

**Preliminary Engineering Report
Interstate Frontage Road Water Improvements Project
Sandoval County, New Mexico**

March 2015



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Preliminary Engineering Report
Interstate Frontage Road Water Improvements Project
for
Sandoval County, New Mexico

March 2015

Submitted to:

Sandoval County Public Works Division
Public Works
1500 Idalia Road Building D
Bernalillo, NM 87004

Submitted by:

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SMA Project No. 6421284



A handwritten signature in blue ink, appearing to read "Jody Garcia", written over a horizontal line.

3/4/15

Jody Garcia, P.E.

NM License Number 17622

This Preliminary Engineering Report (PER) was prepared by Souder, Miller & Associates under RUS Bulletin 1780-2 (4/4/13) "Preliminary Engineering Reports for the Water and Waste Disposal Program."



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LETTER OF TRANSMITTAL

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To:

Sandoval County *Wiley Puchione*
Attn: Mike Springfield
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Date: 03/06/2015**Job No.:** 6421284**RE:** Interstate Frontage Road Water Improvements
Project PER

We Are Sending You ☒ Attached ☐ Under separate cover via _____ the following items:

- ☐ Shop drawings ☐ Prints ☐ Plans ☐ Samples ☐ Specifications
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3	March 2015	FINAL Interstate Frontage Road Water Improvements Project PER

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Comments:

Souder, Miller & Associates,
Jody Garcia, P.E., Project Manager

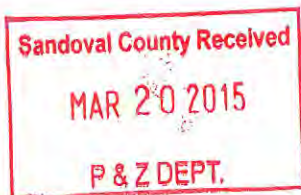


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GENERAL INTRODUCTION

This Preliminary Engineering Report (PER) was prepared by Souder, Miller & Associates (SMA) in accordance with the United States Department of Agriculture, Rural Utilities Service Bulletin 1780-2 dated April 4, 2013. The report describes the condition of current water facilities, evaluates alternatives and recommends improvements to provide a safe, reliable and sustainable water system for the project planning area.

1. PROJECT PLANNING

The following paragraphs describe the project location, environmental resources, population trends and community engagement.

A. Location

The Project Planning Area is comprised of an unincorporated area of Sandoval County, New Mexico and a portion of the Town of Bernalillo (See Figures 1 & 2) along the east side of I-25. The project planning area encompasses an area of approximately 400 acres and extends approximately 2 miles north and 1.5 miles south of the I-25/U.S. Highway 550 (US-550) interchange. This area is referred to as the “I-25 Frontage/Bernalillo Interface District”.

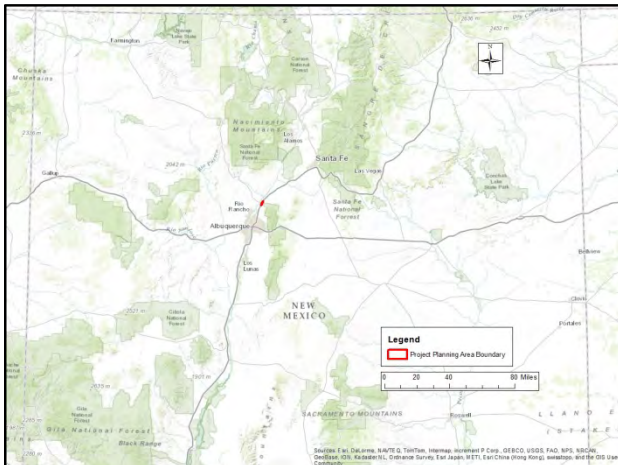


Figure 1: Area Map

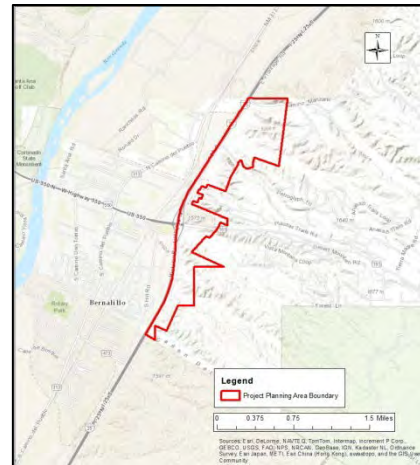


Figure 2: Location Map

The project planning area is bounded on the north by lands of the Santa Ana Pueblo and Sandia Pueblo is located to the south. The community of Placitas is along the east boundary of the project planning area with the Town of Bernalillo on the west.

The topographical setting of the planning area is characterized by elevations that range from approximately 5,120 feet to 5,270 feet above mean sea level (See Exhibit 1) and generally slope to the west towards I-25.

B. Environmental Resources Present

The following paragraphs describe the environmental resources present in the project planning area and provide information on the location and significance of important land resources that will be considered in project planning. At this time, no environmental review per the National Environmental Policy Act (NEPA) has been prepared for the project planning area.

i. Soils

The United States Department of Agriculture (USDA) Natural Resources Conservation Service (NRCS) Custom Soil Resource Report (NRCS, 2014) was generated to show soil mapping and specific classification such as farmland, dominant ecological site descriptions within the project planning area (See Appendix A).

As indicated on the “Soil Map” (Page 8 in Appendix A), the Ildefonso-Harvey association (gravelly sandy loam) is the predominant soil type (61.8%) and is found on mesas, bajadas and plateaus in the project planning area. The remaining area is comprised of Zia sandy loam (16.6%), Grieta-Sheppard loamy fine sands (15.1%), San Mateo loam (5.7%), Stumble association (0.4%) and Gilco loam (0.3%). For the primary soil types, the water table is more than 80 inches deep.

ii. Farmland

The Custom Soil Resource Report identifies soils as prime farmland, farmland of statewide importance, farmland of local importance, or unique farmland (Page 22 in Appendix A). According to the NRCS, soils listed as not prime farmland make up almost 100 percent of the service area. Approximately 61 percent, of the approximately 400 total acres of land within the project planning area are soils that are considered to be prime farmland if irrigated.

iii. Rangeland

The Custom Soil Resource Report identifies soils that are rangeland ecological sites with characteristic soils infiltration, runoff and plant community that have developed over time (Page 27 in Appendix A). The majority of ecological sites are Breaks, Limy, Sandy, Loamy, and Deep Sand. No restrictions with respect to rangeland soil disturbance are indicated.

iv. Forestland

According to the NRCS Custom Soil Resource Report, there are no forestland soils within the project planning area.

v. Wetlands

According to the U.S. Fish and Wildlife Service National Wetlands Inventory, there are no wetlands within the project planning area (USFWS, 2014).

vi. Depth to Groundwater

SMA reviewed data from the New Mexico Office of the State Engineer (NMOSE) Waters Database for nearby wells. Based on this review groundwater in the project planning area can be expected approximately 200 feet below ground surface.

- RG 91559 POD1 located north of US550/NM165 is a 215 feet deep well, with a depth to water of 43 feet, produces 30 gallons per minute (gpm).
- RG 61631 located near Petroglyphs Trails Rd is a 420 foot deep well with a depth to water of 255 feet. No Flow data provided.
- RG93524 located east of I25 along NM165 is a 430 foot deep well with a depth to water of 205 feet and produces 20 gpm.
- RG41686 (Placitas Trails Water Users Association) located east of I-25 and north of NM165 is a 464 foot deep well with a depth to water of 260 feet and produces 50 gpm.

vii. Floodplains (100/500 Year)

A flood is a general and temporary condition where two or more acres of normally dry land or two or more properties are inundated by water or mudflow. The Federal Emergency Management Agency (FEMA) issues maps that indicate the flood plain zones on Floodplain Insurance Rate Maps (FIRM). The FIRM classifies these zones in terms of flood risk (low, moderate or high). The flood hazard zones within the Project Planning area include A, AE and X (See Exhibit 2). These FEMA Zones are described below:

Zone A is a high risk area known as Special Flood Hazard Areas (SFHAs). Zone A areas are subject to inundation by the one percent annual chance (100-year) flood event. Because detailed hydraulic analyses have not been performed, no Base Flood Elevations (BFEs) or flood depths are shown. Only one percent of the Project Planning area is considered to be in a 100 year floodplain (one percent annual chance flood plain).

Zone AE is defined as "Base Flood Elevations Determined". Floodway areas in Zone AE is the channel of a stream plus any adjacent flood plain areas that must be kept free of

encroachment, so that the one percent annual chance flood (100-year flood) can be carried without substantial increases in flood heights.

Zone X areas are determined to be outside the 0.2 percent annual chance flood plain. The majority of the project planning area is within the low risk Zone X.

Within the project planning areas there are some high risk areas. High risk flood zones (A and AE) are located within the floodplains of three ephemeral washes (arroyos), including the large Arroyo Aqua Sarca, that flow east to west under Interstate 25 and towards the Rio Grande.

viii. Historic Sites

A Class I Literature Review (Townsend, 2014) was prepared for the Project Planning Area (See Appendix B). The review was conducted using the New Mexico Cultural Resource Information System (NMCRIS) data base, New Mexico Historic Preservation Division Archaeological Records Management Section (NMHPDARMS) maintained data base, New Mexico State Register of Cultural Properties and the National Register of Historic Places.

Based on the review of the National Register of Historic Places and the New Mexico State Register of Cultural Properties, it was concluded that there are no properties of historical significance within the Project Planning area.

The Sandia Pueblo and Santa Ana Pueblo will require permitting through the U.S. Department of Interior - Bureau of Indian Affairs, Southwest Region, and the Sandia Pueblo and Santa Ana Tribal Councils for any work adjacent to these borders.

C. Population Trends

The total population of the Town of Bernalillo was 8,320 as of the April 2010 census (U.S. Census Bureau, 2014) and is projected to grow to 14,700 by 2035 (MRCOG, 2007). Growth from 2010 to 2035 occurs at an average growth rate of 2.26 percent per year (See Figure 3).

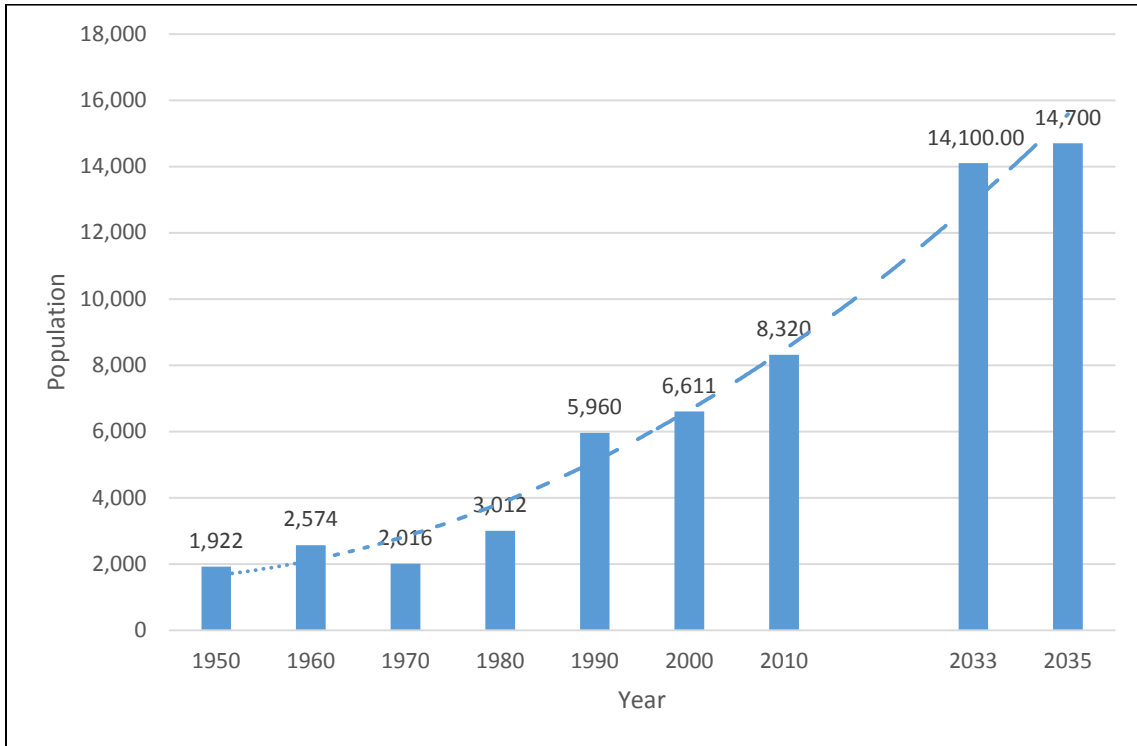


Figure 3: Historical and Projected Population of Bernalillo

At the end of the 20 year planning period (2035), the population of Bernalillo is expected to reach approximately 14,700 persons. Section 3C in this report discusses the growth trend in the project planning area.

D. Community Engagement

Sandoval County is the lead government agency for this PER. All community engagement activities related to the proposed project will be held in, and staffed by, Sandoval County. The Town of Bernalillo is a key partner for this proposed project; however, the Town of Bernalillo is not responsible for the project or any decisions arising from this PER.

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2. EXISTING FACILITIES

This section describes the existing facilities that may be incorporated into water infrastructure needed to supply water to the project planning area. Presently, the Town of Bernalillo Water System (Number NM3508923) and the Anasazi Trails Water Cooperative (Number NM3501523) have existing facilities that could supply water to the project planning area. The Town of Bernalillo Water System most likely has the capacity to serve the planning area. Because we evaluate alternatives that consider connection to Bernalillo's water system, the most recent information for the Town of Bernalillo water system is presented. The information related to the Town of Bernalillo water system was compiled from conversations with staff, design drawings, the New Mexico Office of the State Engineer, and Town of Bernalillo public documents.

The Town of Bernalillo has no specific plans to provide water service to the project planning area; however, seven businesses within the project planning area, located to the north of New Mexico Highway 165 (NM165), are presently supplied by the Town of Bernalillo's water system. The existing water infrastructure only handles the immediate area near the intersection of highway 550 and I-25 and does not accommodate the entire planning area. The planning area will need additional infrastructure to service new developments.

A. Location Map

Figure 4 shows the existing Town of Bernalillo water facilities within, and near, the project planning area. A schematic process diagram of the Bernalillo water system is provided in Section 4 Alternative 2 that considers connection to the Town of Bernalillo water system.

B. History

The entire Town of Bernalillo (TOB) Water System (Number NM3508923) serves approximately 9,200 people (US EPA Safe Drinking Water Information System search). The system serves about 3,200 total connections (both residential and commercial). At the time of this report there are approximately 2,200 residential customers and 1,000 commercial customers.

Limited water system infrastructure currently exists in the project planning area as almost all of the TOB municipal water system service area is located on the west side of I-25 within the TOB. The TOB water system infrastructure extends eastward underneath I-25 at two locations and connects with two wells, and two water storage tanks.

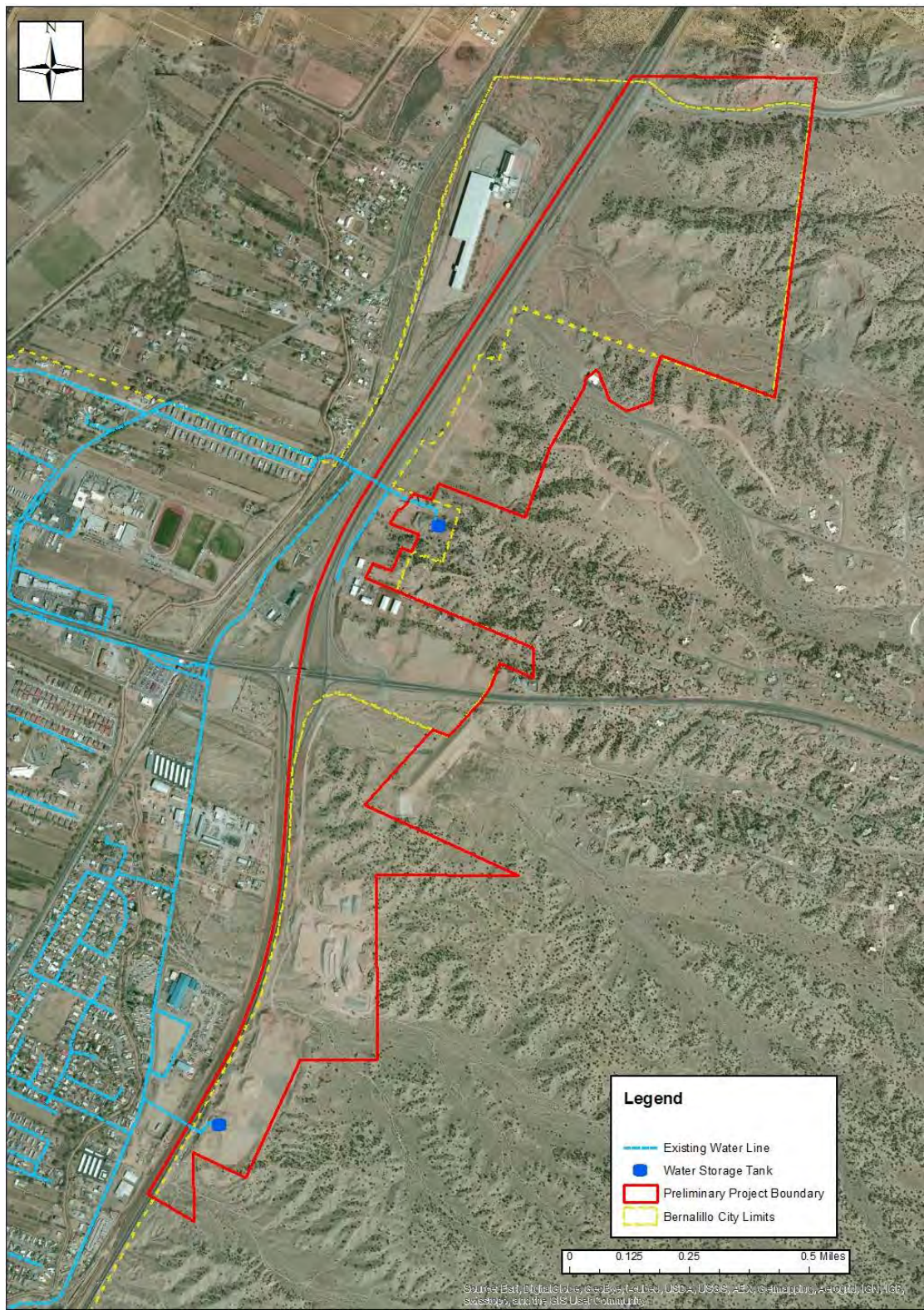


Figure 4: Town of Bernalillo Existing Water Facilities

About 0.25 miles of 6-inch waterline extends south along the I-25 Frontage Road providing water service to the seven existing businesses located in the northwest corner of the I-25/U.S. 550 interchange. These existing businesses rely on the TOB water system for their water needs. These buildings were constructed in the early 1990s and the 6-inch waterline is assumed to be approximately 24 years old. Two fire hydrants are also located on the six-inch waterline.

C. Condition of Existing Facilities

Records indicating the age of the existing major system components were not available at the time of this report. No component failures are known to have occurred. All on-line components are assumed to be in good condition and suitable for continued use. The entire water system consists of five water storage tanks, one pressure reducing station, four wells, arsenic treatment systems, and water distribution lines.

i. Water Supply Wells

The source of Bernalillo's water supply is groundwater. The TOB pumps drinking water from production wells #3 and #4 located on the west side of the Rio Grande. Water is presently treated for arsenic and disinfected by a chlorination system. Municipal wells #1 and #2, located to the east of I-25 within the project planning area, at the time of this report are inactive.

Production well #4 pumps up to 1,250 gallons per minute (gpm) and is the primary operating well for the TOB. Production well #3, which pumps up to 570 gpm, operates mostly during peak months and does not have sufficient capacity to supply Bernalillo's water needs on its own. Ferric systems to remove arsenic from the water were recently installed for both wells.

In 2011, the TOB water system completed an emergency water supply connection to Rio Rancho, near the Sandoval County Judicial Complex off NM 528. The city of Rio Rancho and Bernalillo approved a memorandum of understanding (MOU) which allows Rio Rancho to provide emergency water supplies and to bill the TOB for any water used. The connection provides for Rio Rancho water to feed directly into Bernalillo's distribution system. Table 1 is a summary of the existing water supply wells for the Town of Bernalillo.

Table 1: Town of Bernalillo Water Supply Wells

Well	Location	Current Production	Water Treatment System	Suitable for Continued Use
#1	East of I-25	Off-line	none	Requires Arsenic Treatment
#2	East of I-25	Off-line	none	Requires Arsenic Treatment
#3	West of RG, US 550	570 gpm	Arsenic Treatment	yes
#4	West of RG, NM 528	1,250 gpm	Arsenic Treatment	yes

ii. Storage System

Four steel water tanks provide 2.9 million gallons of storage for the entire Town of Bernalillo water system. The water storage tanks, their location, capacity, and current status are shown in Table 2.

Tank #1 and Tank #2 are located within the project planning area. These tanks are individually connected to the water distribution system by 10-inch waterline crossings under I-25. According to record drawings from Smith Engineering, the two water storage tanks (Tank #1 and Tank #2) within the project planning area were modified and refurbished in 2012.

Tank # 1 is located 0.3 miles northeast of NM 165, within the TOB limits but east of the planning area boundaries. Information from TOB indicates a 10-inch water line connects the tank to the TOB water system. The age and condition of the 10-inch line water line at the time of this report is not known. Tank #1 is not currently in use.

Tank #2 is located in the southernmost part of the project planning area and outside the TOB limits. It is connected to the TOB water system by 10-inch waterline and is currently in use by the town. The age and condition of the 10-inch line water line at the time of this report is not known. Tank #2 is currently in use by the TOB water utility

Table 2: Town of Bernalillo Water Storage Tanks

Storage Tank	Location	Capacity (gallons)	Currently In Use	Suitable for Continued Use
Tank No. 1	East of I-25 (North)	1,000,000	Inactive	Yes
Tank No. 2	East of I-25 (South)	500,000	Yes	Yes
Tank No. 3	West of RG, US 550	1,000,000	Yes	Yes
Secondary (near No.3)	West of RG, US 550	200,000	Yes	Yes
Tank No. 4	West of RG, NM 528	200,000	Yes	Yes
Total Storage		2,900,000		

iii. Pump Houses

The TOB has four pump houses that shelter pump controls, disinfection systems, and associated plumbing. The pump houses are each furnished with a sodium hypochlorite feed system for disinfection. Two of the TOB pump houses are located within the project planning area. These pump houses serve Well #1 and Well #2 which are currently inactive.

iv. Arsenic Treatment System

Housing for the arsenic treatment systems is located near Wells #3 and #4. In 2010 the New Mexico Environment Department (NMED) Drinking Water Bureau (DWB) approved the use of Ferric Chloride to augment and/or replace the existing electro flocculation treatment system being used for the removal of arsenic at Wells #3 and #4. If the use of Ferric Chloride for arsenic removal proves to be successful, the TOB will consider the same modifications for Wells #1 and #2 which have been off-line since 1992.

v. Distribution System

The current distribution system consists of waterlines ranging in size from 2 to 14 inches extending throughout the town and totaling about seventy-five miles. The age and condition of the waterline is variable. The existing system is maintained and is currently functioning as expected.

The nearest distribution system main that could serve the project planning area is comprised of a 10-inch waterline on the west side of I-25 that connects to 10-inch line that is routed east under I-25 and up to Tank #1. The pipeline connecting Tank #2 to the distribution system is a 10-inch line that connects to an eight-inch distribution line on the west side of I-25.

About 0.25 miles of 6-inch waterline extends south along the I-25 Frontage Road from the 10-inch water line that connects Tank #1 to the TOB system on the west side of I-25. The 6-

inch line provides water service to the existing seven businesses within the project planning area. Two fire hydrants are located on the 6-inch waterline.

vi. Water Rights

The Town of Bernalillo has more than 2,000 acre-feet per year (afy) of water rights. Based on Bernalillo's reports to NMOSE, a five-year average of 1,283 acre-feet of water was pumped from Wells #3 and #4. Assuming no additional water rights are transferred to the Town of Bernalillo the currently available 700+ afy will easily accommodate the projected increase in water demand from the project planning area (see section 3.D.) and allow for equivalent additional growth outside of the project planning area. The TOB has sufficient water rights for current and future needs. The TOB is also actively pursuing the acquisition of additional water rights to meet the anticipated demand for future growth.

D. Financial Status of any Existing Facilities

No public entity is currently responsible for water supply within the project planning area. Because we evaluate alternatives that consider connection to Bernalillo's water system, the most recent financial information for the Town of Bernalillo is presented.

i. Rate Schedule

Water rates are provided in the Town of Bernalillo's Ordinance 212 (See Table 3). Residential and commercial connections outside of the town limits are imposed a 25 percent surcharge which would apply to some parcels within the project planning area.

Table 3: Town of Bernalillo Water Rates

Residential Use			Commercial Use	
Base Rate (Up to 4,000 gallons)	Additional Gallons	Cost per Gallon	Base Rate (Up to 4,000 gallons)	Additional Gallons
\$17.50	0-5,999	\$2.45	\$30.73	\$2.80
	6,000-7,999	\$2.55		
	8,000-9,999	\$2.65		
	10,000-14,999	\$2.75		
	15,000-19,999	\$2.85		
	20,000-29,999	\$2.95		
	30,000-39,999	\$3.05		
	40,000-49,999	\$3.15		
	50,000 and Up	\$3.25		

ii. Financial Income and Expenses



The most recent financial information, including annual O&M costs, status of existing debt, and reserve accounts for Bernalillo is provided in Appendix C.

E. Water/Energy/Waste Audits

At the time of this report Bernalillo, did not have a water, energy or waste audit.

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3. NEED FOR PROJECT

The Project Planning area has limited water utility infrastructure that serves a small number of existing businesses. Future development in this area is dependent on a reliable water supply system.

A. Health, Sanitation, and Security

Without expansion of the existing water system infrastructure, an increase in the construction of privately-owned wells would likely occur. Wells constructed in the area may or may not be drilled, tested and equipped to professional standards. Poorly constructed wells can potentially pose a health risk to water users by acting as a conduit for water contamination to enter the aquifer. Well drilling and construction may or may not be successful based on available water quantity and water quality testing results.

Arsenic concentrations in groundwater within and near to the project planning area have been detected in the range of 0.011 to 0.012 milligrams per liter (mg/L) which exceeds the U.S. EPA arsenic maximum contaminant concentration of 0.010 mg/L. The Town of Bernalillo, and nearby community water systems, treats their water for arsenic. As described above, arsenic treatment systems are operating at Wells #3 and #4 and may be added to Wells #1 and #2 in the future.

B. Aging Infrastructure

The existing 6-inch waterline within the project planning area ends north of NM 165. The exact age of the waterline is not known but is estimated to be about 24 years old.

C. Reasonable Growth

Growth projections for this planning area assume that it will be built out by the end of the planning period. With the exception of the Petroglyphs Trails Subdivision and the Santa Rosa development proposal, no development plans for lots within the project planning area were available for review. For planning purposes the water demand for the undeveloped parcels is estimated by developing a unit water demand based on the current zoning designation for the properties.

D. Water Demand

The project planning area is comprised of 23 parcels, 13 that are within Sandoval County and 10 that are within the Town of Bernalillo. Both of these government agencies have zoning ordinances and authority over the type of development within their individual jurisdictions. The Sandoval County portions of the project planning area are classified with one of four zoning designations: Mixed Density Residential (MDR), Special Use (SU), Commercial District West Placitas Area (CD-WP), and Light Manufacturing Commercial (LMC). The Town of Bernalillo portions of the project planning area are classified with one of two zoning designations: Commercial C-1, and Special Use (SU).

Currently, the project planning area is mostly undeveloped with the exception of seven commercial businesses. Table 4 summarizes the zoning descriptions and acreage for the platted areas based on Bernalillo's and Sandoval County's Zoning map (See Exhibit 3).

Table 4: Zoning in the Project Planning Area

Designated Zoning/Location	Area (Acres)	% of Project Planning Area
C-1: Commercial	43.8	10.6
CD-WP: W. Placitas Community District	109.4	26.5
Light Manufacturing Commercial	20.8	5.0
Mixed Density Residential	31.4	7.6
SU: Special Use	50.8	12.3
S-U: Special Use	156.1	37.9
Total Area	412.4	100.0

Most water demand calculations for commercial enterprises depend on detailed information regarding the specific type of business, number of employees and visitors, and/or the number of water fixtures in the building. This detailed information is not known for the majority of the project planning area; therefore, SMA developed a methodology to predict the water demand for the undeveloped parcels. SMA researched technical publications, consulted with Land Use Planning consultants, New Mexico Environment Department Construction Programs Bureau staff, and multiple engineering professionals regarding possible methods for predicting the future demand with the available information. SMA used a method for estimating water demand in Commercial, Institutional and Industrial (CII) sectors by using the heated area of a building, sector of the building, and the weighted water use coefficients developed for each sector (Morales et al. 2009). The CII methodology was developed using empirical data from Hillsborough County in Florida. The average water use in gallons per capita per day (gpcd) for Hillsborough County Florida is roughly 2.5% higher than that of Rio Rancho, the largest city in

Sandoval County accounting for more than 66-percent of the County's population, and therefore the method can be expected to yield estimates which will be reasonable, and slightly conservative, for the project planning area.

The selected method for estimating future water demand requires that the area of the structures be known, or estimated. SMA used public geographic information system (GIS) maps for the Town of Bernalillo to identify parcels and buildings with the same zoning designation as undeveloped parcels in the project planning area. For each commercial zoning type represented in the project planning area the approximate building area was divided by the area of the parcel to determine a percent of land area built upon. The average for each zone was then applied to the undeveloped parcels in the project planning area with corresponding zone designation to estimate a "heated area" for the future developments. The estimated "heated area" was then multiplied by the sector water use coefficient from the CII equation to determine the estimated water demand for each undeveloped commercial zone within the project planning area.

Currently there are development plans in place for four of the undeveloped parcels within the project planning area. The Town of Bernalillo Special Use parcel, located near the northern limit of the project planning area, has a master plan in place for a development originally known as "Sole Toscano" (see Figure 5). The project has been renamed "Santa Rosa" and is pending approval of the proposed changes. There is no immediate timeline for construction. The proposal for "Santa Rosa" includes more than 400 apartments, a 108-unit senior apartment complex, 56 "Estate" home lots, and 13 acres of commercial development. The developer anticipates the water demand for the entire project to be 99 acre-feet per year (afy)¹(61 gpm).

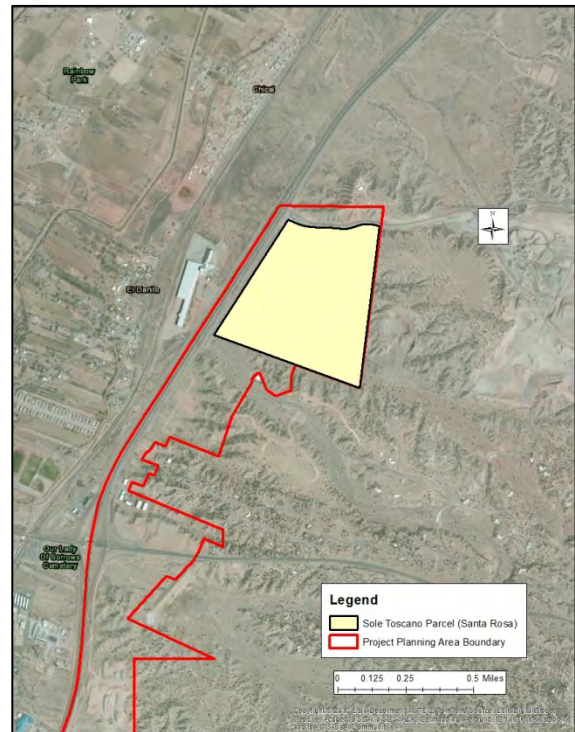


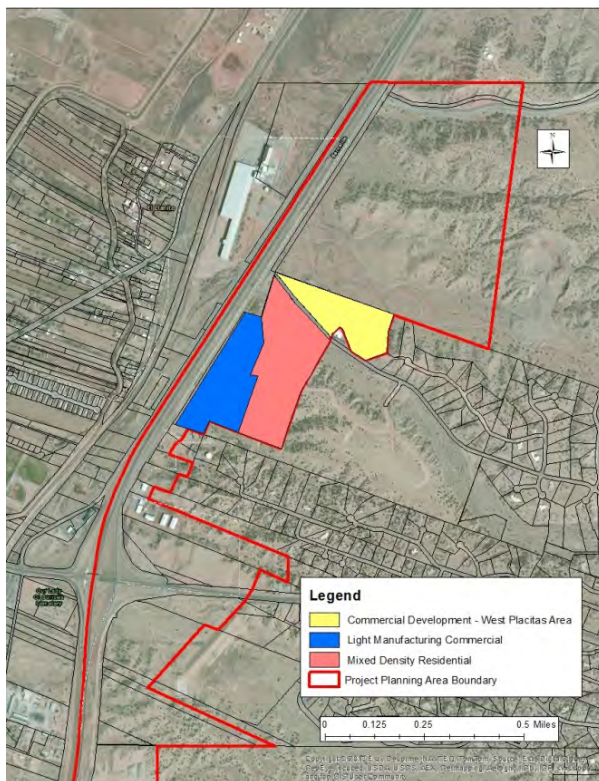
Figure 5: Sole Toscano/Santa Rosa Parcel

¹ Minutes of a Regular Meeting of the Governing Body of the Town of Bernalillo, Held at the Olos Social Center, July 09, 2007

The overall water demand for the “Santa Rosa” development is divided into a residential component and a commercial component. The commercial average day demand was estimated to be 6 gpm using the CII methodology detailed earlier in this section. The residential average day demand of 55 gpm is the difference between the total developer estimated demand of 61 gpm and the estimated commercial demand of 6 gpm.

There are three parcels within the project planning area that are within Sandoval County's zoning jurisdiction. These parcels are all owned by Trails Investors LLC and have been subdivided according to the master development plans for the Petroglyph Trails Development. The three parcels each have a different zoning designation. The three zoning designations

are: CD-WP, MDR, and LMC. The three parcels are shown in Figure 6.



The plans for these parcels indicate the MDR parcel will be divided into 3 lots. For this report it was assumed that the MDR parcel will be developed into 133 residential units. The number of households for the MDR parcel was calculated using the residential household density from the “Santa Rosa” development plan. This density is also similar to the observed density within the highest density residential development in the Town of Bernalillo (ArcGIS Aerial Imagery). The average day demand for the MDR parcel was calculated using the six-year average water use in gallons per capita per day (gpcd) for the City of Rio Rancho² (79.2) multiplied by the average

Figure 6: Trails Investors LLC Parcels

number of persons per residence for Sandoval County³ (2.8) multiplied by the estimated 133 households. The average day demand for the MDR parcel is estimated to be 20 gpm.

The development plans for the LMC parcel indicate that it will be divided into 11 commercial lots. The average day demand of 3 gpm for the LMC parcel was calculated using the CII methodology.

² <http://www.ci.rio-rancho.nm.us/index.aspx?nid=180>, accessed 11/17/2014

³ <http://quickfacts.census.gov/qfd/states/35/35043.html>, accessed 11/17/2014

The development plans for the CD-WP parcel indicate that it will be divided into 13 lots. The CII methodology predicts an average day demand for the CD-WP parcel of 55 gpm.

All of the remaining undeveloped parcels within the project planning area do not have detailed development plans. These parcels are zoned SU, CD-WP, and Commercial C-1. The SU parcel located within Sandoval County in the southern portion of the project planning area was estimated to be developed with a water demand proportional to the Santa Rosa development by area. The water demand for the remaining parcels was calculated using the previously described CII methodology.

The total average daily demand for the project planning area is estimated to be 182 gpm (294 afy). The Peak day demand is estimated to be 425 gpm. All portions of the project planning area are considered to require a maximum of 1,500 gpm for fire protection flows. The fire flow estimate may require that new commercial developments have internal sprinkler systems installed to conform to fire protection regulations. Table 5 summarizes the water demand calculation results by parcel and use.

Table 5: Projected Water Demand for the Project Planning Area

Residential Water Demand Calculations				
Zoning Designation	Zoning Agency	Residential Dwellings (EDU)		Average Day Demand (gpm)
Mixed Density Residential	Sandoval County	133		20
Special Use **	Town of Bernalillo	611		55
Total Residential Water Demand				76
CII Water Demand Calculations				
Zoning Designation	Zoning Agency	Developed Area (Building Area/Lot size)	Heated Area (square feet)	Average Day Demand (gpm)
SU	Sandoval County			20
CD WP	Sandoval County	12.5%	595,901	55
Light Manufacturing Commercial	Sandoval County	12.5%	113,419	3
Special Use	Town of Bernalillo	12.5%	65,340	6
C-1 Commercial	Town of Bernalillo	12.5%	238,709	22
Total CII Water Demand				106
Total Water Demand for Project Planning Area				
Average Day Demand (gpm) =		182		
Average Day Demand (gpd) =		262,120		
Average Day Demand (afy) =		294		

4. ALTERNATIVES CONSIDERED

The alternatives development considered, new centralized facilities, optimizing the current facilities (Bernalillo's water utility), developing centrally managed decentralized systems, including small cluster or individual systems such as well supply, or a combination of centralized and decentralized systems. The following feasible alternatives are considered;

Alternative 1: No Action

Alternative 2: Connect to the Town of Bernalillo's Water System

Alternative 3: Create a new community water system.

A. Alternative 1 – No Action

i. Description

For this alternative, no action would be taken to modify the existing water distribution line within the project planning area.

ii. Design Criteria

There are no design criteria for this alternative.

iii. Map

A map of the project planning area, showing the existing water system infrastructure is shown in Figure 4.

iv. Environmental Impacts

No additional environmental impacts would occur with this alternative as no construction would take place.

v. Land Requirements

There are no land requirements for this alternative.

vi. Potential Construction Problems

No construction would take place with this alternative.

vii. Sustainability Considerations

Sustainable utility management practices including environmental, social, and economic benefits that aid in creating a resilient utility are not considered in this alternative.

a. Water and Energy Efficiency

Not applicable.

b. Green Infrastructure

Not applicable.

c. Other

Not applicable.

viii. Cost Estimates

There are no construction costs, non-construction costs, or operation and maintenance costs associated with this alternative. Private developers would be responsible for developing water supply.

B. Alternative 2 - Connect to the Existing Town of Bernalillo Water System

i. Description

Alternative 2 consists of constructing an inter-connection to the Town of Bernalillo's water system. This Alternative will require approximately 8,600 linear feet of 8-inch and 5,400 linear feet of 10-inch, American Water Works Association standard C-900 poly-vinyl chloride (PVC) pipe line, 28 fire hydrants, 15 gate valves, and other appurtenances. The existing water lines that are within the project planning area will be tapped to create a connection for the new water lines. The new construction will create a "loop" within the system to improve flow capabilities and redundancy within the overall system. A conceptual layout of the system is shown in Figure 7.

SMA had to make some assumptions for this report regarding the water system, components, and capabilities because of limited access to information about the Town of Bernalillo water system. Alternatives that consider a connection to the Town's system will require preliminary design evaluation to verify assumptions related to the components that will be utilized for this alternative.

A new distribution line will be constructed along the east side of I-25 to serve the project planning area. The new water line will connect to the existing water tank inlet/outlet lines for Tank 1 and Tank 2. Main distribution lines will be constructed within Interstate 25 frontage road right-of-way. The pipeline will cross NM 165 in a 250 foot long steel casing bored under the highway.

SMA used WaterCAD V8i software to create a hydraulic model to evaluate the flows and pressures for this alternative. The preliminary hydraulic modeling of this alternative indicates that water can be delivered to all of the parcels within the project planning area at flows and pressures within the design criteria for the project. The area of the Santa Rosa development, on the northern limit of the project planning area, has elevations ranging from approximately 5,130 ft. in the west to 5,290ft. in the east. The portions of the development at higher elevations will require a booster pump to provide water at the flows and pressures required for regular demand and for fire protection. This alternative includes a booster pump station to meet these guidelines. However, the final location, and responsibility for cost, of the booster station will be determined during the design phase.

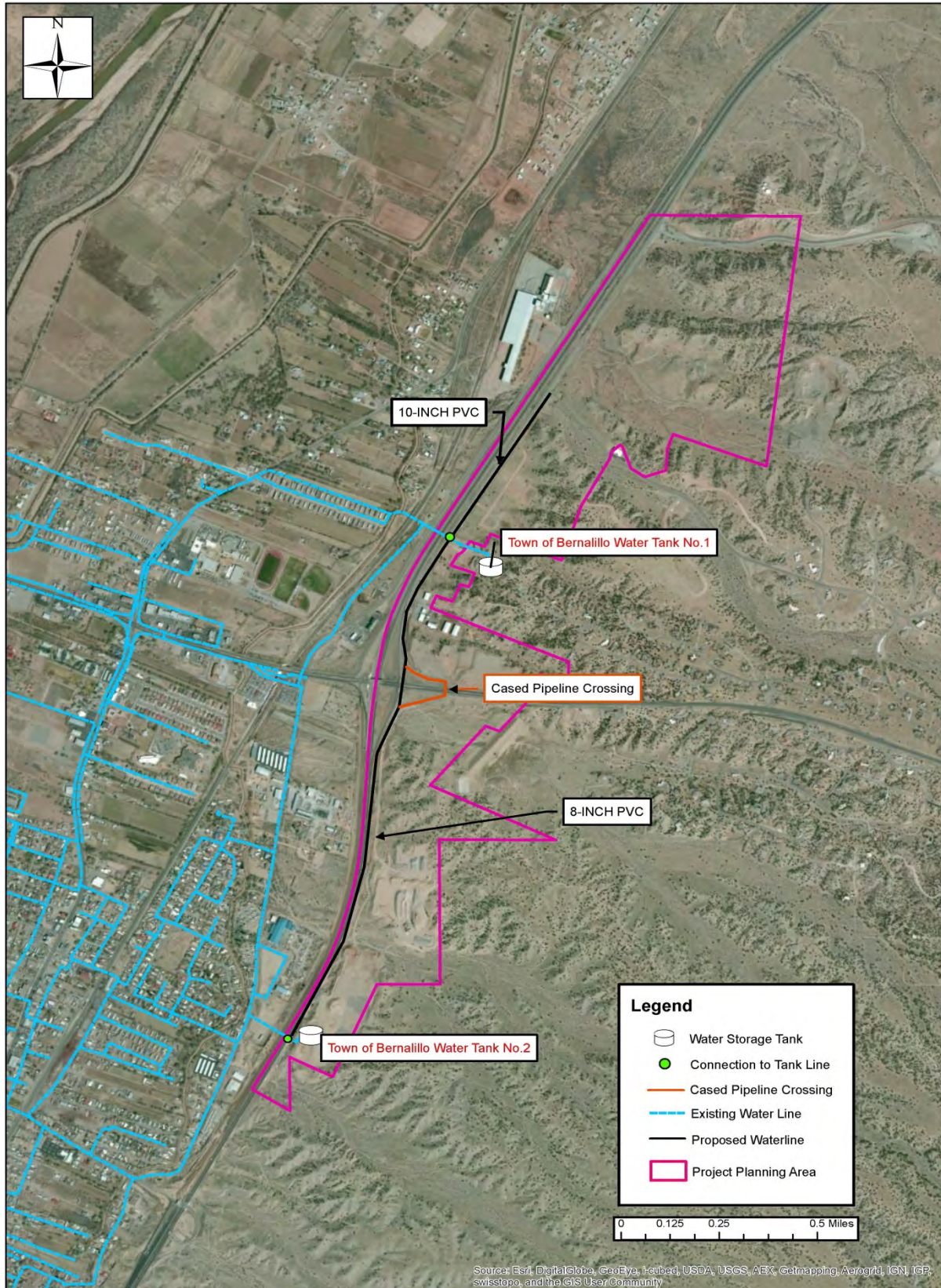


Figure 7: Conceptual Layout for Alternative 2

ii. Design Criteria

Standard engineering and construction practices will be used in the design of this alternative, as well as design criteria provided in NMED's Recommended Standards for Water Facilities (NMED, 2006) and national standards.

Table 6 summarizes the design criteria for this alternative.

Table 6: Alternative 2 Design Criteria

Design Element	Design Criteria
Average Daily Demand Flow	262,120 gpd (182 gpm)
Maximum Day Flow	611,560 gpd (425 gpm)
Fire flow requirements (NFPA/AWWA)	1,500 gpm Internal Fire Suppression Systems are assumed for all commercial, and multi-unit housing within the project planning area
Maximum line pressure	100 psi
Minimum line pressure	40 psi
Minimum Distribution Pipe Diameter	6-inches
Fire Hydrant Spacing	500 feet

iii. Map

A conceptual map of Alternative 2 is provided on Figure 7.

iv. Environmental Impacts

This alternative is expected to have minimal environmental impacts. Water distribution lines will be installed adjacent to existing roadways and easements or in previously disturbed areas. Work in New Mexico Department of Transportation (NMDOT) right-of-ways will receive an environmental review as part of their permitting requirements.

v. Land Requirements

No additional land acquisition is required. New facilities will be placed on existing public rights-of-way and property.

vi. Potential Construction Problems

The following list identifies the potential construction problems with this alternative:

- Traffic control for installation of piping in the roadways and along the shoulders.
- Boring and jacking is required to place 250 feet of cased pipe across NM165.
- Existing utilities and unforeseen subsurface conditions (such as rock) could slow construction.

vii. Sustainability Considerations



The Town of Bernalillo has a sustainable water supply, and this small growth area is not expected to significantly impact that supply. If water supply becomes a concern, the Town will need to incorporate sustainability considerations into their development review criteria and only enable those uses that will help sustainability. The addition of these customers to the system will help with the economic sustainability of the Towns' utility.

a. Water and Energy Efficiency

Electrical energy will be needed to supply power to a booster pump station. The pump motors and controls will be designed to minimize power consumption.

b. Green Infrastructure

No green infrastructure is planned for this alternative.

c. Other

Connection to the existing Town of Bernalillo infrastructure has the added benefit of operational sustainability. The Town of Bernalillo currently has operation and maintenance staff that would include construction of the proposed improvements under their supervision.

viii. Cost Estimates

The cost estimate for this Alternative are considered conceptual, planning level estimates. Allowances have been added to adjust raw costs for the uncertainty associated with the conceptual design level presented in this PER.

The summary of costs is presented in Table 7. A complete cost breakdown for this alternative is provided in Appendix D.

Table 7: Alternative 2 (Connect to Bernalillo Water System) Summary of Costs

Item	Amount
Capital Costs:	
Planning & Design (10% of construction)	\$ 141,000.00
Easements and Right of Way	\$ 10,000.00
Environmental, Archeological and Hydrology Services	\$ 10,000.00
Construction (including NMGRT)	\$ 1,410,000.00
Land Acquisition	\$ 0.00
Legal Fees	\$ 5,000.00
Total Capital	\$ 1,576,000.00
Annual Costs	\$ 312,000.00

Bernalillo did not provide a detailed estimation of annual water operating costs for this PER; however, the Town of Bernalillo's Department Head Report was used as an estimate of the current water utility expenses. The total budget for water department expenses was \$1,088,205 as of January 31, 2014. Based on 9,200 connections, the annual average unit expense cost is \$118.28 per connection.

As discussed previously, commercial/industrial developments will comprise 237 acres. At the rate of 1 connection per one-half acre, it is estimated that the project planning area will have 474 new CII connections. Based on the previous analysis of residential development it is estimated that the project planning area will add 744 new residential connections for a total of 1,218 new service connections to the system. The portion of Bernalillo's annual expense for O&M of the water system expansion into the project planning area is estimated to be approximately \$144,000.

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C. Alternative 3 – New Community Water System

i. Description

Alternative 3 consists of creating a new community water system to serve the project planning area.

Utilizing NMOSE records three wells were identified within, or near, the project planning area with production capabilities ranging from 20 to 50 gpm. Assuming an average well produces 35 gpm the new system will require as many as 12 wells to meet NMED guidelines for water supply. Other infrastructure will include at least 700,000 gallons of storage, a booster pump to maintain system water pressure, and an arsenic treatment system. Transmission and distribution piping will be 6-inch C900 PVC with fire hydrants placed every 500 feet similar to Alternative 2.

ii. Design Criteria

Standard engineering and construction practices will be used in the design of this alternative, as well as design criteria provided in NMED's Recommended Standards for Water Facilities (NMED, 2006) and national standards. Table 8 summarizes the following design criteria for this alternative.

Table 8: Alternative 3 Design Criteria

Design Element	Design Criteria
Average Daily Demand Flow	262,120 gpd (182 gpm)
Maximum Day Flow	611,560 gpd (425 gpm)
Fire flow requirements (NFPA/AWWA)	1,500 gpm Internal Fire Suppression Systems are assumed for all commercial, and multi-unit housing within the project planning area
Maximum line pressure	100 psi
Minimum line pressure	40 psi
Minimum Distribution Pipe Diameter	6-inches
Fire Hydrant Spacing	500 feet
Arsenic Removal	Finished water to contain less than 10 ppb

The NMED guidelines indicate that a systems water supply should be capable of meeting the maximum day demand for the system (425 gpm). If some wells are able to reliably produce higher flows, then the number of wells can be reduced but the system will still have to be capable of meeting the average day demand (182 gpm) without the largest producing well. Well depths are assumed to be drilled to 400 foot deep. Based on the well production assumptions, submersible pumps capable of pumping 35 gpm at heads ranging from 500 to 700 feet are specified for this PER. Well completions will be pitless on concrete pads.



iii. Map

A conceptual layout map of the proposed Alternative is provided on Figure 8.

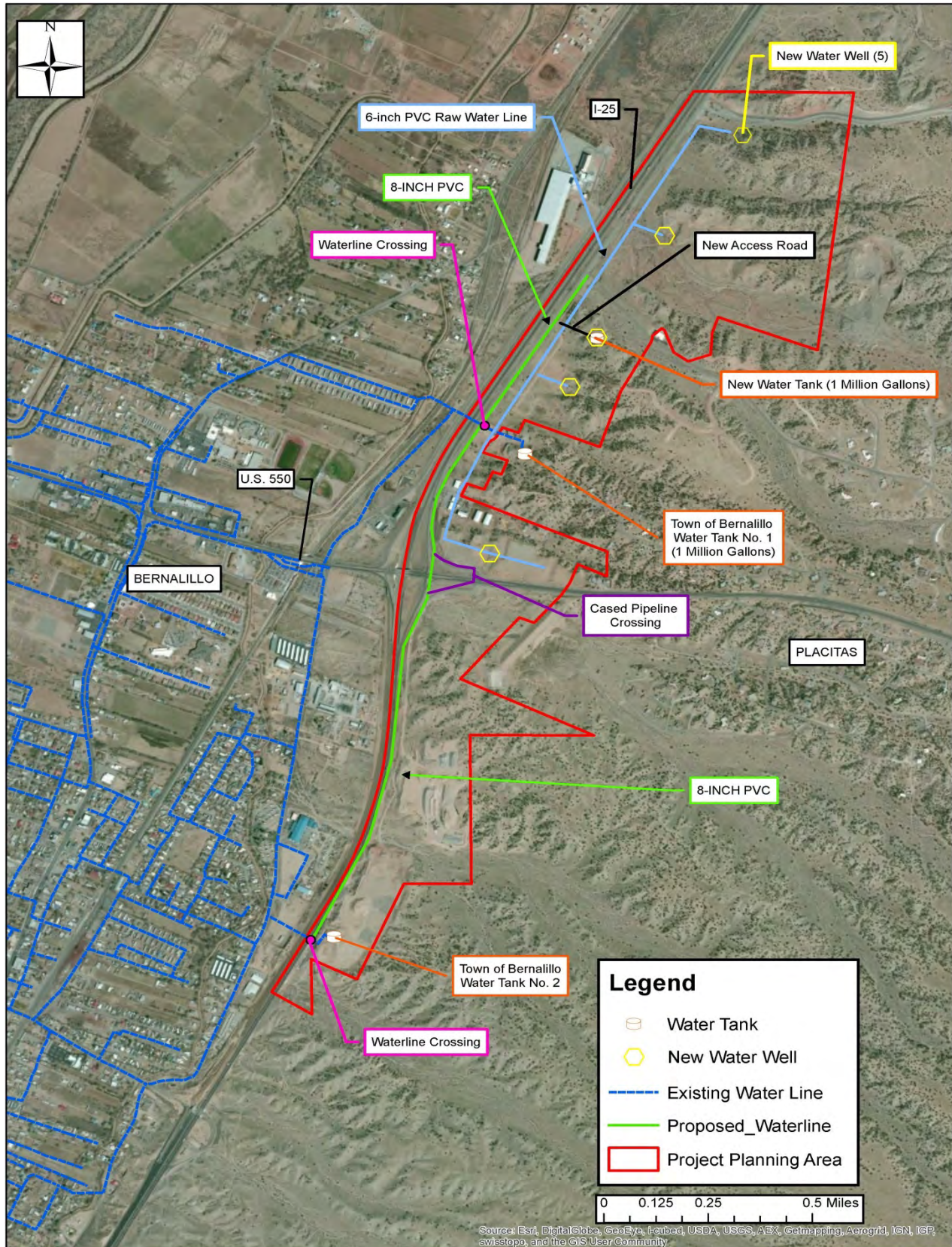


Figure 8: Conceptual Layout for Alternative 3

iv. Environmental Impacts

This alternative is expected to have minimal environmental impacts. Water distribution lines will be installed adjacent to existing roadways and easements or in previously disturbed areas. Work in New Mexico Department of Transportation (NMDOT) right-of-ways will receive an environmental review as part of their permitting requirements

v. Land Requirements

Land acquisition or easements will be required for production well and tank sites.

vi. Potential Construction Problems

Variability of well depths and water production may be encountered. This option relies on wells that can produce 35 gpm or more.

vii. Sustainability Considerations

Sustainable utility management practices for this alternative are discussed within the paragraphs below each discussing a particular part of how creating a resilient utility can be utilized by the governing agency.

a. Water and Energy Efficiency

The energy requirements for Alternative 3 will include 12, 7.5-horsepower pumps and one continuously operating booster pump. Energy use will be minimized through the installation of a Variable Frequency Drive (VFD) on the booster pump motor.

b. Green Infrastructure

No green infrastructure is planned for this alternative.

c. Other

This alternative requires the formation of a public water users association that can manage, operate and maintain the system.

viii. Cost Estimates

The cost estimate for this Alternative are considered conceptual with a level of accuracy ranging from plus or minus 25 percent of the actual project cost. Allowances have been added to adjust raw costs for the uncertainty associated with the conceptual design level presented in this PER, construction contractors bid strategy and variability in market factors including labor, material and equipment costs.

The costs presented in Table 9 are in terms of acquiring funding through the New Mexico Water Trust Board, USDA-RUS or similar funding sources. A complete breakdown of the following cost summary for this alternative is provided in Appendix D

Table 9: Alternative 3 (New Community Water System) Summary of Costs

Item	Amount
Capital Costs:	
Planning & Design (10% of construction)	\$ 404,000.00
Easements and Right of Way	\$ 10,000.00
Environmental, Archeological and Hydrology Services	\$ 25,000.00
Construction (including NMGR)	\$ 4,040,000.00
Land Acquisition (wells and tank sites)	\$ 250,000.00
Legal Fees (Water User's Association and water rights)	\$ 100,000.00
Total Capital	\$ 4,829,000.00
Total Annual Costs	\$ 528,000.00

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5. SELECTION OF AN ALTERNATIVE

This section evaluates each of the alternatives based on both monetary (life-cycle cost) and non-monetary factors. Asset management and analysis of overall current energy consumption were not a part of the scope of the PER, however the proposed alternatives are evaluated considering these criteria.

A. Life Cycle Costs

The life cycle cost analysis is determined from the net present value (NPV) of each alternative based on a 20-year planning period and a discount rate of 1.6 percent (USOMB, 2014). The net present value (NPV) of each alternative is calculated as the sum of the capital cost (C) plus the present worth of the uniform series of annual (USPW (A)) costs minus the single payment present worth of the salvage value (SPPW(S)) as follows:

$$\text{NPV} = \text{C} + \text{USPW (A)} - \text{SPPW (S)}$$

It is expected that the salvage value of the constructed project will be zero at the end of the project life. The life cycles costs for each alternative are summarized in Table 10. The details of the cost estimates are provided in Appendix D.

Table 10: Summary of Life Cycle Costs

Item	Alternative 2 Connect to Existing System	Alternative 3 New Community Water System
Present Value of Capital Cost	\$ 1,576,000.00	\$ 4,829,000.00
Total Annual Cost	\$ 312,000.00	\$ 528,000.00
Net Present Value of Total Annual Cost	\$ 227,133.10	\$ 384,379.10
Net Present Value (NPV)	\$ 6,118,662.07	\$ 12,516,581.96
<i>Unit Cost of Water (per 1,000 gallons)</i>	<i>\$3.20</i>	<i>\$6.54</i>

B. Non-Monetary Factors

i. Health and Safety

Each alternative considered is rated according to how effectively it addresses the threat to the health and safety of the water users within the project planning area. If the alternative effectively eliminates the potential health threats posed by a lack of a public water supply system the alternative is scored with a 3 and other alternatives are ranked 1 or 2.



ii. Ease of Operation and Maintenance (O&M)

Each alternative considered requires a different type of O&M. The alternatives considered are rated according to how effectively they addresses ease of O&M. Systems that will require the least amount of O&M are ranked 3 and those that require more are ranked 2 or 3 accordingly. If required O&M is not likely to take place, the alternative is ranked 1 or 2.

iii. Suitability

Each alternative considered is evaluated against the stated goals and objectives of Sandoval County and the Town of Bernalillo (increased revenue from water usage and gross receipts taxes). The alternative that most completely addresses the clients' wishes was assigned a rank of 3 and other alternatives are ranked 1 or 2 according to their suitability.

iv. Sustainability

The NMED Drinking Water Bureau has adopted regulations that promote regionalization, restructuring, and consolidation of public drinking water systems. Water systems that provide for long term reliability and serviceability are a goal. If the alternative considered would promote regionalization and consolidation of water systems, it is assigned a ranking of 3 and other alternatives are ranked 1 or 2.

C. Alternative Ranking

The selection matrix shown in Table 11 was developed to assist in quantitatively evaluating each of the proposed alternatives in consideration of both monetary (NPV) and non-monetary criteria.

Each alternative considered is scored against the five criterion selected. The alternatives are scored from 1 - 3 with 3 being the best, based on the performance of the alternative relative to the specific criterion. Each criterion is assigned a weighting factor to reflect the importance of that factor relative to the other criteria. The assigned weight for each of the criteria is then multiplied by its respective score, which returns a weighted score. The weighted scores for each of the criteria under its respective alternative are then summed, which produces a final weighted score for each alternative considered. Each alternative is then ranked according to the weighted score with the highest score becoming the preferred alternative.

Table 11: Alternative Ranking Matrix

Alternative	Criterion /Weight					Weighted Score	Overall Rank
	Life Cycle Cost	Health and Safety	O&M	Suitability	Sustainability		
	50%	10%	10%	10%	10%		
1. No Action	3	1	1	1	1	1.9	2
2. Connect to Existing Water System	2	3	3	3	3	2.2	1
3. New Community Water System	1	3	2	2	2	1.4	3

Alternative 2, connection to the existing Bernalillo water system, is ranked as the preferred alternative. This alternative can easily be incorporated into Bernalillo's existing operations and maintenance system, suitable to the needs of the community and promotes the regionalization of public drinking water systems.

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6. PROPOSED PROJECT (RECOMMENDED ALTERNATIVE)

A. Preliminary Project Design

i. Water Supply

The water supply for this project will be the existing Town of Bernalillo water system supply. No new water supply is included in the proposed project.

ii. Treatment

The water supply for this project will be the existing Town of Bernalillo water system supply. No new water treatment is included in the proposed project.

iii. Storage

The water storage for this project will be the existing Town of Bernalillo water system storage. No new water storage is included in the proposed project.

iv. Pumping Stations

The proposed project will require a booster pump station to be constructed. . The preliminary evaluation by SMA indicates that the portion of the project planning area that will require the booster pump is the Santa Rosa development. The proposed project can deliver water to the southwest corner of the property at sufficient flows and pressures; however, there are portions of the development to the east that are at significantly higher elevations. The areas with higher elevations will not have adequate pressure or fire flow to meet requirements and will require a booster station to be installed. The booster pump station will be designed to provide adequate pressure (40-80psi) to portions of the system where gravity alone will not provide the minimum pressures recommended by the NMED as well as a pump system to provide required fire flows.

The proposed booster station will consist of an enclosure for the pumps and controls, a jockey pump, motor, VFD, and a fire booster pump. The jockey pump, motor and VFD will be controlled to provide relatively constant pressure to all connections within the Santa Rosa development while minimizing the energy inputs requires. The fire booster pump will be capable of providing flows of at least 1,500 gpm at a head of 200 feet. The fire booster pump will be automatically controlled so that it is only activated when very high volumes of water are required to fight a fire. There is currently three-phase power in the area and so no special consideration for power provision is considered at this time.

v. Distribution Layout

Alternative 2 - Connection to the Town of Bernalillo water utility is the preferred alternative. It is expected that the water infrastructure will be installed in phases coordinated with development plans. The main water distribution line, routed along the I-25 right of way, will become the first priority depending on the demands of development. Installation of lateral service lines tapped into the main pipeline will become the responsibility of property developers.

A conceptual layout for the distribution system is shown in Figure 7.

B. Project Schedule

The proposed project schedule (Table 12) is dependent on the project owner's priorities and funding availability. It is estimated that once the project is implemented, the design phase of the project will require approximately 6 months and the construction phase may take between 12 and 18 months depending on the final design, if dewatering is required, and the weather conditions during construction.

Table 12: Preliminary Project Schedule

Activity	Duration
Submit Funding Applications for Design	6 months
Engineering Design	6 months
Obtain Design Approval	3 months
Submit Funding Applications for Construction	6 months
Construction	18 months
Final Inspection and project closeout	1 month
Total Estimated Project Duration	40 months

C. Permit Requirements

Permits and approvals for construction include Town of Bernalillo, NMED, Sandoval County and NMDOT. The proposed water line crosses NM-165 and therefore permits will be needed from the New Mexico Department of Transportation for the highway crossing.

The Sandia Pueblo and Santa Ana Pueblo will require permitting through the U.S. Department of Interior - Bureau of Indian Affairs, Southwest Region, and the Sandia Pueblo and Santa Ana Tribal Councils for any work adjacent to these borders.

D. Sustainability Considerations

i. Water and Energy Efficiency

Electrical energy will be needed to supply power to a booster pump station. The pump motors and controls will include a VFD to minimize power consumption.

ii. Green Infrastructure

Not applicable

iii. Other

Connection to the existing Town of Bernalillo infrastructure has the added benefit of operational sustainability. The Town of Bernalillo currently has operation and maintenance staff that would include construction of the proposed improvements under their supervision.

E. Total Project Cost Estimate (Engineer's Opinion of Probable Cost)

The cost estimates for this Proposed Project are considered conceptual, planning level estimates. Allowances have been added to adjust raw costs for the uncertainty associated with the conceptual design level presented in this PER.

The summary of costs is presented in Table 13. A complete cost breakdown for this alternative is provided in Appendix D.

Table 13: Proposed Project (Connect to Bernalillo Water System) Summary of Costs

Item	Amount
Capital Costs:	
Planning & Design (10% of construction)	\$ 141,000.00
Easements and Right of Way	\$ 10,000.00
Environmental, Archeological and Hydrology Services	\$ 10,000.00
Construction (including NMGRT)	\$ 1,410,000.00
Land Acquisition	\$ 0.00
Legal Fees	\$ 5,000.00
Total Capital	\$ 1,576,000.00
Annual Costs	\$ 312,000.00

F. Annual Operating Budget

The owner, or owners, of the proposed project have not yet been positively identified. This section of the PER has used information from the Town of Bernalillo as a basis for predicting the income, and expenses related to this project. When the owner, or owners, have been identified, and funding is sought, this section of the report will need to be updated to include the specific financial information for that entity (entities).

i. Income

The project planning area, when fully built-out, will provide approximately 1,218 new service connections. These connections are expected to be comprised of 744 new residential connections and 474 new CII connections. These new connections, based on the current Town of Bernalillo administrative boundaries, will be split between Sandoval County and the Town of Bernalillo.

The connection fees for the Town of Bernalillo are listed in Table 14. Assuming a $\frac{3}{4}$ " meter for all residential connections, and an even split of 1" and 1-1/2" meters for all CII connections the Town of Bernalillo will receive \$892,800 in connection fee income from the new residential connections and \$1,564,200 in connection fee from the new CII connections. The total, one-time revenue from water connection fees is estimated to be \$2,457,000. This revenue will be collected over the 20-year build-out of the project planning period.

Table 14: Town of Bernalillo Water Service Connection Fees

Meter Size	Connection Fee
$\frac{3}{4}$ "	\$ 1,200
1"	\$ 2,400
1-1/2"	\$ 4,200
2"	\$ 7,500
3"	\$ 14,400
4"	\$ 23,600

Based on the water demand estimates developed in section 3.D. the annual income that the Town of Bernalillo will receive from the fully developed project planning area will be approximately \$575,000. The total estimate is comprised of the estimated annual residential water usage and base fee which total \$243,734 and the annual CII water usage and base fees which total \$331,044. The income estimate does not include the 25% surcharge for accounts outside of town limits. The surcharge has been excluded from the revenue

calculations to provide a more conservative estimate of revenue and to account for the future annexation of portions of the project planning area that are currently outside of the Town limits. The current Town of Bernalillo water rates are summarized in Table 15.

Table 15: Town of Bernalillo Water Service Rates

Residential Use			Commercial Use	
Base Rate (Up to 4,000 gallons)	Additional Gallons	Cost per Gallon	Base Rate (Up to 4,000 gallons)	Additional Gallons
\$17.50	0-5,999	\$2.45	\$30.73	\$2.80
	6,000-7,999	\$2.55		
	8,000-9,999	\$2.65		
	10,000-14,999	\$2.75		
	15,000-19,999	\$2.85		
	20,000-29,999	\$2.95		
	30,000-39,999	\$3.05		
	40,000-49,999	\$3.15		
	50,000 and Up	\$3.25		

ii. Annual O&M Costs

Bernalillo's detailed breakout of annual water operating costs was not provided for this PER. However, the Town of Bernalillo's Department Head Report was used as an estimate of the current water utility expenses. The total budget for water department expenses was \$1,088,205 as of January 31, 2014. Based on 9,200 connections, the annual average unit expense cost is \$118.28 per connection.

As discussed previously, commercial/industrial developments will comprise 237 acres. At the rate of 1 connection per one-half acre, it is estimated that the project planning area will have 474 new CII connections. Based on the previous analysis of residential development it is estimated that the project planning area will add 744 new residential connections for a total of 1,218 new service connections to the system. The portion of Bernalillo's annual expense for the water system expansion into the project planning area is then approximately \$144,000.

iii. Debt Repayments

Current USDA RD Loan rates range from 3.750 to 4.250 percent⁴. Using the conservative higher interest rate a 100% loan for the proposed project would have an estimated annual payment of \$105,000 per annum based on a 20-year term with monthly payments.

⁴ <http://www.rurdev.usda.gov/UWP-int-rate.html>, accessed 01/28/2015.1

iv. Reserves

- **Debt Service Reserve –**

USDA RD loans typically require a debt service reserve of 1.1%. For the proposed project, with a 100% loan, the reserve requirement will be \$15,510.

7. CONCLUSIONS AND RECOMMENDATIONS

The proposed project will expand the existing Town of Bernalillo water infrastructure to provide sustainable, cost effective water service within the project planning area. The project will consist of approximately 14,000 linear feet of water transmission line, one booster pump station, 28 fire hydrants, 15 gate valves and other appurtenances with two interconnection points into the existing Town of Bernalillo water system. The proposed project would provide water service to the borders of all of the currently platted properties within the project planning area with the understanding that distribution infrastructure within each parcel will be the responsibility of the property owner or developer.

Preliminary hydraulic analysis performed for this PER indicates that sufficient supply and pressure can be made available to the planning area with the existing infrastructure. However, the condition of the existing infrastructure is not known and will require evaluation to confirm that it is suitable prior to construction. Additional engineering based on record drawings and operator knowledge that could not be obtained for this PER will be needed to validate the final project design.

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EXHIBITS

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Exhibit 1: Topographic Map of the Project Planning Area

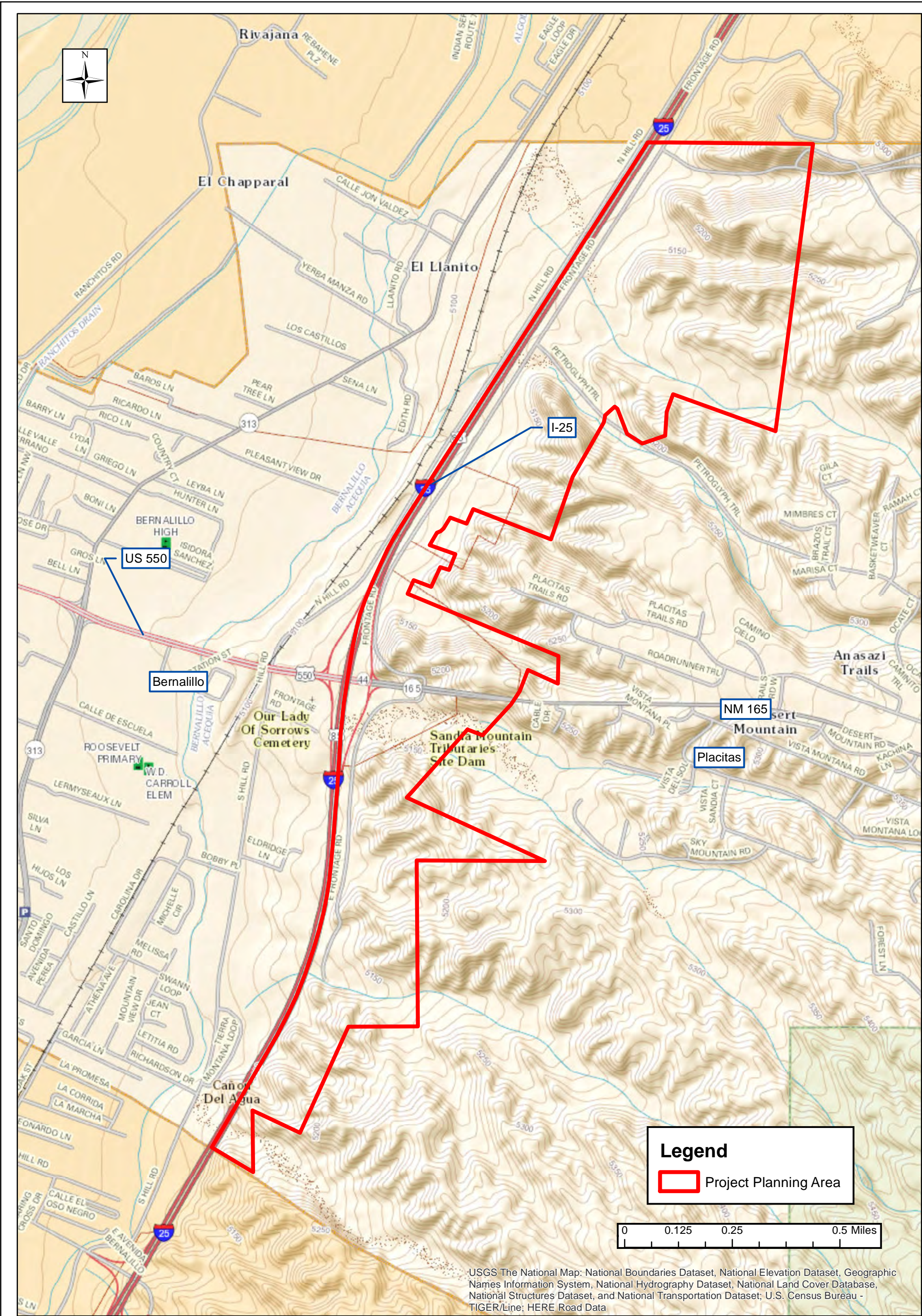
Exhibit 2: FEMA Flood Hazard Zone Map

Exhibit 3: Zoning Map for the Project Planning Area



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Topographic Map of the Project Planning Area
Sandoval County PER
Sandoval County, New Mexico

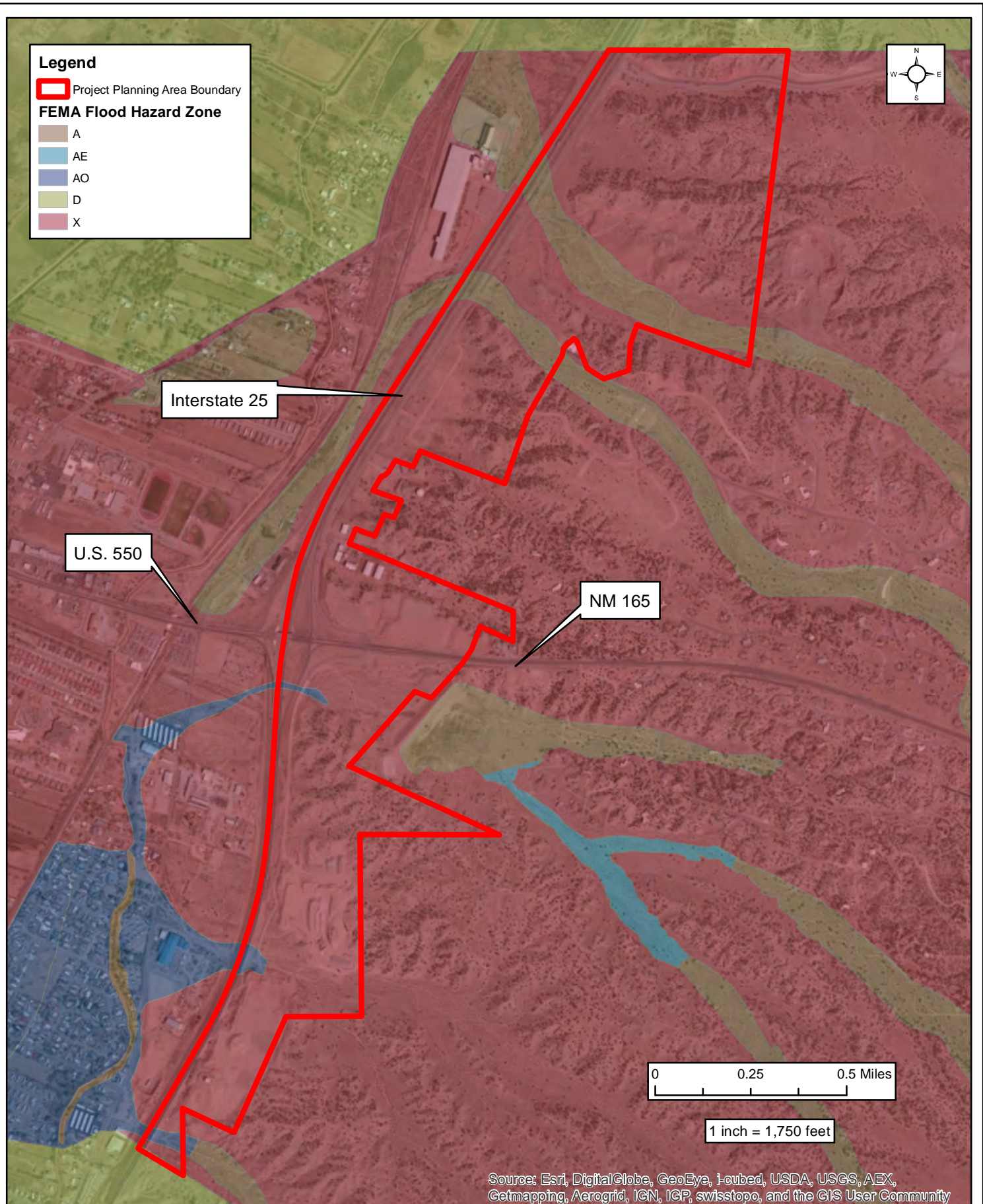
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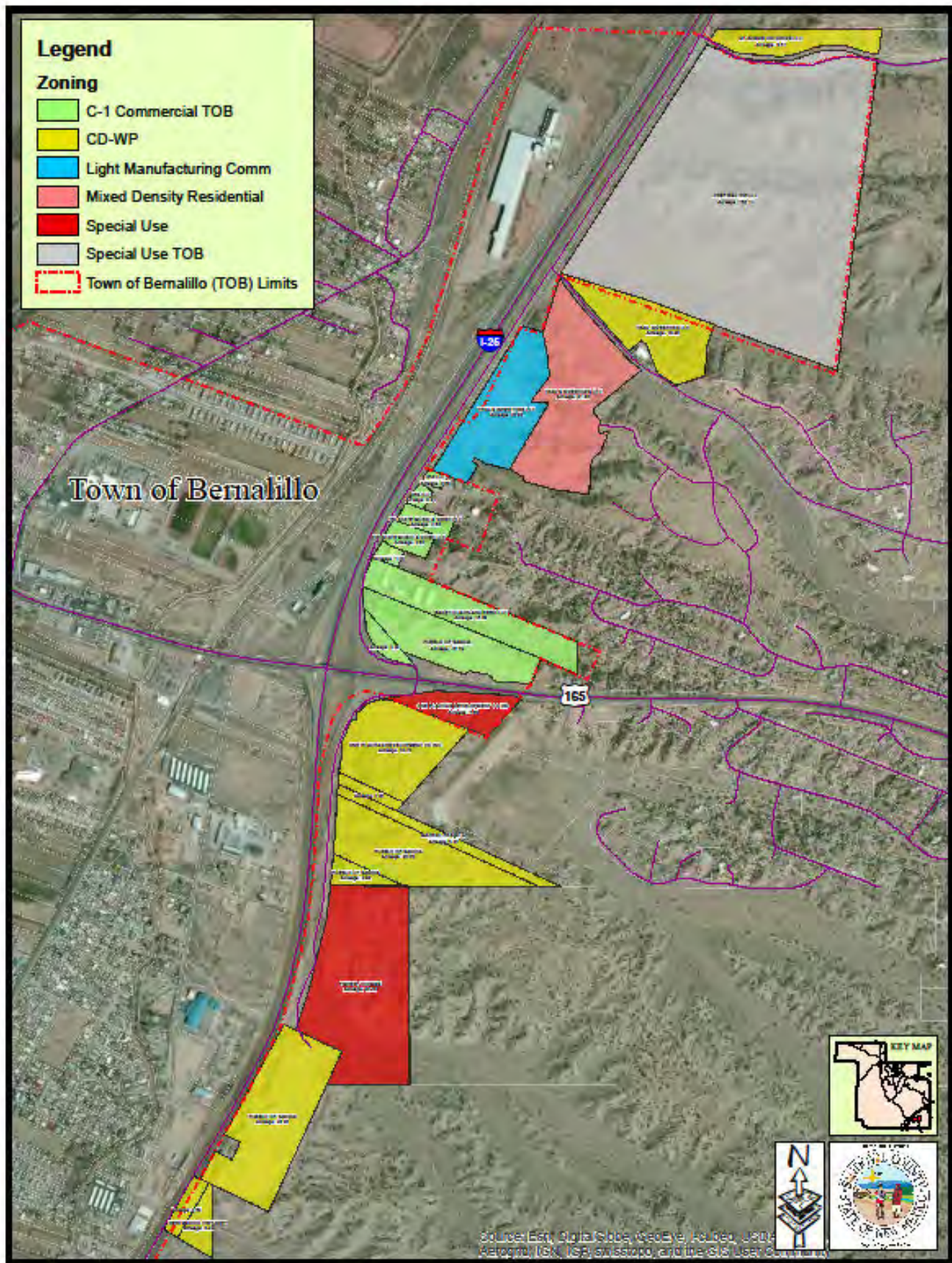
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FEMA Flood Hazard Zones
Sandoval County Interstate Water PER
Sandoval County, New Mexico

Exhibit 2



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Zoning Map of the Project Planning Area
Sandoval County Interstate Frontage Water PER
Sandoval County, New Mexico

Exhibit 3

APPENDIX A: USDA-NRCS CUSTOM SOIL REPORT



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United States
Department of
Agriculture



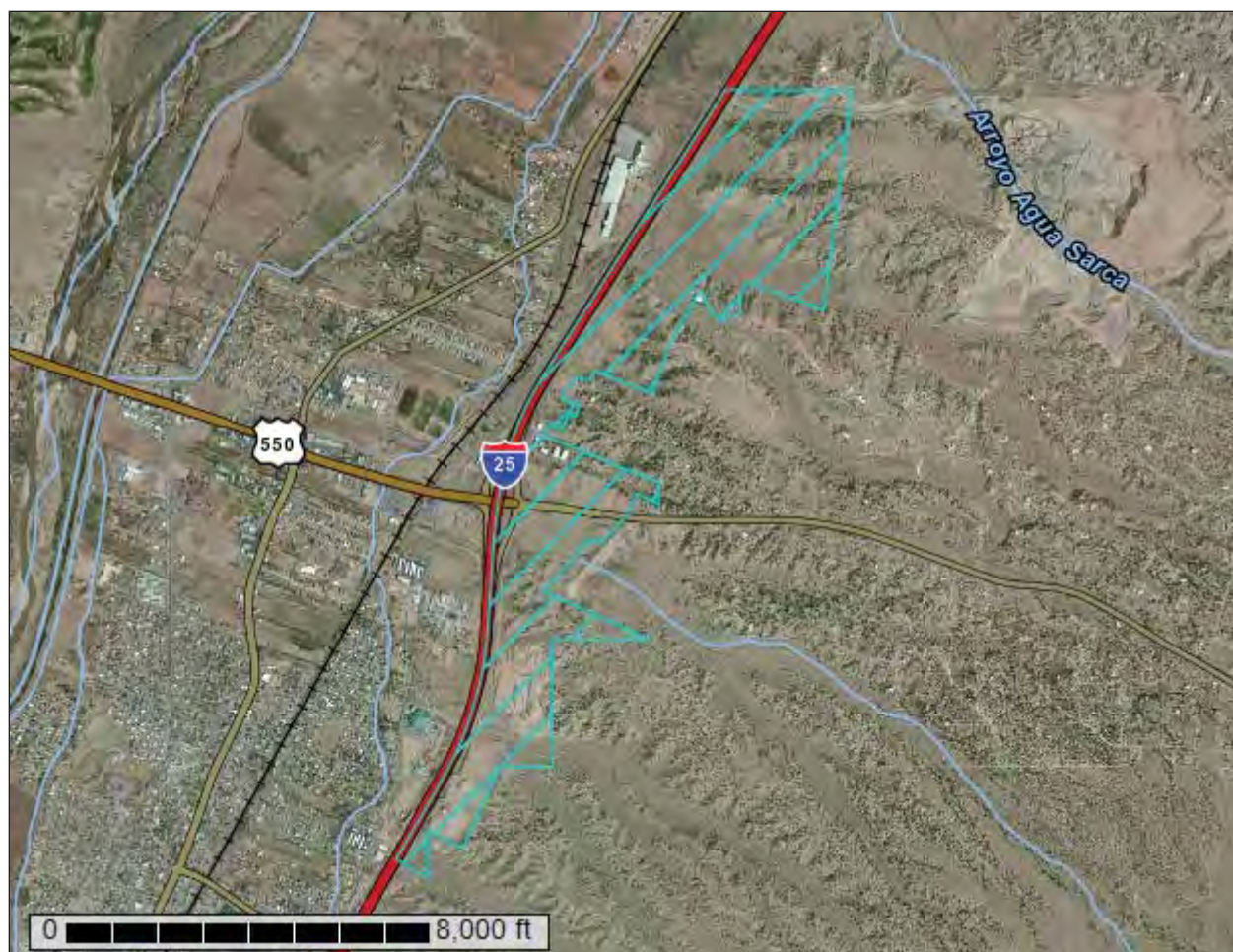
NRCS

Natural
Resources
Conservation
Service

A product of the National
Cooperative Soil Survey,
a joint effort of the United
States Department of
Agriculture and other
Federal agencies, State
agencies including the
Agricultural Experiment
Stations, and local
participants

Custom Soil Resource Report for Sandoval County Area, New Mexico, Parts of Los Alamos, Sandoval, and Rio Arriba Counties

Sandoval County PER



February 13, 2014

Preface

Soil surveys contain information that affects land use planning in survey areas. They highlight soil limitations that affect various land uses and provide information about the properties of the soils in the survey areas. Soil surveys are designed for many different users, including farmers, ranchers, foresters, agronomists, urban planners, community officials, engineers, developers, builders, and home buyers. Also, conservationists, teachers, students, and specialists in recreation, waste disposal, and pollution control can use the surveys to help them understand, protect, or enhance the environment.

Various land use regulations of Federal, State, and local governments may impose special restrictions on land use or land treatment. Soil surveys identify soil properties that are used in making various land use or land treatment decisions. The information is intended to help the land users identify and reduce the effects of soil limitations on various land uses. The landowner or user is responsible for identifying and complying with existing laws and regulations.

Although soil survey information can be used for general farm, local, and wider area planning, onsite investigation is needed to supplement this information in some cases. Examples include soil quality assessments (<http://www.nrcs.usda.gov/wps/portal/nrcs/main/soils/health/>) and certain conservation and engineering applications. For more detailed information, contact your local USDA Service Center (<http://offices.sc.egov.usda.gov/locator/app?agency=nrcs>) or your NRCS State Soil Scientist (http://www.nrcs.usda.gov/wps/portal/nrcs/detail/soils/contactus/?cid=nrcs142p2_053951).

Great differences in soil properties can occur within short distances. Some soils are seasonally wet or subject to flooding. Some are too unstable to be used as a foundation for buildings or roads. Clayey or wet soils are poorly suited to use as septic tank absorption fields. A high water table makes a soil poorly suited to basements or underground installations.

The National Cooperative Soil Survey is a joint effort of the United States Department of Agriculture and other Federal agencies, State agencies including the Agricultural Experiment Stations, and local agencies. The Natural Resources Conservation Service (NRCS) has leadership for the Federal part of the National Cooperative Soil Survey.

Information about soils is updated periodically. Updated information is available through the NRCS Web Soil Survey, the site for official soil survey information.

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How Soil Surveys Are Made

Soil surveys are made to provide information about the soils and miscellaneous areas in a specific area. They include a description of the soils and miscellaneous areas and their location on the landscape and tables that show soil properties and limitations affecting various uses. Soil scientists observed the steepness, length, and shape of the slopes; the general pattern of drainage; the kinds of crops and native plants; and the kinds of bedrock. They observed and described many soil profiles. A soil profile is the sequence of natural layers, or horizons, in a soil. The profile extends from the surface down into the unconsolidated material in which the soil formed or from the surface down to bedrock. The unconsolidated material is devoid of roots and other living organisms and has not been changed by other biological activity.

Currently, soils are mapped according to the boundaries of major land resource areas (MLRAs). MLRAs are geographically associated land resource units that share common characteristics related to physiography, geology, climate, water resources, soils, biological resources, and land uses (USDA, 2006). Soil survey areas typically consist of parts of one or more MLRA.

The soils and miscellaneous areas in a survey area occur in an orderly pattern that is related to the geology, landforms, relief, climate, and natural vegetation of the area. Each kind of soil and miscellaneous area is associated with a particular kind of landform or with a segment of the landform. By observing the soils and miscellaneous areas in the survey area and relating their position to specific segments of the landform, a soil scientist develops a concept, or model, of how they were formed. Thus, during mapping, this model enables the soil scientist to predict with a considerable degree of accuracy the kind of soil or miscellaneous area at a specific location on the landscape.

Commonly, individual soils on the landscape merge into one another as their characteristics gradually change. To construct an accurate soil map, however, soil scientists must determine the boundaries between the soils. They can observe only a limited number of soil profiles. Nevertheless, these observations, supplemented by an understanding of the soil-vegetation-landscape relationship, are sufficient to verify predictions of the kinds of soil in an area and to determine the boundaries.

Soil scientists recorded the characteristics of the soil profiles that they studied. They noted soil color, texture, size and shape of soil aggregates, kind and amount of rock fragments, distribution of plant roots, reaction, and other features that enable them to identify soils. After describing the soils in the survey area and determining their properties, the soil scientists assigned the soils to taxonomic classes (units). Taxonomic classes are concepts. Each taxonomic class has a set of soil characteristics with precisely defined limits. The classes are used as a basis for comparison to classify soils systematically. Soil taxonomy, the system of taxonomic classification used in the United States, is based mainly on the kind and character of soil properties and the arrangement of horizons within the profile. After the soil scientists classified and named the soils in the survey area, they compared the

individual soils with similar soils in the same taxonomic class in other areas so that they could confirm data and assemble additional data based on experience and research.

The objective of soil mapping is not to delineate pure map unit components; the objective is to separate the landscape into landforms or landform segments that have similar use and management requirements. Each map unit is defined by a unique combination of soil components and/or miscellaneous areas in predictable proportions. Some components may be highly contrasting to the other components of the map unit. The presence of minor components in a map unit in no way diminishes the usefulness or accuracy of the data. The delineation of such landforms and landform segments on the map provides sufficient information for the development of resource plans. If intensive use of small areas is planned, onsite investigation is needed to define and locate the soils and miscellaneous areas.

Soil scientists make many field observations in the process of producing a soil map. The frequency of observation is dependent upon several factors, including scale of mapping, intensity of mapping, design of map units, complexity of the landscape, and experience of the soil scientist. Observations are made to test and refine the soil-landscape model and predictions and to verify the classification of the soils at specific locations. Once the soil-landscape model is refined, a significantly smaller number of measurements of individual soil properties are made and recorded. These measurements may include field measurements, such as those for color, depth to bedrock, and texture, and laboratory measurements, such as those for content of sand, silt, clay, salt, and other components. Properties of each soil typically vary from one point to another across the landscape.

Observations for map unit components are aggregated to develop ranges of characteristics for the components. The aggregated values are presented. Direct measurements do not exist for every property presented for every map unit component. Values for some properties are estimated from combinations of other properties.

While a soil survey is in progress, samples of some of the soils in the area generally are collected for laboratory analyses and for engineering tests. Soil scientists interpret the data from these analyses and tests as well as the field-observed characteristics and the soil properties to determine the expected behavior of the soils under different uses. Interpretations for all of the soils are field tested through observation of the soils in different uses and under different levels of management. Some interpretations are modified to fit local conditions, and some new interpretations are developed to meet local needs. Data are assembled from other sources, such as research information, production records, and field experience of specialists. For example, data on crop yields under defined levels of management are assembled from farm records and from field or plot experiments on the same kinds of soil.

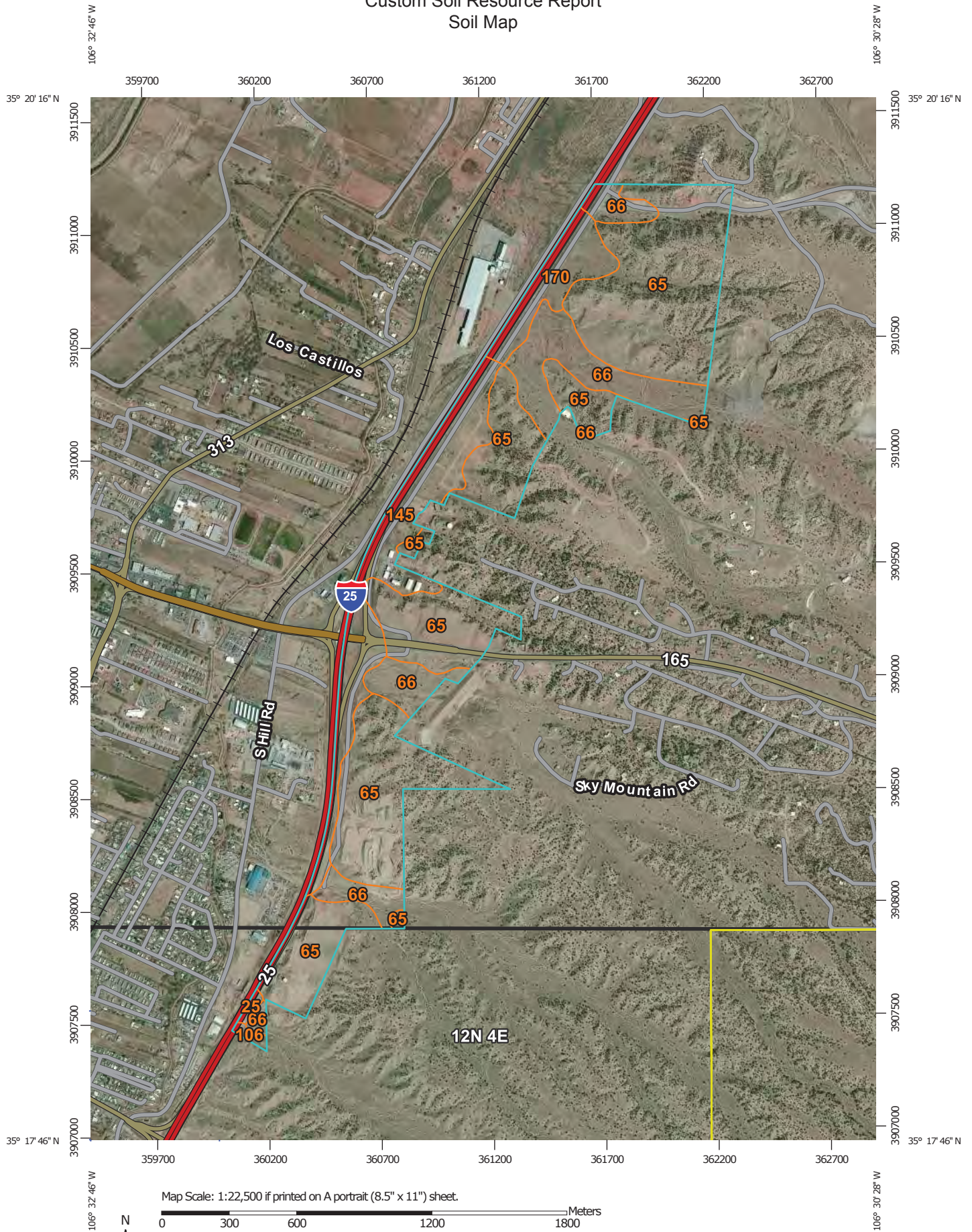
Predictions about soil behavior are based not only on soil properties but also on such variables as climate and biological activity. Soil conditions are predictable over long periods of time, but they are not predictable from year to year. For example, soil scientists can predict with a fairly high degree of accuracy that a given soil will have a high water table within certain depths in most years, but they cannot predict that a high water table will always be at a specific level in the soil on a specific date.

After soil scientists located and identified the significant natural bodies of soil in the survey area, they drew the boundaries of these bodies on aerial photographs and identified each as a specific map unit. Aerial photographs show trees, buildings, fields, roads, and rivers, all of which help in locating boundaries accurately.

Soil Map

The soil map section includes the soil map for the defined area of interest, a list of soil map units on the map and extent of each map unit, and cartographic symbols displayed on the map. Also presented are various metadata about data used to produce the map, and a description of each soil map unit.

Custom Soil Resource Report Soil Map



Map Scale: 1:22,500 if printed on A portrait (8.5" x 11") sheet.



0 300 600 1200 1800 Meters
0 1000 2000 4000 6000 Feet
Map projection: Web Mercator Corner coordinates: WGS84 Edge tics: UTM Zone 13N WGS84

Map Unit Legend

Sandoval County Area, New Mexico, Parts of Los Alamos, Sandoval, and Rio Arriba Counties (NM656)			
Map Unit Symbol	Map Unit Name	Acres in AOI	Percent of AOI
25	Gilco loam, 0 to 1 percent slopes	1.7	0.3%
65	Ildefonso-Harvey association, 10 to 35 percent slopes	311.4	61.8%
66	Zia sandy loam, 3 to 6 percent slopes	83.6	16.6%
106	Stumble association, 1 to 40 percent slopes	2.0	0.4%
145	Grieta-Sheppard loamy fine sands, 2 to 9 percent slopes	76.1	15.1%
170	San Mateo loam, 0 to 3 percent slopes	28.8	5.7%
Totals for Area of Interest		503.6	100.0%

Map Unit Descriptions

The map units delineated on the detailed soil maps in a soil survey represent the soils or miscellaneous areas in the survey area. The map unit descriptions, along with the maps, can be used to determine the composition and properties of a unit.

A map unit delineation on a soil map represents an area dominated by one or more major kinds of soil or miscellaneous areas. A map unit is identified and named according to the taxonomic classification of the dominant soils. Within a taxonomic class there are precisely defined limits for the properties of the soils. On the landscape, however, the soils are natural phenomena, and they have the characteristic variability of all natural phenomena. Thus, the range of some observed properties may extend beyond the limits defined for a taxonomic class. Areas of soils of a single taxonomic class rarely, if ever, can be mapped without including areas of other taxonomic classes. Consequently, every map unit is made up of the soils or miscellaneous areas for which it is named and some minor components that belong to taxonomic classes other than those of the major soils.

Most minor soils have properties similar to those of the dominant soil or soils in the map unit, and thus they do not affect use and management. These are called noncontrasting, or similar, components. They may or may not be mentioned in a particular map unit description. Other minor components, however, have properties and behavioral characteristics divergent enough to affect use or to require different management. These are called contrasting, or dissimilar, components. They generally are in small areas and could not be mapped separately because of the scale used. Some small areas of strongly contrasting soils or miscellaneous areas are identified by a special symbol on the maps. If included in the database for a given area, the contrasting minor components are identified in the map unit descriptions along with some characteristics of each. A few areas of minor components may not have been observed, and consequently they are not mentioned in the descriptions, especially

where the pattern was so complex that it was impractical to make enough observations to identify all the soils and miscellaneous areas on the landscape.

The presence of minor components in a map unit in no way diminishes the usefulness or accuracy of the data. The objective of mapping is not to delineate pure taxonomic classes but rather to separate the landscape into landforms or landform segments that have similar use and management requirements. The delineation of such segments on the map provides sufficient information for the development of resource plans. If intensive use of small areas is planned, however, onsite investigation is needed to define and locate the soils and miscellaneous areas.

An identifying symbol precedes the map unit name in the map unit descriptions. Each description includes general facts about the unit and gives important soil properties and qualities.

Soils that have profiles that are almost alike make up a *soil series*. Except for differences in texture of the surface layer, all the soils of a series have major horizons that are similar in composition, thickness, and arrangement.

Soils of one series can differ in texture of the surface layer, slope, stoniness, salinity, degree of erosion, and other characteristics that affect their use. On the basis of such differences, a soil series is divided into *soil phases*. Most of the areas shown on the detailed soil maps are phases of soil series. The name of a soil phase commonly indicates a feature that affects use or management. For example, Alpha silt loam, 0 to 2 percent slopes, is a phase of the Alpha series.

Some map units are made up of two or more major soils or miscellaneous areas. These map units are complexes, associations, or undifferentiated groups.

A *complex* consists of two or more soils or miscellaneous areas in such an intricate pattern or in such small areas that they cannot be shown separately on the maps. The pattern and proportion of the soils or miscellaneous areas are somewhat similar in all areas. Alpha-Beta complex, 0 to 6 percent slopes, is an example.

An *association* is made up of two or more geographically associated soils or miscellaneous areas that are shown as one unit on the maps. Because of present or anticipated uses of the map units in the survey area, it was not considered practical or necessary to map the soils or miscellaneous areas separately. The pattern and relative proportion of the soils or miscellaneous areas are somewhat similar. Alpha-Beta association, 0 to 2 percent slopes, is an example.

An *undifferentiated group* is made up of two or more soils or miscellaneous areas that could be mapped individually but are mapped as one unit because similar interpretations can be made for use and management. The pattern and proportion of the soils or miscellaneous areas in a mapped area are not uniform. An area can be made up of only one of the major soils or miscellaneous areas, or it can be made up of all of them. Alpha and Beta soils, 0 to 2 percent slopes, is an example.

Some surveys include *miscellaneous areas*. Such areas have little or no soil material and support little or no vegetation. Rock outcrop is an example.

Sandoval County Area, New Mexico, Parts of Los Alamos, Sandoval, and Rio Arriba Counties

25—Gilco loam, 0 to 1 percent slopes

Map Unit Setting

Elevation: 5,000 to 6,000 feet

Mean annual precipitation: 8 to 10 inches

Mean annual air temperature: 53 to 55 degrees F

Frost-free period: 140 to 160 days

Map Unit Composition

Gilco and similar soils: 85 percent

Description of Gilco

Setting

Landform: Flood plains

Landform position (two-dimensional): Toeslope

Landform position (three-dimensional): Base slope

Down-slope shape: Concave

Across-slope shape: Linear

Parent material: Stream alluvium derived from igneous and sedimentary rock

Properties and qualities

Slope: 0 to 1 percent

Depth to restrictive feature: More than 80 inches

Drainage class: Moderately well drained

Capacity of the most limiting layer to transmit water (Ksat): Moderately high to high
(0.60 to 2.00 in/hr)

Depth to water table: About 48 to 72 inches

Frequency of flooding: Rare

Frequency of ponding: None

Calcium carbonate, maximum content: 10 percent

Maximum salinity: Nonsaline to very slightly saline (0.0 to 4.0 mmhos/cm)

Sodium adsorption ratio, maximum: 5.0

Available water capacity: Moderate (about 8.5 inches)

Interpretive groups

Farmland classification: Prime farmland if irrigated

Land capability classification (irrigated): 2e

Land capability (nonirrigated): 7e

Hydrologic Soil Group: B

Ecological site: Bottomland (R042XA057NM)

Typical profile

0 to 4 inches: Loam

4 to 34 inches: Stratified silt loam to loam to fine sandy loam

34 to 60 inches: Stratified fine sandy loam to loam

65—Ildefonso-Harvey association, 10 to 35 percent slopes

Map Unit Setting

Elevation: 5,000 to 6,000 feet

Mean annual precipitation: 8 to 13 inches

Mean annual air temperature: 52 to 56 degrees F

Frost-free period: 120 to 160 days

Map Unit Composition

Ildefonso and similar soils: 50 percent

Harvey and similar soils: 30 percent

Minor components: 5 percent

Description of Ildefonso

Setting

Landform: Mesas, fan remnants

Landform position (two-dimensional): Backslope

Landform position (three-dimensional): Side slope

Down-slope shape: Linear

Across-slope shape: Linear

Parent material: Fan alluvium over colluvium derived from igneous and sedimentary rock

Properties and qualities

Slope: 10 to 35 percent

Surface area covered with cobbles, stones or boulders: 2.0 percent

Depth to restrictive feature: More than 80 inches

Drainage class: Well drained

Capacity of the most limiting layer to transmit water (Ksat): High (2.00 to 6.00 in/hr)

Depth to water table: More than 80 inches

Frequency of flooding: None

Frequency of ponding: None

Calcium carbonate, maximum content: 20 percent

Maximum salinity: Nonsaline (0.0 to 2.0 mmhos/cm)

Available water capacity: Low (about 3.6 inches)

Interpretive groups

Farmland classification: Not prime farmland

Land capability (nonirrigated): 6e

Hydrologic Soil Group: B

Ecological site: Breaks (R070CY115NM)

Typical profile

0 to 6 inches: Very gravelly sandy loam

6 to 38 inches: Very gravelly sandy loam

38 to 60 inches: Very gravelly sandy loam

Description of Harvey

Setting

Landform: Mesas, bajadas, plateaus

Custom Soil Resource Report

Landform position (two-dimensional): Backslope

Landform position (three-dimensional): Side slope

Down-slope shape: Convex

Across-slope shape: Linear

Parent material: Eolian deposits over slope alluvium derived from igneous and sedimentary rock

Properties and qualities

Slope: 10 to 15 percent

Depth to restrictive feature: More than 80 inches

Drainage class: Well drained

Capacity of the most limiting layer to transmit water (Ksat): Moderately high to high
(0.60 to 2.00 in/hr)

Depth to water table: More than 80 inches

Frequency of flooding: None

Frequency of ponding: None

Calcium carbonate, maximum content: 20 percent

Maximum salinity: Nonsaline (0.0 to 2.0 mmhos/cm)

Available water capacity: Moderate (about 9.0 inches)

Interpretive groups

Farmland classification: Not prime farmland

Land capability (nonirrigated): 7e

Hydrologic Soil Group: B

Ecological site: Limy (R070CY108NM)

Typical profile

0 to 4 inches: Loam

4 to 23 inches: Loam

23 to 36 inches: Loam

36 to 60 inches: Sandy loam

Minor Components

Riverwash

Percent of map unit: 5 percent

Landform: Channels, streams

Landform position (two-dimensional): Toeslope

Landform position (three-dimensional): Base slope

Down-slope shape: Concave

Across-slope shape: Linear

66—Zia sandy loam, 3 to 6 percent slopes

Map Unit Setting

Elevation: 5,000 to 6,000 feet

Mean annual precipitation: 8 to 13 inches

Mean annual air temperature: 52 to 56 degrees F

Frost-free period: 120 to 160 days

Map Unit Composition

Zia and similar soils: 85 percent

Minor components: 5 percent

Description of Zia

Setting

Landform: Alluvial fans

Landform position (two-dimensional): Toeslope

Landform position (three-dimensional): Rise

Down-slope shape: Linear

Across-slope shape: Linear

Parent material: Eolian deposits over fan alluvium derived from sandstone

Properties and qualities

Slope: 3 to 6 percent

Depth to restrictive feature: More than 80 inches

Drainage class: Somewhat excessively drained

Capacity of the most limiting layer to transmit water (Ksat): High (2.00 to 6.00 in/hr)

Depth to water table: More than 80 inches

Frequency of flooding: None

Frequency of ponding: None

Calcium carbonate, maximum content: 15 percent

Maximum salinity: Nonsaline (0.0 to 2.0 mmhos/cm)

Sodium adsorption ratio, maximum: 5.0

Available water capacity: Moderate (about 7.2 inches)

Interpretive groups

Farmland classification: Not prime farmland

Land capability (nonirrigated): 6c

Hydrologic Soil Group: B

Ecological site: Sandy (R035XA113NM)

Typical profile

0 to 4 inches: Sandy loam

4 to 60 inches: Sandy loam

Minor Components

Riverwash

Percent of map unit: 5 percent

Landform: Channels, streams

Landform position (two-dimensional): Toeslope

Landform position (three-dimensional): Base slope

Down-slope shape: Concave

Across-slope shape: Linear

106—Stumble association, 1 to 40 percent slopes

Map Unit Setting

Elevation: 5,000 to 5,600 feet

Mean annual precipitation: 8 to 10 inches

Mean annual air temperature: 53 to 55 degrees F

Frost-free period: 140 to 160 days

Map Unit Composition

Stumble and similar soils: 50 percent

Stumble, sandy, and similar soils: 30 percent

Description of Stumble

Setting

Landform: Alluvial fans, fan aprons, fan remnants, inset fans

Landform position (two-dimensional): Footslope

Landform position (three-dimensional): Side slope, rise

Down-slope shape: Linear, convex

Across-slope shape: Linear

Parent material: Eolian deposits derived from sandstone

Properties and qualities

Slope: 10 to 40 percent

Depth to restrictive feature: More than 80 inches

Drainage class: Somewhat excessively drained

Capacity of the most limiting layer to transmit water (Ksat): High (2.00 to 6.00 in/hr)

Depth to water table: More than 80 inches

Frequency of flooding: None

Frequency of ponding: None

Calcium carbonate, maximum content: 10 percent

Maximum salinity: Nonsaline (0.0 to 2.0 mmhos/cm)

Sodium adsorption ratio, maximum: 5.0

Available water capacity: Very low (about 2.6 inches)

Interpretive groups

Farmland classification: Not prime farmland

Land capability (nonirrigated): 7c

Hydrologic Soil Group: A

Ecological site: Gravelly Sand (R042XA053NM)

Typical profile

0 to 4 inches: Very gravelly fine sandy loam

4 to 10 inches: Gravelly fine sandy loam

10 to 24 inches: Loamy sand

24 to 60 inches: Gravelly coarse sand

Description of Stumble, Sandy

Setting

Landform: Alluvial fans, fan aprons, fan remnants, inset fans

Landform position (two-dimensional): Footslope

Landform position (three-dimensional): Side slope, rise

Down-slope shape: Linear

Across-slope shape: Linear

Properties and qualities

Slope: 1 to 10 percent

Depth to restrictive feature: More than 80 inches

Drainage class: Somewhat excessively drained

Capacity of the most limiting layer to transmit water (Ksat): High to very high (6.00 to 20.00 in/hr)

Depth to water table: More than 80 inches

Frequency of flooding: Rare

Frequency of ponding: None

Calcium carbonate, maximum content: 10 percent

Maximum salinity: Nonsaline (0.0 to 2.0 mmhos/cm)

Sodium adsorption ratio, maximum: 5.0

Available water capacity: Very low (about 2.0 inches)

Interpretive groups

Farmland classification: Not prime farmland

Land capability (nonirrigated): 7c

Hydrologic Soil Group: A

Ecological site: Deep Sand (R042XA054NM)

Typical profile

0 to 4 inches: Gravelly loamy sand

4 to 18 inches: Loamy sand

18 to 60 inches: Gravelly coarse sand

145—Grieta-Sheppard loamy fine sands, 2 to 9 percent slopes

Map Unit Setting

Elevation: 5,000 to 6,000 feet

Mean annual precipitation: 8 to 10 inches

Mean annual air temperature: 53 to 56 degrees F

Frost-free period: 140 to 160 days

Map Unit Composition

Grieta and similar soils: 55 percent

Sheppard and similar soils: 40 percent

Minor components: 2 percent

Description of Grieta

Setting

Landform: Mesas, ridges, fan remnants, plateaus
Landform position (two-dimensional): Footslope
Landform position (three-dimensional): Side slope
Down-slope shape: Linear
Across-slope shape: Linear
Parent material: Eolian deposits over fan alluvium derived from sandstone

Properties and qualities

Slope: 2 to 5 percent
Depth to restrictive feature: More than 80 inches
Drainage class: Well drained
Capacity of the most limiting layer to transmit water (Ksat): Moderately high to high (0.60 to 2.00 in/hr)
Depth to water table: More than 80 inches
Frequency of flooding: None
Frequency of ponding: None
Calcium carbonate, maximum content: 15 percent
Maximum salinity: Nonsaline to very slightly saline (2.0 to 4.0 mmhos/cm)
Sodium adsorption ratio, maximum: 2.0
Available water capacity: Moderate (about 6.6 inches)

Interpretive groups

Farmland classification: Not prime farmland
Land capability (nonirrigated): 7e
Hydrologic Soil Group: B
Ecological site: Loamy (R042XA052NM)

Typical profile

0 to 7 inches: Loamy fine sand
7 to 14 inches: Sandy clay loam
14 to 21 inches: Sandy clay loam
21 to 38 inches: Coarse sandy loam
38 to 50 inches: Coarse sandy loam
50 to 60 inches: Coarse sandy loam

Description of Sheppard

Setting

Landform: Alluvial fans, benches, dunes, structural benches, terraces
Landform position (two-dimensional): Shoulder
Landform position (three-dimensional): Side slope, rise
Down-slope shape: Linear, convex
Across-slope shape: Linear
Parent material: Eolian deposits derived from sandstone

Properties and qualities

Slope: 3 to 9 percent
Depth to restrictive feature: More than 80 inches
Drainage class: Somewhat excessively drained
Capacity of the most limiting layer to transmit water (Ksat): High to very high (6.00 to 20.00 in/hr)
Depth to water table: More than 80 inches
Frequency of flooding: None

Custom Soil Resource Report

Frequency of ponding: None
Calcium carbonate, maximum content: 10 percent
Maximum salinity: Nonsaline (0.0 to 2.0 mmhos/cm)
Available water capacity: Low (about 5.4 inches)

Interpretive groups

Farmland classification: Not prime farmland
Land capability (nonirrigated): 7s
Hydrologic Soil Group: A
Ecological site: Deep Sand (R042XA054NM)

Typical profile

0 to 5 inches: Loamy fine sand
5 to 27 inches: Loamy fine sand
27 to 60 inches: Loamy fine sand

Minor Components

Riverwash

Percent of map unit: 2 percent
Landform: Channels, streams
Landform position (two-dimensional): Toeslope
Landform position (three-dimensional): Base slope
Down-slope shape: Concave
Across-slope shape: Linear

170—San Mateo loam, 0 to 3 percent slopes

Map Unit Setting

Elevation: 5,800 to 6,800 feet
Mean annual precipitation: 10 to 13 inches
Mean annual air temperature: 52 to 54 degrees F
Frost-free period: 120 to 140 days

Map Unit Composition

San mateo and similar soils: 85 percent

Description of San Mateo

Setting

Landform: Alluvial fans, flood plains, valley sides
Landform position (two-dimensional): Toeslope
Landform position (three-dimensional): Rise
Down-slope shape: Linear
Across-slope shape: Linear
Parent material: Stream alluvium derived from sandstone and shale

Properties and qualities

Slope: 0 to 3 percent
Depth to restrictive feature: More than 80 inches

Custom Soil Resource Report

Drainage class: Well drained

Capacity of the most limiting layer to transmit water (Ksat): Moderately high (0.20 to 0.60 in/hr)

Depth to water table: More than 80 inches

Frequency of flooding: Rare

Frequency of ponding: None

Calcium carbonate, maximum content: 10 percent

Maximum salinity: Nonsaline to slightly saline (1.0 to 8.0 mmhos/cm)

Sodium adsorption ratio, maximum: 30.0

Available water capacity: High (about 10.8 inches)

Interpretive groups

Farmland classification: Not prime farmland

Land capability classification (irrigated): 2e

Land capability (nonirrigated): 6e

Hydrologic Soil Group: B

Ecological site: Swale (R035XA120NM)

Typical profile

0 to 2 inches: Loam

2 to 10 inches: Clay loam

10 to 23 inches: Clay loam

23 to 32 inches: Clay loam

32 to 54 inches: Clay loam

54 to 60 inches: Clay loam

Soil Information for All Uses

Suitabilities and Limitations for Use

The Suitabilities and Limitations for Use section includes various soil interpretations displayed as thematic maps with a summary table for the soil map units in the selected area of interest. A single value or rating for each map unit is generated by aggregating the interpretive ratings of individual map unit components. This aggregation process is defined for each interpretation.

Land Classifications

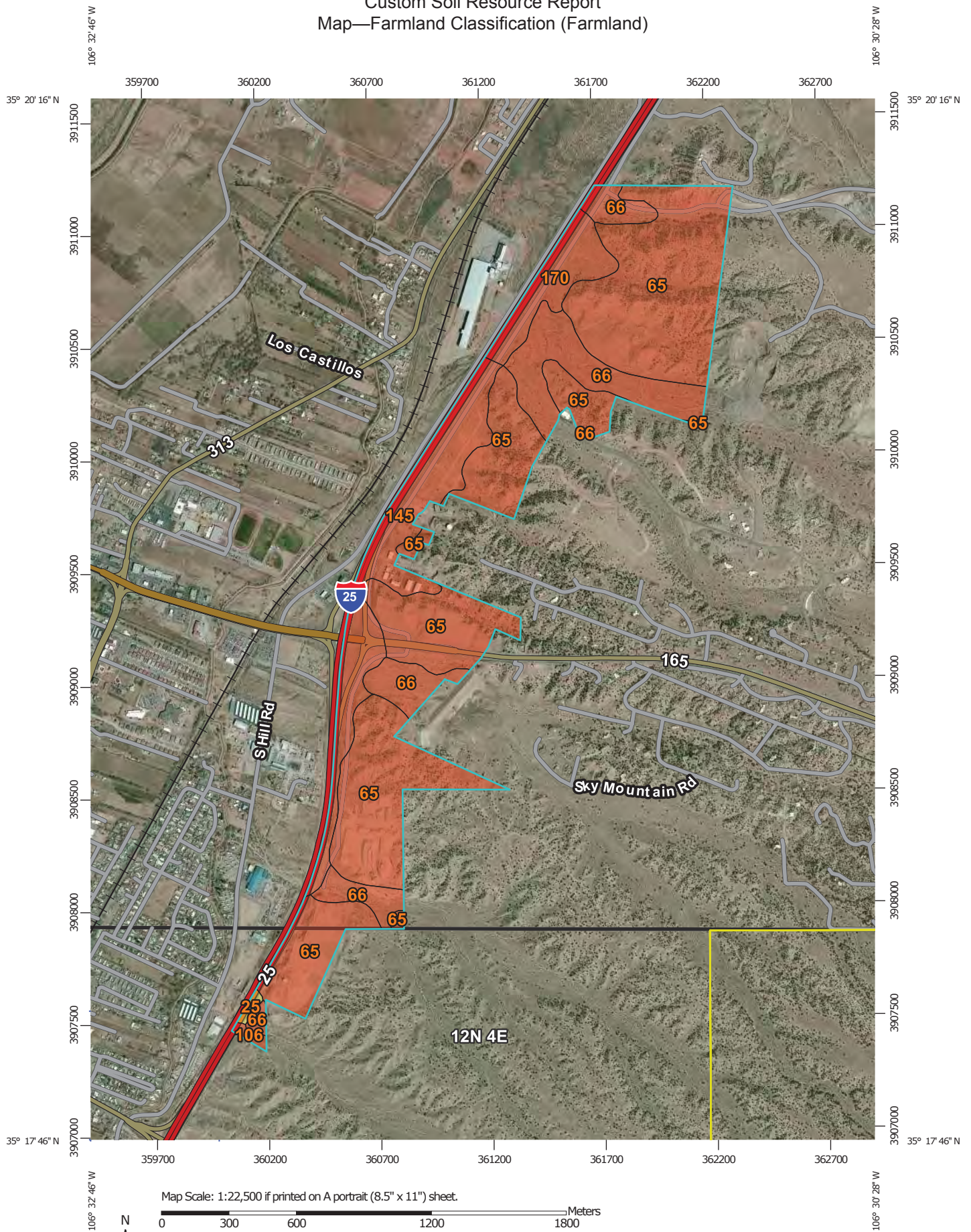
Land Classifications are specified land use and management groupings that are assigned to soil areas because combinations of soil have similar behavior for specified practices. Most are based on soil properties and other factors that directly influence the specific use of the soil. Example classifications include ecological site classification, farmland classification, irrigated and nonirrigated land capability classification, and hydric rating.

Farmland Classification (Farmland)

Farmland classification identifies map units as prime farmland, farmland of statewide importance, farmland of local importance, or unique farmland. It identifies the location and extent of the soils that are best suited to food, feed, fiber, forage, and oilseed crops. NRCS policy and procedures on prime and unique farmlands are published in the "Federal Register," Vol. 43, No. 21, January 31, 1978.

Custom Soil Resource Report

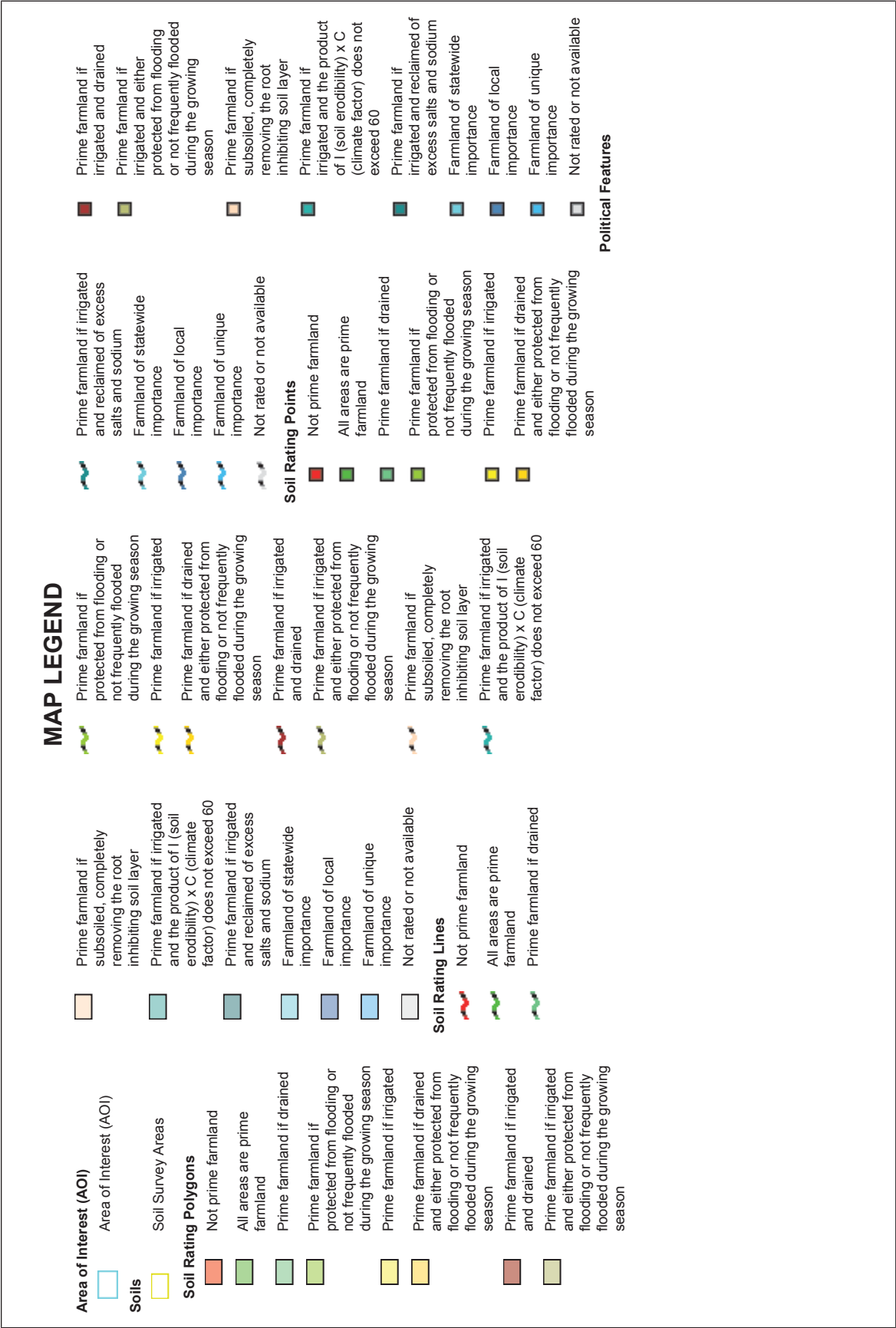
Map—Farmland Classification (Farmland)










Map Scale: 1:22,500 if printed on A portrait (8.5" x 11") sheet.



0 300 600 1200 1800 Meters
0 1000 2000 4000 6000 Feet
Map projection: Web Mercator Corner coordinates: WGS84 Edge tics: UTM Zone 13N WGS84



MAP INFORMATION

-  PLSS Township and Range
- Transportation**
-  Rails
-  Interstate Highways
-  US Routes
-  Major Roads
-  Local Roads
- Background**
-  Aerial Photography

The soil surveys that comprise your AOI were mapped at 1:24,000.

Please rely on the bar scale on each map sheet for map measurements.

Source of Map: Natural Resources Conservation Service
Web Soil Survey URL: <http://websoilsurvey.nrcs.usda.gov>
Coordinate System: Web Mercator (EPSG:3857)

Maps from the Web Soil Survey are based on the Web Mercator projection, which preserves direction and shape but distorts distance and area. A projection that preserves area, such as the Albers equal-area conic projection, should be used if more accurate calculations of distance or area are required.

This product is generated from the USDA-NRCS certified data as of the version date(s) listed below.

Soil Survey Area: Sandoval County Area, New Mexico, Parts of Los Alamos, Sandoval, and Rio Arriba Counties
Survey Area Data: Version 8, Dec 27, 2013

Soil map units are labeled (as space allows) for map scales 1:50,000 or larger.

Date(s) aerial images were photographed: Mar 23, 2011—May 4, 2011

The orthophoto or other base map on which the soil lines were compiled and digitized probably differs from the background imagery displayed on these maps. As a result, some minor shifting of map unit boundaries may be evident.

Table—Farmland Classification (Farmland)

Farmland Classification— Summary by Map Unit — Sandoval County Area, New Mexico, Parts of Los Alamos, Sandoval, and Rio Arriba Counties (NM656)				
Map unit symbol	Map unit name	Rating	Acres in AOI	Percent of AOI
25	Gilco loam, 0 to 1 percent slopes	Prime farmland if irrigated	1.7	0.3%
65	Ildefonso-Harvey association, 10 to 35 percent slopes	Not prime farmland	311.4	61.8%
66	Zia sandy loam, 3 to 6 percent slopes	Not prime farmland	83.6	16.6%
106	Stumble association, 1 to 40 percent slopes	Not prime farmland	2.0	0.4%
145	Grieta-Sheppard loamy fine sands, 2 to 9 percent slopes	Not prime farmland	76.1	15.1%
170	San Mateo loam, 0 to 3 percent slopes	Not prime farmland	28.8	5.7%
Totals for Area of Interest			503.6	100.0%

Rating Options—Farmland Classification (Farmland)

Aggregation Method: No Aggregation Necessary

Tie-break Rule: Lower

Ecological Site Assessment

Individual soil map unit components can be correlated to a particular ecological site. The Ecological Site Assessment section includes ecological site descriptions, plant growth curves, state and transition models, and selected National Plants database information.

All Ecological Sites — Rangeland (Rangeland)

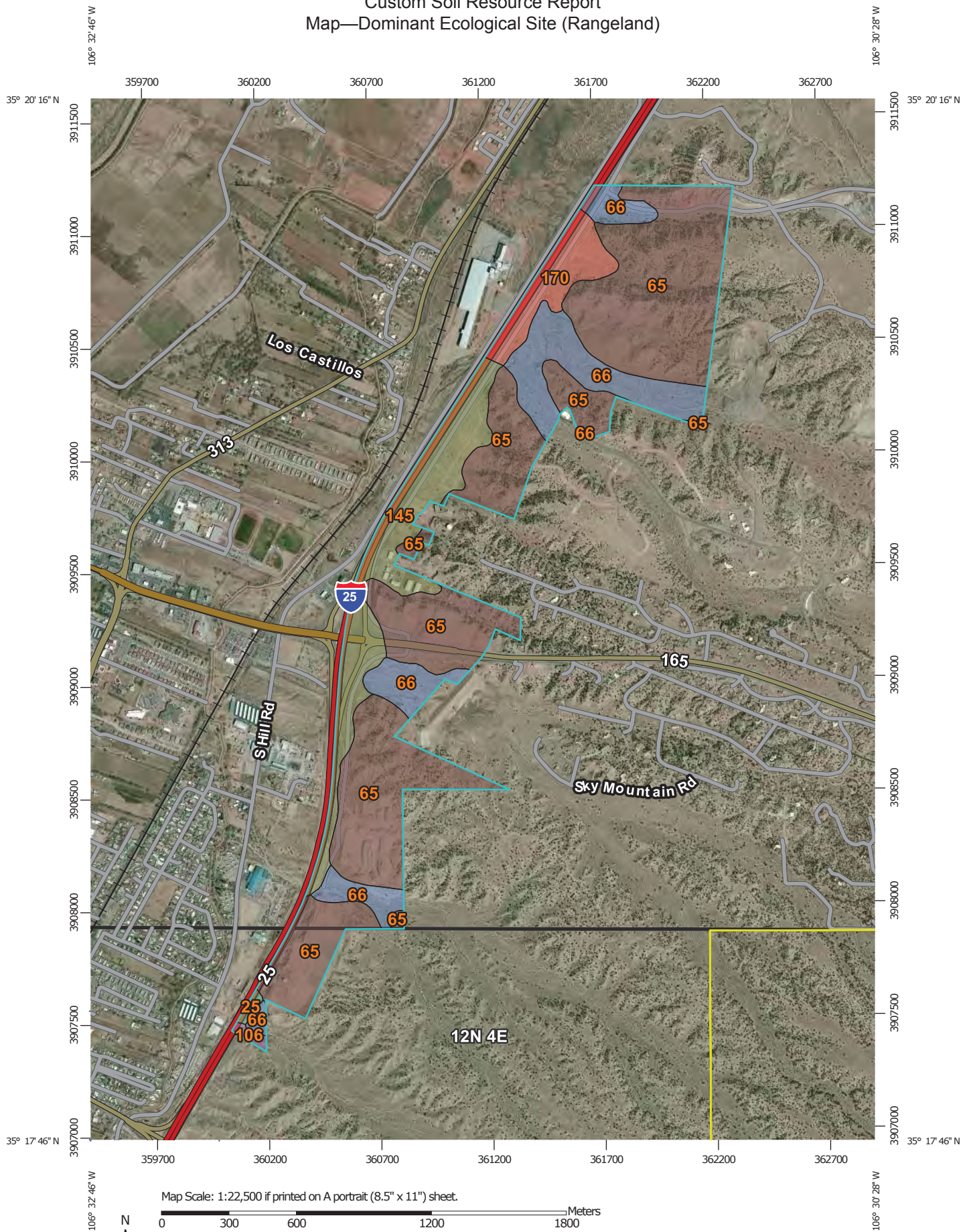
An "ecological site" is the product of all the environmental factors responsible for its development. It has characteristic soils that have developed over time; a characteristic hydrology, particularly infiltration and runoff, that has developed over time; and a characteristic plant community (kind and amount of vegetation). The vegetation, soils, and hydrology are all interrelated. Each is influenced by the others and influences the development of the others. For example, the hydrology of the site is influenced by development of the soil and plant community. The plant community on an ecological site is typified by an association of species that differs from that of other ecological sites in the kind and/or proportion of species or in total production.

An ecological site name provides a general description of a particular ecological site. For example, "Loamy Upland" is the name of a rangeland ecological site. An "ecological site ID" is the symbol assigned to a particular ecological site.

The map identifies the dominant ecological site for each map unit, aggregated by dominant condition. Other ecological sites may occur within each map unit. Each map unit typically consists of one or more components (soils and/or miscellaneous areas). Each soil component is associated with an ecological site. Miscellaneous areas, such as rock outcrop, sand dunes, and badlands, have little or no soil material and support little or no vegetation and therefore are not linked to an ecological site. The table below the map lists all of the ecological sites for each map unit component in your area of interest.

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Map—Dominant Ecological Site (Rangeland)



MAP INFORMATION

The soil surveys that comprise your AOI were mapped at 1:24,000.

Please rely on the bar scale on each map sheet for map measurements.

Source of Map: Natural Resources Conservation Service
Web Soil Survey URL: <http://websoilsurvey.nrcs.usda.gov>
Coordinate System: Web Mercator (EPSG:3857)

Maps from the Web Soil Survey are based on the Web Mercator projection, which preserves direction and shape but distorts distance and area. A projection that preserves area, such as the Albers equal-area conic projection, should be used if more accurate calculations of distance or area are required.

This product is generated from the USDA-NRCS certified data as of the version date(s) listed below.

Soil Survey Area: Sandoval County Area, New Mexico, Parts of Los Alamos, Sandoval, and Rio Arriba Counties
Survey Area Data: Version 8, Dec 27, 2013


Soil map units are labeled (as space allows) for map scales 1:50,000 or larger.

Date(s) aerial images were photographed: Mar 23, 2011—May 4, 2011


The orthophoto or other base map on which the soil lines were compiled and digitized probably differs from the background imagery displayed on these maps. As a result, some minor shifting of map unit boundaries may be evident.

MAP LEGEND








Area of Interest (AOI)

 Area of Interest (AOI)








Soils

 Soil Survey Areas


Soil Rating Polygons

	R035XA113NM
	R035XA120NM
	R042XA052NM
	R042XA053NM
	R042XA057NM
	R070CY115NM
	Not rated or not available


Soil Rating Lines


	R035XA113NM
	R035XA120NM
	R042XA052NM
	R042XA053NM
	R042XA057NM
	R070CY115NM
	Not rated or not available


Political Features


 PLSS Township and Range


Transportation

 Rails


 Interstate Highways


 US Routes


 Major Roads

 Local Roads

Background

 Aerial Photography

 R070CY115NM

 Not rated or not available

**Table—Ecological Sites by Map Unit Component
(Rangeland)**

Sandoval County Area, New Mexico, Parts of Los Alamos, Sandoval, and Rio Arriba Counties					
Map unit symbol	Map unit name	Component name (percent)	Ecological site	Acres in AOI	Percent of AOI
25	Gilco loam, 0 to 1 percent slopes	Gilco (85%)	R042XA057NM — Bottomland	1.7	0.3%
65	Ildefonso-Harvey association, 10 to 35 percent slopes	Ildefonso (50%)	R070CY115NM — Breaks	311.4	61.8%
		Harvey (30%)	R070CY108NM — Limy		
		Riverwash (5%)			
66	Zia sandy loam, 3 to 6 percent slopes	Zia (85%)	R035XA113NM — Sandy	83.6	16.6%
		Riverwash (5%)			
106	Stumble association, 1 to 40 percent slopes	Stumble (50%)	R042XA053NM — Gravelly Sand	2.0	0.4%
		Stumble, sandy (30%)	R042XA054NM — Deep Sand		
145	Grieta-Sheppard loamy fine sands, 2 to 9 percent slopes	Grieta (55%)	R042XA052NM — Loamy	76.1	15.1%
		Sheppard (40%)	R042XA054NM — Deep Sand		
		Riverwash (2%)			
170	San Mateo loam, 0 to 3 percent slopes	San Mateo (85%)	R035XA120NM — Swale	28.8	5.7%
Totals for Area of Interest				503.6	100.0%

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APPENDIX B: CLASS 1 LITERATURE REVIEW (CULTURAL)



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A Class I Literature Review for a Project Planning Area near the Town of Bernalillo, at the Intersections of NM 165 and Interstate 25, Sandoval County New Mexico

By
Stephen Townsend

Prepared for:

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Townsend Archaeological Consultants
Report 2014-04

Introduction

At the request of Mr. Rick Madrid, Construction Administration and Observation, Souder, Miller & Associates, a class 1 record review for previous cultural resource investigations and the locations of previously recorded archaeological sites and historic cultural properties, was completed. This work is in support of a Preliminary Engineering Report involving the area east of Interstate 25, at the intersection with NM 165, near the Town of Bernalillo, Sandoval County. Stephen Townsend of Townsend Archaeological Consultants completed the review. This information will be used in future project planning. Archaeological site locations are confidential information, and are protected under both federal and state law (36 CFR 296.18 and §§18-6-11.1 NMSA 1978, the New Mexico Cultural Properties Act).

Methods

This literature review was conducted using the NMCRIS database, maintained by the NM State Historic Preservation Division-Archaeological Records Management Section (ARMS). The database and map server investigations were supplemented by a review of the latest editions of the NM State Register of Cultural Properties and the National Register of Historic Places. The review resulted in the identification of nineteen previous investigations and thirteen previously recorded archaeological sites in or adjacent to the planning areas. Those results are reported in tabular form below. National register determinations of eligibility for the archaeological sites are included.

The project planning areas are east of Interstate 25 and both north and south of the NM 165 (Placitas) road. This area is dissected piedmont, deposited as an alluvial fan off the west flank of the Sandia Mountains. The area is generally scrub-covered, and largely undeveloped except in immediate proximity to the highway corridors. Within the last fifteen years, residential development has started to take place around this intersection, and east of Interstate 25. While archaeological discoveries appear to be low, this may be misleading. This piedmont country is full of micro-environmental situations, which were favored by Archaic occupants and later by Puebloan farmers, who exploited rain flow and exposure in their grid garden technology. The Elena Gallegos land exchange survey, on the Ball Ranch, north from this area found abundant lithic assemblages and other archaeological manifestations. The presence of several prehistoric and contact-era pueblos in the Rio Grande Valley to the west, as well as extant Sandia Pueblo, suggest the area should have at least medium site density.

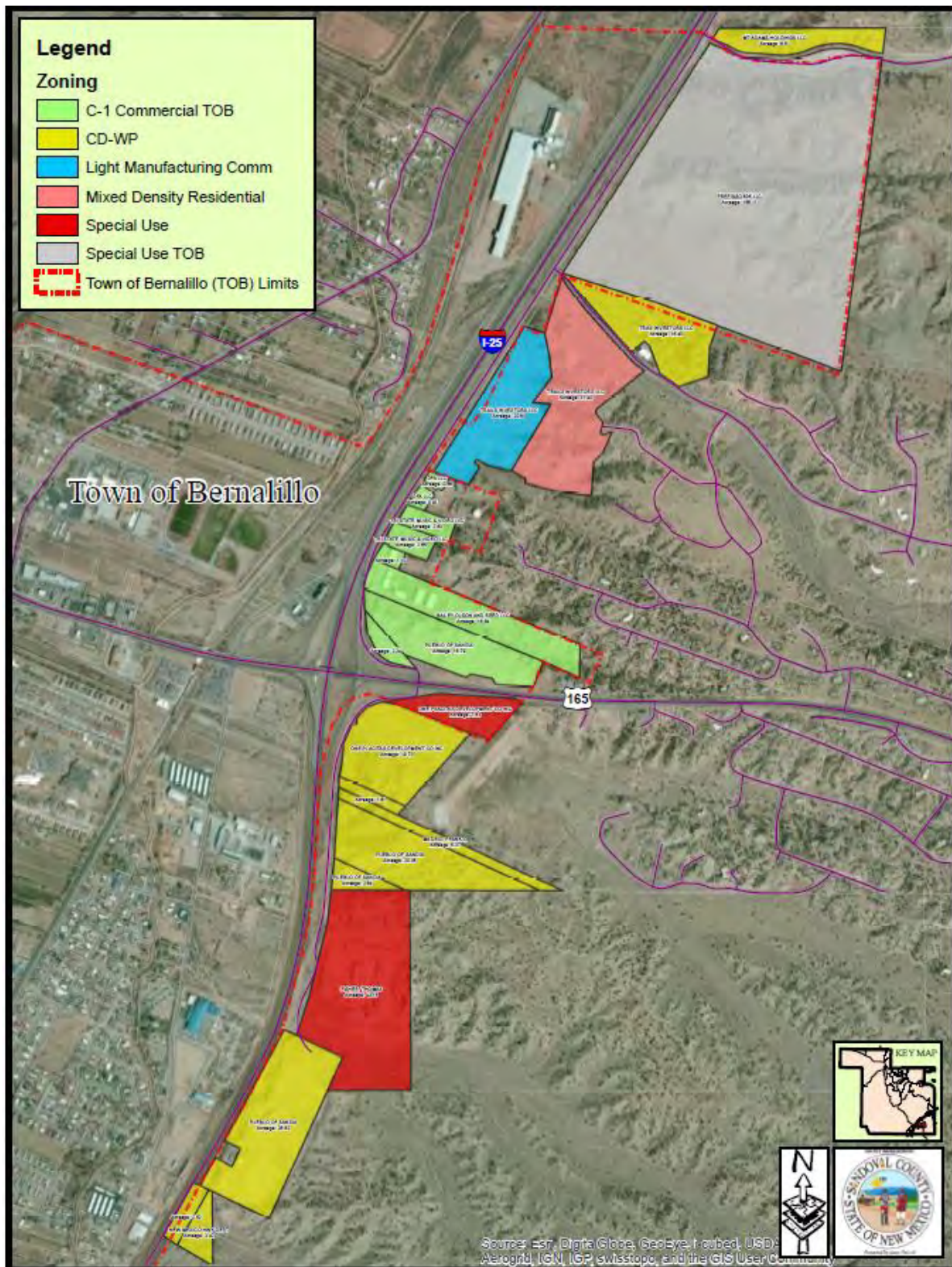


Figure 1: Planning Area Boundaries-Sandoval County Key Map



Figure 2: Aerial Screen Shot of the General Project Area-ARMS Mapserver
(Yellow-inventories, pink-site locations/historic cultural properties, purple-surveys not yet entered into the NMCRIS database, turquoise-historic linear features)

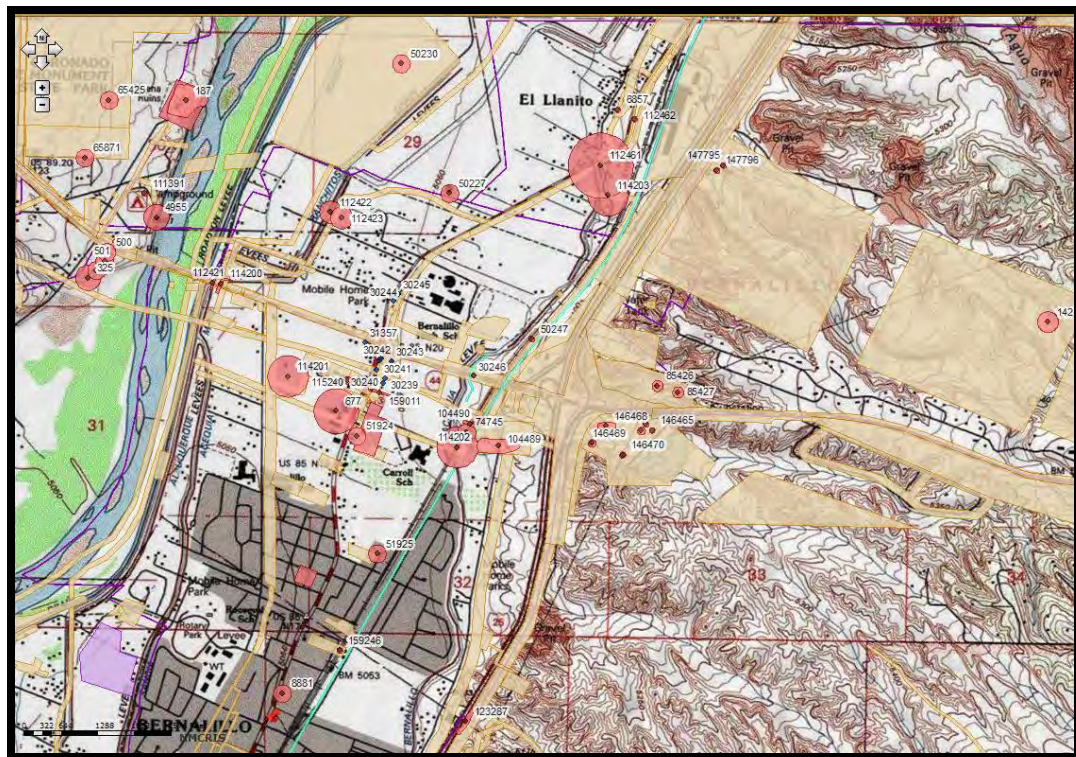


Figure 3: USGS Quad Map Screen Shot of the General Project Area-ARMS Mapserver

Table 1: Previous Inventories Adjacent to or Overlapping the Planning Area

NMCRIS (state ID no.)	Action	Cultural Resources *	Acres Surveyed	Reference
25442	Road construction related (I-25)		140.75	Nelson 1989
28948	Hot Plant, equipment yard, staging		21.07	Condie 1990
31906	Road construction related (I-25)		82.00	Haecker 1990
35833	Road construction related (I-25)		131.19	Marshall 1991a
37297	Road construction related (I-25)	LA 85426-85427	20.66	Marshall 1991b
40920	Power line Upgrade (Sandia Pueblo)	LA 89342	1.33	Acklen 1992
52691	Road construction related (I-25) (test excavation at 2 sites)	LA 87426-85427	N/A	Aikens and Bullock 1994
62144	Road construction related (I-25 & Tramway Blvd.)	LA 123287-LA 123292	189.50	Marshall 1998
62578	Hot Plant, equipment yard, staging		43.00	Brown 1998
78512	Subdivision	LA 135564-135567	160.00	Parker 2002
86476	Subdivision	LA 142451	200.00	Travis 2003
91270	Land Management	LA 146465-LA 146470	61.50	Roxlau 2004
92370	Subdivision	LA 147795-147796	200.00	Boggess 2005
94850	Road construction related (I-25)	LA 123189, 123287-123292	2.00	Byszewski 2006
109743	Road construction related (I-25) (data recovery at 7 sites)	LA 123287-123292, LA 154744	N/A	Walth and Railey 2011
110867	Water-related (arsenic test wells)		4.22	Parker 2008
113178	Water-related (arsenic test wells)		1.55	Burrus and Parker 2009
119965	Interchange reconstruction (US 550, NM 165 and I-25)	HCPI 30236-HCPI 30246	123.00	McCullough et al
120764	Gravel exploration and testing	LA 89243, LA 142540, LA 170047-170048	59.00	Marshall 2011

*

LA=Laboratory of Anthropology, the prefix used for all archaeological sites in New Mexico.

HCPI= Historic Cultural Property Inventory, a prefix used for identifying historic buildings, acequias, historic roads, canals, and engineering features.

Properties listed in the above table, but not reported below, were documented in sections of inventories outside of the project planning area.

Table 2: Previously Recorded Sites Adjacent to the Project Area

Site Designation	Site type	National Register Determination
85426	Lithic scatter	Not eligible
85427	Lithic scatter	Not eligible
123287	Historic trash dump	Yes, criterion d
135567	Rock alignment and mound	Undetermined
142451	Rock alignment with glass	Undetermined
146465	Historic artifact scatter	Not eligible
146466	Historic dump	Not eligible
146467	Historic artifact scatter	Not eligible
146468	Historic dump	Not eligible
146469	Historic dump	Not eligible
146470	Historic dump	Not eligible
147795	Historic artifact scatter	Not eligible
147796	Historic artifact scatter	Not eligible

National Register of Historic Places and NM State Register of Cultural Properties Review

A review of the latest editions of the National Register of Historic Places and the NM State Register of Cultural Properties reveals several listing in and around the Town of Bernalillo. These include such listings as the Coronado State Park Monument (Kuaaua Pueblo), several buildings within Bernalillo, and old Route 66 (NM 314) between Bernalillo and Algodones. There are no properties listed on either register that are in or adjacent to the planning areas.

Built Environment, Linear Features and Cultural Landscapes

Federal and state laws not only protect significant archaeological properties, but also significant buildings, structures and objects. This includes examples of architecture, bridges, road segments and trails that might be extant within or adjacent to the project area. All such features meeting 50-years of age or greater must be evaluated for significance. This might include such engineering features as old power lines, and buildings dating to the 1950s or early 1960s. Ultimately, the effect of a development project upon such cultural manifestations, (including archaeological sites), is the determinative factor in whether or not the project receives a clearance or carries the stipulation of “adverse effect”. There appear to be few historic buildings, trails or engineering features within the designated planning areas.

Recommendations

The designated planning areas are adjacent to Sandia Pueblo tribal lands and the Sandia Ranger District of the Cibola National Forest. Proposed work within either of those jurisdictions will require permitting through the USDI-Bureau of Indian Affairs, Southwest Region, the Sandia Pueblo tribal council and/or the Cibola National Forest. Permitting within the Interstate 25 and US 165 corridors will be required from the New Mexico Department of Transportation-Environmental Section. Development-related projects may require permitting through Sandoval County.

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APPENDIX C: FINANCIAL STATUS OF EXISTING FACILITIES



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**STATE OF NEW MEXICO
TOWN OF BERNALILLO
ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2013**

**STATE OF NEW MEXICO
TOWN OF BERNALILLO**

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**STATE OF NEW MEXICO
TOWN OF BERNALILLO**

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**STATE OF NEW MEXICO
TOWN OF BERNALILLO**

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**STATE OF NEW MEXICO
TOWN OF BERNALILLO
OFFICIAL ROSTER
JUNE 30, 2013**

Town Council

Jack Torres
Mayor

Marian A. Jaramillo
Town Councilor

Santiago Montoya
Town Councilor

Ronnie A. Sisneros
Town Councilor

Dale Prairie
Town Councilor

Administrative Officials

Juan Torres
Interim Town Treasurer

Ida Fierro
Town Clerk

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**STATE OF NEW MEXICO
TOWN OF BERNALILLO
REPORT ON AUDIT OF FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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INDEPENDENT AUDITOR'S REPORT

Mr. Hector H. Balderas
New Mexico State Auditor

Honorable Mayor, Members of the Town Council
of the Town of Bernalillo, New Mexico

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the governmental activities, 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 Town of Bernalillo, New Mexico (Town), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents. We were also engaged to audit the financial statements of each of the Town's nonmajor governmental, nonmajor enterprise funds, and the budgetary comparisons for the major debt service fund, capital project funds, enterprise funds and all nonmajor funds presented as supplementary information, as defined by the Governmental Accounting Standards Board, in the accompanying Combining and Individual Fund Financial Statements and Schedules as of and for the year ended June 30, 2013, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based conducting the 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. Because of the matters described in the Basis for Disclaimer of Opinions paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for audit opinions.

Basis for Disclaimer of Opinions

The Town of Bernalillo, New Mexico did not maintain sufficient internal controls and/or adequate records of its cash and investments, capital assets, revenues/receivables, payables, and completeness of the underlying general ledger accounting. Accordingly, we were unable to perform procedures sufficient to achieve the audit objectives for these account balances and transaction classes.

Disclaimer of Opinions

As the Town did not maintain sufficient internal controls and/or adequate records we were unable to obtain sufficient evidential matter and we were not able to apply other auditing procedures to satisfy ourselves as to the fairness of the presentation of the financial statements in conformity with generally accepted accounting principles. The scope of our work was not sufficient to enable us to express, and we do not express an opinion on the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Bernalillo, New Mexico as of June 30, 2013, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the general fund and major special revenue fund for the year ended in conformity with accounting principles generally accepted in the United States of America.

In addition, we do not express an opinion on the respective financial position of each nonmajor governmental and nonmajor enterprise funds of the Town of Bernalillo, New Mexico, as of June 30, 2013, and the respective changes in financial position, thereof and the respective budgetary comparisons for the major debt service fund, capital project funds, enterprise funds and all nonmajor governmental funds for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 1, the Town implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, for the year ended June 30, 2013, which represents a change in accounting principle.

Other Matters

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that the Governmental Accounting Standards Board requires 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.

Other Information

We were engaged for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements, nonmajor governmental funds, and budgetary comparison information presented as supplementary information in the accompanying Combining and Individual Fund Financial Statements and Schedules. The additional schedules listed as Other Supplementary Information in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. In addition, the accompanying Schedule of Expenditures of Federal Awards is presented for additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Because of the significance of the matter described above, it is inappropriate to and we do not express an opinion on the supplementary information referenced to above.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2013, on our consideration of Town of Bernalillo, New Mexico's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Bernalillo, New Mexico's internal control over financial reporting and compliance.

Heinfeld, Meech & Co., P.C.

HEINFELD, MEECH & CO., P.C.
CPAs and Business Consultants

November 25, 2013

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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**STATE OF NEW MEXICO
TOWN OF BERNALILLO
STATEMENT OF NET POSITION
JUNE 30, 2013**

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Current assets:			
Cash and cash equivalents	\$ 1,266,175	\$ 175,270	\$ 1,441,445
Investments		2,049,845	2,049,845
Property taxes receivable	67,610		67,610
Accounts receivable		15,380	15,380
Due from state government	1,069,529	22,524	1,092,053
Prepaid items		8,288	8,288
Inventory		3,950	3,950
Total current assets	<u>2,403,314</u>	<u>2,275,257</u>	<u>4,678,571</u>
Noncurrent assets:			
Deferred bond issuance costs	86,684	232,330	319,014
Land	260,810	409,428	670,238
Infrastructure	10,435,769	17,437,634	27,873,403
Buildings and improvements	4,189,196	4,627,623	8,816,819
Improvements other than buildings	1,038,278		1,038,278
Vehicles, furniture and equipment	3,427,731	749,675	4,177,406
Construction in progress		33,321	33,321
Accumulated depreciation	(8,022,085)	(5,520,621)	(13,542,706)
Total noncurrent assets	<u>11,416,383</u>	<u>17,969,390</u>	<u>29,385,773</u>
Total assets	<u>13,819,697</u>	<u>20,244,647</u>	<u>34,064,344</u>
<u>LIABILITIES</u>			
Current liabilities:			
Overdraft of cash on deposit	2,254,852	3,200,524	5,455,376
Accounts payable	76,354	84,146	160,500
Accrued payroll	115,160	21,998	137,158
Accrued interest payable	9,655	45,790	55,445
Compensated absences payable	90,866	8,873	99,739
Customer deposits		21,802	21,802
Loans payable	50,717	217,768	268,485
Bonds payable		690,212	690,212
Total current liabilities	<u>2,597,604</u>	<u>4,291,113</u>	<u>6,888,717</u>
Noncurrent liabilities:			
Non-current portion of long-term obligations	2,868,655	10,882,930	13,751,585
Total noncurrent liabilities	<u>2,868,655</u>	<u>10,882,930</u>	<u>13,751,585</u>
Total liabilities	<u>5,466,259</u>	<u>15,174,043</u>	<u>20,640,302</u>
<u>NET POSITION</u>			
Net investment in capital assets	8,587,876	7,137,191	15,725,067
Restricted for:			
Capital projects	733,188		733,188
Public safety	265,543		265,543
Tourism	105,105		105,105
Recreation	138,504		138,504
Unrestricted	(1,476,778)	(2,066,587)	(3,543,365)
Total net position	<u>\$ 8,353,438</u>	<u>\$ 5,070,604</u>	<u>\$ 13,424,042</u>

The notes to the basic financial statements are an integral part of this statement.

**STATE OF NEW MEXICO
TOWN OF BERNALILLO
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2013**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government					
Governmental activities:					
General government	\$ 2,817,430	\$ 121,707	\$ 19,197	\$	\$ (2,676,526)
Public safety	3,910,419	467,715	25,824	176,222	(3,240,658)
Public works	631,022	8,114		1,969,489	1,346,581
Culture and recreation	2,007,387	368,555	248,147		(1,390,685)
Interest on long-term debt	155,379				(155,379)
Total governmental activities	<u>9,521,637</u>	<u>966,091</u>	<u>293,168</u>	<u>2,145,711</u>	<u>(6,116,667)</u>
Business-type activities:					
Water and sewer	2,862,131	2,986,610			
Housing assistance	398,783	178,022	251,328	79,090	
Campground	111,998	114,283			
Total business-type activities	<u>3,372,912</u>	<u>3,278,915</u>	<u>251,328</u>	<u>79,090</u>	
Total primary government	<u>\$ 12,894,549</u>	<u>\$ 4,245,006</u>	<u>\$ 544,496</u>	<u>\$ 2,224,801</u>	<u>(6,116,667)</u>
General revenues:					
Taxes:					
Property taxes, levied for general purposes					813,247
Gross receipts taxes					5,344,931
Franchise taxes					213,819
Unrestricted grants, aid and state shared revenues					623,675
Investment income					153,279
Transfers					<u>(91,451)</u>
Total general revenues and transfers					<u>7,057,500</u>
Changes in net position					940,833
Net position, beginning of year					7,412,605
Net position, restatement					
Net position, beginning of year, as restated					<u>7,412,605</u>
Net position, end of year					<u>\$ 8,353,438</u>

The notes to the basic financial statements are an integral part of this statement.

Net (Expense) Revenue and
Changes in Net Position

Business-type Activities	Totals
\$	\$ (2,676,526)
	(3,240,658)
	1,346,581
	(1,390,685)
	(155,379)
	(6,116,667)
124,479	124,479
109,657	109,657
2,285	2,285
236,421	236,421
236,421	(5,880,246)
	813,247
120,095	5,465,026
	213,819
	623,675
343	153,622
91,451	
211,889	7,269,389
448,310	1,389,143
5,660,987	13,073,592
(1,038,693)	(1,038,693)
4,622,294	12,034,899
\$ 5,070,604	\$ 13,424,042

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FUND FINANCIAL STATEMENTS

**STATE OF NEW MEXICO
TOWN OF BERNALILLO
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2013**

	<u>General</u>	<u>Gas Tax</u>	<u>Capital Projects</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$	\$	\$ 122,726
Property taxes receivable	67,610		
Due from state government	1,027,994	41,535	
Total assets	<u>\$ 1,095,604</u>	<u>\$ 41,535</u>	<u>\$ 122,726</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Overdraft of cash on deposit	\$ 7,235	\$ 1,952,275	\$
Accounts payable	52,519		
Accrued payroll	115,160		
Deferred revenue	49,690		
Total liabilities	<u>224,604</u>	<u>1,952,275</u>	<u></u>
Fund balances (deficits):			
Restricted			122,726
Unassigned	871,000	(1,910,740)	
Total fund balances	<u>871,000</u>	<u>(1,910,740)</u>	<u>122,726</u>
Total liabilities and fund balances	<u>\$ 1,095,604</u>	<u>\$ 41,535</u>	<u>\$ 122,726</u>

The notes to the basic financial statements are an integral part of this statement.

2008 Revenue Bond Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
\$ 610,462	\$ 532,987	\$ 1,266,175
		67,610
		1,069,529
<u>\$ 610,462</u>	<u>\$ 532,987</u>	<u>\$ 2,403,314</u>
\$	\$ 295,342	\$ 2,254,852
	23,835	76,354
		115,160
		49,690
<u></u>	<u>319,177</u>	<u>2,496,056</u>
610,462	509,152	1,242,340
	(295,342)	(1,335,082)
<u>610,462</u>	<u>213,810</u>	<u>(92,742)</u>
<u>\$ 610,462</u>	<u>\$ 532,987</u>	<u>\$ 2,403,314</u>

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**STATE OF NEW MEXICO
TOWN OF BERNALILLO
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2013**

Total governmental fund balances	\$	(92,742)
---	-----------	-----------------

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:

Governmental capital assets	\$ 19,351,784	
Less accumulated depreciation	<u>(8,022,085)</u>	11,329,699

Property tax revenues will not be available to pay for current period expenditures and, therefore, are deferred in the funds.	49,690
---	--------

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:

Accrued interest payable	(9,655)	
Loans payable	(438,507)	
Revenue bonds payable	(2,390,000)	
Compensated absences payable	<u>(181,731)</u>	(3,019,893)

Deferred items related to the issuance of bonds are amortized over the life of the associated bond issue in the government-wide statements but not reported in the funds.	<u>86,684</u>
---	---------------

Net position of governmental activities	\$	<u><u>8,353,438</u></u>
--	-----------	--------------------------------

The notes to the basic financial statements are an integral part of this statement.

**STATE OF NEW MEXICO
TOWN OF BERNALILLO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2013**

	General	Gas Tax	2008 Revenue Bond Debt Service
Revenues:			
Property taxes	\$ 763,557	\$	\$
Municipal and state shared taxes	5,381,189	319,302	
Federal grants and aid	25,824		
State grants and aid	438,417	931,196	
Charges for services	462,429		
Licenses and permits	143,901		
Fines and forfeits	115,980		
Franchise fees	213,819		
Investment income	151,375		
Other revenues	214,454		
Total revenues	<u>7,910,945</u>	<u>1,250,498</u>	
Expenditures:			
Current -			
General government	1,789,508		
Public safety	2,656,731		
Public works	126,692	334,254	
Culture and recreation	1,406,915		
Capital outlay	229,741	135,672	
Debt service -			
Principal			610,000
Interest and fees			140,256
Total expenditures	<u>6,209,587</u>	<u>469,926</u>	<u>750,256</u>
Excess (deficiency) of revenues over expenditures	<u>1,701,358</u>	<u>780,572</u>	<u>(750,256)</u>
Other financing sources (uses):			
Transfers in	22,712	274,265	750,256
Transfers out	(841,707)		
Total other financing sources (uses):	<u>(818,995)</u>	<u>274,265</u>	<u>750,256</u>
Changes in fund balances	<u>882,363</u>	<u>1,054,837</u>	
Fund balances (deficits), beginning of year	(11,363)	(2,965,577)	
Fund balances (deficits), end of year	<u>\$ 871,000</u>	<u>\$ (1,910,740)</u>	<u>\$</u>

The notes to the basic financial statements are an integral part of this statement.

<u>Capital Projects</u>	<u>2008 Revenue Bond Capital Projects</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$	\$	\$	\$
		97,041	763,557
973,934			5,797,532
64,359		176,222	999,758
			1,610,194
			462,429
		29,328	143,901
			145,308
	1,904		213,819
			153,279
			214,454
<u>1,038,293</u>	<u>1,904</u>	<u>302,591</u>	<u>10,504,231</u>
		55,475	1,844,983
		36,360	2,693,091
			460,946
			1,406,915
1,771,629		524,070	2,661,112
		50,459	660,459
		5,471	145,727
<u>1,771,629</u>		<u>671,835</u>	<u>9,873,233</u>
<u>(733,336)</u>	<u>1,904</u>	<u>(369,244)</u>	<u>630,998</u>
691,210			1,738,443
	(988,187)		(1,829,894)
<u>691,210</u>	<u>(988,187)</u>		<u>(91,451)</u>
<u>(42,126)</u>	<u>(986,283)</u>	<u>(369,244)</u>	<u>539,547</u>
164,852	1,596,745	583,054	(632,289)
<u>\$ 122,726</u>	<u>\$ 610,462</u>	<u>\$ 213,810</u>	<u>\$ (92,742)</u>

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**STATE OF NEW MEXICO
TOWN OF BERNALILLO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2013**

Net changes in fund balances - total governmental funds **\$ 539,547**

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

Governmental funds report the portion of capital outlay for capitalized assets as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense.

Expenditures for capitalized assets	\$ 117,430	
Less current year depreciation	<u>(466,271)</u>	(348,841)

Repayments of long-term debt principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Loan retirement	50,459	
Revenue bond retirement	<u>610,000</u>	660,459

Some revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	49,690
---	--------

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 governmental funds.

Amortization of deferred bond items	(11,685)	
Accrued interest	2,033	
Compensated absences	<u>49,630</u>	<u>39,978</u>

Change in net position in governmental activities **\$ 940,833**

The notes to the basic financial statements are an integral part of this statement.

**STATE OF NEW MEXICO
TOWN OF BERNALILLO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL
YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts		Non-GAAP	Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property taxes	\$ 578,600	\$ 745,637	\$ 763,557	\$ 17,920
Municipal and state shared taxes	5,245,762	5,137,696	5,381,189	243,493
Federal grants and aid			25824	25,824
State grants and aid	218,716	209,446	196,532	(12,914)
Charges for services	210,263	247,799	220,073	(27,726)
Licenses and permits	122,081	106,511	143,901	37,390
Fines and forfeits	170,764	162,091	115,980	(46,111)
Franchise fees	180,000	213,819	213,819	
Investment income	230,000	151,357	151,375	18
Other revenues	365,059	232,321	213,939	(18,382)
Total revenues	<u>7,321,245</u>	<u>7,206,677</u>	<u>7,426,189</u>	<u>219,512</u>
Expenditures:				
Current -				
General government	1,777,476	1,711,356	1,690,331	21,025
Public safety	2,760,350	2,760,721	2,656,731	103,990
Public works	127,000	127,000	126,692	308
Culture and recreation	997,776	683,646	605,977	77,669
Capital outlay	230,000	230,000	228,763	1,237
Total expenditures	<u>5,892,602</u>	<u>5,512,723</u>	<u>5,308,494</u>	<u>204,229</u>
Excess (deficiency) of revenues over expenditures	<u>1,428,643</u>	<u>1,693,954</u>	<u>2,117,695</u>	<u>423,741</u>
Other financing sources (uses):				
Transfers in	26,282	26,282		(26,282)
Transfers out	(1,295,474)	(1,763,241)	(841,707)	921,534
Total other financing sources (uses):	<u>(1,269,192)</u>	<u>(1,736,959)</u>	<u>(841,707)</u>	<u>895,252</u>
Changes in fund balances - budgetary basis	<u>159,451</u>	<u>(43,005)</u>	<u>1,275,988</u>	<u>1,318,993</u>
Fund balances, beginning of year	<u>2,439,708</u>	<u>2,439,708</u>		
Fund balances, end of year	<u>\$ 2,599,159</u>	<u>\$ 2,396,703</u>		
Reconciliation to change in fund balance - GAAP-basis:				
Funds budgeted separately from the General Fund			(393,625)	
Change in fund balance - GAAP-basis			<u>\$ 882,363</u>	

The notes to the basic financial statements are an integral part of this statement.

**STATE OF NEW MEXICO
TOWN OF BERNALILLO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GAS TAX
YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal and state shared taxes	\$ 297,606	\$ 330,636	\$ 319,302	\$ (11,334)
State grants and aid	1,920,889	2,136,124	931,196	(1,204,928)
Total revenues	<u>2,218,495</u>	<u>2,466,760</u>	<u>1,250,498</u>	<u>(1,216,262)</u>
Expenditures:				
Current -				
Public works	2,007,357	1,317,508	334,254	983,254
Capital outlay			135,672	(135,672)
Total expenditures	<u>2,007,357</u>	<u>1,317,508</u>	<u>469,926</u>	<u>847,582</u>
Excess (deficiency) of revenues over expenditures	<u>211,138</u>	<u>1,149,252</u>	<u>780,572</u>	<u>(368,680)</u>
Other financing sources (uses):				
Transfers in	152,394	426,659	274,265	(152,394)
Total other financing sources (uses)	<u>152,394</u>	<u>426,659</u>	<u>274,265</u>	<u>(152,394)</u>
Changes in fund balances	<u>363,532</u>	<u>1,575,911</u>	<u>1,054,837</u>	<u>(521,074)</u>
Fund balances (deficits), beginning of year	(363,532)	(363,532)	(2,965,577)	(2,602,045)
Fund balances (deficits), end of year	<u>\$</u>	<u>\$ 1,212,379</u>	<u>\$ (1,910,740)</u>	<u>\$ (3,123,119)</u>

The notes to the basic financial statements are an integral part of this statement.

**STATE OF NEW MEXICO
TOWN OF BERNALILLO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2013**

	Enterprise Funds		
	Water and Sewer Utility	Housing Assistance	Non-Major Enterprise Funds
<u>ASSETS</u>			
Current assets:			
Cash and cash equivalents	\$	\$	\$
Investments	2,049,845	113,572	61,698
Accounts receivable		15,380	
Due from state government	22,524		
Prepaid items		8,288	
Inventory		3,950	
Total current assets	<u>2,072,369</u>	<u>141,190</u>	<u>61,698</u>
Noncurrent assets:			
Deferred bond issuance costs	232,330		
Land	377,428	32,000	
Infrastructure	17,437,634		
Buildings and improvements	87,742	4,539,881	
Vehicles, furniture and equipment	628,993	109,478	11,204
Construction in progress		33,321	
Accumulated depreciation	<u>(2,635,375)</u>	<u>(2,874,510)</u>	<u>(10,736)</u>
Total noncurrent assets	<u>16,128,752</u>	<u>1,840,170</u>	<u>468</u>
Total assets	<u>18,201,121</u>	<u>1,981,360</u>	<u>62,166</u>
<u>LIABILITIES</u>			
Current liabilities:			
Overdraft of cash on deposit	3,200,524		
Accounts payable	54,029	30,117	
Accrued payroll	15,987	4,869	1,142
Accrued interest payable	45,790		
Compensated absences payable	8,236	637	
Customer deposits	14,877	6,925	
Loans payable	217,768		
Bonds payable	690,212		
Total current liabilities	<u>4,247,423</u>	<u>42,548</u>	<u>1,142</u>
Noncurrent liabilities:			
Non-current portion of long-term obligations	10,879,745	3,185	
Total noncurrent liabilities	<u>10,879,745</u>	<u>3,185</u>	
Total liabilities	<u>15,127,168</u>	<u>45,733</u>	<u>1,142</u>
<u>NET POSITION</u>			
Net investment in capital assets	5,296,553	1,840,170	468
Unrestricted	<u>(2,222,600)</u>	<u>95,457</u>	<u>60,556</u>
Total net position	<u>\$ 3,073,953</u>	<u>\$ 1,935,627</u>	<u>\$ 61,024</u>

The notes to the basic financial statements are an integral part of this statement.

Enterprise Funds

Totals

\$	175,270
	2,049,845
	15,380
	22,524
	8,288
	3,950
	<u>2,275,257</u>

	232,330
	409,428
	17,437,634
	4,627,623
	749,675
	33,321
	<u>(5,520,621)</u>

	<u>17,969,390</u>
	<u>20,244,647</u>

	3,200,524
	84,146
	21,998
	45,790
	8,873
	21,802
	217,768
	690,212
	<u>4,291,113</u>

	<u>10,882,930</u>
	<u>10,882,930</u>
	<u>15,174,043</u>

	7,137,191
	<u>(2,066,587)</u>
\$	<u><u>5,070,604</u></u>

**STATE OF NEW MEXICO
TOWN OF BERNALILLO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013**

	Enterprise Funds		
	Water and Sewer Utility	Housing Assistance	Non-Major Enterprise Funds
Operating revenues:			
Charges for services	\$ 2,985,135	\$ 176,282	\$ 114,283
Total operating revenues	<u>2,985,135</u>	<u>176,282</u>	<u>114,283</u>
Operating expenses:			
Salaries and benefits	622,438	111,319	66,945
Supplies and services	1,544,082	223,500	43,653
Depreciation	151,910	63,964	1,400
Total operating expenses	<u>2,318,430</u>	<u>398,783</u>	<u>111,998</u>
Operating income (loss)	<u>666,705</u>	<u>(222,501)</u>	<u>2,285</u>
Nonoperating revenues (expenses):			
Municipal and state shared taxes	120,095		
Federal grants and aid		330,418	
Other revenues	1,475	2,083	
Interest and fees	(543,701)		
Total nonoperating revenues (expenses)	<u>(422,131)</u>	<u>332,501</u>	
Income (loss) before transfers	<u>244,574</u>	<u>110,000</u>	<u>2,285</u>
Transfers in	103,651		
Transfers out	<u>(12,200)</u>		
Changes in net position	<u>336,025</u>	<u>110,000</u>	<u>2,285</u>
Total net position, beginning of year	3,605,043	1,997,205	58,739
Total net position, restatement	<u>(867,115)</u>	<u>(171,578)</u>	
Total net position, beginning of year, as restated	<u>2,737,928</u>	<u>1,825,627</u>	<u>58,739</u>
Total net position, end of year	<u>\$ 3,073,953</u>	<u>\$ 1,935,627</u>	<u>\$ 61,024</u>

The notes to the basic financial statements are an integral part of this statement.

Enterprise Funds

Totals

\$ 3,275,700
3,275,700

800,702
1,811,235
217,274
2,829,211

446,489

120,095
330,418
3,558
(543,701)
(89,630)

356,859

103,651
(12,200)

448,310

5,660,987
(1,038,693)
4,622,294

\$ 5,070,604

**STATE OF NEW MEXICO
TOWN OF BERNALILLO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2013**

	Enterprise Funds			
	Water and Sewer Utility	Housing Assistance	Non-Major Enterprise Funds	Totals
<u>Increase (Decrease) In Cash and Cash Equivalents</u>				
Cash flows from operating activities:				
Cash received from customers	\$ 2,992,881	\$ 183,269	\$ 114,283	\$ 3,290,433
Cash payments to suppliers for goods and services	(1,537,769)	(235,639)	(43,653)	(1,817,061)
Cash payments to employees for services	(617,554)	(111,319)	(72,252)	(801,125)
Net cash provided by (used for) operating activities	837,558	(163,689)	(1,622)	672,247
Cash flows from noncapital and related financing activities:				
Intergovernmental revenues	117,256	330,418		447,674
Miscellaneous revenues		2,083		2,083
Overdrafts of cash deposits	1,563,311			1,563,311
Interfund borrowing	91,451			91,451
Net cash provided by (used for) noncapital financing activities	1,772,018	332,501		2,104,519
Cash flows from capital and related financing activities:				
Principal paid on bonds and loans	(873,041)			(873,041)
Interest paid on bonds and loans	(517,016)			(517,016)
Acquisition and construction of capital assets		(108,716)		(108,716)
Net cash used for capital and related financing activities	(1,390,057)	(108,716)		(1,498,773)
Cash flows from investing activities:				
Interest on investments	1,475			1,475
Net cash provided by investing activities	1,475			1,475
Net increase (decrease) in cash and cash equivalents	1,220,994	60,096	(1,622)	1,279,468
Cash and cash equivalents, beginning of year	828,851	53,476	63,320	945,647
Cash and cash equivalents, end of year	\$ 2,049,845	\$ 113,572	\$ 61,698	\$ 2,225,115
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</u>				
Operating income (loss)	\$ 666,705	\$ (222,501)	\$ 2,285	\$ 446,489
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	151,910	63,964	1,400	217,274
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable		6,737		6,737
(Increase) decrease in prepaid items		(5,830)		(5,830)
(Increase) decrease in inventory		200		200
Increase (decrease) in accounts payable	6,313	(6,509)		(196)
Increase (decrease) in accrued payroll and employee benefits	805		(584)	221
Increase (decrease) in compensated absences payable	4,079		(4,723)	(644)
Increase (decrease) in deposits	7,746	250		7,996
Total adjustments	170,853	58,812	(3,907)	225,758
Net cash provided by (used for) operating activities	\$ 837,558	\$ (163,689)	\$ (1,622)	\$ 672,247

The notes to the basic financial statements are an integral part of this statement.

**STATE OF NEW MEXICO
TOWN OF BERNALILLO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Bernalillo (Town) was incorporated under the provisions of Article 16, Chapter 75 of the New Mexico Statutes of 1915, codification and amendments thereto. The Town operates under an elected Mayor-Council form of government.

The financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

During the year ended June 30, 2013, the Town implemented the provisions of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB Statement No. 63 establishes reporting guidance for certain elements of the financial statements which are distinct from assets and liabilities.

The Town's significant accounting policies are described below.

A. Reporting Entity

The Town's major operations include police and fire protection, library, parks and recreation, certain community and social services and general administrative services. In addition, the Town operates three enterprise funds, which include a Water and Sewer Utility Fund, a Housing Assistance Fund, and a Campground Fund.

The financial reporting entity consists of a primary government and its component units. The Town is a primary government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Furthermore, there are no component units combined with the Town for financial statement presentation purposes, and the Town is not included in any other governmental reporting entity. Consequently, the Town's financial statements include only the financial activity of those organizational entities for which its elected governing body is financially accountable.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information about the Town as a whole. The reported information includes all of the nonfiduciary activities of the Town. For the most part, the effect of internal activity has been removed from these statements. These statements distinguish between governmental and business-type activities of the Town. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

**STATE OF NEW MEXICO
TOWN OF BERNALILLO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments 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, investment income and other items not included among program revenues, but are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide Financial Statements – 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 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 grantor or provider have been met. As a general rule the effect of internal activity has been eliminated from the government-wide financial statements, however the effect of interfund services provided and used between functions are reported as expenses and program revenues at amounts approximating their exchange value. The Town does not allocate indirect expenses to functions in the statement of activities.

Fund Financial Statements – 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 Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. In addition, derived tax revenues, such as gross receipts and gasoline taxes, are recognized as revenues when the underlying exchange transaction has occurred. 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
TOWN OF BERNALILLO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Property taxes, gross receipts taxes, state shared taxes, franchise fees, charges for services, and investment income 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. Miscellaneous revenue is not susceptible to accrual because generally they are not measurable until received.

Grants and similar awards are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. Deferred revenue also arise when resources are received by the Town before it has legal claim to them, as when grant monies are received prior to meeting all eligibility requirements imposed by the provider.

Property taxes recognized are net of estimated refunds and uncollectible amounts. Delinquent property taxes have been recorded as deferred revenue. Delinquent property taxes and other receivables that will not be collected within the available period have been reported as deferred revenue on the governmental fund financial statements.

The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

The Town reports the following major governmental funds.

General Fund – This fund accounts for all financial resources of the Town, except those required to be accounted for in other funds. The General Fund includes the Town's Ambulance, Community Development, and Motor Vehicle Division Funds. These funds are maintained as separate funds for accounting and budgetary purposes but do not meet the criteria for separate reporting in the financial statements.

Gas Tax Fund – This fund accounts for funds used for construction and maintenance of streets and bridges and is provided by a one (1) cent per gallon tax on gasoline purchased in the community as authorized by Section 7-24A, NMSA 1978.

2008 Revenue Bond Debt Service Fund – This fund accounts for the debt service payments related to the 2008 Revenue Bond.

Capital Projects Fund – This fund accounts for various capital projects in progress by the Town.

2008 Revenue Bond Capital Projects Fund – This fund accounts for the proceeds and capital expenditures related to projects funded by the 2008 Revenue Bond issuance.

**STATE OF NEW MEXICO
TOWN OF BERNALILLO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

The Town reports the following major proprietary funds.

Water and Sewer Utility Fund – This enterprise fund is used to account for all operations of the water and wastewater systems.

Housing Assistance Fund – This enterprise fund is used to account for all low-rent housing operations of the Town.

The Town also reports one non-major proprietary fund, the Campground Fund. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

The principal operating revenues of the Town's enterprise funds are charges to customers for water and wastewater services. Operating expenses for this fund include production costs, administrative expenses and depreciation. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Cash and Investments

For purposes of the Statement of Cash Flows, the Town considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents at year-end were cash in bank and investments held by the Town.

New Mexico Statutes Annotated (NMSA) authorizes the Town to invest public monies in the State Treasurer's Local Government Investment Pool, interest-bearing savings accounts, certificates of deposit, and repurchase agreements in eligible depositories; bonds or other obligations of the U.S. government that are guaranteed as to principal and interest by the U.S. government; and bonds of the State of New Mexico, counties, cities, towns, school districts, and special districts as specified by statute.

A significant portion of the cash and investments of funds of the Town is pooled for investment purposes. The balance reported for each participating fund as "Cash and Investments" represents the equity of that fund in the pooled cash and investments. Interest earnings on pooled investments are allocated to the participating funds based on average daily balances.

Nonparticipating interest-earning investment contracts are stated at cost. Money market investments and participating interest investment contracts with a remaining maturity of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Investment income is composed of interest and net changes in the fair value of applicable investments.

**STATE OF NEW MEXICO
TOWN OF BERNALILLO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

E. Investment Income

Investment income is composed of interest, dividends, and net changes in the fair value of applicable investments. Investment income is included in other local revenue in the governmental fund financial statements and in nonoperating revenues in the proprietary fund financial statements.

F. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Interfund balances between governmental funds are eliminated on the Statement of Net Position. All trade receivables are shown net of allowance for uncollectibles.

G. Inventory

All inventories are valued at cost using the weighted average method. Inventories consist of expendable supplies held for consumption. Inventories are recorded as expenses when consumed on the government-wide financial statements and as expenditures when purchased on the fund financial statements.

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items are recorded as expenses when consumed in the government-wide financial statements and as expenditures when purchased in the fund financial statements.

I. Capital Assets

Capital assets, which include land and improvements, buildings and improvements, vehicles, furniture, equipment, construction in progress, 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. The Town defines capital assets as assets with an initial, individual cost of \$5,000 or more (per Section 12-6-10 NMSA 1978) and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Software is

**STATE OF NEW MEXICO
TOWN OF BERNALILLO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

capitalized when acquired while library books are not capitalized because the aggregated cost of books is considered immaterial. Donated capital assets are recorded at estimated fair market value at the date of donation. General government infrastructure assets acquired prior to July 1, 2006, consist of road network assets that were acquired or that received substantial improvements subsequent. These infrastructure assets are reported at estimated historical cost using deflated replacement cost.

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. Certain capital assets of the Town are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Infrastructure	25
Buildings and improvements	40
Improvements other than buildings	40
Vehicles, furniture and equipment	3-10

J. Compensated Absences

The Town's employee vacation and sick leave policies generally provide for granting vacation and sick leave with pay. Vacation benefits vest immediately at the employee's current rate of pay, but payouts are capped at 240 hours. Sick leave benefits may be converted to vacation leave at specified rates; however, the sick leave benefits do not vest. The current and long-term liabilities for accumulated vacation leave are reported on the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee leave, resignations and retirements. Resources from the General Fund are typically used to pay for compensated absences.

K. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net position. Bond premiums and discounts, as well as issuance costs, and the difference between the reacquisition price and the net carrying amount of the old debt, are deferred and amortized over the life of the bonds using the straight line method over the term of the related debt.

**STATE OF NEW MEXICO
TOWN OF BERNALILLO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

L. Property Tax Calendar

Property taxes attach as a lien on property as of January 1. Taxes are levied each year on July 1 on the taxable valuation of property located within the Town as of the preceding January 1. The taxable valuation for the various classes of property are determined by the Sandoval County Assessor and the State of New Mexico Department of Finance and Administration (DFA), Local Government Division at one-third of assessed valuation. Property taxes are payable in two equal installments due on November 10 of the current year and April 10 of the following year and become delinquent after 30 days.

M. Interfund Activity

Flows of cash from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers between governmental funds are eliminated in the Statement of Activities. Interfund transfers in the fund statements are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds.

N. Net Position Flow Assumption

In the government-wide and proprietary fund financial statements the Town applies restricted resources first when outlays are incurred for purposes for which either restricted or unrestricted amounts are available.

O. Budgets

The General, Special Revenue, and Proprietary Fund budgets are subject to approval by the New Mexico Department of Finance and Administration (DFA), Local Government Division. During the month of May, public hearings are conducted to obtain taxpayer comments. Prior to June 1, the Town submits to the DFA a proposed operating budget for the fiscal year commencing the following July 1. The budget is prepared by fund and function and includes proposed expenditures, which include carryover encumbrances and accounts payable, and the means of financing them. Prior to July 1, DFA grants interim approval for the Town to operate on the proposed budget subject to adjustments and/or revisions prior to final

**STATE OF NEW MEXICO
TOWN OF BERNALILLO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concl'd)

subsequent approval before the first Monday in September. Such approval is contingent upon the Town Council adopting the proposed budget in accordance with applicable state statutes, and sufficient funds being available for anticipated fiscal year expenditures. Prior to July 31, the Town Council adopts by resolution a formal budget and such budget is presented to DFA for final approval.

Section 6-6-6, NMSA, 1978 Compilation prohibits municipalities from making expenditures in excess of the approved budget. For these purposes the legal level of budgetary control is at the fund level.

The adopted budget of the Town is prepared on a basis consistent with accounting principles generally accepted in the United States of America.

P. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2 – FUND BALANCE CLASSIFICATIONS

Fund balances of the governmental funds are reported separately within classifications based on a hierarchy of the constraints placed on the use of those resources. The classifications are based on the relative strength of the constraints that control how the specific amounts can be spent. The classifications are nonspendable, restricted, and unrestricted, which includes committed, assigned, and unassigned fund balance classifications.

Nonspendable. The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact.

Restricted. Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation.

Committed. The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action of the Town Council. Those committed amounts cannot be used for any other purpose unless the Town Council removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

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NOTE 2 – FUND BALANCE CLASSIFICATIONS (Concl'd)

Assigned. Amounts in the assigned fund balance classification are intended to be used by the Town for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Town Council or a management official delegated that authority by the formal Town Council action.

Unassigned. Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The Town applies restricted resources first when outlays are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

The table below provides detail of the major components of the Town's fund balance classifications at year end.

	General Fund	Gas Tax Fund	Capital Projects Fund	2008 Revenue Bond Capital Projects Fund	Non-Major Governmental Funds	Total
Fund Balances:						
Restricted:						
Capital projects	\$	\$	\$ 122,726	\$ 610,462	\$	\$ 733,188
Public safety					265,543	265,543
Tourism					105,105	105,105
Recreation					138,504	138,504
Unassigned	871,000	(1,910,740)			(295,342)	(1,335,082)
Total fund balances	<u>\$ 871,000</u>	<u>\$ (1,910,740)</u>	<u>\$ 122,726</u>	<u>\$ 610,462</u>	<u>\$ 213,810</u>	<u>\$ (92,742)</u>

**STATE OF NEW MEXICO
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NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Individual Deficit Fund Balances – At year end, the following individual major and non-major funds reported deficits in fund balance.

	<u>Deficit</u>
Major Funds:	
Gas Tax	\$ 1,910,740
Non-Major Governmental Funds:	
Law Enforcement	20,375
Rescue	274,967

The deficits arose because of operations during the year and prior years. The deficits are expected to be eliminated in fiscal year 2014 when the Town investigates and corrects the accumulation of prior year errors in the general ledger.

Excess Expenditures Over Appropriations – For the current fiscal year, expenses exceeded appropriations in the following fund:

	<u>Budget</u>	<u>Expenditures</u>	<u>Excess</u>
Proprietary Fund:			
Housing Assistance	\$	\$ 334,819	\$ (334,819)

NOTE 4 – CASH AND INVESTMENTS

At year end, the carrying amount of the Town's deposits was \$1,441,445 and the bank balance was \$4,666,141. The difference represents outstanding checks, deposits, and other reconciling items.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned. The Town does not have a specific deposit policy for custodial credit risk; however, under New Mexico law, all deposits with financial institutions must be collateralized in an amount not less than 50% of the uninsured balance.

The Town's agreement with its sole depository requires pledged collateral of 102% of the public money in each account. No security is required for the deposit of public money that is insured by the Federal Deposit Insurance Corporation (FDIC). As of year end, \$632,474 of the Town's deposits were covered by Federal depository insurance and \$4,033,667 of the Town's bank balance was exposed to custodial credit risk as uninsured and collateralized with a letter of credit issued by a federal home loan bank.

**STATE OF NEW MEXICO
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NOTE 4 – CASH AND INVESTMENTS (Concl'd)

The collateral at year end consists of the following.

Deposits	\$ 4,666,141
Less FDIC	(632,474)
Total unsecured public funds	4,033,667
50% collateral requirement	2,016,834
Letter of credit issued by a federal home loan bank	6,000,000
Collateral in excess of requirement	<u>\$ 3,983,166</u>

At year end the Town's investments consisted of the following.

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	10+
Money market – U.S. Treasuries	\$ 88,970	\$ 88,970	\$	\$	\$
NMFA pooled debt service accounts	1,315,602	1,315,602			
U.S. Treasuries	212,853	34,022	94,289	84,542	
U.S. Agencies:					
Federal Home Loan Mortgage Corporation	51,054		13,912		37,142
Federal National Mortgage Association	381,366		21,262	24,970	335,134
Total	<u>\$ 2,049,845</u>	<u>\$ 1,438,594</u>	<u>\$ 129,463</u>	<u>\$ 109,512</u>	<u>\$ 372,276</u>

Interest Rate Risk. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. The Town has no investment policy that would further limit its investment choices. All of the Town's investments in U.S. Agencies in the preceding table were rated Aaa-mf by Moody's Investors Service and AAAm by Standard & Poor's.

Custodial Credit Risk – Investments. To control custody risk State law and the Town adopted Investment Policy requires all securities and all collateral for time and demand deposits as well as repurchase agreement collateral be transferred delivery versus payment and held by an independent party required to provide original safekeeping receipts. Repurchase agreements and deposits must be collateralized to 102% and 100% respectively.

Concentration of Credit Risk. The Town places no limit on the amount the Town may invest in any one issuer. More than 5 percent of the Town's investments are in Federal National Mortgage Association, which represents 19% of the Town's total investments.

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NOTE 5 – RECEIVABLES

Receivable balances, net of allowance for uncollectibles, have been disaggregated by type and presented separately in the financial statements. Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the General Fund, a major fund, reported \$49,690 in deferred revenues related to delinquent property taxes earned but unavailable at year end.

NOTE 6 – CAPITAL ASSETS

A summary of capital asset activity for the current fiscal year follows.

Governmental Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 260,810	\$	\$	\$ 260,810
Total capital assets, not being depreciated	260,810			260,810
Capital assets, being depreciated:				
Infrastructure	10,435,769			10,435,769
Buildings and improvements	4,189,196			4,189,196
Improvements other than buildings	1,038,278			1,038,278
Vehicles, furniture and equipment	3,310,301	117,430		3,427,731
Total capital assets being depreciated	18,973,544	117,430		19,090,974
Less accumulated depreciation for:				
Infrastructure	(3,392,396)	(148,693)		(3,541,089)
Buildings and improvements	(1,455,831)	(83,783)		(1,539,614)
Improvements other than buildings	(198,806)	(20,893)		(219,699)
Vehicles, furniture and equipment	(2,508,781)	(212,902)		(2,721,683)
Total accumulated depreciation	(7,555,814)	(466,271)		(8,022,085)
Total capital assets, being depreciated, net	11,417,730	(348,841)		11,068,889
Governmental activities capital assets, net	\$ 11,678,540	\$ (348,841)	\$	\$ 11,329,699

Depreciation expense was charged to functions/programs as follows.

Governmental Activities:	
General government	\$ 248,741
Public safety	154,191
Culture and recreation	63,339
Total depreciation expense – governmental activities	<u>\$ 466,271</u>

**STATE OF NEW MEXICO
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NOTE 6 – CAPITAL ASSETS (Concl'd)

<u>Business-type Activities</u>	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 409,428	\$	\$	\$ 409,428
Construction in process	33,321			33,321
Total capital assets, not being depreciated	<u>442,749</u>			<u>442,749</u>
Capital assets, being depreciated:				
Infrastructure	17,437,634			17,437,634
Buildings and improvements	4,537,561	90,062		4,627,623
Vehicles, furniture and equipment	731,021	18,654		749,675
Total capital assets being depreciated	<u>22,706,216</u>	<u>108,716</u>		<u>22,814,932</u>
Less accumulated depreciation for:				
Infrastructure	(1,981,808)	(106,305)		(2,088,113)
Buildings and improvements	(2,786,211)	(60,190)		(2,846,401)
Vehicles, furniture and equipment	(535,328)	(50,779)		(586,107)
Total accumulated depreciation	<u>(5,303,347)</u>	<u>(217,274)</u>		<u>(5,520,621)</u>
Total capital assets, being depreciated, net	<u>17,402,869</u>	<u>(108,558)</u>		<u>17,294,311</u>
Governmental activities capital assets, net	<u>\$ 17,845,618</u>	<u>\$ (108,558)</u>	<u>\$</u>	<u>\$ 17,737,060</u>

Depreciation expense was charged to functions/programs as follows.

Business-Type Activities:	
Water and sewer utility	\$ 151,910
Housing assistance	63,964
Campground	<u>1,400</u>
Total depreciation expense – business-type activities	<u>\$ 217,274</u>

**STATE OF NEW MEXICO
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 7 – LOANS PAYABLE

The Town has received loans for the purchase of fire trucks and to refinance a previous loan, for the design and construction of an arsenic removal system, and for various purchases of land. The fire trucks and refinancing loan will be repaid by the Fire Fund. The business-type loans will be repaid by the Water and Sewer Utility Fund. The loans payable at year-end are presented below.

Purpose	Interest Rates (Including Fees)	Remaining Maturities	Outstanding Principal June 30, 2013	Due Within One Year
Governmental activities:				
Fire Trucks and Refinancing	2.23%	5/1/14-22	\$ 438,507	\$ 50,717
Total			<u>\$ 438,507</u>	<u>\$ 50,717</u>
Business-type activities:				
San Juan-Chama Project	3.05%	9/1/13-22	\$ 101,462	\$ 8,831
Arsenic Removal Loan	3.88%	6/1/14-27	2,727,768	150,994
Land Purchase Loan	3.88%	5/1/14-27	291,870	16,156
Water Infrastructure Land Purchase Loan	4.21%	5/1/14-28	826,593	41,787
Total			<u>\$ 3,947,693</u>	<u>\$ 217,768</u>

Principal and interest payments on the governmental and business-type activities loans payable at year end are summarized as follows.

		Governmental Activities	
Year ending June 30:		Principal	Interest
	2014	\$ 50,717	\$ 5,720
	2015	50,915	5,494
	2016	51,162	5,166
	2017	51,488	4,846
	2018	52,045	4,302
	2019-22	182,180	9,654
Total		<u>\$ 438,507</u>	<u>\$ 35,182</u>
		Business-type Activities	
Year ending June 30:		Principal	Interest
	2014	\$ 217,768	\$ 154,629
	2015	225,579	146,832
	2016	233,779	138,648
	2017	242,408	130,037
	2018	251,471	120,990
	2019-23	1,410,113	452,501
	2024-28	1,366,575	152,532
Total		<u>\$ 3,947,693</u>	<u>\$ 1,296,169</u>

**STATE OF NEW MEXICO
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NOTE 8 – BONDS PAYABLE

Revenue bonds are issued and authorized by the governing body to provide funds to acquire and construct certain improvements for the Town and to pay the costs incurred in connection with the issuance of the bonds. The governmental activity revenue bonds are secured by a pledge of state-shared gross receipts taxes and the business-type activity revenue and refunding bonds are secured by a pledge of revenues from the water and sewer utility systems. Neither the governmental nor the business-type activity revenue and refunding bonds constitute a general obligation of the Town backed by the general taxing authority.

The governmental activity revenue bonds will be repaid by the 2008 Revenue Bond Debt Service Fund and the business-type activity revenue and refunding bonds will be repaid by the Water and Sewer Utility Fund.

Intra-entity Debt Holding. The Town has purchased and holds \$1,504,710 of its own State-Shared Gross Receipts Tax Revenue Bonds, Series 2008. Certain IRS notices have provided certain temporary rules that allowed state and local governmental issuers to purchase and hold their own tax-exempt bonds for temporary holding periods without resulting in a retirement of the purchased tax-exempt bonds. The Town intends to use future project reimbursements from the U.S. Army Corp of Engineers to retire the bonds upon receipt of the funds. Bond counsel of the Town performed due diligence procedures on the bond purchase; however, the financial statement and/or tax-exempt status implications, if any, of the Town holding its own bonds has not been fully evaluated by management.

Governmental and business-type activity revenue bonds outstanding at year end were as follows.

<u>Purpose</u>	<u>Original Amount Issued</u>	<u>Interest Rates</u>	<u>Remaining Maturities</u>	<u>Outstanding Principal June 30, 2013</u>	<u>Due Within One Year</u>
Governmental activities:					
Revenue Bonds, 2008	\$ 8,125,000	4.25-4.95%	6/1/14-21	\$ 2,390,000	\$
Total				<u>\$ 2,390,000</u>	<u>\$</u>
Business-type activities:					
Refunding Revenue					
Bonds, 2005	\$ 2,938,111	4.07%	6/1/14-15	\$ 680,325	\$ 340,212
Revenue Bonds, 2006	8,775,000	4.00-4.25%	6/1/14-28	7,135,000	350,000
Total				<u>\$ 7,815,325</u>	<u>\$ 690,212</u>

**STATE OF NEW MEXICO
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NOTE 8 – BONDS PAYABLE (Concl'd)

Annual debt service requirements to maturity on revenue and refunding bonds for governmental and business-type activities at year end are summarized as follows.

		Governmental Activities	
Year ending June 30:		Principal	Interest
	2014	\$	\$ 115,856
	2015		115,856
	2016		115,856
	2017		115,856
	2018	350,000	115,856
	2019-21	2,040,000	302,940
Total		<u>\$ 2,390,000</u>	<u>\$ 882,220</u>

		Business-type Activities	
Year ending June 30:		Principal	Interest
	2014	\$ 690,212	\$ 327,386
	2015	705,113	298,662
	2016	380,000	269,308
	2017	395,000	253,158
	2018	415,000	236,370
	2019-23	2,350,000	902,412
	2024-28	2,880,000	371,282
Total		<u>\$ 7,815,325</u>	<u>\$ 2,658,578</u>

Pledged revenues – governmental activities. The Town has pledged future state-shared gross receipts tax revenues to repay outstanding revenue bonds of \$2.4 million as of June 30, 2013. Proceeds from the original bond issuance provided financing for capital improvement projects. The bonds are paid solely from the Town's gross receipts tax and are payable through 2021. Total annual principal and interest payments for all gross receipts tax revenue bonds are expected to require less than 20% of gross revenues. Total principal and interest to be paid on the bonds is \$3.3 million. The current total gross receipts tax revenues were \$5.3 million and the total principal and interest paid on the bonds was \$750,256, or 14% of gross revenues.

**STATE OF NEW MEXICO
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NOTE 9 – CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the current fiscal year was as follows.

	Beginning Balance (as restated)	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Loans payable	\$ 488,966	\$	\$ 50,459	\$ 438,507	\$ 50,717
Revenue bonds payable	3,000,000		610,000	2,390,000	
Compensated absences	231,361		49,630	181,731	90,866
Total	<u>\$ 3,720,327</u>	<u>\$</u>	<u>\$ 710,089</u>	<u>\$ 3,010,238</u>	<u>\$ 141,583</u>
Business-type Activities:					
Loans payable	\$ 4,158,020	\$	\$ 210,327	\$ 3,947,693	\$ 217,768
Revenue bonds payable	8,478,039		662,714	7,815,325	690,212
Compensated absences	41,475	4,079	8,789	36,765	8,873
Total	<u>\$ 12,677,534</u>	<u>\$ 4,079</u>	<u>\$ 881,830</u>	<u>\$ 11,799,783</u>	<u>\$ 916,853</u>

NOTE 10 – INTERFUND TRANSFERS

At year end, interfund transfers were as follows.

	Transfers in					
Transfers out	General Fund	Gas Tax Fund	2008 Revenue Bond Debt Service Fund	Capital Projects Fund	Water and Sewer Utility Fund	Total
General Fund	\$	\$	\$ 738,056	\$	\$ 103,651	\$ 841,707
2008 Revenue Bond Capital Projects Fund	22,712	274,265		691,210		988,187
Water and Sewer Utility Fund			12,200			12,200
Total	<u>\$ 22,712</u>	<u>\$ 274,265</u>	<u>\$ 750,256</u>	<u>\$ 691,210</u>	<u>\$ 103,651</u>	<u>\$ 1,842,094</u>

Transfers between funds were used 1) to move funds to the 2008 Revenue Bond Debt Service Fund and the Water and Sewer Utility Fund for debt payments and 2) to move bond proceeds from the 2008 Revenue Bond Capital Projects fund to reimburse project expenditures incurred in other funds.

**STATE OF NEW MEXICO
TOWN OF BERNALILLO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 11 – PRIOR PERIOD ADJUSTMENT AND OTHER RESTATEMENT

The July 1, 2012, government-wide net position for business-type activities and the net position for the Water and Sewer Utility Fund do not agree to the prior year financial statements due to a correction of an error. The Town did not properly recognize all outstanding loans issued in previous years.

Additionally, the July 1, 2012, government-wide net position for business-type activities and the net position for the Housing Assistance Fund Fund do not agree to the prior year financial statements due the transfer of the Housing Choice Voucher Program (CFDA #14.871). This program was effectively transferred to the Santa Fe Civic Housing Authority on July 1, 2012, and is no longer included in the Town's financial statements.

	Statement of Activities	Proprietary Funds	
		Water and Sewer Utility Fund	Housing Assistance Fund
Net position, June 30, 2012, as previously reported	\$ 5,660,987	\$ 3,605,043	\$ 1,997,205
Water infrastructure land purchase loan	(867,115)	(867,115)	
Transfer of housing program	(171,578)		(171,578)
Net position, July 1, 2012, as restated	<u>\$ 4,622,294</u>	<u>\$ 2,737,928</u>	<u>\$ 1,825,627</u>

NOTE 12 – CONTINGENT LIABILITIES

Compliance – Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures/expenses that may be disallowed by the grantor cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

Lawsuits – The Town is a defendant in a number of lawsuits as of June 30, 2013. It is the opinion of management and Town counsel that the amount of losses resulting from these litigations at June 30, 2013, would not be material and are covered by their risk pool and commercial insurances for risks of loss.

**STATE OF NEW MEXICO
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NOTE 13 – RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Therefore, the Town joined the New Mexico Self-Insurers' Fund Risk Pool (Pool), together with other cities and towns in the State. The Pool is a public entity risk pool currently operating as a common risk management and insurance program for member cities and towns. The Town pays an annual premium to the Pool for its general insurance coverage. The agreement provides that the Pool will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of the annual aggregate per policy for general liability, property, and workers' compensation claims. The Town carries commercial insurance for all other risks of loss including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The Town also participates in the New Mexico Self-Insurers' Fund (the "Fund"), which services the City's worker's compensation claims. Through this arrangement, the Town retains risks associated with worker's compensation claims up to \$500,000 per accident.

The Town currently reports all of its risk management activities in its General Fund. The General Fund pays the worker's compensation claims and premiums, which are then reimbursed by the Town's other Funds.

The New Mexico Self-Insurers' Fund (Fund) charges a "premium" to the Town to cover expenses of the Fund (including, but not limited to, reinsurance expenses, claims adjusting, rating, underwriting, safety and loss control, reporting and administration). This "premium" is equal to 20% of the earned normal premium, which is based on a percentage of the Town's current payroll. Additionally, the "premium" charge includes a factor for recent actual claims experience.

NOTE 14 – PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

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

**STATE OF NEW MEXICO
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**NOTE 14 –PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION
(Concl'd)**

Funding Policy. General plan members are required to contribute 6.26% of their gross salary; police and fire are required to contribute 4.94% and 5.12% of their gross salary, respectively. The Town is required to contribute 25.91% for police, 28.93% for fire and 21.04% for all other plan members (ranges from 7.0% to 25.72% depending upon the plan) of the gross covered salary. The contribution requirements of plan members and the Town are established in State statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The Town's contributions to PERA for the years ended 2013, 2012, and 2011, were \$569,940, \$593,617, and \$733,170, respectively, which were equal to the amount of the required contributions for each year.

NOTE 15 – POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTHCARE PLAN

Plan Description. The Town 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.

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**NOTE 13 – POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTHCARE PLAN
(Concl'd)**

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

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

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

The Town's contributions to the RHCA for the years ended June 30, 2013, 2012 and 2011 were \$57,252, \$55,850, and \$75,080, respectively, which equal the required contributions for each year.

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JUNE 30, 2013**

NOTE 16 – SUBSEQUENT EVENT

Effective July 1, 2013, the Town of Bernalillo's Public and Indian Housing Program (CFDA #14.850) and Public Housing Capital Program (CFDA #14.872) were permanently transferred from the Town of Bernalillo to the Santa Fe Civic Housing Authority. The financial statements and compliance related to these programs will no longer be included in the Town's financial statements beginning in fiscal year 2014.

**COMBINING AND INDIVIDUAL
FUND FINANCIAL STATEMENTS
AND SCHEDULES**

**STATE OF NEW MEXICO
TOWN OF BERNALILLO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
2008 REVENUE BOND DEBT SERVICE
YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts <u>Original & Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Expenditures:			
Debt service -			
Principal	\$ 610,000	\$ 610,000	\$
Interest and fees	<u>140,256</u>	<u>140,256</u>	
Total expenditures	<u>750,256</u>	<u>750,256</u>	
Excess (deficiency) of revenues over expenditures	<u>(750,256)</u>	<u>(750,256)</u>	
Other financing sources (uses):			
Transfers in	<u>750,256</u>	<u>750,256</u>	
Total other financing sources (uses)	<u>750,256</u>	<u>750,256</u>	
Changes in fund balances			
Fund balances, beginning of year			
Fund balances, end of year	<u><u>\$</u></u>	<u><u>\$</u></u>	<u><u>\$</u></u>

**STATE OF NEW MEXICO
TOWN OF BERNALILLO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CAPITAL PROJECTS
YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal grants and aid	\$ 977,000	\$ 973,934	\$ 973,934	\$
State grants and aid	444,902	64,359	64,359	
Total revenues	<u>1,421,902</u>	<u>1,038,293</u>	<u>1,038,293</u>	
Expenditures:				
Capital outlay	1,312,913	1,816,728	1,771,629	45,099
Total expenditures	<u>1,312,913</u>	<u>1,816,728</u>	<u>1,771,629</u>	<u>45,099</u>
Excess (deficiency) of revenues over expenditures	<u>108,989</u>	<u>(778,435)</u>	<u>(733,336)</u>	<u>45,099</u>
Other financing sources (uses):				
Transfers in		778,435	691,210	(87,225)
Total other financing sources (uses)		<u>778,435</u>	<u>691,210</u>	<u>(87,225)</u>
Changes in fund balances	<u>108,989</u>		<u>(42,126)</u>	<u>(42,126)</u>
Fund balances, beginning of year	2,545,027	2,545,027	164,852	(2,380,175)
Fund balances, end of year	<u>\$ 2,654,016</u>	<u>\$ 2,545,027</u>	<u>\$ 122,726</u>	<u>\$ (2,422,301)</u>

**STATE OF NEW MEXICO
TOWN OF BERNALILLO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
2008 REVENUE BOND CAPITAL PROJECTS
YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts <u>Original & Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Investment income	\$	\$ 1,904	\$ 1,904
Total revenues		<u>1,904</u>	<u>1,904</u>
Excess (deficiency) of revenues over expenditures		<u>1,904</u>	<u>1,904</u>
Other financing sources (uses):			
Transfers out		(988,187)	(988,187)
Total other financing sources (uses)		<u>(988,187)</u>	<u>(988,187)</u>
Changes in fund balances		<u>(986,283)</u>	<u>(986,283)</u>
Fund balances, beginning of year		1,596,745	1,596,745
Fund balances, end of year	<u>\$</u>	<u>\$ 610,462</u>	<u>\$ 610,462</u>

SPECIAL REVENUE FUNDS

Fire – to account for the operation and maintenance of the fire department, pursuant to Section 59A-53 of New Mexico Annotated (NMSA) 1978.

Recreation – to account for the operation and maintenance of the town's recreation and park facilities, pursuant to Section 7-12-15 NMSA 1978. Financing is provided by the Town's share of State cigarette tax and fees charged for swimming pool use.

Corrections – to account for payments made for housing costs of the Town's prisoners in other detention facilities. Financing is provided by fees collected pursuant to offenses committed within the Town's boundaries, as provided by Section 35-14 and 33-3-25 of NMSA 1978.

Law Enforcement – to account for funds used in maintaining and improving the Town's police department in order to enhance its efficiency and effectiveness. Financing is provided by a State appropriation authorized by Section 29-13 of NMSA.

Lodgers' Tax – to account for advertising, publication and promotion of tourist attraction facilities for the Town of Bernalillo, pursuant to NMSA 1978 Section 3-38-13 thru 3-38-24. Financing is provided by a 3% lodgers' tax.

Ambulance – to account for funds used in the operation of the Town's ambulances. The fund does not meet the criteria for separate reporting and is therefore included in the GAAP-basis General Fund.

EMS Grant – to account for funds received to be used in the operation of the Town's emergency medical services (EMS) pursuant to Section 24-10A NMSA 1978.

Rescue – to account for funds used to purchase and install a radio dispatch system for police, fire and emergency medical services in Bernalillo in Sandoval County. Funding authority is NMSA 24-10A-1 and contract number 98-L-1-3-G7335.

Community Development – to account for funds used for the New Mexico Wine Festival and other activities to promote Community Development. The fund does not meet the criteria for separate reporting and is therefore included in the GAAP-basis General Fund.

Motor Vehicle Division – to account for the Town's operations and related costs of the motor vehicle office maintained at Town Hall.

STATE OF NEW MEXICO - TOWN OF BERNALILLO
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2013

	<u>Fire</u>	<u>Recreation</u>	<u>Corrections</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 69,192	\$ 138,504	\$ 206,400
Total assets	<u>\$ 69,192</u>	<u>\$ 138,504</u>	<u>\$ 206,400</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Overdraft of cash on deposit	\$	\$	\$
Accounts payable	23,646		
Total liabilities	<u>23,646</u>		
Fund balances (deficits):			
Restricted	45,546	138,504	206,400
Unassigned			
Total fund balances	<u>45,546</u>	<u>138,504</u>	<u>206,400</u>
Total liabilities and fund balances	<u>\$ 69,192</u>	<u>\$ 138,504</u>	<u>\$ 206,400</u>

Law Enforcement	Lodgers' Tax	EMS Grant	Rescue	Totals
\$	\$ 105,294	\$ 13,597	\$	\$ 532,987
\$	\$ 105,294	\$ 13,597	\$	\$ 532,987
\$ 20,375	\$	\$	\$ 274,967	\$ 295,342
	189			23,835
20,375	189		274,967	319,177
	105,105	13,597		509,152
(20,375)			(274,967)	(295,342)
(20,375)	105,105	13,597	(274,967)	213,810
\$	\$ 105,294	\$ 13,597	\$	\$ 532,987

STATE OF NEW MEXICO - TOWN OF BERNALILLO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2013

	<u>Fire</u>	<u>Recreation</u>	<u>Corrections</u>
Revenues:			
Municipal and state shared taxes	\$	\$	\$
State grants and aid	145,422		
Fines and forfeits			29,328
Total revenues	<u>145,422</u>	<u></u>	<u>29,328</u>
Expenditures:			
Current -			
General government			
Public safety	36,360		
Capital outlay	459,119		12,864
Debt service -			
Principal	50,459		
Interest and fees	5,471		
Total expenditures	<u>551,409</u>	<u></u>	<u>12,864</u>
Changes in fund balances	<u>(405,987)</u>	<u></u>	<u>16,464</u>
Fund balances (deficits), beginning of year	451,533	138,504	189,936
Fund balances (deficits), end of year	<u>\$ 45,546</u>	<u>\$ 138,504</u>	<u>\$ 206,400</u>

Law Enforcement	Lodgers' Tax	EMS Grant	Rescue	Totals
\$	\$	\$	\$	\$
30,800	97,041			97,041
				176,222
				29,328
30,800	97,041			302,591
	55,475			55,475
				36,360
30,800	21,287			524,070
				50,459
				5,471
30,800	76,762			671,835
	20,279			(369,244)
(20,375)	84,826	13,597	(274,967)	583,054
\$ (20,375)	\$ 105,105	\$ 13,597	\$ (274,967)	\$ 213,810

STATE OF NEW MEXICO - TOWN OF BERNALILLO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FIRE
YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Non-GAAP	Variance with
	Original	Final	Actual	Final Budget
				Positive
				(Negative)
Revenues:				
State grants and aid	\$ 58,584	\$ 89,491	\$ 89,491	\$
Total revenues	<u>58,584</u>	<u>89,491</u>	<u>89,491</u>	
Expenditures:				
Current -				
Public safety	58,584	89,491	36,360	53,131
Capital outlay			35,473	(35,473)
Total expenditures	<u>58,584</u>	<u>89,491</u>	<u>71,833</u>	<u>17,658</u>
Changes in fund balances - budgetary basis			<u>17,658</u>	
Fund balances, beginning of year				
Fund balances, end of year	<u>\$</u>	<u>\$</u>		
Reconciliation to change in fund balance - GAAP-basis:				
Unbudgeted revenues			55,931	
Unbudgeted expenditures			(479,576)	
Change in fund balance - GAAP-basis			<u>\$ (405,987)</u>	

STATE OF NEW MEXICO - TOWN OF BERNALILLO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
RECREATION
YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Original & Final</u>	<u>Actual</u>	<u></u>
Changes in fund balances			
Fund balances, beginning of year	68,292	138,504	70,212
Fund balances, end of year	<u>\$ 68,292</u>	<u>\$ 138,504</u>	<u>\$ 70,212</u>

STATE OF NEW MEXICO - TOWN OF BERNALILLO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CORRECTIONS
YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original & Final	Actual	
Revenues:			
Fines and forfeits	\$ 30,000	\$ 29,328	\$ (672)
Total revenues	<u>30,000</u>	<u>29,328</u>	<u>(672)</u>
Expenditures:			
Capital outlay	30,000	12,864	17,136
Total expenditures	<u>30,000</u>	<u>12,864</u>	<u>17,136</u>
Changes in fund balances		16,464	16,464
Fund balances, beginning of year	218,220	189,936	(28,284)
Fund balances, end of year	<u>\$ 218,220</u>	<u>\$ 206,400</u>	<u>\$ (11,820)</u>

STATE OF NEW MEXICO - TOWN OF BERNALILLO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
LAW ENFORCEMENT
YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original & Final	Actual	
Revenues:			
State grants and aid	\$ 30,800	\$ 30,800	\$
Total revenues	<u>30,800</u>	<u>30,800</u>	
Expenditures:			
Capital outlay	30,800	30,800	
Total expenditures	<u>30,800</u>	<u>30,800</u>	
Changes in fund balances			
Fund balances (deficits), beginning of year		(20,375)	(20,375)
Fund balances (deficits), end of year	<u>\$</u>	<u>\$ (20,375)</u>	<u>\$ (20,375)</u>

STATE OF NEW MEXICO - TOWN OF BERNALILLO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
LODGERS' TAX
YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original & Final	Actual	
Revenues:			
Municipal and state shared taxes	\$ 100,000	\$ 97,041	\$ (2,959)
Total revenues	<u>100,000</u>	<u>97,041</u>	<u>(2,959)</u>
Expenditures:			
Current -			
General government	100,000	55,475	44,525
Capital outlay		21,287	(21,287)
Total expenditures	<u>100,000</u>	<u>76,762</u>	<u>23,238</u>
Changes in fund balances		<u>20,279</u>	<u>20,279</u>
Fund balances, beginning of year	285,093	84,826	(200,267)
Fund balances, end of year	<u>\$ 285,093</u>	<u>\$ 105,105</u>	<u>\$ (179,988)</u>

STATE OF NEW MEXICO - TOWN OF BERNALILLO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
AMBULANCE
YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Non-GAAP	Variance with Final Budget Positive (Negative)
	Original & Final		Actual	
Changes in fund balances				
Fund balances, beginning of year			2,184	2,184
Fund balances, end of year	\$		\$ 2,184	\$ 2,184

STATE OF NEW MEXICO - TOWN OF BERNALILLO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
EMS GRANT
YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original & Final	Actual	
Revenues:			
State grants and aid	\$ 9,500	\$	\$ (9,500)
Total revenues	<u>9,500</u>		<u>(9,500)</u>
Expenditures:			
Current -			
Public safety	13,600		13,600
Total expenditures	<u>13,600</u>		<u>13,600</u>
Excess (deficiency) of revenues over expenditures	<u>(4,100)</u>		<u>4,100</u>
Other financing sources (uses):			
Transfers in	4,100		(4,100)
Total other financing sources (uses):	<u>4,100</u>		<u>(4,100)</u>
Changes in fund balances			
Fund balances, beginning of year		13,597	13,597
Fund balances, end of year	<u>\$</u>	<u>\$ 13,597</u>	<u>\$ 13,597</u>

STATE OF NEW MEXICO - TOWN OF BERNALILLO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
RESCUE
YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Original & Final</u>	<u>Actual</u>	<u></u>
Changes in fund balances			
Fund balances (deficits), beginning of year		(274,967)	(274,967)
Fund balances (deficits), end of year	<u>\$</u>	<u>\$ (274,967)</u>	<u>\$ (274,967)</u>

STATE OF NEW MEXICO - TOWN OF BERNALILLO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT
YEAR ENDED JUNE 30, 2013

	Budgeted Amounts <u>Original & Final</u>	Non-GAAP Actual	Variance with Final Budget Positive (Negative)
Revenues:			
State grants and aid	\$ 300,000	\$ 241,885	\$ (58,115)
Charges for services	366,800	242,356	(124,444)
Other revenues	<u>59,967</u>	<u>515</u>	<u>(59,452)</u>
Total revenues	<u>726,767</u>	<u>484,756</u>	<u>(242,011)</u>
Expenditures:			
Current -			
Culture and recreation	892,505	800,938	91,567
Capital outlay	<u>978</u>	<u>978</u>	<u>(978)</u>
Total expenditures	<u>892,505</u>	<u>801,916</u>	<u>90,589</u>
Excess (deficiency) of revenues over expenditures	<u>(165,738)</u>	<u>(317,160)</u>	<u>(151,422)</u>
Other financing sources (uses):			
Transfers in	183,608	22,712	(160,896)
Transfers out	<u>(17,870)</u>	<u>17,870</u>	<u>17,870</u>
Total other financing sources (uses)	<u>165,738</u>	<u>22,712</u>	<u>(143,026)</u>
Changes in fund balances - budgetary basis	<u> </u>	<u>(294,448)</u>	
Fund balances, beginning of year	<u>27,573</u>		
Fund balances, end of year	<u><u>\$ 27,573</u></u>		
Reconciliation to change in fund balance - GAAP-basis:			
Fund balance reported in the General Fund		<u>294,448</u>	
Change in fund balance - GAAP-basis		<u><u>\$</u></u>	

STATE OF NEW MEXICO - TOWN OF BERNALILLO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
MOTOR VEHICLE DIVISION
YEAR ENDED JUNE 30, 2013

	Budgeted Amounts <u>Original & Final</u>	Non-GAAP Actual	Variance with Final Budget Positive (Negative)
Expenditures:			
Current -			
General government	\$ 110,732	\$ 99,177	\$ 11,555
Total expenditures	<u>110,732</u>	<u>99,177</u>	<u>11,555</u>
Excess (deficiency) of revenues over expenditures	<u>(110,732)</u>	<u>(99,177)</u>	<u>11,555</u>
Other financing sources (uses):			
Transfers in	110,732		(110,732)
Transfers out			
Total other financing sources (uses)	<u>110,732</u>	<u></u>	<u>(110,732)</u>
Changes in fund balances - budgetary basis	<u></u>	<u>(99,177)</u>	
Fund balances, beginning of year	<u></u>		
Fund balances, end of year	<u>\$</u>		
Reconciliation to change in fund balance - GAAP-basis:			
Fund balance reported in the General Fund		99,177	
Change in fund balance - GAAP-basis		<u>\$</u>	

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PROPRIETARY FUNDS

**STATE OF NEW MEXICO
TOWN OF BERNALILLO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
WATER AND SEWER UTILITY
YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts		Non-GAAP	Variance with
	Original	Final	Actual	Final Budget Positive (Negative)
Operating revenues:				
Charges for services	\$ 3,390,961	\$ 3,457,391	\$ 2,985,135	\$ (472,256)
Total operating revenues	<u>3,390,961</u>	<u>3,457,391</u>	<u>2,985,135</u>	<u>(472,256)</u>
Operating expenses:				
Salaries and benefits	399,542	384,704	622,438	(237,734)
Supplies and services	<u>2,497,775</u>	<u>2,429,630</u>	<u>1,544,082</u>	<u>885,548</u>
Total operating expenses	<u>2,897,317</u>	<u>2,814,334</u>	<u>2,166,520</u>	<u>647,814</u>
Operating income (loss)	<u>493,644</u>	<u>643,057</u>	<u>818,615</u>	<u>175,558</u>
Non-operating revenues (expenses):				
Municipal and state shared taxes	122,109	122,109	120,095	(2,014)
Other revenues			1,475	1,475
Interest and fees	<u>(354,959)</u>	<u>(354,959)</u>	<u>(543,701)</u>	<u>(188,742)</u>
Total non-operating revenues (expenses)	<u>(232,850)</u>	<u>(232,850)</u>	<u>(422,131)</u>	<u>(189,281)</u>
Income (loss) before transfers	<u>260,794</u>	<u>410,207</u>	<u>396,484</u>	<u>(13,723)</u>
Transfers in	1,067,770	1,129,770	103,651	(1,026,119)
Transfers out	<u>(1,328,564)</u>	<u>(1,328,564)</u>	<u>(12,200)</u>	<u>1,316,364</u>
Changes in net position		<u>211,413</u>	<u>487,935</u>	
Total net position, beginning of year	<u>374,822</u>	<u>374,822</u>		
Total net position, end of year	<u>\$ 374,822</u>	<u>\$ 586,235</u>		
Reconciliation to change in net position - GAAP basis:				
Depreciation			(151,910)	
Change in net position - GAAP basis			<u>\$ 336,025</u>	

**STATE OF NEW MEXICO
TOWN OF BERNALILLO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
HOUSING ASSISTANCE
YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts <u>Original & Final</u>	Non-GAAP Actual	Variance with Final Budget Positive (Negative)
Operating revenues:			
Charges for services	\$	\$ 176,282	\$ 176,282
Total operating revenues		<u>176,282</u>	<u>176,282</u>
Operating expenses:			
Salaries and benefits		111,319	(111,319)
Supplies and services		<u>223,500</u>	<u>(223,500)</u>
Total operating expenses		<u>334,819</u>	<u>(334,819)</u>
Operating income (loss)		<u>(158,537)</u>	<u>(158,537)</u>
Non-operating revenues (expenses):			
Federal grants and aid		330,418	330,418
Other revenues		<u>2,083</u>	<u>2,083</u>
Total non-operating revenues (expenses)		<u>332,501</u>	<u>332,501</u>
Changes in net position		<u>173,964</u>	
Total net position, beginning of year			
Total net position, end of year	\$		
Reconciliation to change in net position - GAAP basis:			
Depreciation		<u>(63,964)</u>	
Changes in net position - GAAP basis		<u>\$ 110,000</u>	

**STATE OF NEW MEXICO
TOWN OF BERNALILLO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
CAMPGROUND
YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts		Non-GAAP	Variance with
	Original	Final	Actual	Final Budget Positive (Negative)
Operating revenues:				
Charges for services	\$ 140,000	\$ 114,283	\$ 114,283	\$
Total operating revenues	<u>140,000</u>	<u>114,283</u>	<u>114,283</u>	
Operating expenses:				
Salaries and benefits	82,028	71,123	66,945	4,178
Supplies and services	<u>49,560</u>	<u>42,971</u>	<u>43,653</u>	<u>(682)</u>
Total operating expenses	<u>131,588</u>	<u>114,094</u>	<u>110,598</u>	<u>3,496</u>
Operating income (loss)	<u>8,412</u>	<u>189</u>	<u>3,685</u>	<u>3,496</u>
Changes in net position	<u>8,412</u>	<u>189</u>	<u>3,685</u>	
Total net position, beginning of year	<u>45,425</u>	<u>45,425</u>		
Total net position, end of year	<u><u>\$ 53,837</u></u>	<u><u>\$ 45,614</u></u>		
Reconciliation to change in net position - GAAP basis:				
Depreciation			<u>(1,400)</u>	
Changes in net position - GAAP basis			<u><u>\$ 2,285</u></u>	

OTHER SUPPLEMENTARY INFORMATION

**STATE OF NEW MEXICO
TOWN OF BERNALILLO
SCHEDULE OF PLEDGED COLLATERAL
JUNE 30, 2013**

	US Bank
Bank Accounts:	
Checking/Demand Accounts	\$ 3,256,769
Savings/CD/Money Market Accounts	1,409,372
Total amount of deposits in bank	<u>4,666,141</u>
Less: FDIC coverage	632,474
Total uninsured public funds	<u>4,033,667</u>
Collateral requirements (Per 6-10-10 & 6-10-17, NMSA 1978)	
50% of uninsured time and demand accounts	2,016,834
Pledged collateral	
Federal Home Loan Bank of Cincinnati, Letter of Credit	6,000,000
Total collateral	<u>6,000,000</u>
Over / (under) secured	<u>\$ 3,983,166</u>
Custodial Credit Risk:	
Insured	\$ 632,474
Collateralized with a letter of credit issued by a federal home loan bank	4,033,667
Uninsured and uncollateralized	
Total deposits	<u>\$ 4,666,141</u>
Location of collateral:	
Federal Home Loan Bank of Cincinnati, Cincinnati, Ohio	

**STATE OF NEW MEXICO
TOWN OF BERNALILLO
SCHEDULE OF DEPOSIT AND INVESTMENT ACCOUNTS
JUNE 30, 2013**

Account Name - Account Type	US Bank	LPL Financial	Bank of Albuquerque	Total
Wine Festival - non-interest bearing checking	\$ 1,800	\$	\$	\$ 1,800
Court Cash Bonds - non-interest bearing checking	28,273			28,273
General - non-interest bearing checking	3,095,217			3,095,217
Prices Water Rights - savings	67,748			67,748
Permit Fees - savings	263,785			263,785
General - savings	375,181			375,181
Bond Account - savings	610,462			610,462
Utility - savings	55,214			55,214
General - savings	35,987			35,987
Housing - non-interest bearing checking	116,616			116,616
Security Deposit - non-interest bearing checking	14,863			14,863
Housing Self Sufficiency - savings	995			995
Utility Water Assistance - investment		66,741		66,741
Utility 2006 Revenue Bond - investment		667,502		667,502
NMFA pooled debt service - investment			1,315,602	1,315,602
Total on deposit	4,666,141	734,243	1,315,602	6,715,986
Reconciling items	(3,224,696)			(3,224,696)
Reconciled balance, June 30, 2013	1,441,445	734,243	1,315,602	3,491,290
Total deposits and investments	\$ 1,441,445	\$ 734,243	\$ 1,315,602	\$ 3,491,290

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**STATE OF NEW MEXICO
TOWN OF BERNALILLO
SCHEDULE OF JOINT POWERS AGREEMENTS AND
MEMORANDUMS OF UNDERSTANDING
JUNE 30, 2013**

JOINT POWERS AGREEMENTS:

Participants:	Town of Bernalillo, Sandoval County, Village of Corrales, Pueblo of Santa Ana
Responsible Party:	City of Rio Rancho
Description:	Sandoval County Retional Emergency Communications Center (Dispatch Services)
Date of Agreement:	12/1/2007
Total Amount/Town Share:	8.0134% of SCRECC Annual Budget
Fiscal Year 2013 Amount:	\$217,713
Audit Responsibility:	City of Rio Rancho
Participants:	Town of Bernalillo and Sandoval County
Responsible Party:	Sandoval County
Description:	Provide ambulance transport services within the Town of Bernalillo
Date of Agreement:	9/1/2011
Total Amount/Town Share:	Four payments of \$100,000
Fiscal Year 2013 Amount:	\$100,000
Audit Responsibility:	Sandoval County
Participants:	Town of Bernalillo and City of Albuquerque
Responsible Party:	City of Albuquerque
Description:	Provide animal housing services for the Town of Bernalillo
Date of Agreement:	9/1/2011
Total Amount/Town Share:	Proportionate share based on intake of animals to be determined by the City's actual expense calculated quarterly.
Fiscal Year 2013 Amount:	\$0
Audit Responsibility:	City of Albuquerque

MEMORANDUMS OF UNDERSTANDING

Participants:	Town of Bernalillo and Santa Fe Civic Housing Authority
Responsible Party:	Santa Fe Civic
Description:	Temporary management of the Town of Bernalillo Housing Authority by Santa Fe Civic Housing Authority
Date of Agreement:	4/9/2012
Total Amount/Town Share:	none
Fiscal Year 2013 Amount:	none
Audit Responsibility:	Town of Bernalillo
Participants:	Town of Bernalillo and Eastern Sandoval County Arroyo Flood Control Authority
Responsible Party:	Eastern Sandoval County Arroyo Flood Control Authority
Description:	Eastern Sandoval County Arroyo Flood Control Authority to establish storm water facilities on Town owned Property and establish mutual obligations
Date of Agreement:	3/26/2012
Total Amount/Town Share:	none
Fiscal Year 2013 Amount:	none
Audit Responsibility:	Eastern Sandoval County Arroyo Flood Control Authority
Participants:	Town of Bernalillo and Sandoval County
Responsible Party:	Town of Bernalillo
Description:	Use Town of Bernalillo legislative appropriation to continue improvement of the Sandoval County Vietnam Veterans Memorial
Date of Agreement:	4/9/2012
Total Amount/Town Share:	\$14,884
Fiscal Year 2013 Amount:	\$14,884
Audit Responsibility:	Town of Bernalillo

**STATE OF NEW MEXICO
TOWN OF BERNALILLO
FINANCIAL DATA SCHEDULES
STATEMENT OF NET POSTION - HOUSING ASSISTANCE PROGRAM
JUNE 30, 2013**

FDS Line #	Account Description	Low Rent Public Housing 14.850a
	ASSETS:	
111	Cash - unrestricted	\$ 98,808
114	Cash - tenant security deposits	14,764
126	Accounts receivable - tenants - dwelling rents	17,380
126.1	Allowance for doubtful accounts - dwelling rents	(2,000)
142	Prepaid expenses and other assets	8,288
143	Inventories	3,950
161	Land	32,000
162	Buildings	4,455,557
163	Furniture, equipment and machinery - dwellings	5,744
164	Furniture, equipment and machinery - administration	103,734
165	Leasehold improvements	84,324
166	Accumulated depreciation	(2,874,510)
167	Construction in progress	33,321
	TOTAL ASSETS	\$ 1,981,360
	LIABILITIES:	
321	Accrued wage/payroll taxes payable	\$ 4,869
322	Accrued compensated absences - current portion	637
341	Tenant security deposits	6,925
345	Other current liabilities	30,117
354	Accrued compensated absences - noncurrent	3,185
	TOTAL LIABILITIES	45,733
	NET POSITION	
508.1	Invested in capital assets, net of related debt	1,840,170
511.1	Restricted net assets	
512.1	Unrestricted net assets	95,457
	TOTAL NET POSITION	1,935,627
	TOTAL LIABILITIES AND NET POSITION	\$ 1,981,360

**STATE OF NEW MEXICO
TOWN OF BERNALILLO
FINANCIAL DATA SCHEDULES
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -
HOUSING ASSISTANCE PROGRAM
FOR THE YEAR ENDED JUNE 30, 2013**

FDS Line #	Account Description	Low Rent Public Housing 14.850a
		<hr/>
	REVENUE:	
703	Net tenant rental income	\$ 176,282
706	HUD PHA operating grants	251,328
706.1	Capital grants	79,090
715	Other Revenue	2,083
		<hr/>
	TOTAL REVENUE	508,783
		<hr/>
	EXPENSES:	
911	Administrative salaries	32,770
915	Employee benefit contributions - administration	42,369
916	Office expenses	9,962
919	Other	60,698
931	Water	13,105
932	Electricity	3,343
933	Gas	30,349
938	Other utilities expense	15,736
941	Ordinary maintenance and operations - labor	36,180
942	Ordinary maintenance and operations - materials and other	48,615
943	Ordinary maintenance and operations - contracts	21,060
961	Insurance premiums	20,632
		<hr/>
	TOTAL OPERATING EXPENSES	334,819
974	Depreciation expense	63,964
		<hr/>
	TOTAL EXPENSES	398,783
		<hr/>
	CHANGE IN NET POSITION	110,000
	NET POSITION, BEGINNING OF YEAR	1,825,627
		<hr/>
	NET POSITION, END OF YEAR	\$ 1,935,627
		<hr/> <hr/>
MEMO account information		
1103	Beginning equity	1,825,627
1117	Administrative Fee Equity	
1118	Housing Assistance Payments Equity	
1119	Unit months available	

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SINGLE AUDIT SECTION

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**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 Auditor's Report

Mr. Hector H. Balderas
New Mexico State Auditor

Honorable Mayor, Members of the Town Council
of the Town of Bernalillo, New Mexico

We were engaged to 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, the financial statements of the governmental activities, business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons of the general fund and major special revenue fund of Town of Bernalillo, New Mexico (Town) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Town of Bernalillo, New Mexico's basic financial statements, and the combining and individual funds and related budgetary comparisons of the Town presented as supplementary information, and have issued our report thereon dated November 25, 2013. We were unable to express an opinion on those financial statements because the Town did not maintain sufficient internal controls and/or adequate records of its cash and investments, capital assets, revenues/receivables, payables, and completeness of the underlying general ledger accounting.

Internal Control Over Financial Reporting

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Town's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items FS 2006-03, FS 2006-08, FS 2007-02, FS 2007-03 and FS 2008-04 to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items FS 2006-01, FS 2007-01, FS 2007-04, FS 2008-03, FS 2008-05, and FS 2008-06 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town of Bernalillo, New Mexico'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Town of Bernalillo, New Mexico's Response to Findings

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

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 Town'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 Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Heinfeld, Meech & Co., P.C.

HEINFELD, MEECH & CO., P.C.
CPAs and Business Consultants

November 25, 2013



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

Independent Auditor's Report

Mr. Hector H. Balderas
New Mexico State Auditor

Honorable Mayor, Members of the Town Council
of the Town of Bernalillo, New Mexico

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

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

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

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

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

Heinfeld, Meech & Co., P.C.

HEINFELD, MEECH & CO., P.C.
CPAs and Business Consultants

November 25, 2013

**STATE OF NEW MEXICO
TOWN OF BERNALILLO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013**

Federal Grantor / Pass-Through Grantor / Program Title	CFDA Number	Grantor's Number	Total Expenditures
<u>U.S. Department of Housing and Urban Development</u>			
Passed through New Mexico Department of Finance and Administration: Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	10-C-NR-I-01-G-07	\$ 500,000
Direct Programs:			
Public and Indian Housing	14.850	NM035	251,328
Public Housing Capital Fund - Program Year 2009	14.872	NM02P035501-09	6,106
Public Housing Capital Fund - Program Year 2010	14.872	NM02P035501-10	50,000
Public Housing Capital Fund - Program Year 2011	14.872	NM02P035501-11	22,984
Total for CFDA 14.872			<u>79,090</u>
Total U.S. Department of Housing and Urban Development			<u>830,418</u>
<u>U.S. Department of Justice</u>			
Direct program:			
Bulletproof Vest Partnership Program	16.607	2011BUBX11055324	378
Bulletproof Vest Partnership Program	16.607	2012BUBX12060593	1,660
Total for CFDA 16.607			<u>2,038</u>
<u>U.S. Department of Transportation</u>			
Passed through New Mexico Department of Transportation:			
State and Community Highway Safety	20.600	12-PT-DS-009	4,690
State and Community Highway Safety	20.600	13-PT-DS-009	280
Total for CFDA 20.600			<u>4,970</u>
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	12-AL-64-009	5,933
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	13-AL-64-009	10,990
Total for CFDA 20.608			<u>16,923</u>
Total U.S. Department of Transportation			<u>21,893</u>
<u>Environmental Protection Agency</u>			
Direct program:			
Congressionally Mandated Projects	66.202	XP-96685501	<u>473,934</u>
Total Expenditures of Federal Awards			<u><u>\$ 1,328,283</u></u>

**STATE OF NEW MEXICO
TOWN OF BERNALILLO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2013**

NOTE 1 - BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards includes the federal grant activity of Town and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

NOTE 2 - CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBERS

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the 2013 *Catalog of Federal Domestic Assistance*.

**STATE OF NEW MEXICO
TOWN OF BERNALILLO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2013**

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:

Disclaimer

Internal control over financial reporting:

- Material weakness(es) identified? X yes no
- Significant deficiency(ies) identified that are not considered to be a material weakness(es)? X yes none reported

Noncompliance material to financial statements noted?

 yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes X no
- Significant deficiency(ies) identified that are not considered to be a material weakness(es)? yes X none reported

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?

 yes X no

Identification of major programs:

CFDA Numbers

Name of Federal Program or Cluster

14.228

Community Development Block Grants/State's Program
and Non-Entitlement Grants in Hawaii

66.202

Congressionally Mandated Projects

Dollar threshold used to distinguish between Type A and Type B programs:

 \$300,000

Auditee qualified as low-risk auditee?

 yes X no

**STATE OF NEW MEXICO
TOWN OF BERNALILLO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2013**

**FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Reference Number: FS 2006-01

Type of Finding: Significant Deficiency

Description: Exceeded Budget Authority

CONDITION

In violation of New Mexico State Statute, expenditures in the following fund exceeded the budgeted amounts as submitted to the State of New Mexico.

<u>Fund</u>	<u>Overbudget</u>
Proprietary Funds:	
Housing Assistance	\$ 334,819

CRITERIA

All Town funds are to be budgeted by the local governing body and submitted to the State of New Mexico Department of Finance and Administration (NMDFA) – 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, as the fund-level has been established as the legal level of budgetary control.

EFFECT

The Town exceeded the approved expenditure budgets of the funds noted. According to NMSA 6-6-6 1978 Compilation any expenditure in excess of the approved budget may be determined to be a liability of the officials authorizing such expenditure.

CAUSE

The fund exceeded the approved budget due to ineffective monitoring of budget capacity.

RECOMMENDATION

The Town must follow New Mexico State law and all mandated budgetary requirements. If the lack of budget monitoring is due to limited staff and training, the Town should allocate the necessary resources to remedy such situations.

AGENCY RESPONSE

Effective July 1, 2013, the Town of Bernalillo Public Housing Authority was transferred from the Town of Bernalillo to Santa Fe Civic Housing Authority.

**STATE OF NEW MEXICO
TOWN OF BERNALILLO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2013**

**FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS (Cont'd)**

Reference Number: FS 2006-03

Type of Finding: Material Weakness

Description: Accounts Receivables Records and Procedures

CONDITION

Due to an excessive penalty policy, which existed in prior years, the Town accrued significant uncollectible customer accounts receivable which were recorded on the Town's subsidiary accounts receivable ledger. As a result, the Town posted adjustments to the receivable balance during fiscal year 2007-08 in an attempt to more accurately reflect the true receivable outstanding. However, during fiscal year 2008-09 the Town implemented a new accounting software package and the receivable balances were not correctly transferred and are once again misstated in the fiscal year 2012-13 general ledger.

CRITERIA

According to generally accepted accounting principles, the Town's general ledger and its subsidiary ledger of customer utility accounts should reflect true, collectible receivables due to the Town for services provided.

EFFECT

The Town's general ledger and subsidiary customer ledger include significant amounts of uncollectible accounts receivable as well as other errors that arose during the transition to a new accounting software package that have yet to be resolved. A disclaimer of opinion was issued on the Town's financial statements due to our inability to sufficiently complete the audit objectives necessary to render an opinion on the accounts receivable and allowance for accounts receivable balances.

CAUSE

The Town's penalty policy for late utility payments resulted in inflated receivable balances in both the general ledger and the subsidiary customer account ledger which have not been monitored or adjusted to properly report collectible balances. Additionally, the Town is unable to fully reconcile the amount of receivables reported in the fiscal year 2012-13 general ledger due to software implementation errors.

RECOMMENDATION

As of the report issuance, the Town has revised the penalty and interest policy. In addition, management should adjust the customer account balances recorded in the general ledger and subsidiary customer ledger to properly reflect the customer balances that are estimated to be collectible as reported on the financial statements.

AGENCY RESPONSE

Management agrees with the recommendation. The Town has started the process of obtaining proper approvals from NMDFA and NMOSA to adjust the erroneous receivable balances. Once the approval is obtained, the Town will work to accurately adjust customer balances to reflect correct receivable balances on both the general ledger and the subsidiary customer ledger.

**STATE OF NEW MEXICO
TOWN OF BERNALILLO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2013**

**FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS (Cont'd)**

Reference Number: FS 2006-08

Type of Finding: Material Weakness

Description: Reconciliation and Recording of Bank Accounts

CONDITION

We noted material unreconciled balances in several funds at June 30, 2013 that could not be substantiated. Beginning in fiscal year 2012-13, the Town reconciled most accounts timely; however, the “book balances” on the reconciliations didn’t agree to the Town’s general ledger cash balances. Additionally, the Town did not reconcile or account for the activity and balances maintained in the NMFA debt service accounts, nor did the Town record the 2008 Revenue Bond bank account and activity in the general ledger. It was noted during the fiscal year 2012-13 audit that due to these issues not all debt service payments were properly recorded in the Town’s general ledger, therefore, audit adjustments were required to properly recognize the balances and activity.

CRITERIA

The Town is responsible for establishing and maintaining internal controls that include controls over cash and investments accounts in order to meet the financial reporting objectives of the Town.

EFFECT

The Town is at risk of undetected misstatements in the cash and investment accounts, as well as, other financial accounts. Fraud risk is also heightened without the proper recognition and sufficient reconciliation of all bank and investment accounts. A disclaimer of opinion was issued on the Town’s financial statements due to our inability to sufficiently complete the audit objectives necessary to render an opinion on cash and investments.

CAUSE

The Town did not have a procedure for tracking bank accounts to ensure that all are captured on the general ledger and reconciled.

RECOMMENDATION

The Town should review all existing banking and investment accounts and ensure their inclusion in the general ledger. The Town should also develop and enforce a policy that requires a full reconciliation and documentation of all banking and investment accounts.

AGENCY RESPONSE

Management agrees with the recommendation. The Town has started the process of obtaining proper approvals from NMDFA and NMOSA to adjust the erroneous fund balances. Once these balances are corrected, reconciliations will agree to general ledger cash balances. The Town is also committed to develop and adopt a policy ensuring all banking and investment accounts are being reconciled in a timely manner.

**STATE OF NEW MEXICO
TOWN OF BERNALILLO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2013**

**FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS (Cont'd)**

Reference Number: FS 2007-01

Type of Finding: Significant Deficiency

Description: Comprehensive Set of Policies

CONDITION

The Town does not have a comprehensive set of policies and procedures that address various key components of its operations.

CRITERIA

The internal control structure of the Town must include policies that document proper business practices for key operations.

EFFECT

The Town is at risk to internal control failures which could lead to undetected misstatements in financial statements. Additionally, the risk of fraud is heightened without proper documentation and review procedures.

CAUSE

Limited staff size and resources in key financial management positions.

RECOMMENDATION

The Town should allocate the necessary resources in order to develop and/or update outdated existing policies and desk procedures for the following functions: payroll documentation, human resources documentation, employee leave, cash receipting, month-end and year-end close out, asset safeguarding, and purchasing procedures including credit card usage.

AGENCY RESPONSE

Management agrees with the recommendation to develop, update, and adopt comprehensive policies and procedures throughout the Town. The Town is committed to create, update, and adopt policies that will establish proper internal controls, ensure accurate reporting, safeguard Town assets, maintain strong accountability, and ensure procedures are being followed throughout the Town. It is management's goal to have these critical policies and procedures implemented within the current fiscal year.

**STATE OF NEW MEXICO
TOWN OF BERNALILLO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2013**

**FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS (Cont'd)**

Reference Number: FS 2007-02

Type of Finding: Material Weakness

Description: Internal Control Over Financial Reporting

CONDITION

The Town's management did not have adequate internal control procedures in place over the financial statements issued by the Town using the basis of accounting required by generally accepted accounting principles (GAAP), including the schedule of expenditures of federal awards (SEFA). These controls include the use of a financial statement checklist during the review of the report draft, documented review procedures, identification of management and/or staff to review draft, and verifying amounts reported in the financial statements to underlying records and schedules. In addition, numerous audit adjustments from prior years have not been properly posted to the financial statements.

CRITERIA

Town management is responsible for establishing and maintaining internal controls that include controls for the generally accepted accounting principles (GAAP) basis financial statements issued by the Town. In addition, OMB Circular A-133 requires the auditee to prepare a complete and accurate SEFA. The Town's system of internal controls must extend beyond the cash basis general ledger and the supporting schedules prepared by the Town; rather it must also include controls over the GAAP basis financial statements.

EFFECT

The Town's internal controls over financial reporting at the financial statement level are not adequate to ensure that a misstatement would be prevented and/or detected. A disclaimer of opinion was issued on the Town's financial statements due to our inability to sufficiently complete the audit objectives necessary to render an opinion on the account balances.

CAUSE

The Town's small size and limited resources contribute to difficulties in establishing controls over financial reporting at the financial statement level.

RECOMMENDATION

The Town must design and implement effective internal control procedures to ensure the financial statements and related notes are free from material misstatements.

AGENCY RESPONSE

Town Management agrees with the recommendation to design and implement internal control procedures to ensure the financial statements and notes are free from material misstatements. The Town recognizes the need for effective policies and procedures that will ensure more accurate reporting and is committed to create and adopt these policies within the current fiscal year.

**STATE OF NEW MEXICO
TOWN OF BERNALILLO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2013**

**FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS (Cont'd)**

Reference Number: FS 2007-03

Type of Finding: Material Weakness

Description: Year-end Cutoff

CONDITION

The Town does not have a formal procedure in place to identify significant payables or receivables existing at year end.

CRITERIA

According to generally accepted accounting principles, the Town must record expenditures in the year that goods or services were received and record revenues in the year which they are earned.

EFFECT

The Town is at risk of misstatements to the financial statements.

CAUSE

Due to insufficient staff, the Town did not monitor year end activity to determine proper fiscal year posting.

RECOMMENDATION

The Town's general ledger software provides a posting field which will allow the Town to properly monitor and account for financial activity related to a prior fiscal period. The Town should implement and utilize this general ledger field and mechanism to track year end activity, then properly record the applicable year end accruals.

AGENCY RESPONSE

Management agrees with the recommendation. The Town will work with the financial software vendor to ensure the system is being used to its full potential and provide additional training to staff in order to appropriately account for prior year activity. The Town will also design and implement a policy that will identify and record all year end accruals.

**STATE OF NEW MEXICO
TOWN OF BERNALILLO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2013**

**FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS (Cont'd)**

Reference Number: FS 2007-04

Type of Finding: Significant Deficiency

Description: Violation of Town's Procurement Policies

CONDITION

The Town was unable to provide evidence that written or verbal quotes were obtained for two of five transactions reviewed (purchases of \$6,661 and \$23,282). Additionally, for one of three large purchases, the Town did not solicit for sealed bids (purchase of \$23,857). Finally, for one purchase deemed sole source, the Town did not maintain documentation to demonstrate that the vendor chosen was a sole source provider for the contracted service (purchase of \$17,957).

CRITERIA

State Procurement Code, Sections 13-1-125, 13-1-103 through 13-1-110, and 13-1-111 through 13-1-122 NMSA 1978; as well as the Town's policy, requires the use of competitive bids or sealed proposals for purchases exceeding the prescribed threshold and the use of quotes below that threshold. Additionally, the documentation for the sole source vendor designation should also be prepared and retained.

EFFECT

The Town's purchasing policy is not enforced consistently and could result in higher costs for goods and services being charged to the Town. Additionally, the lack of record retention increases the Town's risk to procurement violations.

CAUSE

Due to insufficient staff, the Town's purchasing department did not consistently enforce Town procurement policy.

RECOMMENDATION

The Town should both review its purchasing policy for necessary updates, as well as stringently enforce those rules prior to processing any payments to vendors.

AGENCY RESPONSE

Management agrees with the recommendation to review the procurement policy. The Town implemented a new procurement policy in September 2013. Management will review and initiate changes as needed to maintain strong accountability for all involved in the procurement process.

**STATE OF NEW MEXICO
TOWN OF BERNALILLO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2013**

**FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS (Cont'd)**

Reference Number: FS 2008-03

Type of Finding: Significant Deficiency

Description: Credit Card Purchases

CONDITION

For six of ten credit card transactions reviewed, the employee making the purchase was not documented or easily identifiable (purchases totaled \$1,876). Additionally, for two of ten transactions reviewed, there were no receipts to support the purchases (purchases totaled \$1,625). Finally, the Town maintains two credit card accounts that are not sufficiently monitored.

CRITERIA

Management is responsible for developing an effective system of internal control over financial reporting, which includes controls over credit card transactions. In addition, Town policy and NMSA require sufficient supporting documentation for expenditures.

EFFECT

Monitoring of credit card purchases is a key internal control activity which helps ensure the accuracy of transactions and provides assurances with respect to public funds. The internal control over credit cards transactions were not adequate to ensure processing of authorized transactions.

CAUSE

The Town did not maintain sufficient evidence for all credit card purchases.

RECOMMENDATION

The Town should update its credit card policies, including clearly defining responsibilities and review procedures. Management should design and implement effective internal controls to ensure effective monitoring and use of credit card transactions.

AGENCY RESPONSE

Management agrees with the recommendation to update the credit card policy. This updated policy will include stronger internal controls and accountability to ensure all Town credit card accounts are being adequately monitored.

**STATE OF NEW MEXICO
TOWN OF BERNALILLO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2013**

**FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS (Cont'd)**

Reference Number: FS 2008-04

Type of Finding: Material Weakness

Description: Insufficient Capital Asset Support

CONDITION

The Town did not provide an accurate or complete listing of fiscal year 2012-13 capital asset additions by asset category, as well as an accurate and complete listing of cumulative capital assets by asset category. The Town also did not reconcile total capital expenditures to current year capital asset additions. Finally, the Town has not conducted a physical inventory of assets in several years.

CRITERIA

Management is responsible for establishing and maintaining internal controls that include controls for the Town's capital assets. Controls should include reconciliation of all capital expenditures to capital asset additions, as well as an annual physical inventory.

EFFECT

The Town's controls over capital assets were not adequate to ensure that a misstatement material to financial reporting for capital assets would be prevented and/or detected. A disclaimer of opinion was issued on the Town's financial statements due to our inability to sufficiently complete the audit objectives necessary to render an opinion on the capital assets.

CAUSE

Limited staff size and resources contributed to difficulties in establishing adequate controls over capital assets.

RECOMMENDATION

The Town should implement effective internal control procedures to ensure completeness of capital asset balances reported.

AGENCY RESPONSE

Management agrees with the recommendation to implement effective internal control procedures. The Town will develop and adopt capital asset policies and procedures to ensure accuracy in its reporting. The Town will also begin implementing annual physical inventory of all assets.

**STATE OF NEW MEXICO
TOWN OF BERNALILLO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2013**

**FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS (Cont'd)**

Reference Number: FS 2008-05

Type of Finding: Significant Deficiency

Description: Insufficient Controls over Disbursements

CONDITION

We noted in seven of 20 disbursements reviewed, the purchase order was issued after goods or services were received (purchases totaled \$496,187).

CRITERIA

The Town's policy requires purchase requisitions and purchase orders to be obtained and approved before procurement of goods and services.

EFFECT

The Town's internal controls over purchasing authorizations and payments limit management's ability to monitor the accuracy of transactions and provide assurance with respect to public funds.

CAUSE

Due to insufficient staff in key positions, the Town's purchase authorization practices were not adequately enforced.

RECOMMENDATION

The Town should exercise more caution with purchase authorization procedures to ensure similar instances do not occur.

AGENCY RESPONSE

Management agrees with the recommendation. The Town will implement stronger control to ensure procurement procedures are being followed.

**STATE OF NEW MEXICO
TOWN OF BERNALILLO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2013**

**FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS (Cont'd)**

Reference Number: FS 2008-06

Type of Finding: Significant Deficiency

Description: Deficits in Actual Fund Balances

CONDITION

At year-end the following individual funds reported deficits in fund balance.

<u>Fund</u>	<u>Deficits</u>
Gas Tax	\$ 1,910,740
Law Enforcement	20,375
Rescue	274,967

CRITERIA

All Town fund annual expenditures should be limited to annual revenue sources plus fund balance in accordance with prudent business practices.

EFFECT

The Town reported deficits fund balances in the funds which could negatively impact the Town based on decisions made by the users of the financial statements (bond companies, oversight agencies).

CAUSE

Ineffective monitoring of expenditures in prior years and the cash reconciliation deficiencies noted in FS 2006-08 have likely resulted in the deficits reported.

RECOMMENDATION

The Town must investigate the deficits to determine if they actually exist or are the result of erroneous reporting. In addition, the amounts in error should be adjusted accordingly.

AGENCY RESPONSE

Town management recognizes the need to correct fund balances. The Town has started the process of obtaining proper approvals from NMDFA and NMOSA to adjust the erroneous fund balances. Once received, the Town will accurately adjust balances in order to reflect correct fund balances across all Town funds.

**STATE OF NEW MEXICO
TOWN OF BERNALILLO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2013**

**FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS (Concl'd)**

Reference Number: FS 2013-01

Type of Finding: Compliance with NMAC

Description: Late IPA Recommendation Form

CONDITION

The Town's IPA recommendation form and audit contract for the fiscal year 2012-13 audit were not delivered to the State Auditor by May 15, 2013.

CRITERIA

Paragraph (6) of Subsection G of 2.2.2.8 NMAC requires that local public bodies submit the IPA recommendation form and audit contract to the State Auditor by the specified dates.

EFFECT

The Town did not adhere to requirements outlined in the NMAC.

CAUSE

The Town did not award the contract for audit services until September 2013.

RECOMMENDATION

The Town should ensure that future IPA recommendation forms and audit contracts are submitted to the State Auditor by the specified dates.

AGENCY RESPONSE

Management agrees with the recommendation and will ensure that all future IPA recommendations and audit contracts are submitted to the State Auditor by the specified dates.

**STATE OF NEW MEXICO
TOWN OF BERNALILLO
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2013**

Status of Prior Year Findings

Financial Statement Findings:

<u>Finding Reference</u>	<u>Status</u>
FS 2006-01 Exceeded Budget Authority	Modified and Repeated.
FS 2006-03 Accounts Receivables Records and Procedures	Modified and Repeated.
FS 2006-08 Reconciliation and Recording of Bank Accounts	Modified and Repeated.
FS 2007-01 Comprehensive Set of Policies	Modified and Repeated.
FS 2007-02 Internal Control over Financial Reporting	Modified and Repeated.
FS 2007-03 Year-end Cutoff	Modified and Repeated.
FS 2007-04 Violation of Town's Procurement Policies	Modified and Repeated.
FS 2008-03 Credit Card Purchases	Modified and Repeated.
FS 2008-04 Insufficient Capital Asset Support	Modified and Repeated.
FS 2008-05 Insufficient Controls over Disbursements	Modified and Repeated.
FS 2008-06 Deficits in Budgeted and/or Actual Fund Balances/Net position	Modified and Repeated.

Federal Findings:

<u>Finding Reference</u>	<u>Status</u>
FA 2006-01	Corrected.
FA 2009-01	Corrected.

The following prior year findings are no longer applicable to the Town of Bernalillo due to the transfer of the Section 8 Housing Choice Vouchers Program to the Santa Fe Civic Housing Authority during fiscal year 2012-13.

FA 2009-02
FA 2010-01

FINANCIAL STATEMENT PREPARATION

Heinfeld, Meech & Co. assisted in the preparation of the financial statements presented in this report. The Town's management has reviewed and approved the financial statements and related notes and they believe that their records adequately support the financial statements.

**STATE OF NEW MEXICO
TOWN OF BERNALILLO
EXIT CONFERENCE
YEAR ENDED JUNE 30, 2013**

An exit conference was held on November 25, 2013, in a closed meeting, in which the contents of this report were discussed with the following.

Town of Bernalillo

Jack Torres, Mayor

Juan Torres, Interim Town Treasurer

Marian A. Jaramillo, City Councilor

Heinfeld, Meech & Co., P.C.

Michael A. Hoerig, CPA, Partner

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**Fiscal Year 2014
Expense Summary**

General Fund			
	Finance Proposed	Department Head Requested	Council Approved
Administrative	1,160,883	1,160,883	1,160,883
Election	13,700	13,700	13,700
Executive	91,980	91,980	91,980
Finance	258,881	258,881	258,881
Fire Department	658,047	658,047	658,047
HR	95,865	95,865	95,865
IT	435,590	466,090	466,090
Judicial	128,989	128,989	128,989
Library	374,737	374,737	374,737
Parks	278,888	278,888	278,888
Police	2,297,951	2,297,951	2,297,951
Capital Projects	28,500	28,500	28,500
P & Z	181,754	181,754	181,754
Recreation	256,503	256,503	256,503
Community Development	119,756	119,756	119,756
MVD	104,975	104,975	104,975
GF Departments Sub Total	6,486,999	6,517,499	6,517,499
YCC Town Match	118,581	118,581	118,581
Capital Projects Fund	-	-	-
Gas Tax (Projects)	182,016	182,016	182,016
Sub Total	6,787,596	6,818,096	6,818,096
GF Debt Services	521,045	521,045	521,045
Total	7,308,641	7,339,141	7,339,141

Special Revenue Funds			
	Finance Proposed	Department Head Requested	Council Approved
Fire Fund	85,279	85,279	85,279
Rescue	13,600	13,600	13,600
LEPF	31,400	31,400	31,400
Lodgers Tax	95,000	95,000	95,000
Gas Tax	4,725,377	4,725,377	4,725,377
Capital Projects Fund	600,000	600,000	600,000
YCC	444,575	444,575	444,575
Wine Festival	343,614	343,614	343,614

Coronado Campground			
	Finance Proposed	Department Head Requested	Council Approved
Campground	127,333	127,333	127,333

**Fiscal Year 2014
Expense Summary Cont.**

Utility Enterprise Fund			
	Finance Proposed	Department Head Requested	Council Approved
Water	1,088,205	1,088,205	1,088,205
Waste Water	718,406	778,406	778,406
Animal Control	573,685	573,685	573,685
Sub Total	2,380,296	2,440,296	2,440,296
UF Debt Services	1,276,294	1,276,294	1,276,294
Total	3,656,590	3,716,590	3,716,590

**Fiscal Year 2014
Revenue Summary**

General Fund Revenue	
Revenue	Amount
General Fund	7,327,214
Community Development	6,500
GRT Intercept	80,556
Total	7,414,270

Special Revenue Funds	
Fire Fund	85,279
Rescue	9,500
LEPF	31,400
Lodgers Tax	95,000
Gas Tax	4,543,361
Capital Projects Fund	600,000
YCC	325,994
Wine Festival	399,800

Enterprise Funds	
Campground	115,000

Utility Fund	3,476,018
Permit Fees	267,460
Total	3,743,478

**Fiscal Year 2014
Debt Service Summary**

General Fund Debt Services		
	Description	Amount Due
Ordinance 245	2008 Series Revenue Bond	414,605
Resolution 32307A	NMFA Loan - Land Purchase	27,469
Ordinance 243	NMFA Loan - Land Purchase	78,971
Total		521,045

Enterprise Fund Debt Services		
	Description	Amount Due
Ordinance 211	2005 Series Refunding Bond	369,879
Ordinance 223	2006 Series Joint Water and Sewer Bond	649,695
Ordinance 229	NMFA Loan - Arsenic Treatment Plant	256,720
Total		1,276,294

Fiscal Year 2014**Net Effect**

General Fund			
	Finance Proposed	Department Head Requested	Council Approved
Expense	7,308,641	7,339,141	7,339,141
Revenue	7,414,270	7,414,270	7,414,270
Excess/(Deficit)	105,629	75,129	75,129

Coronado Campground			
	Finance Proposed	Department Head Requested	Council Approved
Expense	127,333	127,333	127,333
Revenue	115,000	115,000	115,000
Excess/(Deficit)	(12,333)	(12,333)	(12,333)

Utility Enterprise Fund			
	Finance Proposed	Department Head Requested	Council Approved
Expense	3,656,590	3,716,590	3,716,590
Revenue	3,743,478	3,743,478	3,743,478
Excess/(Deficit)	86,888	26,888	26,888

ORDINANCE 212

AN ORDINANCE AMENDING THE WATER USE AND WATE RATE
ORDINANCE OF THE TOWN OF BERNALILLO, NEW MEXICO.
ORDINANCE NOS. 81, 153,164,170 AND 187.

BE IT ORDAINED BY THE GOVERNING BODY OF THE
TOWN OF BERNALILLO, A MUNICIPAL CORPORATION. THAT:

ARTICLE ONE

The WATER USE AND WATER RATE ORDINANCE OF THE TOWN OF BERNALILLO, NEW MEXICO, ORDINANCE NOS. 81, 153, 164, 170 AND 187 are hereby amended by this ordinance, which shall be incorporated therein.

ARTICLE TWO

Article three, Section One, Subsection A. entitled “RESIDENTIAL COMMERCIAL AND INDUSTRIAL CATIGORIES”, is hereby repealed in its entirety, and the following Subsection shall replace the repealed Subsection, to-wit.

A. **RESIDENTIAL AND COMMERCIAL CATIGORIES:**
Rates for the First Four Thousand (4,000) Gallons Per Month

Residential Base Rate: \$17.50

Each additional one thousand (1000) gallons or portions thereof, will be assessed as follows:

Gallons		Gallons	
0-5999	2.45	15,000 – 19999	2.85
6000 – 7999	2.55	20,000 – 29,999	2.95
8000 – 9999	2.65	30,000 – 39,999	3.05
10,000 – 14,999	2.75	40,000 – 49,999	3.15
		50,000 and Up	3.25

There will be a 25% surcharge on accounts outside of Town limits.

Commercial Base Rate: \$30.73

Each additional one thousand (1000) gallons or portions thereof will be assessed at \$2.80 per thousand (1000) gallons.

There will be a 25% surcharge on accounts outside of Town limits

ARTICLE THREE

Article three, Section One, Subsection B, entitled “SPECIAL CATEGORIES” is hereby removed from the ordinance.

ARTICLE FOUR

Severability:

If any section, paragraph, clause or provision of this ordinance shall, for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this ordinance.

PASSED, ADOPTED AND SIGNED THIS 26TH DAY OF SEPTEMBER, 2005.

Mayor Charles J. Aguilar

ATTEST:

Ida Fierro, Town Clerk

STATE OF NEW MEXICO

TOWN OF BERNALILLO

ORDINANCE NO. 158

AN ORDINANCE AMENDING THE WATER USE AND WATER RATE
ORDINANCE OF THE TOWN OF BERNALILLO, NEW MEXICO,
ORDINANCE NO. 81

WHEREAS, the periodic revision of monthly rates, charges and conditions for water services furnished by the municipality is essential for the preservation and maintenance of a municipal water and sewer system; and,

WHEREAS, an amendment to portions of Ordinance No. 81 is necessary in order to provide for the needs of the Town.

NOW THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE
TOWN OF BERNALILLO, COUNTY OF SANDOVAL, STATE OF NEW MEXICO:

SECTION ONE

ORDINANCE NO. 81, ARTICLE TWO, SECTION THREE, SUBSECTION D,
ENTITLED "SERVICE CONNECTION FEES", is hereby amended as follows:

D. CONNECTION FEES: There is hereby established, and there shall be maintained, collected and enforced, a connection fee as set forth in the table below. Water connection fees shall be based on the size of the customer's water meter.

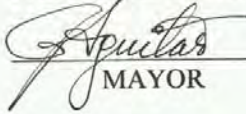
Meter Size	Connection Fee	Meter Size	Connection Fee
3/4"	\$1,200.00	2"	\$7,500.00
1"	\$2,400.00	3"	\$14,400.00
1 1/2"	\$4,200.00	4"	\$23,600.00

SECTION TWO

REPEALER: All Ordinances or parts of Ordinances in existence are hereby repealed to the extent that they are inconsistent with this Ordinance; and, provided however, that such repeal shall not effect any claims or rights arising under such prior Ordinances, and all claims or rights of The Town of Bernalillo arising under such prior ordinances shall remain in full force and effect; provided further, that all Ordinances or parts of Ordinances inconsistent with this Ordinance are hereby repealed.

SEVERABILITY: That if any section, paragraph, clause or provision of this Ordinance shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect the validity of the remaining parts of this Ordinance.

PASSED, ADOPTED AND SIGNED THIS 24th DAY OF November, 1997


MAYOR

ATTEST: 
TOWN CLERK

APPENDIX D: COST ESTIMATE DETAILS



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Estimate of Probable Cost - Summary
Alternative 2- Connect to Existing Public Water System
I-25 Frontage Road Water Improvement Project
Sandoval County, New Mexico

Capital Costs	
Item	Amount
Planning & Design (10% of construction)	\$ 141,000.00
Easements and Right of Way	\$ 10,000.00
Environmental, Archeological and Hydrology Services	\$ 10,000.00
Construction (including NMGR)	\$ 1,410,000.00
Land Acquisition	\$ -
Legal Fees	\$ 5,000.00
Total Capital Costs	\$ 1,576,000.00
Total Annual Costs	\$ 312,000.00
Net Present Value Calculation	
Present Value of Capital Cost (C)	\$ 1,576,000.00
Total Annual Cost	\$ 312,000.00
Net Present Value of Total Annual Cost*	\$ 227,133.10
Present Value of Salvage Value (S)	\$ -
Net Present Value (NPV)	\$ 6,118,662.07
Unit Cost of Water (1,000 gallons)	\$ 3.20
*Real Discount Rate over a 20-year life cycle (USOMB,2014), i =	1.60%
Single Payment Present Worth Factor (P/F) =	0.7280
Gallons per Year	95,673,800

Estimate of Probable Cost - Construction Detail
Alternative 2- Connect to Existing Public Water System
I-25 Frontage Road Water Improvement Project
Sandoval County, New Mexico

Item	Description	Qty.	Unit	Unit price	Amount
1	Material Testing Allowance	1	Allow.	\$ 10,000.00	\$ 10,000.00
2	Mobilization/Demobilization	1	LS	\$ 40,000.00	\$ 40,000.00
3	Storm Water Pollution Prevention Plan (SWPPP) Preparation	1	LS	\$ 10,000.00	\$ 10,000.00
4	Traffic Control Plan Preparation	1	LS	\$ 35,000.00	\$ 35,000.00
5	Furnish and install 8-inch diameter C900 DR 18 PVC pipe (including trenching, fittings, bedding, backfill, tracer wire, warning tape, compaction, disinfection and all related appurtenances), CIP	8,600	LF	\$ 30.00	\$ 258,000.00
6	Furnish and install 10-inch diameter C900 DR 18 PVC pipe (including trenching, fittings, bedding, backfill, tracer wire, warning tape, compaction, disinfection and all related appurtenances), CIP	5,400	LF	\$ 35.00	\$ 189,000.00
7	Tie into existing 10-inch waterline using contractor furnished 10 x 10 x 8-inch diameter tee (including all related appurtenances), CIP	2	EA	\$ 850.00	\$ 1,700.00
8	Furnish and install 8-inch diameter gate valve assembly (including all related appurtenances), CIP	20	EA	\$ 1,500.00	\$ 30,000.00
9	Furnish and install 8-inch three way fire hydrant assembly (including gate valves, 8 x 8 x 6-inch tee and all related appurtenances), CIP	28	EA	\$ 5,000.00	\$ 140,000.00
10	Furnish and install 3/4 inch Air Vacuum Valve assembly on 8-inch waterline (including traffic rated vault and all related materials), CIP	15	EA	\$ 3,000.00	\$ 45,000.00
11	Asphalt pavement removal and replacement (in accordance with NMDOT specifications)	1000	SY	\$ 60.00	\$ 60,000.00
12	Directional drilling across NM 165 (including 16" steel casing, end seal, 8-inch ductile iron pipe, spacers, mechanical joint adapters, seals, fittings, megalugs, gaskets, and all required appurtenances), CIP	250	LF	\$ 250.00	\$ 62,500.00
13	Booster Pump Station including foundation, building, fencing, electrical, controls, 2x25 horsepower jockey pumps, and 1,500 gpm fire flow booster pump.	1	LS	\$ 125,000.00	\$ 125,000.00
	Subtotal				\$ 1,006,200.00
	Contractor's Contingency (10%)				\$ 100,620.00
	Construction Subtotal without Tax				\$ 1,106,820.00
	NMGRT (7.0625%)				\$ 78,169.16
	Construction Subtotal with Tax				\$ 1,084,369.16
	Allowance for Engineer's Level of Accuracy (25%)				\$ 271,092.29
	Construction Contractor's Total Cost (round to the nearest \$10K)				\$ 1,360,000.00
	Engineering Services during Construction (4%)				\$ 54,400.00
	TOTAL CONSTRUCTION COST (nearest \$10K)				\$ 1,410,000.00

Estimate of Probable Cost - Annual Cost
Alternative 2- Connect to Existing Public Water System
I-25 Frontage Road Water Improvement Project
Sandoval County, New Mexico

Item	Description	Qty.	Unit	Unit price	Amount
1	Bernalillo Water Department Expenses	1218	Connections	\$ 118.28	\$ 144,065.04
2	Interest on Loan (20-years @ 4.25% interest, 100% loan)	12	Month	\$ 8,731.00	\$ 104,772.00
				Subtotal	\$ 248,837.04
				Allowance for Engineer's Level of Accuracy (25%)	\$ 62,209.26
	TOTAL ANNUAL COST (nearest \$1K)				\$ 312,000.00

Estimate of Probable Cost - Summary
Alternative 3- New Community Water System
I-25 Frontage Road Water Improvement Project
Sandoval County, New Mexico

Capital Costs

Item	Amount
Planning & Design (10% of construction)	\$ 396,000.00
Easements and Right of Way	\$ 10,000.00
Environmental, Archeological and Hydrology Services	\$ 25,000.00
Construction (including NMGR)	\$ 3,960,000.00
Land Acquisition (wells and tank sites)	\$ 250,000.00
Legal Fees	\$ 100,000.00
Total Capital Costs	\$ 4,741,000.00

Total Annual Costs	\$ 528,000.00
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Net Present Value Calculation

Present Value of Capital Cost (C)	\$ 4,741,000.00
Total Annual Cost	\$ 528,000.00
Net Present Value of Total Annual Cost*	\$ 384,379.10
Present Value of Salvage Value (S)	\$ -
Net Present Value (NPV)	\$ 12,428,581.96

Unit Cost of Water (1,000 gallons)	\$ 6.50
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*Real Discount Rate over a 20-year life cycle (USOMB,2014), i = 1.60%

Single Payment Present Worth Factor (P/F) = 0.7280

Gallons per Year = 95,673,800

Estimate of Probable Cost - Construction Detail
Alternative 3- New Community Water System
I-25 Frontage Road Water Improvement Project
Sandoval County, New Mexico

Item	Description	Qty.	Unit	Unit price	Amount
1	Material Testing Allowance	1	Allow.	\$ 10,000.00	\$ 10,000.00
2	Mobilization/Demobilization	1	LS	\$ 35,000.00	\$ 35,000.00
3	Storm Water Pollution Prevention Plan (SWPPP) Preparation	1	LS	\$ 10,000.00	\$ 10,000.00
4	Traffic Control Plan Preparation	1	LS	\$ 35,000.00	\$ 35,000.00
5	Drill and complete new water well including permits casing, screen, gravel pack, pumps, piping, electrical/controls and surface completion.	12	EA	\$ 25,000.00	\$ 300,000.00
6	Fabricate, install and coat new 500,000 gallon water storage tank including foundation and connections.	1	EA	\$ 500,000.00	\$ 500,000.00
7	Arsenic Treatment System	1	LS	\$ 500,000.00	\$ 500,000.00
8	Furnish and install 8-inch diameter C900 DR 18 PVC pipe (including trenching, fittings, bedding, backfill, tracer wire, warning tape, compaction, disinfection and all related appurtenances), CIP	15,000	LF	\$ 30.00	\$ 450,000.00
9	Tie into existing 10-inch waterline using contractor furnished 10 x 10 x 8-inch diameter tee (including all related appurtenances), CIP	2	EA	\$ 850.00	\$ 1,700.00
10	Furnish and install 8-inch diameter gate valve assembly (including all related appurtenances), CIP	30	EA	\$ 1,500.00	\$ 45,000.00
11	Furnish and install 8-inch three way fire hydrant assembly (including gate valves, 8 x 8 x 6-inch tee and all related appurtenances), CIP	30	EA	\$ 5,000.00	\$ 150,000.00
12	Furnish and install 3/4 inch Air Vacuum Valve assembly on 8-inch waterline (including traffic rated vault and all related materials), CIP	15	EA	\$ 3,000.00	\$ 45,000.00
13	Asphalt pavement removal and replacement (in accordance with NMDOT specifications)	1000	SY	\$ 60.00	\$ 60,000.00
14	Directional drilling across NM 165 (including 16" steel casing, end seal, 8-inch ductile iron pipe, spacers, mechanical joint adapters, seals, fittings, megalugs, gaskets, and all required appertenances), CIP	250	LF	\$ 250.00	\$ 62,500.00
15	Pre-packaged Arsenic Treatment Facility, with enclosure, rated for 300 gpm.	1	EA	\$ 500,000.00	\$ 500,000.00
16	Booster Pump Station including foundation, building, fencing, electrical, controls, 2x25 horsepower jockey pumps, and 1,500 gpm fire flow booster pump.	1	LS	\$ 125,000.00	\$ 125,000.00
	Subtotal				\$ 2,829,200.00
	Contractor's Contingency (10%)				\$ 282,920.00
	Construction Subtotal without Tax				\$ 3,112,120.00
	NMGRT (7.0625%)				\$ 219,793.48
	Construction Subtotal with Tax				\$ 3,048,993.48
	Allowance for Engineer's Level of Accuracy (25%)				\$ 762,248.37
	Construction Contractor's Total Cost (round to the nearest \$10K)				\$ 3,810,000.00
	Engineering Services during Construction (4%)				\$ 152,400.00
	TOTAL CONSTRUCTION COST (nearest \$10K)				\$ 3,960,000.00

Estimate of Probable Cost - Annual Costs
Alternative 3- New Community Water System
I-25 Frontage Road Water Improvement Project
Sandoval County, New Mexico

Item	Quantity	Unit	Unit Cost	Annual Amount
Operator Labor	416	Hours	\$ 18.00	\$ 7,488.00
Meter Reading Labor	96	Hours	\$ 18.00	\$ 1,728.00
Electricity Cost - 12 Well Pumps and 1 Booster	1,808,123	Kw-hr	\$ 0.08	\$ 144,649.83
Chemical Cost (Chlorine, As treatment)	6,600	gallons	\$ 1.00	\$ 6,600.00
Pipeline Repair (\$0.10/foot)	15,000	foot	\$ 0.10	\$ 1,500.00
Laboratory and testing	12	year	\$ 250.00	\$ 3,000.00
Waste disposal	12	year	\$ 30.00	\$ 360.00
Interest on Loan (100% loan) - 4.25%	12	month	\$ 20,620.00	\$ 247,440.00
Professional Services	1	year	\$ 10,000.00	\$ 10,000.00
Subtotal				\$ 422,765.83
Allowance for Engineer's Level of Accuracy (25%)				\$ 105,691.46
Total Annual Costs				\$ 528,457.29

Energy Calculations	
Kw-hr/Mgal	18,899
Mgal/year	96
Kw-hr/yr	1,808,122.88

Loan Calculation	
Loan Amount	\$ 3,330,000
Interest Rate (%)	4.25%
Term (months)	240
Payment (monthly)	\$ 20,620