located, engage the services of a qualified appraiser to establish the fair market value of the leased property. If such property is valued over \$25,000, we recommend that the City take appropriate action to comply with NMSA 1978 Section 3-54-1.

*Views of Responsible Officials and Planned Corrective Actions:* The City Manager will ensure that appraisals will be conducted for any properties suggested to be sold or leased. Procedures for the sale or lease of the property will be based on the appraisal and presented before the City Council for recommendation.

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

**FS 2015-002 — Preparation of Accrual Balances – Significant Deficiency**

*Condition:* During the performance of audit procedures relating to accounts receivable and accounts payable, the following were noted:

- The City included one item of \$21,359 that was not due and payable to the City as an account receivable at year-end.
- The City omitted one item of \$28,000 that was due and payable to the City from accounts receivable at year-end.
- The City included four items totaling \$8,350 as accounts payable at year-end that did not require accrual as accounts payable.
- The City omitted two items totaling \$14,078 from accounts payable that were properly accrued as accounts payable.

*Criteria:* 2007 Government Auditing Standards Section 3.29 (c), states the District is required to prepare accurate account balances for financial presentation.

*Effect:* Preparing an accurate accounts receivable and accounts payable listing is essential to the City's operational and management decision process. Incorrect preparation of the accounts payable listing could lead to misstating the balances in the financial statements.

*Cause:* The City provided accounts receivable and accounts payable listings at year-end. While the listings were materially correct, certain items were missed in the analysis of transactions subsequent to year-end, and, for accounts payable, certain checks issued in payment of services both before and after year-end were not properly allocated between fiscal years.

*Auditors' Recommendations:* We recommend that the City review all receipts and disbursements subsequent to year-end for proper accrual, including consideration of the dates of service and the dates of expenditures for which reimbursement under grants is requested.

*Views of Responsible Officials and Planned Corrective Actions:* The review of year end receipts and disbursements will be reviewed to ensure the proper accrual. The AP Clerk will review all outstanding invoices and date of payment. The City expects this to be performed for the fiscal year ended June 30, 2016.

**STATE OF NEW MEXICO**  
City of Belen  
Schedule of Findings and Responses  
June 30, 2015

**Section III – Prior Year Audit Findings**

**Prior Year Audit Findings**

**Financial Statement Findings**

<b>Financial Statement Findings</b>		<b>Disposition</b>
FS 2007-02	Preparation of Financial Statements	Resolved, not repeated
FS 2009-01	PERA Contribution Remittances	Modified and repeated
FS 2009-04	Expenditures in Excess of Budget and Budgeted Cash in Excess of Available Balance	Modified and repeated
FS 2010-001	Design Deficiencies in Internal Control over Financial Reporting	Modified and 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)	Resolved, not repeated
FS 2014-001	Utility Customer Accounts	Modified and repeated
FS 2014-002	Form SSA-1945	Resolved, not repeated
FS 2014-003	Compliance with the Anti-Donation Clause – In-Kind Services	Modified and repeated

**STATE OF NEW MEXICO**

City of Belen  
Other Disclosures  
June 30, 2015

**OTHER DISCLOSURES**

**Exit Conference**

An exit conference was held on December 10, 2015. In attendance were the following:

**Representing the City of Belen:**

Jay Ruybalid	City Manager
David Carter	Mayor Pro-Tem
Wayne Gallegos	City Councilor
Roseann Peralta	Finance Director
Elena L. Garcia	Accounts Payable Clerk
Leona Vigil	City Clerk

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

Robert Cordova, CPA	Partner
Gwen Mansfield-Vogt, CPA	Manager

**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.