

Accounting & Consulting Group, LLP

Certified Public Accountants

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 1
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2010



STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
ANNUAL FINANCIAL REPORT
JUNE 30, 2010

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STATE OF NEW MEXICO
 Belen Consolidated School District No. 2
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STATE OF NEW MEXICO
Belen Consolidated School District No. 2
Official Roster
June 30, 2010

<u>Name</u>		<u>Title</u>
	<u>Board of Education</u>	
Sam Chavez		President
Adrian Pino		Vice President
Delores Lola Quintana		Secretary
Larry Lindberg		Member
Lorraine Espinosa		Member
	<u>School Officials</u>	
Ron Marquez		Superintendent
George Perea		Director of Finance and Business

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FINANCIAL SECTION



Accounting & Consulting Group, LLP
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Hector H. Balderas
New Mexico State Auditor
The Office of Management and Budget and
To The Board of Education
Belen Consolidated School District No. 2
Belen, New Mexico

We were engaged to audit the accompanying financial statements of the governmental activities, each major fund, the budgetary comparison for the General Fund and the aggregate remaining fund information of Belen Consolidated School District No. 2 (District) as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. We were also engaged to audit the financial statements of each of the District's nonmajor governmental funds, the combining financial statements for the general fund, and the respective budgetary comparisons for the major capital projects funds, the major debt service fund and the remaining nonmajor governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2010 as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

The District has not maintained adequate accounting records and has several material weaknesses in internal control. The District has insufficient or non-existent internal controls over substantially all of the its significant transaction classes and general ledger postings cannot be relied upon. In addition, the District has not established and maintained adequate internal controls over its cash and was unable to reconcile cash balances in total, and by fund, as of June 30, 2010. There are no internal controls in place to mitigate the risk of management override, as numerous nonstandard manual journal entries exist in the general ledger with little or no evidence to substantiate its validity. Furthermore, revenues and expenditures for the fiscal year cannot be verified to the bank statements.

As a result of the numerous material weaknesses over the internal control structure of the District, the District's accounting records are inadequate to substantiate the account balances for revenues, expenditures and cash presented in the financial statements. In addition, the District does not have the underlying supporting documentation or reconciliations that provide evidence for numerous nonstandard manual journal entries posted within its general ledger. There is insufficient evidence available to determine that the account distributions for revenue and expenditures amounts are accurate and management assertions cannot be adequately examined to afford a basis for an opinion. The District's records do not permit the application of other auditing procedures to its revenues, expenditures and cash.

Because we were unable to obtain adequate supporting documentation and evidence for the District's revenues, expenditures, and cash account balances, the scope of our work was not sufficient to enable us to express, and we do not express opinions on the governmental activities, each major fund, the budgetary comparisons of the general fund and the aggregate remaining fund information of the District. Also, because we were unable to obtain adequate supporting documentation and evidence for the District's revenues, expenditures, and cash account balances, the scope of our work was not sufficient to enable us to express, and we do not express opinions on the District's nonmajor governmental funds, the combining financial statements for the general fund, and the respective budgetary comparisons for the capital projects funds, the debt service fund and the remaining nonmajor governmental funds presented as supplementary information.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2012 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

We were engaged for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The accompanying financial information listed as Supporting Schedules I through IV in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the District. Because of the significance of the matters discussed in the preceding paragraphs, the scope of our work was not sufficient to enable us to express, and we do not express an opinion regarding whether schedules I through III or the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements, and the remaining nonmajor governmental fund financial statements. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on that information.

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP
Albuquerque, NM
March 8, 2012

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**BASIC
FINANCIAL STATEMENTS**

STATE OF NEW MEXICO
 Belen Consolidated School District No. 2
 Statement of Net Assets
 June 30, 2010

	<u>Governmental Activities</u>
Assets	
Current assets	
Cash and cash equivalents	\$ 11,937,439
Property taxes receivable	287,372
Due from other governments	832,409
Inventory	<u>123,414</u>
Total current assets	<u>13,180,634</u>
Noncurrent assets	
Restricted cash and cash equivalents	4,174,954
Bond discounts, net of amortization of \$22,967	30,986
Bond issuance costs, net of amortization of \$33,529	160,556
Capital assets	100,630,935
Less: accumulated depreciation	<u>(39,517,618)</u>
Total noncurrent assets	<u>65,479,813</u>
Total assets	<u><u>\$ 78,660,447</u></u>

The accompanying notes are an integral part of these financial statements

	Governmental Activities
Liabilities	
Current liabilities	
Accounts payable	\$ 411,856
Accrued payroll	1,362,171
Accrued interest	431,455
Current portion of accrued compensated absences	324,107
Current portion of bonds payable	<u>2,575,000</u>
Total current liabilities	<u>5,104,589</u>
Noncurrent liabilities	
Bond premiums, net of amortization of \$63,205	165,787
Bonds payable	24,605,000
Accrued compensated absences	<u>194,876</u>
Total noncurrent liabilities	<u>24,965,663</u>
Total liabilities	<u>30,070,252</u>
Net assets	
Invested in capital assets, net of related debt	32,732,914
Restricted for:	
Special revenue	1,967,148
Debt service	6,777,401
Capital projects	4,136,796
Unrestricted	<u>2,975,936</u>
Total net assets	<u>48,590,195</u>
Total liabilities and net assets	<u>\$ 78,660,447</u>

STATE OF NEW MEXICO
 Belen Consolidated School District No. 2
 Statement of Activities
 For the Year Ended June 30, 2010

<u>Functions/Programs</u>	<u>Program Revenues</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Governmental Activities:			
Education:			
Instruction	\$ 25,137,867	\$ 141,284	\$ 5,016,114
Support services	8,559,414	48,107	1,707,981
Central services	1,732,677	9,738	345,746
Operation & maintenance of plant	6,129,445	34,450	1,223,095
Student transportation	1,781,787	-	1,486,308
Food services	2,491,278	192,183	2,316,701
Community services operations	71,996	405	14,366
Interest on long-term debt	1,005,266	-	-
Amortization	13,174	-	-
	<hr/>	<hr/>	<hr/>
Total governmental activities	<u>\$ 46,922,904</u>	<u>\$ 426,167</u>	<u>\$ 12,110,311</u>

General Revenues:

Taxes

Property taxes, levied for operating programs

Property taxes, levied for debt services

Property taxes, levied for capital projects

State equalization guarantee

Interest and investment earnings

Miscellaneous

Gain on disposal of capital assets

Subtotal, general revenues

Changes in net assets

Net assets, beginning

Net assets, ending

The accompanying notes are an integral part of these financial statements

<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Assets</u>
	<u>Governmental Activities</u>
\$ 914,203	\$ (19,066,265)
311,285	(6,492,041)
63,013	(1,314,180)
222,913	(4,648,987)
-	(295,479)
-	17,606
2,618	(54,607)
-	(1,005,266)
-	(13,174)
<u>\$ 1,514,033</u>	<u>(32,872,393)</u>

92,765
2,999,801
777,861
29,411,964
80,216
36,947
13,895
<u>33,413,449</u>
541,056
<u>48,049,139</u>
<u>\$ 48,590,195</u>

STATE OF NEW MEXICO
 Belen Consolidated School District No. 2
 Balance Sheet
 Governmental Funds
 June 30, 2010

	General Fund	Bond Building Fund	Capital Improvements SB- 9
<i>Assets</i>			
Cash and cash equivalents	\$ 3,416,456	\$ 5,137,588	\$ 1,689,578
Property taxes receivable	9,576	-	57,020
Due from other governments	-	-	-
Other receivables	55,686	-	-
Inventory	81,942	-	-
Due from other funds	1,473,266	-	-
	<u>\$ 5,036,926</u>	<u>\$ 5,137,588</u>	<u>\$ 1,746,598</u>
<i>Total assets</i>			
	<u>\$ 5,036,926</u>	<u>\$ 5,137,588</u>	<u>\$ 1,746,598</u>
<i>Liabilities and fund balances</i>			
<i>Liabilities</i>			
Accounts payable	\$ 153,493	\$ 185,657	\$ 3,222
Accrued payroll	1,362,171	-	-
Deferred revenue	3,341	-	19,824
Due to other funds	973,215	-	-
	<u>2,492,220</u>	<u>185,657</u>	<u>23,046</u>
<i>Total liabilities</i>			
	<u>2,492,220</u>	<u>185,657</u>	<u>23,046</u>
<i>Fund balances</i>			
Reserved for:			
Inventory	81,942	-	-
Unreserved			
Unreserved, reported in			
General fund	2,462,764	-	-
Special revenue funds	-	-	-
Debt service funds	-	-	-
Capital projects funds	-	4,951,931	1,723,552
	<u>2,544,706</u>	<u>4,951,931</u>	<u>1,723,552</u>
<i>Total fund balances</i>			
	<u>2,544,706</u>	<u>4,951,931</u>	<u>1,723,552</u>
<i>Total liabilities and fund balances</i>			
	<u>\$ 5,036,926</u>	<u>\$ 5,137,588</u>	<u>\$ 1,746,598</u>

The accompanying notes are an integral part of these financial statements

<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
\$ 4,174,954	\$ 1,693,817	\$ 16,112,393
220,776	-	287,372
-	776,723	776,723
-	-	55,686
-	41,472	123,414
-	973,215	2,446,481
<u>\$ 4,395,730</u>	<u>\$ 3,485,227</u>	<u>\$ 19,802,069</u>
\$ -	\$ 69,484	\$ 411,856
-	-	1,362,171
76,759	-	99,924
-	1,473,266	2,446,481
<u>76,759</u>	<u>1,542,750</u>	<u>4,320,432</u>
-	41,472	123,414
-	-	2,462,764
-	1,900,830	1,900,830
4,318,971	-	4,318,971
-	175	6,675,658
<u>4,318,971</u>	<u>1,942,477</u>	<u>15,481,637</u>
<u>\$ 4,395,730</u>	<u>\$ 3,485,227</u>	<u>\$ 19,802,069</u>

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STATE OF NEW MEXICO
 Belen Consolidated School District No. 2
 Reconciliation of the Balance Sheet to the Statement of Net Assets
 Governmental Funds
 June 30, 2010

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

Fund balances - total governmental funds	\$	15,481,637
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		61,113,317
Delinquent property taxes not collected within sixty days after year end are not considered "available" revenues and are considered to be deferred revenue in the fund financial statements, but are considered revenue in the Statement of Activities		99,924
Other noncurrent assets are not available to pay for current period expenditures and therefore, are deferred in the funds:		
Bond issuance costs		160,556
Bond discounts		30,986
Other liabilities are not due and payable with current financial resources and, therefore are not reported in the funds		
Bond premiums		(165,787)
Accrued interest		(431,455)
Current portion of accrued compensated absences		(324,107)
Current portion of bonds payable		(2,575,000)
Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds:		
Bonds payable		(24,605,000)
Accrued compensated absences		(194,876)
		(24,799,876)
Total net assets - governmental activities	\$	48,590,195

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Belen Consolidated School District No. 2
 Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 For the Year Ended June 30, 2010

	General Fund	Bond Building Fund	Capital Improvements SB-9
<i>Revenues</i>			
Property taxes	\$ 126,971	\$ -	\$ 987,108
Federal flowthrough	273,506	-	-
Federal direct	5,139	-	-
State flowthrough	390,190	76,903	408,778
State direct	29,411,964	-	-
Transportation distribution	1,486,308	-	-
Charges for services	101,832	-	-
Investment income	3,518	32,645	1,210
Miscellaneous	30,568	-	6,379
<i>Total revenues</i>	<u>31,829,996</u>	<u>109,548</u>	<u>1,403,475</u>
<i>Expenditures</i>			
<i>Current</i>			
Instruction	18,435,623	-	-
Support services	7,207,403	-	6,550
Central services	1,493,068	-	129,486
Operation and maintenance of plant	2,948,284	982,899	804,625
Student transportation	1,704,819	-	-
Food services operations	-	-	-
Community services operations	69,357	-	-
Capital outlay	-	5,794,803	82,055
<i>Debt service</i>			
Principal	-	2,075,000	-
Interest	-	40,085	-
Bond issuance costs	-	58,875	-
<i>Total expenditures</i>	<u>31,858,554</u>	<u>8,951,662</u>	<u>1,022,716</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(28,558)</u>	<u>(8,842,114)</u>	<u>380,759</u>
<i>Other financing sources (uses)</i>			
Bond proceeds	-	4,605,000	-
Bond premium	-	87,561	-
Proceeds from sale of assets	13,895	-	-
<i>Total other financing sources (uses)</i>	<u>13,895</u>	<u>4,692,561</u>	<u>-</u>
<i>Net change in fund balances</i>	(14,663)	(4,149,553)	380,759
<i>Fund balances - beginning</i>	<u>2,559,369</u>	<u>9,101,484</u>	<u>1,342,793</u>
<i>Fund balances - ending</i>	<u>\$ 2,544,706</u>	<u>\$ 4,951,931</u>	<u>\$ 1,723,552</u>

The accompanying notes are an integral part of these financial statements

<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
\$ 3,810,651	\$ -	\$ 4,924,730
-	6,030,713	6,304,219
-	3,173,699	3,178,838
-	1,315,446	2,191,317
-	48,312	29,460,276
-	-	1,486,308
-	324,335	426,167
42,843	-	80,216
-	-	36,947
3,853,494	10,892,505	48,089,018
-	4,193,090	22,628,713
24,623	1,320,838	8,559,414
-	110,123	1,732,677
-	1,393,637	6,129,445
-	76,968	1,781,787
-	2,491,278	2,491,278
-	2,639	71,996
-	1,083,831	6,960,689
2,300,000	-	4,375,000
1,008,096	-	1,048,181
-	-	58,875
3,332,719	10,672,404	55,838,055
520,775	220,101	(7,749,037)
-	-	4,605,000
-	-	87,561
-	-	13,895
-	-	4,706,456
520,775	220,101	(3,042,581)
3,798,196	1,722,376	18,524,218
\$ 4,318,971	\$ 1,942,477	\$ 15,481,637

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STATE OF NEW MEXICO
 Belen Consolidated School District No. 2
 Reconciliation of the Statement of Revenues, Expenditures and Changes
 in Fund Balances of Governmental Funds to the Statement of Activities
 Governmental Funds
 For the year ended June 30, 2010

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

Net change in fund balances - total governmental funds	\$ (3,042,581)
--	----------------

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital expenditures recorded in capital outlay	6,960,689
Depreciation expense	(2,542,493)
Adjustment to accumulated depreciation	415,350

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

Change in deferred revenue related to property taxes receivable	(1,054,303)
---	-------------

Expenses in the Statements of Activities that do not consume current financial resources are not reported as expenditures in the funds:

Decrease in the reserve for compensated absences	33,339
Decrease in accrued interest	31,276

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

Amortization of bond issuance costs	(13,174)
Amortization of bond discounts and premiums	11,639
Bond issuance costs capitalized	58,875
Bond premiums capitalized	(87,561)
Bond proceeds	(4,605,000)
Principal payments on bonds	<u>4,375,000</u>

Change in net assets of governmental activities	<u><u>\$ 541,056</u></u>
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The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Belen Consolidated School District No. 2
 General Fund

Exhibit C-1

Statement of Revenue, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property taxes	\$ 145,058	\$ 145,058	\$ 125,836	\$ (19,222)
Federal flowthrough	79,257	84,730	221,587	136,857
Federal direct	9,120	9,120	3,386	(5,734)
Local grants	-	-	-	-
State flowthrough	523,391	571,723	403,229	(168,494)
State direct	30,696,762	29,429,523	29,411,964	(17,559)
Combined state/local	-	-	-	-
Transportation distribution	1,590,448	1,486,258	1,486,308	50
Charges for services	41,470	41,470	101,832	60,362
Investment income	26,379	26,379	3,518	(22,861)
Miscellaneous	50	50	30,568	30,518
<i>Total revenues</i>	<u>33,111,935</u>	<u>31,794,311</u>	<u>31,788,228</u>	<u>(6,083)</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	18,977,941	19,029,637	17,706,959	1,322,678
Support services	8,301,174	7,708,357	7,199,743	508,614
Central services	1,351,977	1,351,977	1,487,823	(135,846)
Operation and maintenance of plant	3,278,188	3,044,270	2,886,295	157,975
Student transportation	1,722,023	1,617,833	1,708,723	(90,890)
Food services operations	-	-	-	-
Community services operations	53,580	53,580	69,357	(15,777)
Capital outlay	15,000	15,000	-	15,000
<i>Total expenditures</i>	<u>33,699,883</u>	<u>32,820,654</u>	<u>31,058,900</u>	<u>1,761,754</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(587,948)</u>	<u>(1,026,343)</u>	<u>729,328</u>	<u>1,755,671</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	587,948	1,026,343	-	(1,026,343)
Proceeds from sale of assets	-	-	13,895	13,895
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>587,948</u>	<u>1,026,343</u>	<u>13,895</u>	<u>(1,012,448)</u>
<i>Net change in fund balances</i>	-	-	743,223	743,223
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>3,173,284</u>	<u>3,173,284</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,916,507</u>	<u>\$ 3,916,507</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 743,223
Adjustments to revenues for state flowthrough revenues and property taxes				41,768
Adjustments to expenditures for salary, materials, other charges, and buses expenditures				(799,654)
<i>Net changes in fund balances (GAAP Basis)</i>				\$ (14,663)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Belen Consolidated School District No. 2
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2010

Exhibit D-1

<i>Assets</i>	
Cash and cash equivalents	<u>\$ 452,746</u>
<i>Total assets</i>	<u><u>\$ 452,746</u></u>
 <i>Liabilities</i>	
Due to student organizations	<u>\$ 452,746</u>
<i>Total liabilities</i>	<u><u>\$ 452,746</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Belen Consolidated School District No. 2
Notes to Financial Statements
June 30, 2010

NOTE 1. Summary of Significant Accounting Policies

Belen Consolidated School District No. 2 is a special purpose government corporation governed by an elected five-member Board of Education. The Board of Education is the basic level of government, which has oversight responsibility and control over all activities related to the public school education of the City of Belen. The District is responsible for all activities related to public elementary and secondary school education within its jurisdiction. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

This summary of significant accounting policies of the District is presented to assist in the understanding of the District's financial statements. The financial statements and notes are the representation of the District's management that is responsible for the financial statements. The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting financial reporting principles. The financial statements have incorporated all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on accounting procedures issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. Governments also have the option of following subsequent private-sector guidance for their government-wide financial statements, subject to this same limitation. The District has elected not to follow subsequent private-sector guidance.

A. Financial Reporting Entity

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14 and No. 39. Blended component units, although legally separate entities, are in substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

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

STATE OF NEW MEXICO
Belen Consolidated School District No. 2
Notes to Financial Statements
June 30, 2010

NOTE 1. Summary of Significant Accounting Policies (continued)

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The District has no business-type activities.

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

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

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as is the fiduciary fund financial statement. 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 provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period, and the government considers grant revenues to be available if they are collected within one year. 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
Belen Consolidated School District No. 2
Notes to Financial Statements
June 30, 2010

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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

The District reports the following major governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenues are provided by district school tax levy, state equalization and transportation funds, state instructional material allocations, and earnings from investments. Expenditures include all costs associated with the daily operations of the schools except for those items included in other funds.

The *Bond Building Capital Projects Fund* is used to account for bond proceeds plus any income earned thereon. The proceeds are restricted for the purpose of making additions to any furnishing of school buildings, or purchasing or improving school grounds or any combination thereof, as approved by the voters of the Schools.

The *Capital Improvements SB-9 Capital Projects Fund* is used to provide financing for purchase of equipment and capital improvements to School District property. Funding is received from a 2 mill property tax levy and interest earned on investments, under New Mexico Senate Bill 9.

The *Debt Service Fund* is used to account for the accumulation of resources for, and the payment of general long-term debt principal, interest and related costs.

Additionally, the District reports the following agency fund:

The *Fiduciary Funds* account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

STATE OF NEW MEXICO
Belen Consolidated School District No. 2
Notes to Financial Statements
June 30, 2010

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Net Assets or Equity

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

State statutes authorize the District to invest in Certificates of Deposit, obligations of the U.S. Government, and the Local Government Investment Pool. The Local Government Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares. As of June 30, 2010 the District does not have any investments.

Restricted Assets: The Debt Service Fund is used to report resources set aside as restricted to make up potential future deficiencies in the revenue bond current debt service account.

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

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

The District receives monthly income from a tax levy in Valencia and Socorro Counties. The funds are collected by the County Treasurers and are remitted to the District the following month.

Under the modified accrual method of accounting, the amount remitted by the County Treasurers in July and August 2010 is considered 'measurable and available' and, accordingly, is recorded as revenue in the governmental fund statements during the year ended June 30, 2010. Period of availability is deemed to be sixty days subsequent to year end.

Certain Special Revenue funds are administered on a reimbursement method of funding, were the funds incurred the cost and submitted the necessary request for reimbursement.

Inventory: The District's method of accounting for inventory is the consumption method. Under the consumption approach, governments report inventories they purchase as an asset and defer the recognition of the expenditures until the period in which the inventories actually are consumed. Inventory is valued at cost and consists of U.S.D.A. commodities and other purchased food and non-food supplies. The cost of purchased food is recorded as an expenditure at the time individual inventory items are consumed.

U.S.D.A. commodities consumed during the year are reported as revenues and expenditures; unused commodities are reported as inventories. Non-commodity inventories are equally offset by a fund balance reserve, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets. No deferred revenue was recorded for unused commodity inventory as of June 30, 2010.

STATE OF NEW MEXICO
 Belen Consolidated School District No. 2
 Notes to Financial Statements
 June 30, 2010

NOTE 1. Summary of Significant Accounting Policies (continued)

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

Capital Assets: Capital assets, which include property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Information Technology Equipment including software is being capitalized and included in furniture, fixtures and equipment in accordance with NMAC 2.20.1.9 C (5). The District was a phase II government for purposes of implementing GASB 34 however, the District does not have any infrastructure asset to report.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Library books are not capitalized because they are considered to have a useful life of less than one year. Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction.

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

<u>Assets</u>	<u>Years</u>
Buildings and improvements	10-50
Furniture and equipment	5-15
Vehicles	10

Deferred Revenues: There are two sets of circumstances in which the District accrues deferred revenue.

- *Unearned revenue* - Under both the accrual and the modified accrual basis of accounting, revenue may be recognized only when it is earned. If assets are recognized in connection with a transaction before the earnings process is complete, those assets must be offset by a corresponding liability for *deferred revenue*.
- *Unavailable revenue* – Under the modified accrual basis of accounting, it is not enough that revenue has been earned if it is to be recognized as revenue of the current period. Revenue must also be susceptible to accrual (it must be both measureable and available to finance expenditures of the current fiscal period). If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding liability for deferred revenue. The District has recorded \$99,924 in deferred revenue related to property taxes considered “unavailable.”

Compensated Absences: Twelve month employees are entitled to accumulate annual leave up to 15 days per year, depending on length of service, and the employee’s hire date. Upon termination, employees are paid for their accrued annual leave, up to a maximum of 20 days. Qualified employees are entitled to accumulate sick leave. There is no limit to the amount of sick leave which an employee may accumulate; however, the only employees that are eligible to be paid out are those that are retiring and have completed at least five years of service with the District. These employees will be compensated at 30 percent of their daily rate of pay for unused sick leave upon retirement up to a maximum of 150 days.

STATE OF NEW MEXICO
Belen Consolidated School District No. 2
Notes to Financial Statements
June 30, 2010

NOTE 1. Summary of Significant Accounting Policies (continued)

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

Long-term Obligations: In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method, or the straight-line method, if the difference is inconsequential compared to the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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 the 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.

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

Equity Classifications

Government-wide Statements

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

- a. Net assets invested in capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted Net Assets:
Consist of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. Descriptions for the related restrictions for net assets restricted for “special revenue” and “capital projects” are described on pages 54-57.
- c. Unrestricted Net assets:
All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

STATE OF NEW MEXICO
Belen Consolidated School District No. 2
Notes to Financial Statements
June 30, 2010

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

E. Revenues

State Equalization Guarantee: School districts in the State of New Mexico receive a 'state equalization guarantee distribution' which is defined as "that amount of money distributed to each school district to insure that the school district's operating revenue, including its local and federal revenues as defined (in Chapter 22, Section 825, NMSA 1978) is at least equal to the school district's program costs.

A school district's program costs are determined through the use of various formulas using 'program units' which take into consideration 1) early childhood education; 2) basic education; 3) special education; 4) bilingual-multicultural education; 5) size, etc. Payment is made from the public school fund under the authority of the Director of Public School Finance. The District received \$29,411,964 in state equalization guarantee distributions during the year ended June 30, 2010.

Tax Revenues: The District receives mill levy and ad-valorem tax revenues primarily for debt service and capital outlay purposes. Property taxes are assessed on January 1st of each year and are payable in two equal installments, on November 10th of the year in which the tax bill is prepared and April 10th of the following year with the levies becoming delinquent 30 days (one month) thereafter. The District recognizes tax revenues in the period for which they are levied in the government-wide financial statements. The District records only the portion of the taxes considered 'measurable' and 'available' in the governmental fund financial statements. The District recognized \$4,924,730 in tax revenues in the governmental fund financial statements during the year ended June 30, 2010. Descriptions of the individual debt service and capital outlay funds contained in these financial statements include information regarding the authority for the collection and use of these taxes.

Transportation Distribution: School districts in the State of New Mexico receive student transportation distributions. The transportation distribution is allocated to each school district in accordance with formulas developed by the State Transportation Director and the Director of Public School Finance. The funds shall be used only for the purpose of making payments to each school district for the to-and-from school transportation costs of students in grades K through twelve attending public school within the school district. The District received \$1,486,308 in transportation distributions during the year ended June 30, 2010.

Instructional Materials: The Public Education Department (Department) receives federal mineral leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, seventy percent is restricted to the requisition of materials listed in the State Board of Education "State Adopted Instructional Material" list, while thirty percent of each allocation is available for purchases directly from vendors. Allocations received from the State for the year ended June 30, 2010 totaled \$194,759.

STATE OF NEW MEXICO
Belen Consolidated School District No. 2
Notes to Financial Statements
June 30, 2010

NOTE 1. Summary of Significant Accounting Policies (continued)

E. Revenues (continued)

SB-9 State Match: The Director shall distribute to any school district that has imposed a tax under the Public School Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978) an amount from the public school capital improvements fund that is equal to the amount by which the revenue estimated to be received from the imposed tax as specified in Subsection B of Section 22-25-3 NMSA 1978, assuming a one hundred percent collection rate, is less than an amount calculated by multiplying the product obtained by the rate imposed in the District under the Public School Capital Improvements Act. The distribution shall be made by December 1 of each year that the tax is imposed in accordance with Section 22-25-3 NMSA 1978. However, in the event that sufficient funds are not available in the public school capital improvement funds to make the state distribution provided for in this section, the dollar per program unit figure shall be reduced as necessary.

The District received \$408,778 in state SB-9 matching during the year ended June 30, 2010.

Public School Capital Outlay: The public school capital outlay fund was created under the provisions of Chapter 22, Article 24, NMSA 1978. The money in the fund may be used for: capital expenditures deemed by the public school capital outlay council to be necessary for an adequate educational program per Section 22-24-4(B); core administrative functions of the public school facilities authority and for project management expenses upon approval of the council per Section 22-24-4(G); and for the purpose of demolishing abandoned school district facilities, upon application by a school district to the council, per Section 22-24-4(L).

Money in the fund shall be disbursed by warrant of the Department of Finance and Administration on vouchers signed by the Secretary of Finance and Administration following certification by the council that the application has been approved.

During the year ended June 30, 2010, the District received \$0 in state flow-through capital outlay funds.

Federal Grants: The District receives revenues from various Federal departments (both direct and indirect), which are legally restricted to expenditures for specific purposes. These programs are reported as Special Revenue Funds. Each program operates under its own budget, which has been approved by the Federal Department or the flow-through agency (usually the New Mexico Public Education Department). The various budgets are approved by the local School Board and the New Mexico Public Education Department.

NOTE 2. Stewardship, Compliance and Accountability

Budgetary Information

Budgets for the General, Special Revenue, Debt Service and Capital Projects Funds are prepared by management and are approved by the local Board of Education and the School Budget and Planning Unit of the Public Education Department. Auxiliary student activity accounts are not budgeted.

STATE OF NEW MEXICO
Belen Consolidated School District No. 2
Notes to Financial Statements
June 30, 2010

NOTE 2. Stewardship, Compliance and Accountability (continued)

Budgetary Information (continued)

These budgets are prepared on the Non-GAAP cash basis. Budgeted expenditures exclude encumbrances and the budget secures appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year. Because the budget process in the State of New Mexico requires that the beginning cash balance be appropriated in the budget of the subsequent fiscal year, when the budget is approved those funds are legally restricted and shown as reserved fund balance.

Actual expenditures may not exceed the budget at the function level. Support services has several “sub-functions” presented, including support services, central services, operation and maintenance of plant, and student transportation, as the activity is descriptive of the goods and services rendered for the District. Budgets may be amended in two ways. If a budget transfer is necessary within a major category called a ‘series’ this may be accomplished with only local Board of Education approval. If a transfer between ‘series’ or a budget increase is required, approval must also be obtained from Public School Finance Division.

The budgetary information presented in these financial statements has been amended in accordance with the above procedures.

The School District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In April or May, the local school board submits to the District Budget Planning Unit (DBPU) of the New Mexico Public Education Department (PED) a proposed operating budget for the ensuing fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them. All budgets are submitted to the State of New Mexico Public Education.
2. In May or June of each year, the proposed “operating” budget will be reviewed and approved by the DBPU and certified and approved by the local school board at a public hearing of which notice has been published by the local school board which fixes the estimated budget for the school district for the ensuing fiscal year.
3. The school board meeting is open for the general public unless a closed meeting has been called.
4. The “operating” budget will be used by the District until they have been notified that the budget has been approved by the DBPU and the local school board. The budget shall be integrated formally into the accounting system. Encumbrances shall be used as an element of control and shall be integrated into the budget system.
5. The District shall make corrections, revisions and amendments to the estimated budgets fixed by the local school board to recognize actual cash balances and carryover funds, if any. These adjustments shall be reviewed and approved by the DBPU.
6. The superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the school board and the State of New Mexico Public Education Department.

STATE OF NEW MEXICO
 Belen Consolidated School District No. 2
 Notes to Financial Statements
 June 30, 2010

NOTE 2. Stewardship, Compliance and Accountability (continued)

Budgetary Information (continued)

7. Budget change requests are processed in accordance with Supplement 1 (Budget Preparation and Maintenance) of the Manual of Procedures Public School Accounting and Budgeting. Such changes are initiated by the school district and approved by the DBPU.
8. Legal budget control for expenditures is by function.
9. Appropriations lapse at fiscal year end. Funds unused during the fiscal year may be carried over into the next fiscal year by budgeting those in the subsequent fiscal year's budget. The budget schedules included in the accompanying financial statements reflect the original budget and the final budget.
10. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Funds.

The School Board may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. New Mexico Administrative Code 6.20.2.9 prohibits the District from exceeding budgetary control at the function level.

The appropriated budget for the year ended June 30, 2010, was properly amended by the District's Board of Education throughout the year. These amendments resulted in the following changes:

	Excess (deficiency) of revenues over expenditures	
	Original Budget	Final Budget
Budgeted Funds:		
General Fund	\$ (587,948)	\$ (1,026,343)
Bond Building Fund	\$ (4,289,559)	\$ (4,289,559)
Capital Improvements SB-9	\$ (547,556)	\$ (547,556)
Debt Service Fund	\$ (3,688,069)	\$ (3,688,069)
Nonmajor Funds	\$ (723,671)	\$ (1,398,117)

The District is required to balance its budgets each year. Accordingly, amounts that are excess or deficient are presented as changes in cash designated for expenditures, not as an excess or deficiency of revenues over expenditures.

The reconciliation between the Non-GAAP budgetary basis amounts and the financial statements on the GAAP basis for each governmental fund are included in each individual budgetary comparison.

STATE OF NEW MEXICO
Belen Consolidated School District No. 2
Notes to Financial Statements
June 30, 2010

NOTE 3. Deposits and Investments

State statutes authorize the investment of District funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested funds of the District properly followed State investment requirements as of June 30, 2010.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the District. The financial institution must provide pledged collateral for 50% of the deposit amount in excess of the deposit insurance.

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

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

According to the Federal Deposit Insurance Corporation (FDIC), public unit deposits are funds owned by the public unit. Time deposits, savings deposits and interest bearing negotiable order of withdrawal (NOW) accounts of a public unit in an institution in the same state will be insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution. However, on October 14, 2008, the FDIC announced a new Transaction Account Guarantee (TAG) Program, that provides depositors' with unlimited coverage through December 31, 2010, for insured depository institutions (IDIs) currently participating in the TAG program, with the possibility of an additional extension of up to 12 months without additional rulemaking, upon a determination by the FDIC's Board of Directors that continuing economic difficulties warrant further extension. With regards to this Transaction Guarantee Program, noninterest-bearing checking accounts include Demand Deposit Accounts (DDA's) and any other transaction accounts that has unlimited withdrawals and that cannot earn interest. Also included in this program, are low-interest NOW accounts that cannot earn more than 0.5% interest..

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2010, \$5,251,997 of the District's bank balance of \$15,829,643 was subject to custodial credit risk. Although, the entire amount was uninsured, it was collateralized by collateral held by the pledging bank's trust department, not in the District's name.

STATE OF NEW MEXICO
 Belen Consolidated School District No. 2
 Notes to Financial Statements
 June 30, 2010

NOTE 3. Deposits and Investments (continued)

	<u>Wells Fargo Bank</u>	<u>First Community Bank</u>	<u>Total</u>
Amount of deposits	\$ 2,741,647	\$ 13,087,996	\$ 15,829,643
Transactions Deposits Accounts covered by the "Transactions Account Guarantee Program"	-	(9,827,646)	(9,827,646)
FDIC Coverage	<u>(250,000)</u>	<u>(500,000)</u>	<u>(750,000)</u>
 Total uninsured public funds	 <u>2,491,647</u>	 <u>2,760,350</u>	 <u>5,251,997</u>
 Collateralized by securities held by pledging institutions or by its trust department or agent in other than the School's name	 <u>2,491,647</u>	 <u>2,760,350</u>	 <u>5,251,997</u>
Uninsured and uncollateralized	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Collateral requirement (50% of uninsured funds)	 \$ 1,245,824	 \$ 1,380,175	 \$ 2,625,999
Pledged Collateral	<u>3,457,395</u>	<u>3,258,196</u>	<u>6,715,591</u>
Over (Under) collateralized	<u>\$ 2,211,572</u>	<u>\$ 1,878,021</u>	<u>\$ 4,089,593</u>

Repurchase Agreement

Custodial Credit Risk – Investments For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The District does not have an investment policy for custodial credit risk. New Mexico State Statutes require collateral pledged to be delivered for securities underlying an overnight repurchase agreement, or a joint safekeeping receipt be issue to the District for at least one hundred two percent of the fair value of the securities underlying overnight repurchase accounts invested with the institution. At June 30, 2010, \$1,160,504 of the District's investment balance was exposed to custodial credit risk because it was collateralized by collateral held by the counterparty, not in the District's name.

	<u>Wells Fargo Bank</u>	<u>Total</u>
Repurchase agreements	\$ 1,410,504	\$ 1,410,504
FDIC Coverage	<u>(250,000)</u>	<u>(250,000)</u>
Total uninsured public funds	<u>1,160,504</u>	<u>1,160,504</u>
 Securities underlying an overnight repurchase agreement	 <u>1,160,504</u>	 <u>1,160,504</u>
Total Investments subject to custodial credit risk	<u>\$ -</u>	<u>\$ -</u>
 Collateral requirement for repurchase agreements (102% of value of underlying securities)	 \$ 1,183,714	 \$ 1,183,714
Pledged Collateral	<u>1,438,715</u>	<u>1,438,715</u>
Over (Under) collateralized	<u>\$ 255,001</u>	<u>\$ 255,001</u>

STATE OF NEW MEXICO
 Belen Consolidated School District No. 2
 Notes to Financial Statements
 June 30, 2010

NOTE 3. Deposits and Investments (continued)

The District utilizes pooled accounts for some of their programs and funds. Negative cash balances in individual funds that were part of the pooled accounts should be reclassified as due to/from accounts in the combining balance sheets as of June 30, 2010. However, due to the District having unreconciled cash balances, Due to/from accounts is not accurate or complete at year end. Funds 24000 through 25000 are federal funds and 27000 through 31400 are nonfederal funds. The following individual funds had negative cash balances as of June 30, 2010:

Fund #	Special Revenue Funds:	
24101	Title I IASA (Federal)	\$ 94,471
24107	Entitlement IDEA-B (Federal)	206,840
24109	Preschool IDEA-B (Federal)	8
24113	Enhancing Education Thru Technology (E2Y2-C) (Federal)	42
24153	Title III-A (Federal)	19,885
24154	Teacher/Principal Training & Recruiting (Federal)	40,605
24154	Safe & Drug Free Schools & Communities (Federal)	604
24162	Title I School Improvement (Federal)	57,835
24167	Reading First (Federal)	5,201
24174	Carl Perkins Secondary (Federal)	5,789
24201	Title I - IASA - Federal Stimulus (Federal)	9,396
24206	Entitlement IDEA-B Federal Stimulus (Federal)	10,807
24213	Education for Homeless (Federal)	454
24626	School Improvements Stimulus (Federal)	18,404
25149	GRADS Child Care CYFD (Federal)	250
25250	Operational Federal Stabilization (Federal)	911,813
27105	2008 GO Bond Student Library	12,910
27140	Family & Youth Resource Program	15,144
29102	Private Direct Grants (Categorical)	17,055
	Total	<u>\$ 1,427,513</u>

STATE OF NEW MEXICO
 Belen Consolidated School District No. 2
 Notes to Financial Statements
 June 30, 2010

NOTE 3. Deposits and Investments (continued)

Reconciliation to the Statements of Net Assets

The carrying amount of deposits and investments shown above are included in the District's statement of net assets as follows:

Cash and cash equivalents- Governmental Activities Exhibit A-1	\$ 11,937,439
Restricted cash and cash equivalents- Governmental Activities Exhibit A-1	4,174,954
Fiduciary funds - Exhibit E-1	452,746
Total cash and cash equivalents	16,565,139
Add: Unreconciled difference in cash	177,564
Less: Repurcashe agreement	1,410,504
Less: deposits in transit	152,118
Add: Outstanding check	649,950
Less: petty cash	388
Bank balance of deposits	\$ 15,829,643

NOTE 4. Accounts Receivable

Accounts receivable as of June 30, 2010, are as follows:

	General	Bond Building Fund	Improvements SB-9	Debt Service	Nonmajor Funds	Total
Property taxes	\$ 9,576	\$ -	\$ 57,020	\$ 220,776	\$ -	\$ 287,372
Other receivables:						
Intergovernmental-grants:						
State	2,014	-	-	-	28,054	30,068
Federal	53,672	-	-	-	748,669	802,341
Miscellaneous	-	-	-	-	-	-
Totals by category	\$ 65,262	\$ -	\$ 57,020	\$ 220,776	\$ 776,723	\$ 1,119,781

The above receivables are deemed 100% collectible.

STATE OF NEW MEXICO
 Belen Consolidated School District No. 2
 Notes to Financial Statements
 June 30, 2010

NOTE 5. Interfund Receivables, Payables, and Transfers

The District records temporary interfund receivables and payables to enable the funds to operate until grant monies are received. However, due to the District having unreconciled cash balances, Due to/from accounts is not accurate or complete at June 30, 2010.

The composition of interfund balances recorded by the District during the year ended June 30, 2010 is as follows:

Governmental Activities	Due from other funds	Due to other funds
	<u> </u>	<u> </u>
General Fund	\$ 1,473,266	\$ 973,215
Operational Federal Stabilization	973,215	-
Title I IASA	-	94,471
Entitlement IDEA-B	-	206,840
Preschool IDEA-B	-	8
Enhancing Education Thru Technology (E2Y2-C)	-	42
Title III-A	-	19,885
Teacher/Principal Training & Recruiting	-	40,605
Safe & Drug Free Schools & Communities	-	604
Title I School Improvement	-	57,835
Reading First	-	5,201
Carl Perkins Secondary	-	5,789
Title I - IASA - Federal Stimulus	-	9,396
Entitlement IDEA-B Federal Stimulus	-	10,807
Education for Homeless	-	454
School Improvements Stimulus	-	18,404
GRADS Child Care CYFD	-	250
Operational Federal Stabilization	-	911,813
2008 GO Bond Student Library	-	12,910
Family & Youth Resource Program	-	15,144
Private Direct Grants (Categorical)	-	17,055
Teacher/Principal Training & Recruiting	-	751
Total Wellness Program	-	3,000
Title III- Incentive Award	-	3,000
Training & Professional Development for Teachers	-	13,286
Special Capital Outlay State	-	25,716
	<u> </u>	<u> </u>
Totals	<u>\$ 2,446,481</u>	<u>\$ 2,446,481</u>

All interfund balances are to be repaid within one year.

There were no operating transfers during the year ended June 30, 2010.

STATE OF NEW MEXICO
 Belen Consolidated School District No. 2
 Notes to Financial Statements
 June 30, 2010

NOTE 6. Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2010 follows.
 Land and construction in progress are not subject to depreciation.

	Balance June 30, 2009	Additions	Deletions	Balance June 30, 2010
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,444,270	\$ 639,330	\$ -	\$ 2,083,600
Construction in progress	4,880,812	-	4,880,812	-
Total capital assets not being depreciated	6,325,082	639,330	4,880,812	2,083,600
Capital assets being depreciated:				
Buildings and improvements	79,605,097	10,821,426	23,456	90,403,067
Furniture and equipment	3,699,404	325,708	389,895	3,635,217
Vehicles	4,615,514	55,037	161,500	4,509,051
Total capital assets being depreciated	87,920,015	11,202,171	574,851	98,547,335
Less accumulated depreciation:				
Buildings and improvements	32,086,774	1,956,957	5,375	34,038,356
Furniture and equipment	3,149,533	178,697	823,326	2,504,904
Vehicles	2,729,019	406,839	161,500	2,974,358
Total accumulated depreciation	37,965,326	2,542,493	990,201	39,517,618
Total capital assets, net of depreciation	\$ 56,279,771	\$ 9,299,008	\$ 4,465,462	\$ 61,113,317

Depreciation expense was unallocated for the year ended June 30, 2010.

STATE OF NEW MEXICO
 Belen Consolidated School District No. 2
 Notes to Financial Statements
 June 30, 2010

NOTE 7. Long-term Debt

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. The original amount of general obligation bonds issued in prior years was \$26,950,000. During the year, general obligation bonds for the same purpose totaling \$4,605,000 were issued. General obligation bonds are direct obligations and pledge the full faith and credit of the District. These bonds are issued with varying terms and varying amounts of principal maturing each year. All general obligation bonds as of June 30, 2010 are for governmental activities.

Bonds outstanding at June 30, 2010, are comprised of the following:

	Series <u>10/15/2002</u>	Series <u>10/31/2003</u>	Series <u>11/2/2004</u>	Series <u>3/29/2005</u>
Original Issue:	\$ 2,000,000	\$ 4,000,000	\$ 1,700,000	\$ 9,620,000
Maturity Date	8/1/2015	8/1/2017	8/1/2018	8/1/2017
Principal	August 1	August 1	August 1	August 1
Interest Rate	3.00-4.50%	0.84-3.76%	2.30-3.80%	3.25-5.00%
Interest	February 1 August 1	February 1 August 1	February 1 August 1	February 1 August 1
	Series <u>11/27/2007</u>	Series <u>12/2/2008</u>	Series <u>11/24/2009</u>	
Original Issue:	\$ 8,000,000	\$ 5,000,000	\$ 4,605,000	
Maturity Date	8/1/2022	8/1/2022	8/1/2019	
Principal	August 1	August 1	August 1	
Interest Rate	3.65-5.0%	4.00-5.00%	2.00-4.00%	
Interest	February 1 August 1	February 1 August 1	February 1 August 1	

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2010, including interest payments are as follows:

Series 2002	Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
	2011	\$ 100,000	\$ 59,550	\$ 159,550
	2012	200,000	53,800	253,800
	2013	200,000	46,950	246,950
	2014	400,000	36,600	436,600
	2015	400,000	22,300	422,300
	2016-2020	400,000	7,500	407,500
		<u>\$ 1,700,000</u>	<u>\$ 226,700</u>	<u>\$ 1,926,700</u>

STATE OF NEW MEXICO
 Belen Consolidated School District No. 2
 Notes to Financial Statements
 June 30, 2010

NOTE 7. Long-term Debt (continued)

Series 2003	Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
	2011	\$ 225,000	\$ 84,600	\$ 309,600
	2012	225,000	78,191	303,191
	2013	225,000	71,408	296,408
	2014	225,000	64,337	289,337
	2015	350,000	54,908	404,908
	2016-2020	1,350,000	78,484	1,428,484
		<u>\$ 2,600,000</u>	<u>\$ 431,928</u>	<u>\$ 3,031,928</u>
Series 2004	Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
	2011	\$ 100,000	\$ 42,725	\$ 142,725
	2012	125,000	38,788	163,788
	2013	150,000	33,975	183,975
	2014	200,000	28,100	228,100
	2015	200,000	21,475	221,475
	2016-2020	500,000	31,450	531,450
		<u>\$ 1,275,000</u>	<u>\$ 196,513</u>	<u>\$ 1,471,513</u>
Series 2005	Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
	2011	\$ 1,100,000	\$ 184,500	\$ 1,284,500
	2012	1,000,000	137,000	1,137,000
	2013	900,000	99,000	999,000
	2014	400,000	73,000	473,000
	2015	400,000	58,000	458,000
	2016-2020	1,200,000	76,500	1,276,500
		<u>\$ 5,000,000</u>	<u>\$ 628,000</u>	<u>\$ 5,628,000</u>
Series 2007	Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
	2011	\$ 200,000	\$ 276,400	\$ 476,400
	2012	200,000	268,900	468,900
	2013	100,000	263,275	363,275
	2014	100,000	259,525	359,525
	2015	100,000	255,650	355,650
	2016-2020	2,900,000	1,068,650	3,968,650
	2021-2025	3,700,000	231,525	3,931,525
		<u>\$ 7,300,000</u>	<u>\$ 2,623,925</u>	<u>\$ 9,923,925</u>

STATE OF NEW MEXICO
 Belen Consolidated School District No. 2
 Notes to Financial Statements
 June 30, 2010

NOTE 7. Long-term Debt (continued)

Series 2008	Fiscal Year	Principal	Interest	Total Debt
	Ending June 30,			Service
	2011	\$ 200,000	\$ 196,200	\$ 396,200
	2012	150,000	188,763	338,763
	2013	100,000	183,451	283,451
	2014	100,000	179,201	279,201
	2015	100,000	174,951	274,951
	2016-2020	1,800,000	720,630	2,520,630
	2021-2025	2,250,000	143,515	2,393,515
		<u>\$ 4,700,000</u>	<u>\$ 1,786,711</u>	<u>\$ 6,486,711</u>

Series 2009	Fiscal Year	Principal	Interest	Total Debt
	Ending June 30,			Service
	2011	\$ 650,000	\$ 124,630	\$ 774,630
	2012	750,000	99,926	849,926
	2013	435,000	88,076	523,076
	2014	405,000	78,663	483,663
	2015	570,000	66,475	636,475
	2016-2020	1,795,000	140,975	1,935,975
		<u>\$ 4,605,000</u>	<u>\$ 598,745</u>	<u>\$ 5,203,745</u>

The following is a summary of the long-term debt and the activity for the year ended June 30, 2010:

	Balance June 30, 2009	Additions	Retirements	Balance June 30, 2010	Due Within One Year
Governmental Activities					
Bonds	\$ 26,950,000	\$ 4,605,000	\$ 4,375,000	\$ 27,180,000	\$ 2,575,000
Compensated Absences	552,322	290,768	324,107	518,983	324,107
Total Long-Term Debt	<u>\$ 27,502,322</u>	<u>\$ 4,895,768</u>	<u>\$ 4,699,107</u>	<u>\$ 27,698,983</u>	<u>\$ 2,899,107</u>

Compensated Absences – Administrative employees of the District are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2010, compensated absences decreased \$33,339 from the prior year accrual. Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. In prior years, substantially all of the related expenditures have been liquidated by the general fund. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the government-wide statement of net assets.

STATE OF NEW MEXICO
Belen Consolidated School District No. 2
Notes to Financial Statements
June 30, 2010

NOTE 8. Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors omissions; and natural disasters, for which the District is a member of the New Mexico Public School Insurance Authority (NMPSIA). The Authority was created to provide comprehensive core insurance programs by expanding the pool of subscribers to maximize cost containment opportunities for required insurance coverage. The District pays an annual premium to the NMPSIA based on claim experience and the status of the pool. The Risk Management Program includes Workers Compensation, General and Automobile Liability, Automobile Physical Damage, and Property and Crime coverage. Also included under the risk management program are Boiler, Machinery and Student Accident Insurance.

The NMPSIA provides coverage for up to a maximum of \$500,000,000 for each property damage claim with a \$750 deductible to each building. General liability coverage is afforded to all employees, volunteers and school board members and the limit is subject to the NMSA Tort Claims Act on a per occurrence basis. The automobile and property liability limit is subject to the provisions of the Tort Claims Act. The crime limit is \$250,000 per occurrence for Faithful Performance. A limit of \$250,000 applies to Depositor's Forgery, Credit Card Forgery, and Money Orders. A limit of \$100,000 applies to Money and Securities, which include a \$750 deductible.

In case the NMPSIA's assets are not sufficient to meet its liability claims, the agreement provides that subscribers, including the District, cannot be assessed additional premiums to cover the shortfall. As of June 30, 2010, there have been no claims that have exceeded insurance coverage.

NOTE 9. ERA Pension Plan

Plan Description. Substantially all of the District's full-time employees participate in a public employee retirement system authorized under the Educational Retirement Act (ERA) (Chapter 22, Article 11 NMSA 1978.) The Educational Retirement Board (ERB) 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 (certified teachers, and other employees of State public school districts, colleges, and universities) and beneficiaries. ERB 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 ERB, P. O. Box 26129, Santa Fe, New Mexico 87502. The report is also available on ERB's website at www.nmerb.org.

Funding Policy. Effective July 1, 2010, plan members were required by statute to contribute 7.9% of their gross salary if they earned \$20,000 or less annually, and plan members earning more than \$20,000 annually were required to contribute 9.4% of their gross salary. The District was required to contribute 12.4% of the gross covered salary for employees earning \$20,000 or less, and 10.9% of the gross salary of employees earning more than \$20,000 annually. The employer contribution is increasing by .75% each year until effective July 1, 2011, the employer contribution will be 13.9% of the gross covered salary. The contribution requirements of plan members and the District are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The District's contributions to ERB for the fiscal years ending June 30, 2010, 2009 and 2008 were \$2,716,043, \$2,771,301, and \$2,614,089, respectively.

STATE OF NEW MEXICO
 Belen Consolidated School District No. 2
 Notes to Financial Statements
 June 30, 2010

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

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

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

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

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

The 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. During the fiscal year ended June 30, 2010, the statute required each participating employer to contribute 1.3% of each participating employee’s annual salary; each participating employee was required to contribute .65% of their salary. In the fiscal years ending June 30, 2011 through June 30, 2013 the contribution rates for employees and employers will rise as follows:

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
FY11	1.666%	.833%
FY12	1.834%	.917%
FY13	2.000%	1.000%

Also, employers joining the program after 1/1/98 are required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals. The RHCA plan is financed on a pay-as-you-go basis. The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the contributions can be changed by the New Mexico State Legislature. The District’s contribution to the RHCA for the years ended June 30, 2010, 2009, and 2008 were \$304,350, \$311,687, and \$292,104 respectively, which equal the required contribution for each year.

STATE OF NEW MEXICO
Belen Consolidated School District No. 2
Notes to Financial Statements
June 30, 2010

NOTE 11. Loss Contingencies

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

The District is involved in various claims and lawsuits arising in the normal course of business. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the District's legal counsel that resolution of these matters will not have a material adverse effect on the financial condition of the District.

NOTE 12. Subsequent Events

The District had several construction projects in 2009 that were not completed at year end. In the 2009-2010 fiscal year both of these projects were completed and there were no construction projects at year end that were not completed. The two projects completed in 2009-2010 were the Football Field House, and Career Academy.

The date to which events occurring after June 30, 2010, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or disclosures is March 8, 2012 which is the date on which the financial statements were available to be issued.

NOTE 13. Joint Powers Agreements

JPA for one (1) School Resource Officer (SRO) from the Belen Police Department

Participants – City of Belen

Belen Consolidated School District

Responsible party – Each participant

Description – To assist the Belen Consolidated School District in providing a safe learning environment and improve relationships between law enforcement officers and today's youth.

Contract period- Fiscal year 2009- 2010

Estimated amount of project – Not to exceed \$100,000

Cost to the District: Not to exceed \$100,000

Audit responsibility – Each participant

Fiscal agent – All actual costs to the Belen Police Department associated with the SRO were paid by Belen Consolidated School District.

STATE OF NEW MEXICO
 Belen Consolidated School District No. 2
 Notes to Financial Statements
 June 30, 2010

NOTE 14. Other Required Individual Fund Disclosures

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

Governmental Funds

A. The following funds maintained a deficit fund balance as of June 30, 2010:

Total Wellness Program Special Revenue Fund	\$	3000
Title III- Incentive Award Special Revenue Fund		3000
Title III- A Special Revenue Fund		19,885
Teacher/Principal Training & Recruiting A Special Revenue Fund		4,951
Safe & Drug Free Schools & Communities Special Revenue Fund		444
Title I School Improvement Special Revenue Fund		57,835
Carl Perkins Secondary Special Revenue Fund		3,390
Title I- IASA Federal Stimulus Special Revenue Fund		12,110
Education for Homeless Special Revenue Fund		454
GRADS Child Care CYFD Special Revenue Fund		250
Private Direct Grants (Categorical) Special Revenue Fund		17,055
Special Capital Outlay Sate Capital Projects Fund		<u>2,500</u>
 Total Governmental Funds	 \$	 <u>124,873</u>

B. The following funds maintained expenditures in excess of budgeted authority for the year ended June 30, 2010.

Athletics Special Revenue Fund	\$	21,665
Entitlement IDEA-B Special Revenue Fund		84,216
Title III-A Special Revenue Fund		2
Reading First Special Revenue Fund		14,047
Deferred Sick Leave Special Revenue Fund		9,426
Title I- IASA- Federal Stimulus Special Revenue Fund		14,971
School Improvements Stimulus Special Revenue Fund		9
Title XIX Medicaid 0/2 Years Special Revenue Fund		23,192
Operational Federal Stabilization Special Revenue Fund		56,451
Technology for Education PED Special Revenue Fund		5,632
Truancy Initiative Special Revenue Fund		24
GEAR UP CHE Special Revenue Fund		10,978
Special Capital Outlay Capital Revenue Fund		15,900
Bond Building Capital Revenue Fund		2,827,415
Operational Fund		15,777
Transportation Fund		<u>56,929</u>
 Total Governmental Funds	 \$	 <u>3,156,634</u>

C. The following funds maintained designated cash appropriations in excess of available balances for the year ended June 30, 2010. They are as follows:

Instructional Materials Fund	\$	3,025
Entitlement IDEA-B Special Revenue Fund		294,031
Entitlement IDEA-B Federal Stimulus Special Revenue Fund		43,773
School Improvements Stimulus Special Revenue Fund		240,000
Private Direct Grants (Categorical) Special Revenue Fund		36,132
Debt Service Fund		<u>12,554</u>
 Total Governmental Funds	 \$	 <u>629,515</u>

STATE OF NEW MEXICO
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Notes to Financial Statements
June 30, 2010

NOTE 15. Restricted Net Assets

The Statement of Net Assets reports \$12,881,345 of restricted net assets, \$6,254,788 of which is restricted by enabling legislation.

NOTE 16. Payroll Related Expenditures

The District's expenditures are budgeted on a cash basis, with the exception of those expenditures related to payroll. Payroll expenditures are budgeted on the accrual basis and the beginning fund balance and current year actual expenditures on the budgetary comparisons in those funds that have accrued payroll for held checks at year end have been adjusted to account for this requirement.

NOTE 17. Subsequent Pronouncements

In November 2010, GASB Statement No. 60 *Accounting and Financial Reporting for Service Concession Arrangements* Effective Date: For financial statements for periods beginning after December 15, 2011. The provisions of this Statement generally are required to be applied retroactively for all periods presented. The standard is expected to have no effect on the District in upcoming years.

In November 2010, GASB Statement No. 61 *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34* Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2012. Earlier application is encouraged. The standard is expected to have no effect on the District in upcoming years.

In December 2010, GASB Statement No. 62 *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* Effective Date: The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011. Earlier application is encouraged. The provisions of this Statement generally are required to be applied retroactively for all periods presented. The District will implement this standard during fiscal year June 30, 2013.

In June 2011, GASB Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* Effective Date: The provisions of Statement 63 are effective for financial statements for periods beginning after December 15, 2011, with earlier application encouraged. The standard is expected to have no effect on the District in upcoming years.

In June 2011, GASB Statement No. 64 *Derivative Instruments: Application of Hedge Accounting Termination Provisions—an amendment of GASB Statement No. 53* Effective Date: The provisions of Statement 64 are effective for financial statements for periods beginning after June 15, 2011, with earlier application encouraged. The standard is expected to have no effect on the District in upcoming years.

SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

STATE OF NEW MEXICO
Belen Consolidated School District No. 2
Nonmajor Fund Descriptions
June 30, 2010

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for Federal, State and Local funded grants. These grants are awarded to the District with the purpose of accomplishing specific educational tasks. Grants accounted for in the Special Revenue Funds include:

Food Service (21000) – The Food Service Special Revenue Fund is used to account for all financial transactions related to the food service operation.

Athletics (22000) – To account for fees generated at athletic activities throughout the School District. The gate receipts are obtained from the general public and are expended in this fund. The authority for creation of this fund is 6.20.2 NMAC.

Title I IASA (24101) – To account for a program funded by a Federal grant to assist the District in the improvement of educational opportunities to deprived children. (P.L. 100-297).

Entitlement IDEA-B (24106) – To account for a program funded by a Federal grant to assist the District in providing free appropriate public education to all handicapped children. Funding authorized by Individuals with Disabilities Education Act, Part B, Section 611-620, as amended, Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100,639, and 101-476, 20 U.S.C. 1411-1420.

Discretionary IDEA-B (24107) – The purpose of this program is to provide administrators and program directors with information and strategies that will support licensed and waived teachers in the areas of special education with day-to-day functions of the classroom. Authority for creation of this fund is Individuals with Disabilities Education Act (IDEA), Part B, Sections 611-617, and Part D, Section 674 as amended, 20 U.S.C. 1411-1417 and 1420, Public Law 105-17.

Preschool IDEA-B (24109) – The objective of the Assistance to States for the Education of Handicapped Children Program is to assist in providing free, appropriate public education to all handicapped children from ages three to five. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Department of Children, Youth and Families. Authority for creation of this fund is Public Law 105-17.

Education of the Homeless (24113) – To provide tutoring and remedial academic services to homeless children and youth within the District. Funding is by the New Mexico Department of Education.

Fresh Fruits & Vegetables USDA (24118) – To assist States, through cash grants, in providing free fresh fruits and vegetables to school children in designated participating schools beginning in school year 2004/2005. Authorized by National School Lunch Act, as amended, 42 U.S.C. 1769.

Total Wellness Program (24121) – To accounts for federal funds to provide awareness to children about overall wellness and well-being.

Title III Incentive (24143) – To account for federal resources to improve the education of limited English proficient children by helping them learn English and meet challenging state academic content and student academic achievement standards. (*Elementary and Secondary Education Act of 1965*, as amended, Title III, Secs. 3111 - 3141; 20 U.S.C. 6821—6871)

Enhancing Education Thru Technology (E2Y2-C) (24149) – To account for a federal grant designed to strengthen teacher learning in the field of technology. HAFC/H2,3,4,5,6 and 10 a (PL 103-382).

Title III-A (24153) – To provide funds to improve the educational performance of limited English proficient students by assisting the children to learn English and meet State academic content standards. (P.L. 100-77)

Teacher / Principal Training & Recruiting (24154) – To improve the skills of teachers and the quality of instruction in mathematics and science, and also to increase the accessibility of such instruction to all students. (P.L. 103-382)

STATE OF NEW MEXICO
Belen Consolidated School District No. 2
Nonmajor Fund Descriptions
June 30, 2010

SPECIAL REVENUE FUNDS (continued)

Safe & Drug Free Schools & Communities (24157) – To establish a local program of alcohol and drug abuse education and prevention coordinated with related community efforts and resources.(P.L. 106-553)

Title I School Improvement (24162) – To account for funds used to provide financial assistance to districts to purchase and install an Infrared Audio Enhancement System to help improve the quality of teaching and learning in their schools.(PL 100-297)

Reading First (24167) – To account for federal resources administered by the New Mexico Public Education Department for a comprehensive reading approach which will incorporate research-based materials, intensive and systematic on-site professional development and an assessment-teaching-learning cycle that feeds assessment data into dynamic instructional decision-making. (P.L. 100-297)

Carl Perkins Secondary (24174) – To account for federal funds to provide vocational and technical education for secondary education. (P.L. 105-332).

Carl Perkins Secondary - PY (24175) – To account for federal funds carried over from prior year to provide vocational and technical education for secondary education . (P.L. 105-332).

Carl Perkins Secondary - Redistribution (24176) – Redistribution for the program as described above.

Deferred Sick Leave (42000) – To account for resources reserved and restricted for the payment of sick leave to District employees. Authorized administratively by the District’s School Board.

Title I - IASA - Federal Stimulus- (24201) - To account for the American Recovery and Reinvestment Act of 2009 (ARRA) funding for Title I Part A to meet the educational needs of the District.

Entitlement IDEA-B Federal Stimulus (24206) – To account for a program funded by the American Recovery and Reinvestment Act to assist the District in providing free appropriate public education to all handicapped children. Funding authorized by Individuals with Disabilities Education Act, Part B, Section 611-620, as amended, Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100,639, and 101-476, 20 U.S.C. 1411-1420.

Education for Homeless (24213) - The Funding under this award must be used as specified by the American Recovery and Reinvestment Act of 2009 to assist homeless children and youth in enrolling, attending, and succeeding in school. In particular, the funds may support any of the activities under section 723(d) of the McKinney-Vento Act (42 U.S.C. 11433(d)).

School Improvements Stimulus (24262) – The purpose of this program is to help districts improve academic achievements.

GRADS Child Care CYFD (25149) – To account for a Public Education Department grant through Children, Youth, and Families Department to provide for the maintenance and expansion of the teen parent programs.

Title XIX Medicaid 0/2 Years (25152) – To account for a program providing school-based screening, diagnostic services and other related health services and administrative activities in conformance with the approved Medicaid State Plan in order to improve health and developmental outcomes for children. (P.L. 105-33)

Child Care Block Grant (25157) – To account for funds received for the transition assistance program funding through the Children, Youth and Families Department and the State of New Mexico.

TANF/GRADS (25162) – To assist needy families with children so that children can be cared for in their own homes; to reduce dependency by promoting job preparation, work, and marriage; to reduce and prevent out-of-wedlock pregnancies; and to encourage the formation and maintenance of two-parent families. Social Security Act, Title IV, Part A, as amended; Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193.

STATE OF NEW MEXICO
Belen Consolidated School District No. 2
Nonmajor Fund Descriptions
June 30, 2010

SPECIAL REVENUE FUNDS (continued)

Operational Federal Stabilization (25250) - As a result of revenue shortfalls and the subsequent passage of the American Recovery and Reinvestment Act (ARRA), \$164,700,000 in federal stabilization dollars is appropriated as part of the state equalization guarantee (SEG) for FY10. Stabilization dollars must be distributed and accounted for separately in order to provide the assurances required by the U.S. Department of Education and the ARRA. This fund is to account for the appropriated amount awarded to the District. American Recovery and Reinvestment Act of 2009.

New Mexico Community Foundation (26176) – The purpose of this grant is to assist the community with opportunities for all children and youth, by expanding equitable access to quality healthcare, and addressing basic human needs.

2008 GO Bond Student Library (27105) – To account for Senate Bill 333, 2008 which makes an appropriation to fund all public, charter and juvenile justice schools for public school library improvement or acquisition per school and to acquire library books, equipment, and library resources for public school and state-supported school libraries statewide.

Technology for Education PED (27117) – The purpose of this grant is to assist the District to develop and implement a strategic, long-term plan for utilizing educational technology in the school system. Funds accounted for in this fund are received from the State of New Mexico. The authority for creation of this fund is NMSA 22-15A-1 to 22-15A-10.

Family & Youth Resource Program (27140) – To account for funds allocated to improve families' access to social and health care services to help students increase academic achievement by addressing non-academic barriers.

Truancy Initiative (27141) – The truancy prevention initiative focuses on a school cluster approach to prevention and intervention. The truancy program identifies students early in the school year who show the potential for an excessive absence pattern or who have been issued an off-campus truancy citation. Student attendance is tracked and, if needed, intervention to help manage absences is put in place.

Beginning Teacher Mentoring Program (27154) – The objective of this program is to provide beginning teachers an effective transition into the teaching profession, retain capable teachers, improve the achievement of students and improve the overall success of the school. Funding is provided by the New Mexico Board of Education. Authority for creation of this fund is NMSA 22-2-8-10.

Breakfast in the Classroom (27155) – To account for Legislative Appropriation to implement Breakfast in the Classroom for elementary schools in need of improvement based on AYP designation.

Schools on the Rise (27164) – This grant is to promote stability in helping schools be successful in meeting APY.

Libraries - G.O. Bond (27170) – Funds are used for the improvement or acquisition of all public school libraries and expand library collections in order to circulate and provide access of materials to students and teachers.

Full Time Grant Researcher (27519) – Funds are used for the hiring of personnel to seek grants from federal, state and local sources.

Training & Professional Development for Teachers (27520) – To improve the skills of teachers and the quality of instruction throughout the District.

Library Books (27549) – Funds awarded to the District by the Instructional Materials Bureau in accordance with 2008 Senate Bill 471 for purchases of library books.

GEAR UP CHE (28178) – To account for a six year grant to help low-income, first generation students prepare for and succeed in postsecondary education. GEAR UP will provide funds for services to a cohort of approximately 6,000 7th graders. Higher Education Act, Title IV, Part A, Subpart 2, Chapter 2, 20 U.S.C. 1070a-21-1070a-28.

STATE OF NEW MEXICO
Belen Consolidated School District No. 2
Nonmajor Fund Descriptions
June 30, 2010

SPECIAL REVENUE FUNDS (continued)

Private Direct Grants (Categorical) (29102) – To account for local grants awarded to provide additional funding for specific projects. AEL was awarded to provide training for the LLHS Administration. Milken was used for beautification purposes at a school site.

School Based Health Center (29130) – To account for contract services with New Mexico Department of Health to provide quality direct care through integrated primary care and behavioral health services, as well as coordination for these service, though a Level Three School Based Health Center.

CAPITAL PROJECTS FUNDS

Special Capital Outlay (31300) – To account for special capital outlay projects funded locally to match state funds provided under Chapter 4, Laws of 1996.

Special Capital Outlay State (31400) – To account for special appropriations monies received from the State of New Mexico under Chapter 4, Laws of 1996 for the purpose of specific capital outlay projects. HB 622 2006 Severance Tax Bonds.

STATE OF NEW MEXICO
 Belen Consolidated School District No. 2
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2010

	Special Revenue			
	Food Service	Athletics	Title I IASA	Entitlement IDEA-B
<i>Assets</i>				
Cash and cash equivalents	\$ 923,035	\$ 72,288	\$ -	\$ -
Due from other governments	58,532	-	250,091	230,674
Other receivables	-	-	-	-
Inventory	41,472	-	-	-
Due from other funds	-	-	-	-
	<u>\$ 1,023,039</u>	<u>\$ 72,288</u>	<u>\$ 250,091</u>	<u>\$ 230,674</u>
<i>Liabilities</i>				
Accounts payable	\$ 7,136	\$ -	\$ 15,481	\$ 13,346
Due to other funds	-	-	94,471	206,840
	<u>7,136</u>	<u>-</u>	<u>109,952</u>	<u>220,186</u>
<i>Fund balances</i>				
Reserved				
Inventory	41,472	-	-	-
Unreserved				
Special revenue	974,431	72,288	140,139	10,488
Capital projects	-	-	-	-
	<u>1,015,903</u>	<u>72,288</u>	<u>140,139</u>	<u>10,488</u>
<i>Total liabilities and fund balances</i>	<u>\$ 1,023,039</u>	<u>\$ 72,288</u>	<u>\$ 250,091</u>	<u>\$ 230,674</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

<u>Discretionary IDEA-B</u>	<u>Preschool IDEA-B</u>	<u>Education of Homeless</u>	<u>Fresh Fruits & Vegetables USDA</u>	<u>Total Wellness Program</u>	<u>Title III - Incentive Award</u>
\$ -	\$ -	\$ -	\$ 3,611	\$ -	\$ -
-	8	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ 8</u>	<u>\$ -</u>	<u>\$ 3,611</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	8	-	-	3,000	3,000
<u>-</u>	<u>8</u>	<u>-</u>	<u>-</u>	<u>3,000</u>	<u>3,000</u>
-	-	-	-	-	-
-	-	-	3,611	(3,000)	(3,000)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	3,611	(3,000)	(3,000)
<u>\$ -</u>	<u>\$ 8</u>	<u>\$ -</u>	<u>\$ 3,611</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF NEW MEXICO
 Belen Consolidated School District No. 2
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2010

	Special Revenue			
	Enhancing Education Thru Technology (E2Y2-C)	Title III-A	Teacher/Principal Training & Recruiting	Safe & Drug Free Schools & Communities
<i>Assets</i>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Due from other governments	230	-	40,605	160
Other receivables	-	-	-	-
Inventory	-	-	-	-
Due from other funds	-	-	-	-
	<u>230</u>	<u>-</u>	<u>40,605</u>	<u>160</u>
<i>Total assets</i>	<u>\$ 230</u>	<u>\$ -</u>	<u>\$ 40,605</u>	<u>\$ 160</u>
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ 4,200	\$ -
Due to other funds	42	19,885	41,356	604
	<u>42</u>	<u>19,885</u>	<u>45,556</u>	<u>604</u>
<i>Total liabilities</i>	<u>42</u>	<u>19,885</u>	<u>45,556</u>	<u>604</u>
<i>Fund balances</i>				
Reserved				
Inventory	-	-	-	-
Unreserved				
Special revenue	188	(19,885)	(4,951)	(444)
Capital projects	-	-	-	-
	<u>188</u>	<u>(19,885)</u>	<u>(4,951)</u>	<u>(444)</u>
<i>Total fund balances</i>	<u>188</u>	<u>(19,885)</u>	<u>(4,951)</u>	<u>(444)</u>
<i>Total liabilities and fund balances</i>	<u>\$ 230</u>	<u>\$ -</u>	<u>\$ 40,605</u>	<u>\$ 160</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

<u>Title I School Improvement</u>	<u>Reading First</u>	<u>Carl Perkins Secondary</u>	<u>Carl Perkins Secondary - PY</u>	<u>Carl Perkins Secondary - Redistribution</u>	<u>Deferred Sick Leave</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,943
-	15,466	5,789	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 15,466</u>	<u>\$ 5,789</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,943</u>
\$ -	\$ -	\$ 3,390	\$ -	\$ -	\$ -
57,835	5,201	5,789	-	-	-
<u>57,835</u>	<u>5,201</u>	<u>9,179</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
(57,835)	10,265	(3,390)	-	-	10,943
-	-	-	-	-	-
<u>(57,835)</u>	<u>10,265</u>	<u>(3,390)</u>	<u>-</u>	<u>-</u>	<u>10,943</u>
<u>\$ -</u>	<u>\$ 15,466</u>	<u>\$ 5,789</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,943</u>

STATE OF NEW MEXICO
 Belen Consolidated School District No. 2
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2010

	Special Revenue			
	Title I - IASA - Federal Stimulus	Entitlement IDEA- B Federal Stimulus	Education for Homeless	School Improvements Stimulus
<i>Assets</i>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Due from other governments	9,396	10,807	-	18,404
Other receivables	-	-	-	-
Inventory	-	-	-	-
Due from other funds	-	-	-	-
	<u>9,396</u>	<u>10,807</u>	<u>-</u>	<u>18,404</u>
<i>Total assets</i>	<u>\$ 9,396</u>	<u>\$ 10,807</u>	<u>\$ -</u>	<u>\$ 18,404</u>
<i>Liabilities</i>				
Accounts payable	\$ 12,110	\$ -	\$ -	\$ -
Due to other funds	9,396	10,807	454	18,404
	<u>21,506</u>	<u>10,807</u>	<u>454</u>	<u>18,404</u>
<i>Total liabilities</i>	<u>21,506</u>	<u>10,807</u>	<u>454</u>	<u>18,404</u>
<i>Fund balances</i>				
Reserved				
Inventory	-	-	-	-
Unreserved				
Special revenue	(12,110)	-	(454)	-
Capital projects	-	-	-	-
	<u>(12,110)</u>	<u>-</u>	<u>(454)</u>	<u>-</u>
<i>Total fund balances</i>	<u>(12,110)</u>	<u>-</u>	<u>(454)</u>	<u>-</u>
<i>Total liabilities and fund balances</i>	<u>\$ 9,396</u>	<u>\$ 10,807</u>	<u>\$ -</u>	<u>\$ 18,404</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

<u>GRADS Child Care CYFD</u>	<u>Title XIX Medicaid 0/2 Years</u>	<u>Child Care Block Grant</u>	<u>TANF/GRADS</u>	<u>Operational Federal Stabilization</u>	<u>New Mexico Community Foundation</u>
\$ -	\$ 463,170	\$ 16,726	\$ 3,000	\$ -	\$ 2,465
-	-	-	-	108,507	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	973,215	-
<u>\$ -</u>	<u>\$ 463,170</u>	<u>\$ 16,726</u>	<u>\$ 3,000</u>	<u>\$ 1,081,722</u>	<u>\$ 2,465</u>
\$ -	\$ -	\$ -	\$ -	\$ 3,734	\$ -
250	-	-	-	911,813	-
250	-	-	-	915,547	-
-	-	-	-	-	-
(250)	463,170	16,726	3,000	166,175	2,465
-	-	-	-	-	-
(250)	463,170	16,726	3,000	166,175	2,465
<u>\$ -</u>	<u>\$ 463,170</u>	<u>\$ 16,726</u>	<u>\$ 3,000</u>	<u>\$ 1,081,722</u>	<u>\$ 2,465</u>

STATE OF NEW MEXICO
 Belen Consolidated School District No. 2
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2010

	Special Revenue			
	2008 GO Bond Student Library	Technology for Education PED	Family & Youth Resource Program	Truancy Initiative
<i>Assets</i>				
Cash and cash equivalents	\$ -	\$ 29,837	\$ -	\$ -
Due from other governments	12,910	-	15,144	-
Other receivables	-	-	-	-
Inventory	-	-	-	-
Due from other funds	-	-	-	-
	<u>12,910</u>	<u>29,837</u>	<u>15,144</u>	<u>-</u>
<i>Total assets</i>	<u>\$ 12,910</u>	<u>\$ 29,837</u>	<u>\$ 15,144</u>	<u>\$ -</u>
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	12,910	-	15,144	-
	<u>12,910</u>	<u>-</u>	<u>15,144</u>	<u>-</u>
<i>Total liabilities</i>	<u>12,910</u>	<u>-</u>	<u>15,144</u>	<u>-</u>
<i>Fund balances</i>				
Reserved				
Inventory	-	-	-	-
Unreserved				
Special revenue	-	29,837	-	-
Capital projects	-	-	-	-
	<u>-</u>	<u>29,837</u>	<u>-</u>	<u>-</u>
<i>Total fund balances</i>	<u>-</u>	<u>29,837</u>	<u>-</u>	<u>-</u>
<i>Total liabilities and fund balances</i>	<u>\$ 12,910</u>	<u>\$ 29,837</u>	<u>\$ 15,144</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

Beginning Teacher Mentoring Program	Breakfast in the Classroom	Schools on the Rise	Libraries - G.O. Bonds	Full-Time Grant Researcher	Training & Professional Development for Teachers
\$ 6,629	\$ 26,662	\$ -	\$ -	\$ -	\$ 13,286
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 6,629</u>	<u>\$ 26,662</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,286</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	13,286
-	-	-	-	-	13,286
-	-	-	-	-	-
6,629	26,662	-	-	-	-
-	-	-	-	-	-
<u>6,629</u>	<u>26,662</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 6,629</u>	<u>\$ 26,662</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,286</u>

STATE OF NEW MEXICO
 Belen Consolidated School District No. 2
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2010

	Special Revenue			
	Library Books	GEAR UP CHE	Private Direct Grants (Categorical)	School Based Health Center
<i>Assets</i>				
Cash and cash equivalents	\$ 6,452	\$ 13,915	\$ -	\$ 75,907
Due from other governments	-	-	-	-
Other receivables	-	-	-	-
Inventory	-	-	-	-
Due from other funds	-	-	-	-
	<u>\$ 6,452</u>	<u>\$ 13,915</u>	<u>\$ -</u>	<u>\$ 75,907</u>
<i>Liabilities</i>				
Accounts payable	\$ -	\$ 10,087	\$ -	\$ -
Due to other funds	-	-	17,055	-
	<u>-</u>	<u>10,087</u>	<u>17,055</u>	<u>-</u>
<i>Fund balances</i>				
Reserved				
Inventory	-	-	-	-
Unreserved				
Special revenue	6,452	3,828	(17,055)	75,907
Capital projects	-	-	-	-
	<u>6,452</u>	<u>3,828</u>	<u>(17,055)</u>	<u>75,907</u>
<i>Total liabilities and fund balances</i>	<u>\$ 6,452</u>	<u>\$ 13,915</u>	<u>\$ -</u>	<u>\$ 75,907</u>

The accompanying notes are an integral part of these financial statements

<u>Capital Projects</u>		
<u>Special Capital Outlay</u>	<u>Special Capital Outlay State</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 2,675	\$ 23,216	\$ 1,693,817
-	-	776,723
-	-	-
-	-	41,472
-	-	973,215
<u>\$ 2,675</u>	<u>\$ 23,216</u>	<u>\$ 3,485,227</u>
\$ -	\$ -	\$ 69,484
-	25,716	1,473,266
-	25,716	1,542,750
-	-	41,472
-	-	1,900,830
<u>2,675</u>	<u>(2,500)</u>	<u>175</u>
<u>2,675</u>	<u>(2,500)</u>	<u>1,942,477</u>
<u>\$ 2,675</u>	<u>\$ 23,216</u>	<u>\$ 3,485,227</u>

STATE OF NEW MEXICO
 Belen Consolidated School District No. 2
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2010

Special Revenue

	Food Service	Athletics	Title I IASA	Entitlement IDEA-B
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	2,316,701	-	1,562,527	1,217,166
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Charges for services	192,183	132,152	-	-
Miscellaneous income	-	-	-	-
<i>Total revenues</i>	<u>2,508,884</u>	<u>132,152</u>	<u>1,562,527</u>	<u>1,217,166</u>
<i>Expenditures</i>				
Current				
Instruction	-	90,658	1,212,573	940,258
Support services	-	8,761	194,325	187,911
Central services	-	-	10,011	10,011
Operation and maintenance of plant	-	1,041	-	40,444
Student transportation	-	-	5,479	25,415
Food services operations	2,469,859	-	-	-
Community service operations	-	-	-	2,639
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>2,469,859</u>	<u>100,460</u>	<u>1,422,388</u>	<u>1,206,678</u>
<i>Net change in fund balances</i>	39,025	31,692	140,139	10,488
<i>Fund balances - beginning</i>	<u>976,878</u>	<u>40,596</u>	<u>-</u>	<u>-</u>
<i>Fund balances - ending</i>	<u>\$ 1,015,903</u>	<u>\$ 72,288</u>	<u>\$ 140,139</u>	<u>\$ 10,488</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

<u>Discretionary IDEA-B</u>	<u>Preschool IDEA-B</u>	<u>Education of Homeless</u>	<u>Fresh Fruits & Vegetables USDA</u>	<u>Total Wellness Program</u>	<u>Title III - Incentive Award</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	12,336	14,072	10,752	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	12,336	14,072	10,752	-	-
-	10,195	-	-	-	3,000
-	2,141	14,072	-	3,000	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	7,141	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	12,336	14,072	7,141	3,000	3,000
-	-	-	3,611	(3,000)	(3,000)
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ 3,611	\$ (3,000)	\$ (3,000)

STATE OF NEW MEXICO
 Belen Consolidated School District No. 2
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2010

	Special Revenue			
	Enhancing Education Thru Technology (E2Y2-C)	Title III-A	Teacher/Principal Training & Recruiting	Safe & Drug Free Schools & Communities
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	41,565	12,127	199,704	12,547
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous income	-	-	-	-
<i>Total revenues</i>	41,565	12,127	199,704	12,547
<i>Expenditures</i>				
<i>Current</i>				
Instruction	41,377	30,591	195,344	4,002
Support services	-	1,295	9,311	8,116
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	126	-	873
Food services operations	-	-	-	-
Community service operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	41,377	32,012	204,655	12,991
<i>Net change in fund balances</i>	188	(19,885)	(4,951)	(444)
<i>Fund balances - beginning</i>	-	-	-	-
<i>Fund balances - ending</i>	\$ 188	\$ (19,885)	\$ (4,951)	\$ (444)

The accompanying notes are an integral part of these financial statements

Special Revenue

<u>Title I School Improvement</u>	<u>Reading First</u>	<u>Carl Perkins Secondary</u>	<u>Carl Perkins Secondary - PY</u>	<u>Carl Perkins Secondary - Redistribution</u>	<u>Deferred Sick Leave</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	112,810	28,429	12,869	7,802	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>112,810</u>	<u>28,429</u>	<u>12,869</u>	<u>7,802</u>	<u>-</u>
57,835	106,614	30,766	12,869	7,471	14,890
-	4,721	1,053	-	331	422
-	-	-	-	-	8,209
-	-	-	-	-	1,159
-	-	-	-	-	2,322
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>57,835</u>	<u>111,335</u>	<u>31,819</u>	<u>12,869</u>	<u>7,802</u>	<u>27,002</u>
(57,835)	1,475	(3,390)	-	-	(27,002)
-	8,790	-	-	-	37,945
<u>\$ (57,835)</u>	<u>\$ 10,265</u>	<u>\$ (3,390)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,943</u>

STATE OF NEW MEXICO
 Belen Consolidated School District No. 2
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2010

Special Revenue

	Title I - IASA - Federal Stimulus	Entitlement IDEA- B Federal Stimulus	Education for Homeless	School Improvements Stimulus
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	220,371	176,442	-	72,493
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous income	-	-	-	-
<i>Total revenues</i>	<u>220,371</u>	<u>176,442</u>	<u>-</u>	<u>72,493</u>
<i>Expenditures</i>				
Current				
Instruction	144,105	129,877	454	71,607
Support services	59,135	10,339	-	790
Central services	-	-	-	-
Operation and maintenance of plant	1,090	1,090	-	96
Student transportation	5,859	6,071	-	-
Food services operations	7,321	6,957	-	-
Community service operations	-	-	-	-
Capital outlay	14,971	22,108	-	-
<i>Total expenditures</i>	<u>232,481</u>	<u>176,442</u>	<u>454</u>	<u>72,493</u>
<i>Net change in fund balances</i>	(12,110)	-	(454)	-
<i>Fund balances - beginning</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - ending</i>	<u>\$ (12,110)</u>	<u>\$ -</u>	<u>\$ (454)</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

<u>GRADS Child Care CYFD</u>	<u>Title XIX Medicaid 0/2 Years</u>	<u>Child Care Block Grant</u>	<u>TANF/GRADS</u>	<u>Operational Federal Stabilization</u>	<u>New Mexico Community Foundation</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	262,061	15,307	11,000	2,858,348	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>262,061</u>	<u>15,307</u>	<u>11,000</u>	<u>2,858,348</u>	<u>-</u>
250	23,192	-	8,000	926,132	-
-	259,654	-	-	321,944	1,180
-	-	-	-	80,579	-
-	-	-	-	1,333,392	-
-	-	-	-	30,126	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>250</u>	<u>282,846</u>	<u>-</u>	<u>8,000</u>	<u>2,692,173</u>	<u>1,180</u>
(250)	(20,785)	15,307	3,000	166,175	(1,180)
-	483,955	1,419	-	-	3,645
<u>\$ (250)</u>	<u>\$ 463,170</u>	<u>\$ 16,726</u>	<u>\$ 3,000</u>	<u>\$ 166,175</u>	<u>\$ 2,465</u>

STATE OF NEW MEXICO
 Belen Consolidated School District No. 2
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2010

	Special Revenue			
	2008 GO Bond Student Library	Technology for Education PED	Family & Youth Resource Program	Truancy Initiative
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	26,983	-	-	-
State flowthrough	-	31,810	29,293	4,090
State direct	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous income	-	-	-	-
<i>Total revenues</i>	26,983	31,810	29,293	4,090
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	29,301	-	24
Support services	26,983	346	29,293	4,066
Central services	-	1,313	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community service operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	26,983	30,960	29,293	4,090
<i>Net change in fund balances</i>	-	850	-	-
<i>Fund balances - beginning</i>	-	28,987	-	-
<i>Fund balances - ending</i>	\$ -	\$ 29,837	\$ -	\$ -

The accompanying notes are an integral part of these financial statements

Special Revenue

Beginning Teacher Mentoring Program	Breakfast in the Classroom	Schools on the Rise	Libraries - G.O. Bonds	Full-Time Grant Researcher	Training & Professional Development for Teachers
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
13,746	57,309	-	846	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>13,746</u>	<u>57,309</u>	<u>-</u>	<u>846</u>	<u>-</u>	<u>-</u>
7,117	30,647	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>7,117</u>	<u>30,647</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
6,629	26,662	-	846	-	-
-	-	-	(846)	-	-
<u>\$ 6,629</u>	<u>\$ 26,662</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF NEW MEXICO
 Belen Consolidated School District No. 2
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2010

Special Revenue

	<u>Library Books</u>	<u>GEAR UP CHE</u>	<u>Private Direct Grants (Categorical)</u>	<u>School Based Health Center</u>
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	-	-	-	150,000
State direct	-	48,312	-	-
Charges for services	-	-	-	-
Miscellaneous income	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>48,312</u>	<u>-</u>	<u>150,000</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	46,979	16,962	-
Support services	7,948	18,299	-	145,402
Central services	-	-	-	-
Operation and maintenance of plant	-	1,678	93	525
Student transportation	-	697	-	-
Food services operations	-	-	-	-
Community service operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>7,948</u>	<u>67,653</u>	<u>17,055</u>	<u>145,927</u>
<i>Net change in fund balances</i>	(7,948)	(19,341)	(17,055)	4,073
<i>Fund balances - beginning</i>	<u>14,400</u>	<u>23,169</u>	<u>-</u>	<u>71,834</u>
<i>Fund balances - ending</i>	<u>\$ 6,452</u>	<u>\$ 3,828</u>	<u>\$ (17,055)</u>	<u>\$ 75,907</u>

The accompanying notes are an integral part of these financial statements

<u>Capital Projects</u>		
<u>Special Capital Outlay</u>	<u>Special Capital Outlay State</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ -
-	-	6,030,713
-	-	3,173,699
-	1,028,352	1,315,446
-	-	48,312
-	-	324,335
-	-	-
<u>-</u>	<u>1,028,352</u>	<u>10,892,505</u>
-	-	4,193,090
-	-	1,320,838
-	-	110,123
13,029	-	1,393,637
-	-	76,968
-	-	2,491,278
-	-	2,639
<u>15,900</u>	<u>1,030,852</u>	<u>1,083,831</u>
<u>28,929</u>	<u>1,030,852</u>	<u>10,672,404</u>
(28,929)	(2,500)	220,101
<u>31,604</u>	<u>-</u>	<u>1,722,376</u>
<u>\$ 2,675</u>	<u>\$ (2,500)</u>	<u>\$ 1,942,477</u>

STATE OF NEW MEXICO

Statement B-1

Belen Consolidated School District No. 2

Food Service Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	2,004,486	2,004,486	2,112,371	107,885
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	285,514	285,514	243,529	(41,985)
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>2,290,000</u>	<u>2,290,000</u>	<u>2,355,900</u>	<u>65,900</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	2,645,460	2,645,460	2,313,558	331,902
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,645,460</u>	<u>2,645,460</u>	<u>2,313,558</u>	<u>331,902</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(355,460)</u>	<u>(355,460)</u>	<u>42,342</u>	<u>397,802</u>
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	355,460	355,460	-	(355,460)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>355,460</u>	<u>355,460</u>	<u>-</u>	<u>(355,460)</u>
<i>Net change in fund balances</i>	-	-	42,342	42,342
<i>Fund balances - beginning of year</i>	-	-	880,693	880,693
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 923,035</u>	<u>\$ 923,035</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 42,342
Adjustments to revenues for charges for services and federal flowthrough grants				152,984
Adjustment to expenditures for food service operations				(156,301)
<i>Net changes in fund balances (GAAP Basis)</i>				<u>\$ 39,025</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-2

Belen Consolidated School District No. 2

Athletics Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	50,000	50,000	132,152	82,152
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>50,000</u>	<u>50,000</u>	<u>132,152</u>	<u>82,152</u>
<i>Expenditures</i>				
Current				
Instruction	78,795	78,795	90,658	(11,863)
Support services	-	-	8,761	(8,761)
Central services	-	-	-	-
Operation and maintenance of plant	-	-	1,041	(1,041)
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>78,795</u>	<u>78,795</u>	<u>100,460</u>	<u>(21,665)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(28,795)</u>	<u>(28,795)</u>	<u>31,692</u>	<u>60,487</u>
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	28,795	28,795	-	(28,795)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>28,795</u>	<u>28,795</u>	<u>-</u>	<u>(28,795)</u>
<i>Net change in fund balances</i>	-	-	31,692	31,692
<i>Fund balances - beginning of year</i>	-	-	40,596	40,596
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,288</u>	<u>\$ 72,288</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 31,692
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net changes in fund balances (GAAP Basis)</i>				<u>\$ 31,692</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-3

Belen Consolidated School District No. 2

Title I IASA Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	1,460,559	1,897,237	1,551,975	(345,262)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,460,559</u>	<u>1,897,237</u>	<u>1,551,975</u>	<u>(345,262)</u>
<i>Expenditures</i>				
Current				
Instruction	1,189,788	1,614,484	1,265,220	349,264
Support services	264,581	247,453	194,325	53,128
Central services	-	19,110	10,011	9,099
Operation and maintenance of plant	-	-	-	-
Student transportation	6,190	16,190	5,479	10,711
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,460,559</u>	<u>1,897,237</u>	<u>1,475,035</u>	<u>422,202</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>76,940</u>	<u>76,940</u>
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>76,940</u>	<u>76,940</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(171,411)</u>	<u>(171,411)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (94,471)</u>	<u>\$ (94,471)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 76,940
Adjustments to revenues for federal flowthrough grants				10,552
Adjustments to expenditures for instructional expenditures				52,647
<i>Net changes in fund balances (GAAP Basis)</i>				<u>\$ 140,139</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-4

Belen Consolidated School District No. 2
 Entitlement IDEA-B Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	1,121,754	1,251,296	129,542
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>1,121,754</u>	<u>1,251,296</u>	<u>129,542</u>
<i>Expenditures</i>				
Current				
Instruction	-	930,791	1,015,007	(84,216)
Support services	-	202,937	174,565	28,372
Central services	-	10,961	10,011	950
Operation and maintenance of plant	-	41,459	40,444	1,015
Student transportation	-	32,082	25,415	6,667
Food services operations	-	-	-	-
Community services operations	-	7,500	2,639	4,861
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>1,225,730</u>	<u>1,268,081</u>	<u>(42,351)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(103,976)</u>	<u>(16,785)</u>	<u>87,191</u>
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	-	103,976	-	(103,976)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>103,976</u>	<u>-</u>	<u>(103,976)</u>
<i>Net change in fund balances</i>	-	-	(16,785)	(16,785)
<i>Fund balances - beginning of year</i>	-	-	(190,055)	(190,055)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (206,840)</u>	<u>\$ (206,840)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (16,785)
Adjustments to revenues for federal flowthrough grant				(34,130)
Adjustments to expenditures for student support services and instruction materials				61,403
<i>Net changes in fund balances (GAAP Basis)</i>				<u>\$ 10,488</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-5

Belen Consolidated School District No. 2
 Discretionary IDEA-B Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	4,587	4,587
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>4,587</u>	<u>4,587</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>4,587</u>	<u>4,587</u>
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	4,587	4,587
<i>Fund balances - beginning of year</i>	-	-	(4,587)	(4,587)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 4,587
Adjustments to revenues for federal flowthrough grants				(4,587)
No adjustments to expenditures				-
<i>Net changes in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-6

Belen Consolidated School District No. 2
 Preschool IDEA-B Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	20,822	20,822	14,114	(6,708)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>20,822</u>	<u>20,822</u>	<u>14,114</u>	<u>(6,708)</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	19,939	16,776	10,195	6,581
Support services	883	3,737	2,141	1,596
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>20,822</u>	<u>20,513</u>	<u>12,336</u>	<u>8,177</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>309</u>	<u>1,778</u>	<u>1,469</u>
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	-	(309)	-	309
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(309)</u>	<u>-</u>	<u>309</u>
<i>Net change in fund balances</i>	-	-	1,778	1,778
<i>Fund balances - beginning of year</i>	-	-	(1,786)	(1,786)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8)</u>	<u>\$ (8)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 1,778
Adjustments to revenues for federal flowthrough grant				(1,778)
No adjustments to expenditures				-
<i>Net changes in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-7

Belen Consolidated School District No. 2
 Education of Homeless Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	19,065	14,459	(4,606)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>19,065</u>	<u>14,459</u>	<u>(4,606)</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services	-	19,065	14,072	4,993
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>19,065</u>	<u>14,072</u>	<u>4,993</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>387</u>	<u>387</u>
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	387	387
<i>Fund balances - beginning of year</i>	-	-	(387)	(387)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 387
Adjustments to revenues for federal flowthrough grant				(387)
No adjustments to expenditures				-
<i>Net changes in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-8

Belen Consolidated School District No. 2
 Fresh Fruits & Vegetables USDA Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	12,950	10,752	(2,198)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	12,950	10,752	(2,198)
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	12,950	7,141	5,809
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	12,950	7,141	5,809
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	3,611	3,611
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	3,611	3,611
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 3,611	\$ 3,611
<i>Net change in fund balances (Budget Basis)</i>				\$ 3,611
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net changes in fund balances (GAAP Basis)</i>				\$ 3,611

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-9

Belen Consolidated School District No. 2
 Total Wellness Program Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	(3,000)	(3,000)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,000)</u>	<u>\$ (3,000)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ -
No adjustments to revenues				-
Adjustments to expenditures for student support services				(3,000)
<i>Net changes in fund balances (GAAP Basis)</i>				<u>\$ (3,000)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-10

Belen Consolidated School District No. 2
 Title III - Incentive Award Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	(3,000)	(3,000)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,000)</u>	<u>\$ (3,000)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ -
No adjustments to revenues				-
Adjustments to expenditures for student support services				(3,000)
<i>Net changes in fund balances (GAAP Basis)</i>				<u>\$ (3,000)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-11

Belen Consolidated School District No. 2
 Enhancing Education Thru Technology (E2Y2-C) Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	60,000	41,335	(18,665)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>60,000</u>	<u>41,335</u>	<u>(18,665)</u>
<i>Expenditures</i>				
Current				
Instruction	-	57,454	41,377	16,077
Support services	-	2,546	-	2,546
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>60,000</u>	<u>41,377</u>	<u>18,623</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(42)</u>	<u>(42)</u>
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(42)	(42)
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (42)</u>	<u>\$ (42)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (42)
Adjustments to revenues for federal flowthrough grant				230
No adjustments to expenditures				-
<i>Net changes in fund balances (GAAP Basis)</i>				<u>\$ 188</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-12

Belen Consolidated School District No. 2
 Title III-A Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	16,960	35,053	16,092	(18,961)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>16,960</u>	<u>35,053</u>	<u>16,092</u>	<u>(18,961)</u>
<i>Expenditures</i>				
Current				
Instruction	16,241	33,634	30,591	3,043
Support services	719	1,419	1,295	124
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	126	(126)
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>16,960</u>	<u>35,053</u>	<u>32,012</u>	<u>3,041</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(15,920)</u>	<u>(15,920)</u>
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(15,920)	(15,920)
<i>Fund balances - beginning of year</i>	-	-	(3,965)	(3,965)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (19,885)</u>	<u>\$ (19,885)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (15,920)
Adjustments to revenues for federal flowthrough grant				(3,965)
No adjustments to expenditures				-
<i>Net changes in fund balances (GAAP Basis)</i>				<u>\$ (19,885)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-13

Belen Consolidated School District No. 2
 Teacher/Principal Training & Recruiting Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	385,628	385,628	164,174	(221,454)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>385,628</u>	<u>385,628</u>	<u>164,174</u>	<u>(221,454)</u>
<i>Expenditures</i>				
Current				
Instruction	369,269	367,759	197,567	170,192
Support services	16,359	17,869	9,311	8,558
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>385,628</u>	<u>385,628</u>	<u>206,878</u>	<u>178,750</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(42,704)</u>	<u>(42,704)</u>
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(42,704)	(42,704)
<i>Fund balances - beginning of year</i>	-	-	1,348	1,348
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (41,356)</u>	<u>\$ (41,356)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (42,704)
Adjustments to revenues for federal flowthrough grant				35,530
Adjustments to expenditures for instructional materials				2,223
<i>Net changes in fund balances (GAAP Basis)</i>				<u>\$ (4,951)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-14

Belen Consolidated School District No. 2
 Safe & Drug Free Schools & Communities Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	23,350	23,350	15,078	(8,272)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	23,350	23,350	15,078	(8,272)
<i>Expenditures</i>				
Current				
Instruction	8,341	7,459	4,224	3,235
Support services	15,009	15,724	8,116	7,608
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	167	873	(706)
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	23,350	23,350	13,213	10,137
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	1,865	1,865
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	1,865	1,865
<i>Fund balances - beginning of year</i>	-	-	(2,469)	(2,469)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (604)	\$ (604)
<i>Net change in fund balances (Budget Basis)</i>				\$ 1,865
Adjustments to revenues for federal flowthrough grant				(2,531)
Adjustments to expenditures for payroll expenditures				222
<i>Net changes in fund balances (GAAP Basis)</i>				\$ (444)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-15

Belen Consolidated School District No. 2
 Title I School Improvement Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	66,746	53,143	(13,603)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>66,746</u>	<u>53,143</u>	<u>(13,603)</u>
<i>Expenditures</i>				
Current				
Instruction	-	66,746	60,002	6,744
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>66,746</u>	<u>60,002</u>	<u>6,744</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(6,859)</u>	<u>(6,859)</u>
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(6,859)	(6,859)
<i>Fund balances - beginning of year</i>	-	-	(50,976)	(50,976)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (57,835)</u>	<u>\$ (57,835)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (6,859)
No adjustments to revenues				(53,143)
Adjustments to expenditures for payroll expenditures				<u>2,167</u>
<i>Net changes in fund balances (GAAP Basis)</i>				<u>\$ (57,835)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-16

Belen Consolidated School District No. 2
 Reading First Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	225,395	112,697	97,344	(15,353)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>225,395</u>	<u>112,697</u>	<u>97,344</u>	<u>(15,353)</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	215,659	102,959	117,006	(14,047)
Support services	9,736	9,736	4,721	5,015
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>225,395</u>	<u>112,695</u>	<u>121,727</u>	<u>(9,032)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>2</u>	<u>(24,383)</u>	<u>(24,385)</u>
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	-	(2)	-	2
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(2)</u>	<u>-</u>	<u>2</u>
<i>Net change in fund balances</i>	-	-	(24,383)	(24,383)
<i>Fund balances - beginning of year</i>	-	-	19,182	19,182
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,201)</u>	<u>\$ (5,201)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (24,383)
Adjustments to revenues for federal flowthrough grant				15,466
Adjustments to expenditures for payroll expenditures				10,392
<i>Net changes in fund balances (GAAP Basis)</i>				<u>\$ 1,475</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-17

Belen Consolidated School District No. 2
 Carl Perkins Secondary Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	52,069	52,069	31,775	(20,294)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>52,069</u>	<u>52,069</u>	<u>31,775</u>	<u>(20,294)</u>
<i>Expenditures</i>				
Current				
Instruction	50,158	50,158	27,379	22,779
Support services	1,911	1,911	1,053	858
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>52,069</u>	<u>52,069</u>	<u>28,432</u>	<u>23,637</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>3,343</u>	<u>3,343</u>
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	3,343	3,343
<i>Fund balances - beginning of year</i>	-	-	(9,132)	(9,132)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,789)</u>	<u>\$ (5,789)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 3,343
Adjustments to revenues for federal flowthrough grant				(3,346)
Adjustments to expenditures for insurance expenditures				(3,387)
<i>Net changes in fund balances (GAAP Basis)</i>				<u>\$ (3,390)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-18

Belen Consolidated School District No. 2
 Carl Perkins Secondary - PY Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	12,893	12,869	(24)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>12,893</u>	<u>12,869</u>	<u>(24)</u>
<i>Expenditures</i>				
Current				
Instruction	-	12,893	12,869	24
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>12,893</u>	<u>12,869</u>	<u>24</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net changes in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-19

Belen Consolidated School District No. 2
 Carl Perkins Secondary - Redistribution Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	7,869	7,802	(67)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>7,869</u>	<u>7,802</u>	<u>(67)</u>
<i>Expenditures</i>				
Current				
Instruction	-	7,471	7,471	-
Support services	-	398	331	67
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>7,869</u>	<u>7,802</u>	<u>67</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net changes in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-20

Belen Consolidated School District No. 2
 Deferred Sick Leave Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	29,448	29,448	-	(29,448)
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>29,448</u>	<u>29,448</u>	<u>-</u>	<u>(29,448)</u>
<i>Expenditures</i>				
Current				
Instruction	-	5,464	14,890	(9,426)
Support services	-	-	422	(422)
Central services	35,837	29,623	8,209	21,414
Operation and maintenance of plant	-	750	1,159	(409)
Student transportation	-	-	2,322	(2,322)
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>35,837</u>	<u>35,837</u>	<u>27,002</u>	<u>8,835</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(6,389)</u>	<u>(6,389)</u>	<u>(27,002)</u>	<u>(20,613)</u>
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	6,389	6,389	-	(6,389)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>6,389</u>	<u>6,389</u>	<u>-</u>	<u>(6,389)</u>
<i>Net change in fund balances</i>	-	-	(27,002)	(27,002)
<i>Fund balances - beginning of year</i>	-	-	37,945	37,945
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,943</u>	<u>\$ 10,943</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (27,002)
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net changes in fund balances (GAAP Basis)</i>				<u>\$ (27,002)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-21

Belen Consolidated School District No. 2
 Title I - IASA - Federal Stimulus Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	315,616	627,945	210,975	(416,970)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>315,616</u>	<u>627,945</u>	<u>210,975</u>	<u>(416,970)</u>
<i>Expenditures</i>				
Current				
Instruction	243,032	378,217	131,995	246,222
Support services	72,584	218,113	59,135	158,978
Central services	-	-	-	-
Operation and maintenance of plant	-	2,215	1,090	1,125
Student transportation	-	12,100	5,859	6,241
Food services operations	-	17,300	7,321	9,979
Community services operations	-	-	-	-
Capital outlay	-	-	14,971	(14,971)
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>315,616</u>	<u>627,945</u>	<u>220,371</u>	<u>407,574</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(9,396)</u>	<u>(9,396)</u>
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(9,396)</u>	<u>(9,396)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,396)</u>	<u>\$ (9,396)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (9,396)
Adjustments to revenues for federal flowthrough grant				9,396
Adjustments to expenditures for instructional materials				<u>(12,110)</u>
<i>Net changes in fund balances (GAAP Basis)</i>				<u>\$ (12,110)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-22

Belen Consolidated School District No. 2
 Entitlement IDEA-B Federal Stimulus Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	623,443	187,169	(436,274)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	623,443	187,169	(436,274)
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	559,665	129,877	429,788
Support services	-	27,957	10,339	17,618
Central services	-	-	-	-
Operation and maintenance of plant	-	2,500	1,090	1,410
Student transportation	-	15,000	6,071	8,929
Food services operations	-	18,000	6,957	11,043
Community services operations	-	-	-	-
Capital outlay	-	22,560	22,108	452
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	645,682	176,442	469,240
<i>Excess (deficiency) of revenues over expenditures</i>	-	(22,239)	10,727	32,966
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	-	22,239	-	(22,239)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	22,239	-	(22,239)
<i>Net change in fund balances</i>	-	-	10,727	10,727
<i>Fund balances - beginning of year</i>	-	-	(21,534)	(21,534)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (10,807)	\$ (10,807)
<i>Net change in fund balances (Budget Basis)</i>				\$ 10,727
Adjustments to revenues for federal flowthrough grant				(10,727)
No adjustments to expenditures				-
<i>Net changes in fund balances (GAAP Basis)</i>				\$ -

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-23

Belen Consolidated School District No. 2
 Education for Homeless Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	15,000	-	(15,000)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	15,000	-	(15,000)
<i>Expenditures</i>				
Current				
Instruction	-	12,800	454	12,346
Support services	-	2,200	-	2,200
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	15,000	454	14,546
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(454)	(454)
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	(454)	(454)
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (454)	\$ (454)
<i>Net change in fund balances (Budget Basis)</i>				\$ (454)
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net changes in fund balances (GAAP Basis)</i>				\$ (454)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-24

Belen Consolidated School District No. 2
 School Improvements Stimulus Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	54,089	54,089
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	54,089	54,089
<i>Expenditures</i>				
Current				
Instruction	336,498	239,123	71,607	167,516
Support services	779	779	790	(11)
Central services	-	-	-	-
Operation and maintenance of plant	98	98	96	2
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	337,375	240,000	72,493	167,507
<i>Excess (deficiency) of revenues over expenditures</i>	(337,375)	(240,000)	(18,404)	221,596
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	337,375	240,000	-	(240,000)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	337,375	240,000	-	(240,000)
<i>Net change in fund balances</i>	-	-	(18,404)	(18,404)
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (18,404)	\$ (18,404)
<i>Net change in fund balances (Budget Basis)</i>				\$ (18,404)
Adjustments to revenues for federal flowthrough grant				18,404
No adjustments to expenditures				-
<i>Net changes in fund balances (GAAP Basis)</i>				\$ -

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-25

Belen Consolidated School District No. 2
 GRADS Child Care CYFD Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	3,500	-	(3,500)
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>3,500</u>	<u>-</u>	<u>(3,500)</u>
<i>Expenditures</i>				
Current				
Instruction	-	3,500	250	3,250
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>3,500</u>	<u>250</u>	<u>3,250</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(250)</u>	<u>(250)</u>
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(250)	(250)
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (250)</u>	<u>\$ (250)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (250)
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net changes in fund balances (GAAP Basis)</i>				<u>\$ (250)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-26

Belen Consolidated School District No. 2
 Title XIX Medicaid 0/2 Years Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	262,061	262,061
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	262,061	262,061
<i>Expenditures</i>				
Current				
Instruction	-	-	23,192	(23,192)
Support services	-	483,955	266,065	217,890
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	483,955	289,257	194,698
<i>Excess (deficiency) of revenues over expenditures</i>	-	(483,955)	(27,196)	456,759
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	-	483,955	-	(483,955)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	483,955	-	(483,955)
<i>Net change in fund balances</i>	-	-	(27,196)	(27,196)
<i>Fund balances - beginning of year</i>	-	-	490,366	490,366
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 463,170	\$ 463,170
<i>Net change in fund balances (Budget Basis)</i>				\$ (27,196)
No adjustments to revenues				-
Adjustments to expenditures for payroll expenditures				6,411
<i>Net changes in fund balances (GAAP Basis)</i>				\$ (20,785)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-27

Belen Consolidated School District No. 2
 Child Care Block Grant Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	15,307	15,307
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	15,307	15,307
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	15,307	15,307
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	15,307	15,307
<i>Fund balances - beginning of year</i>	-	-	1,419	1,419
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 16,726	\$ 16,726
<i>Net change in fund balances (Budget Basis)</i>				\$ 15,307
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net changes in fund balances (GAAP Basis)</i>				\$ 15,307

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-28

Belen Consolidated School District No. 2
TANF/GRADS Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	8,000	11,000	3,000
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>8,000</u>	<u>11,000</u>	<u>3,000</u>
<i>Expenditures</i>				
Current				
Instruction	-	8,000	8,000	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>8,000</u>	<u>8,000</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>3,000</u>	<u>3,000</u>
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	3,000	3,000
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,000</u>	<u>\$ 3,000</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 3,000
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net changes in fund balances (GAAP Basis)</i>				<u>\$ 3,000</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-29

Belen Consolidated School District No. 2
 Operational Federal Stabilization Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	2,221,027	2,858,335	2,749,841	(108,494)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>2,221,027</u>	<u>2,858,335</u>	<u>2,749,841</u>	<u>(108,494)</u>
<i>Expenditures</i>				
Current				
Instruction	482,373	869,681	926,132	(56,451)
Support services	162,831	162,831	318,210	(155,379)
Central services	4,945	4,945	80,579	(75,634)
Operation and maintenance of plant	1,570,198	1,820,198	1,333,392	486,806
Student transportation	680	680	30,126	(29,446)
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,221,027</u>	<u>2,858,335</u>	<u>2,688,439</u>	<u>169,896</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>61,402</u>	<u>61,402</u>
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>61,402</u>	<u>61,402</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,402</u>	<u>\$ 61,402</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 61,402
Adjustments to revenues for support services grant				108,507
Adjustments to expenditures for general administration expenditures				(3,734)
<i>Net changes in fund balances (GAAP Basis)</i>				<u>\$ 166,175</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-30

Belen Consolidated School District No. 2
 New Mexico Community Foundation Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services	-	3,645	1,180	2,465
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	3,645	1,180	2,465
<i>Excess (deficiency) of revenues over expenditures</i>	-	(3,645)	(1,180)	2,465
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	-	3,645	-	(3,645)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	3,645	-	(3,645)
<i>Net change in fund balances</i>	-	-	(1,180)	(1,180)
<i>Fund balances - beginning of year</i>	-	-	3,645	3,645
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 2,465	\$ 2,465
<i>Net change in fund balances (Budget Basis)</i>				\$ (1,180)
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net changes in fund balances (GAAP Basis)</i>				\$ (1,180)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-31

Belen Consolidated School District No. 2
 2008 GO Bond Student Library Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	39,990	14,073	(25,917)
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	39,990	14,073	(25,917)
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services	-	39,990	26,983	13,007
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	39,990	26,983	13,007
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(12,910)	(12,910)
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	(12,910)	(12,910)
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (12,910)	\$ (12,910)
<i>Net change in fund balances (Budget Basis)</i>				\$ (12,910)
Adjustments to revenues for state flowthrough grant				12,910
No adjustments to expenditures				-
<i>Net changes in fund balances (GAAP Basis)</i>				\$ -

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-32

Belen Consolidated School District No. 2
 Technology for Education PED Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	30,960	31,810	850
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	30,960	31,810	850
<i>Expenditures</i>				
Current				
Instruction	-	23,669	29,301	(5,632)
Support services	-	4,790	346	4,444
Central services	-	2,500	1,313	1,187
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	30,959	30,960	(1)
<i>Excess (deficiency) of revenues over expenditures</i>	-	1	850	849
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	-	(1)	-	1
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	(1)	-	1
<i>Net change in fund balances</i>	-	-	850	850
<i>Fund balances - beginning of year</i>	-	-	28,987	28,987
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 29,837	\$ 29,837
<i>Net change in fund balances (Budget Basis)</i>				\$ 850
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net changes in fund balances (GAAP Basis)</i>				\$ 850

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-33

Belen Consolidated School District No. 2
 Family & Youth Resource Program Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	33,815	28,002	(5,813)
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	33,815	28,002	(5,813)
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services	-	33,815	30,187	3,628
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	33,815	30,187	3,628
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(2,185)	(2,185)
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	(2,185)	(2,185)
<i>Fund balances - beginning of year</i>	-	-	(12,959)	(12,959)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (15,144)	\$ (15,144)
<i>Net change in fund balances (Budget Basis)</i>				\$ (2,185)
Adjustments to revenues for state flowthrough grant				1,291
Adjustments to expenditures for payroll expenditures				894
<i>Net changes in fund balances (GAAP Basis)</i>				\$ -

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-34

Belen Consolidated School District No. 2
 Truancy Initiative Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	12,796	10,931	(1,865)
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	12,796	10,931	(1,865)
<i>Expenditures</i>				
Current				
Instruction	-	-	24	(24)
Support services	-	12,796	6,424	6,372
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	12,796	6,448	6,348
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	4,483	4,483
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	4,483	4,483
<i>Fund balances - beginning of year</i>	-	-	(4,483)	(4,483)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ -	\$ -
<i>Net change in fund balances (Budget Basis)</i>				\$ 4,483
Adjustments to revenues for state flowthrough grant				(6,841)
Adjustments to expenditures for payroll expenditures				2,358
<i>Net changes in fund balances (GAAP Basis)</i>				\$ -

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-35

Belen Consolidated School District No. 2
 Beginning Teacher Mentoring Program Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	7,398	13,746	6,348
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	7,398	13,746	6,348
<i>Expenditures</i>				
Current				
Instruction	(4,348)	7,398	7,117	281
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	(4,348)	7,398	7,117	281
<i>Excess (deficiency) of revenues over expenditures</i>	4,348	-	6,629	6,629
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	(4,348)	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	(4,348)	-	-	-
<i>Net change in fund balances</i>	-	-	6,629	6,629
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 6,629	\$ 6,629
<i>Net change in fund balances (Budget Basis)</i>				\$ 6,629
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net changes in fund balances (GAAP Basis)</i>				\$ 6,629

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-36

Belen Consolidated School District No. 2
 Breakfast in the Classroom Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	61,293	57,309	(3,984)
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>61,293</u>	<u>57,309</u>	<u>(3,984)</u>
<i>Expenditures</i>				
Current				
Instruction	-	61,293	30,647	30,646
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>61,293</u>	<u>30,647</u>	<u>30,646</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>26,662</u>	<u>26,662</u>
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	26,662	26,662
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,662</u>	<u>\$ 26,662</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 26,662
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net changes in fund balances (GAAP Basis)</i>				<u>\$ 26,662</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-37

Belen Consolidated School District No. 2
 Schools on the Rise Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	8,852	8,852
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	8,852	8,852
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	8,852	8,852
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	8,852	8,852
<i>Fund balances - beginning of year</i>	-	-	(8,852)	(8,852)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ -	\$ -
<i>Net change in fund balances (Budget Basis)</i>				\$ 8,852
Adjustments to revenues for state flowthrough grant				(8,852)
No adjustments to expenditures				-
<i>Net changes in fund balances (GAAP Basis)</i>				\$ -

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-38

Belen Consolidated School District No. 2
 Libraries - G.O. Bonds Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	846	846
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>846</u>	<u>846</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>846</u>	<u>846</u>
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	846	846
<i>Fund balances - beginning of year</i>	-	-	(846)	(846)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 846
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net changes in fund balances (GAAP Basis)</i>				<u>\$ 846</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-39

Belen Consolidated School District No. 2
 Full-Time Grant Researcher Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	267	267
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>267</u>	<u>267</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>267</u>	<u>267</u>
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	267	267
<i>Fund balances - beginning of year</i>	-	-	(267)	(267)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 267
Adjustments to revenues for state flowthrough grant				(267)
No adjustments to expenditures				-
<i>Net changes in fund balances (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-40

Belen Consolidated School District No. 2
 Training & Professional Development for Teachers Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	13,286	13,286
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	13,286	13,286
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	13,286	13,286
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	13,286	13,286
<i>Fund balances - beginning of year</i>	-	-	(13,286)	(13,286)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ -	\$ -
<i>Net change in fund balances (Budget Basis)</i>				\$ 13,286
Adjustments to revenues for state flowthrough grant				(13,286)
No adjustments to expenditures				-
<i>Net changes in fund balances (GAAP Basis)</i>				\$ -

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-41

Belen Consolidated School District No. 2
 Library Books Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services	-	14,400	7,948	6,452
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>14,400</u>	<u>7,948</u>	<u>6,452</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(14,400)</u>	<u>(7,948)</u>	<u>6,452</u>
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	-	14,400	-	(14,400)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>14,400</u>	<u>-</u>	<u>(14,400)</u>
<i>Net change in fund balances</i>	-	-	(7,948)	(7,948)
<i>Fund balances - beginning of year</i>	-	-	14,400	14,400
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,452</u>	<u>\$ 6,452</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (7,948)
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net changes in fund balances (GAAP Basis)</i>				<u>\$ (7,948)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-42

Belen Consolidated School District No. 2
 GEAR UP CHE Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	114,742	48,312	(66,430)
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>114,742</u>	<u>48,312</u>	<u>(66,430)</u>
<i>Expenditures</i>				
Current				
Instruction	-	105,046	36,892	68,154
Support services	-	3,000	18,299	(15,299)
Central services	-	-	-	-
Operation and maintenance of plant	-	3,200	1,678	1,522
Student transportation	-	3,496	697	2,799
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>114,742</u>	<u>57,566</u>	<u>57,176</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(9,254)</u>	<u>(9,254)</u>
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(9,254)	(9,254)
<i>Fund balances - beginning of year</i>	-	-	23,169	23,169
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,915</u>	<u>\$ 13,915</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (9,254)
No adjustments to revenues				-
Adjustments to expenditures for instructional materials				(10,087)
<i>Net changes in fund balances (GAAP Basis)</i>				<u>\$ (19,341)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-43

Belen Consolidated School District No. 2
 Private Direct Grants (Categorical) Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures</i>				
Current				
Instruction	-	31,551	16,962	14,589
Support services	-	2,433	-	2,433
Central services	-	-	-	-
Operation and maintenance of plant	-	-	93	(93)
Student transportation	-	2,148	-	2,148
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	36,132	17,055	19,077
<i>Excess (deficiency) of revenues over expenditures</i>	-	(36,132)	(17,055)	19,077
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	-	36,132	-	(36,132)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	36,132	-	(36,132)
<i>Net change in fund balances</i>	-	-	(17,055)	(17,055)
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (17,055)	\$ (17,055)
<i>Net change in fund balances (Budget Basis)</i>				\$ (17,055)
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net changes in fund balances (GAAP Basis)</i>				\$ (17,055)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-44

Belen Consolidated School District No. 2
 School Based Health Center Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	150,000	150,000	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>150,000</u>	<u>150,000</u>	<u>-</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services	-	221,834	147,995	73,839
Central services	-	-	-	-
Operation and maintenance of plant	-	-	525	(525)
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>221,834</u>	<u>148,520</u>	<u>73,314</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(71,834)</u>	<u>1,480</u>	<u>73,314</u>
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	-	71,834	-	(71,834)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>71,834</u>	<u>-</u>	<u>(71,834)</u>
<i>Net change in fund balances</i>	-	-	1,480	1,480
<i>Fund balances - beginning of year</i>	-	-	74,427	74,427
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,907</u>	<u>\$ 75,907</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 1,480
No adjustments to revenues				-
Adjustments to expenditures for payroll expenditures				2,593
<i>Net changes in fund balances (GAAP Basis)</i>				<u>\$ 4,073</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-45

Belen Consolidated School District No. 2
 Special Capital Outlay Capital Projects Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property axes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	31,604	13,029	18,575
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital utlay	-	-	15,900	(15,900)
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>31,604</u>	<u>28,929</u>	<u>2,675</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(31,604)</u>	<u>(28,929)</u>	<u>2,675</u>
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	-	31,604	-	(31,604)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>31,604</u>	<u>-</u>	<u>(31,604)</u>
<i>Net change in fund balances</i>	-	-	(28,929)	(28,929)
<i>Fund balances - beginning of year</i>	-	-	31,604	31,604
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,675</u>	<u>\$ 2,675</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (28,929)
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net changes in fund balances (GAAP Basis)</i>				<u>\$ (28,929)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-46

Belen Consolidated School District No. 2
Special Capital Outlay State Capital Projects Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	1,578,586	1,603,584	24,998
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	1,578,586	1,603,584	24,998
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	1,578,586	1,316,085	262,501
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	1,578,586	1,316,085	262,501
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	287,499	287,499
<i>Other financing sources (uses)</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	287,499	287,499
<i>Fund balances - beginning of year</i>	-	-	(289,999)	(289,999)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (2,500)	\$ (2,500)
<i>Net change in fund balances (Budget Basis)</i>				\$ 287,499
Adjustments to revenues for capital outlay appropriation				(575,232)
Adjustments to expenditures for capital outlay expenditures				285,233
<i>Net changes in fund balances (GAAP Basis)</i>				\$ (2,500)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-47

Belen Consolidated School District No. 2
 Bond Building Capital Projects Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	76,903	76,903
State direct	-	-	-	-
Combined state/local	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	465,352	465,352	32,645	(432,707)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>465,352</u>	<u>465,352</u>	<u>109,548</u>	<u>(355,804)</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	1,000,000	1,000,000	823,682	176,318
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	3,754,911	3,754,911	6,582,326	(2,827,415)
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>4,754,911</u>	<u>4,754,911</u>	<u>7,406,008</u>	<u>(2,651,097)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(4,289,559)</u>	<u>(4,289,559)</u>	<u>(7,296,460)</u>	<u>(3,006,901)</u>
<i>Other financing sources (uses)</i>				
Designated cash	2,289,559	2,289,559	-	(2,289,559)
Bond proceeds	2,000,000	2,000,000	2,518,648	518,648
Bond premium	-	-	-	-
Special item - insurance recovery	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>4,289,559</u>	<u>4,289,559</u>	<u>2,518,648</u>	<u>(1,770,911)</u>
<i>Net change in fund balances</i>	-	-	(4,777,812)	(4,777,812)
<i>Fund balances - beginning of year</i>	-	-	9,915,400	9,915,400
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,137,588</u>	<u>\$ 5,137,588</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (4,777,812)
Adjustments to revenues for sales of bonds				2,173,913
Adjustments to expenditures for services, contract services, and construction services				<u>(1,545,654)</u>
<i>Net changes in fund balances (GAAP Basis)</i>				<u>\$ (4,149,553)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-48

Belen Consolidated School District No. 2
 Capital Improvements SB-9 Capital Projects Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ 895,140	\$ 895,140	\$ 981,539	\$ 86,399
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	408,778	408,778
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	52,000	52,000	1,210	(50,790)
Miscellaneous	-	-	6,379	6,379
<i>Total revenues</i>	<u>947,140</u>	<u>947,140</u>	<u>1,397,906</u>	<u>450,766</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services	8,952	8,952	6,550	2,402
Central services	260,744	260,744	129,486	131,258
Operation & maintenance of plant	800,000	800,000	827,204	(27,204)
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	425,000	425,000	82,055	342,945
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,494,696</u>	<u>1,494,696</u>	<u>1,045,295</u>	<u>449,401</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(547,556)</u>	<u>(547,556)</u>	<u>352,611</u>	<u>900,167</u>
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	547,556	547,556	-	(547,556)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>547,556</u>	<u>547,556</u>	<u>-</u>	<u>(547,556)</u>
<i>Net change in fund balances</i>	-	-	352,611	352,611
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,336,967</u>	<u>1,336,967</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,689,578</u>	<u>\$ 1,689,578</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 352,611
Adjustments to revenues for capital outlay appropriations				5,569
Adjustments to expenditures for capital outlay				<u>22,579</u>
<i>Net changes in fund balances (GAAP Basis)</i>				<u>\$ 380,759</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-49

Belen Consolidated School District No. 2

Debt Service Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property taxes	\$ 3,375,178	\$ 3,375,178	\$ 3,789,315	\$ 414,137
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	135,000	135,000	42,843	(92,157)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>3,510,178</u>	<u>3,510,178</u>	<u>3,832,158</u>	<u>321,980</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services	33,565	33,565	24,623	8,942
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	6,089,504	6,089,504	2,300,000	3,789,504
Interest	1,075,178	1,075,178	1,008,096	67,082
<i>Total expenditures</i>	<u>7,198,247</u>	<u>7,198,247</u>	<u>3,332,719</u>	<u>3,865,528</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(3,688,069)</u>	<u>(3,688,069)</u>	<u>499,439</u>	<u>4,187,508</u>
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	3,688,069	3,688,069	-	(3,688,069)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>3,688,069</u>	<u>3,688,069</u>	<u>-</u>	<u>(3,688,069)</u>
<i>Net change in fund balances</i>	-	-	499,439	499,439
<i>Fund balances - beginning of year</i>	-	-	3,675,515	3,675,515
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,174,954</u>	<u>\$ 4,174,954</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 499,439
Adjustments to revenues for property tax revenues				21,336
No adjustments to expenditures				-
<i>Net changes in fund balances (GAAP Basis)</i>				<u>\$ 520,775</u>

The accompanying notes are an integral part of these financial statements

GENERAL FUND

STATE OF NEW MEXICO
 Belen Consolidated School District No. 2
 Combining Balance Sheet
 General Fund
 June 30, 2010

Statement D-1

	Operational Fund	Transportation Fund	Instructional Materials Fund	Total
<i>Assets</i>				
Cash and cash equivalents	\$ 3,215,501	\$ 12,352	\$ 188,603	\$ 3,416,456
Property taxes receivable	9,576	-	-	9,576
Other receivables	55,686	-	-	55,686
Inventory	81,942	-	-	81,942
Due from other funds	1,473,266	-	-	1,473,266
<i>Total assets</i>	<u>\$ 4,835,971</u>	<u>\$ 12,352</u>	<u>\$ 188,603</u>	<u>\$ 5,036,926</u>
<i>Liabilities and fund balances</i>				
<i>Liabilities</i>				
Accounts payable	\$ 124,264	\$ 7,557	\$ 21,672	\$ 153,493
Accrued payroll	1,362,171	-	-	1,362,171
Deferred revenue	3,341	-	-	3,341
Due to other funds	973,215	-	-	973,215
<i>Total liabilities</i>	2,462,991	7,557	21,672	2,492,220
<i>Fund balances</i>				
Reserved for:				
Inventory	81,942	-	-	81,942
Unreserved				
Unreserved, reported in General fund	2,291,038	4,795	166,931	2,462,764
<i>Total fund balances</i>	2,372,980	4,795	166,931	2,544,706
<i>Total liabilities and fund balances</i>	<u>\$ 4,835,971</u>	<u>\$ 12,352</u>	<u>\$ 188,603</u>	<u>\$ 5,036,926</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Belen Consolidated School District No. 2
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 General Fund
 For the Year Ended June 30, 2010

Statement D-2

	Operational Fund	Transportation Fund	Instructional Materials Fund	Total
<i>Revenues</i>				
Property taxes	\$ 126,971	\$ -	\$ -	\$ 126,971
Federal flowthrough	273,506	-	-	273,506
Federal direct	5,139	-	-	5,139
State flowthrough	195,431	-	194,759	390,190
State direct	29,411,964	-	-	29,411,964
Transportation distribution	-	1,486,308	-	1,486,308
Charges for services	101,832	-	-	101,832
Investment income	3,518	-	-	3,518
Miscellaneous	18,265	12,303	-	30,568
<i>Total revenues</i>	<u>30,136,626</u>	<u>1,498,611</u>	<u>194,759</u>	<u>31,829,996</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	18,262,715	-	172,908	18,435,623
Support services	7,185,470	-	21,933	7,207,403
Central services	1,493,068	-	-	1,493,068
Operation and maintenance of plant	2,948,284	-	-	2,948,284
Student transportation	222,464	1,482,355	-	1,704,819
Community services operations	69,357	-	-	69,357
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>30,181,358</u>	<u>1,482,355</u>	<u>194,841</u>	<u>31,858,554</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(44,732)</u>	<u>16,256</u>	<u>(82)</u>	<u>(28,558)</u>
<i>Other financing sources (uses)</i>				
Proceeds from sale of assets	13,895	-	-	13,895
<i>Total other financing sources (uses)</i>	<u>13,895</u>	<u>-</u>	<u>-</u>	<u>13,895</u>
<i>Net change in fund balances</i>	(30,837)	16,256	(82)	(14,663)
<i>Fund balances - beginning</i>	<u>2,403,817</u>	<u>(11,461)</u>	<u>167,013</u>	<u>2,559,369</u>
<i>Fund balances - ending</i>	<u>\$ 2,372,980</u>	<u>\$ 4,795</u>	<u>\$ 166,931</u>	<u>\$ 2,544,706</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 Belen Consolidated School District No. 2
 Operational Fund

Statement D-3

Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ 145,058	\$ 145,058	\$ 125,836	\$ (19,222)
Federal flowthrough	79,257	84,730	221,587	136,857
Federal direct	9,120	9,120	3,386	(5,734)
Local grants	-	-	-	-
State flowthrough	322,000	322,000	208,470	(113,530)
State direct	30,696,762	29,429,523	29,411,964	(17,559)
Combined state/local	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	41,470	41,470	101,832	60,362
Investment income	26,379	26,379	3,518	(22,861)
Miscellaneous	50	50	18,265	18,215
<i>Total revenues</i>	<u>31,320,096</u>	<u>30,058,330</u>	<u>30,094,858</u>	<u>36,528</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	18,798,927	18,637,004	17,546,995	1,090,009
Support services	8,278,797	7,681,229	7,177,810	503,419
Central services	1,351,977	1,351,977	1,487,823	(135,846)
Operation & maintenance of plant	3,278,188	3,044,270	2,886,295	157,975
Student transportation	131,575	131,575	222,464	(90,889)
Food services operations	-	-	-	-
Community services operations	53,580	53,580	69,357	(15,777)
Capital outlay	15,000	15,000	-	15,000
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>31,908,044</u>	<u>30,914,635</u>	<u>29,390,744</u>	<u>1,523,891</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(587,948)</u>	<u>(856,305)</u>	<u>704,114</u>	<u>1,560,419</u>
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	587,948	856,305	-	(856,305)
Proceeds from sale of assets	-	-	13,895	13,895
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>587,948</u>	<u>856,305</u>	<u>13,895</u>	<u>(842,410)</u>
<i>Net change in fund balances</i>	-	-	718,009	718,009
<i>Fund balances - beginning of year</i>	-	-	2,951,792	2,951,792
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,669,801</u>	<u>\$ 3,669,801</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 718,009
Adjustments to revenues for prior year refund				41,768
Adjustments to expenditures for salary, health and medical premium, and other charges				<u>(790,614)</u>
<i>Net changes in fund balances (GAAP Basis)</i>				<u>\$ (30,837)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement D-4

Belen Consolidated School District No. 2

Transportation Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Transportation distribution	1,590,448	1,486,258	1,486,308	50
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	12,303	12,303
<i>Total revenues</i>	<u>1,590,448</u>	<u>1,486,258</u>	<u>1,498,611</u>	<u>12,353</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	1,590,448	1,486,258	1,543,187	(56,929)
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,590,448</u>	<u>1,486,258</u>	<u>1,543,187</u>	<u>(56,929)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(44,576)</u>	<u>(44,576)</u>
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	-	-	-	-
Proceeds from sale of assets	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(44,576)	(44,576)
<i>Fund balances - beginning of year</i>	-	-	56,928	56,928
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,352</u>	<u>\$ 12,352</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (44,576)
No adjustments to revenues				-
Adjustments to expenditures for salary, supply maintenance, and transportation expenditures				60,832
<i>Net changes in fund balances (GAAP Basis)</i>				<u>\$ 16,256</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement D-5

Belen Consolidated School District No. 2

Instructional Materials Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	201,391	249,723	194,759	(54,964)
State direct	-	-	-	-
Combined state/local	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>201,391</u>	<u>249,723</u>	<u>194,759</u>	<u>(54,964)</u>
<i>Expenditures</i>				
Current				
Instruction	179,014	392,633	151,236	241,397
Support services	22,377	27,128	21,933	5,195
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>201,391</u>	<u>419,761</u>	<u>173,169</u>	<u>246,592</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(170,038)</u>	<u>21,590</u>	<u>191,628</u>
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	-	170,038	-	(170,038)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>170,038</u>	<u>-</u>	<u>(170,038)</u>
<i>Net change in fund balances</i>	-	-	21,590	21,590
<i>Fund balances - beginning of year</i>	-	-	167,013	167,013
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 188,603</u>	<u>\$ 188,603</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 21,590
No adjustments to revenues				-
Adjustments to expenditures for instructional materials and library and visual expenditures				(21,672)
<i>Net changes in fund balances (GAAP Basis)</i>				<u>\$ (82)</u>

The accompanying notes are an integral part of these financial statements

SUPPORTING SCHEDULES

STATE OF NEW MEXICO
 Belen Consolidated School District No. 2
 Schedule of Changes in Fiduciary Assets and Liabilities
 Agency Funds
 For the Year Ended June 30, 2010

Schedule I

	Balance June 30, 2009	Additions	Deletions	Balance June 30, 2010
Belen High School	\$ 250,393	\$ 352,407	\$ 285,316	\$ 317,484
Belen Middle School	38,804	41,345	45,668	34,481
Central Elementary	21,584	28,654	31,688	18,550
Dennis Chavez Elementary	2,680	15,996	17,663	1,013
Gil Sanchez Elementary	6,060	31,138	28,933	8,265
Jaramillo Elementary	18,037	40,847	44,835	14,049
La Merced Elementary	7,894	29,994	28,458	9,430
La Promesa Elementary	14,653	1,427	2,761	13,319
Rio Grande Middle School	5,958	29,641	29,055	6,544
Infinity High School	2,435	1,119	2,120	1,434
Logsdon Middle School	552	557	90	1,019
Family School	750	76	160	666
Administration	22,549	9,632	14,212	17,969
Accounts receivable	<u>3,229</u>	<u>-</u>	<u>3,229</u>	<u>-</u>
Total	<u>\$ 395,578</u>	<u>\$ 582,832</u>	<u>\$ 534,188</u>	<u>\$ 444,222</u>
Add: Unreconciled difference in cash				<u>8,524</u>
Total fiduciary fund cash				<u>\$ 452,746</u>

See accompanying independent auditors' report

STATE OF NEW MEXICO
 Belen Consolidated School District No. 2
 Schedule of Collateral Pledged By Depository
 For Public Funds
 June 30, 2010

Schedule II

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value June 30, 2010
First Community Bank				
	GNR 2009-58 AP	6/20/2039	38375D2H0	\$ 2,039,999
	GNR 2009-67 GA	1/16/2037	38373AZS8	<u>1,218,197</u>
	Total First Community Bank			<u>3,258,196</u>

Name and location of safekeeper for above pledged collateral:

Federal Home Loan Bank of Dallas 5606 N. MacArthur Blvd. Dallas, TX

Wells Fargo Bank

	FED NATL MTG ASSN POOL #190391	9/1/2038	31368HN04	232,034
	FED NATL MTG ASSN POOL #257449	11/1/2038	31371N5J0	241,620
	FED NATL MTG ASSN POOL #257449	11/1/2038	31371N5J0	257,225
	FED NATL MTG ASSN POOL #849021	1/1/2036	31408EG63	150,423
	FED NATL MTG ASSN POOL #915574	4/1/2037	31411VFP9	725,180
	FED NATL MTG ASSN POOL #915969	4/1/2037	31411VT25	1,730,297
	FED NATL MTG ASSN POOL #928832	10/1/2037	3141214R8	<u>120,616</u>
	Total Wells Fargo Bank			<u>3,457,395</u>

Wells Fargo Bank (Repurchase Agreement)

	FNCL 00878535	2/1/2036	31409UBC8	<u>1,438,715</u>
	Total Wells Fargo Bank			<u>1,438,715</u>

Name and location of safekeeper for above pledged collateral:

Wells Fargo Bank 420 Montgomery, 11th Floor San Francisco, CA

Total	<u><u>\$ 8,154,306</u></u>
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* As per NMSA 2.2.2.10 (N) (4), the value of collateral consisting of obligations of the State of New Mexico, its agencies, institutions, counties, municipalities or other subdivisions shall be par value.

See accompanying independent auditors' report

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STATE OF NEW MEXICO
 Belen Consolidated School District No. 2
 Schedule of Deposits
 June 30, 2010

Schedule III

Bank Name/Account Name	Account Type	Bank Balance	Deposits in Transit	Outstanding Checks	Book Balance
First Community Bank					
Debt Service	Checking	\$ 3,515,677	\$ -	\$ -	\$ 3,515,677
Federal Grants	Checking	571,271	4,669	60,000	515,940
Student Nutrition	Checking	963,127	-	-	963,127
Athletic Activity	Checking	75,155	-	-	75,155
Activities	Checking	114,611	-	171	114,440
Capital Projects	Checking	3,457,972	-	-	3,457,972
Capital Improvement	Checking	1,129,832	-	-	1,129,832
Capital Projects	Money Market	1,700,000	-	-	1,700,000
Certificate of Deposit	Time	659,277	-	-	659,277
Certificate of Deposit	Time	329,611	-	-	329,611
Certificate of Deposit	Time	6,689	-	-	6,689
Certificate of Deposit	Time	564,774	-	-	564,774
Total First Community Bank		13,087,996	4,669	60,171	13,032,494
Wells Fargo Bank					
Ops/Tran/Instr/State Grants	Checking	904,115	3,122	-	907,237
Ops/Tran/Instr/State Grants	Repurchase	1,410,504	-	-	1,410,504
Deferred Sick Leave	Checking	10,943	-	-	10,943
Accounts Payable Clearing	Checking	205,691	-	192,674	13,017
Payroll Clearing	Checking	1,620,898	144,327	397,105	1,368,120
Total Wells Fargo Bank		4,152,151	147,449	589,779	3,709,821
Unreconciled difference in cash		-	-	-	(177,564)
Petty Cash		-	-	-	388
Total		<u>\$ 17,240,147</u>	<u>\$ 152,118</u>	<u>\$ 649,950</u>	<u>\$ 16,565,139</u>
Cash per financial statements					
Cash and cash equivalents- Governmental Activities Exhibit A-1				\$ 11,937,439	
Restricted cash and cash equivalents- Governmental Activities Exhibit A-1				4,174,954	
Fiduciary funds - Exhibit E-1				<u>452,746</u>	
Total cash and cash equivalents					<u>\$ 16,565,139</u>

See accompanying independent auditors' report

STATE OF NEW MEXICO
 Belen Consolidated School District No. 2
 Cash Reconciliation
 For the Year Ended June 30, 2010

	Operational 11000	Transportation 13000	Instructional Materials 14000	Food Services 21000
Cash, June 30, 2009	\$ 2,158,798	\$ 56,928	\$ 167,013	\$ 880,693
Add:				
2009-2010 revenues	30,108,753	1,498,611	197,208	2,355,900
Repayment of loans	-	-	-	-
Loans from other funds	945,145	-	-	-
Bond proceeds	-	-	-	-
Total cash available	<u>33,212,696</u>	<u>1,555,539</u>	<u>364,221</u>	<u>3,236,593</u>
Less:				
2009-2010 expenditures	29,342,544	1,543,187	173,169	2,313,558
Repayment of loans	-	-	-	-
Loans to other funds	<u>654,651</u>	<u>-</u>	<u>2,449</u>	<u>-</u>
Cash, June 30, 2010	<u><u>\$ 3,215,501</u></u>	<u><u>\$ 12,352</u></u>	<u><u>\$ 188,603</u></u>	<u><u>\$ 923,035</u></u>

See accompanying independent auditors' report

Athletics 22000	Federal Flowthrough 24000	Federal Direct 25000	Local Grants 26000	State Flowthrough 27000
\$ 40,596	\$ 20,530	\$ 491,785	\$ 3,645	\$ 43,387
132,152	3,739,028	3,038,209	-	179,122
-	-	-	-	-
-	14,790	912,063	-	647
-	-	-	-	-
<u>172,748</u>	<u>3,774,348</u>	<u>4,442,057</u>	<u>3,645</u>	<u>223,156</u>
100,460	3,770,737	2,985,946	1,180	140,290
-	-	-	-	-
-	-	973,215	-	-
<u>\$ 72,288</u>	<u>\$ 3,611</u>	<u>\$ 482,896</u>	<u>\$ 2,465</u>	<u>\$ 82,866</u>

STATE OF NEW MEXICO
 Belen Consolidated School District No. 2
 Cash Reconciliation
 For the Year Ended June 30, 2010

	State Direct 28000	Local/State 29000	Bond Building 31100	Special Capital Outlay-Local 31300
Cash, June 30, 2009	\$ 23,169	\$ 74,427	\$ 9,915,400	\$ 31,604
Add:				
2009-2010 revenues	48,312	150,000	109,548	-
Repayment of loans	-	-	-	-
Loans from other funds	-	17,055	-	-
Bond proceeds	-	-	4,605,000	-
Total cash available	<u>71,481</u>	<u>241,482</u>	<u>14,629,948</u>	<u>31,604</u>
Less:				
2009-2010 expenditures	57,566	165,575	9,492,360	28,929
Repayment of loans	-	-	-	-
Loans to other funds	-	-	-	-
Cash, June 30, 2010	<u>\$ 13,915</u>	<u>\$ 75,907</u>	<u>\$ 5,137,588</u>	<u>\$ 2,675</u>

See accompanying independent auditors' report

Special Capital Outlay State 31400	Capital Improvements SB-9 31700	Debt Service 41000	Deferred Sick Leave 42000	Total
\$ -	\$ 1,336,967	\$ 3,675,515	\$ 37,945	\$ 18,958,402
1,603,584	1,397,906	3,832,158	-	48,390,491
-	-	-	-	-
-	-	-	-	1,889,700
-	-	-	-	4,605,000
<u>1,603,584</u>	<u>2,734,873</u>	<u>7,507,673</u>	<u>37,945</u>	<u>73,843,593</u>
1,316,085	1,045,295	3,332,719	27,002	55,836,602
264,283	-	-	-	264,283
-	-	-	-	1,630,315
<u>\$ 23,216</u>	<u>\$ 1,689,578</u>	<u>\$ 4,174,954</u>	<u>\$ 10,943</u>	<u>\$ 16,112,393</u>

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COMPLIANCE SECTION



Accounting & Consulting Group, LLP
Certified Public Accountants

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

Hector H. Balderas
New Mexico State Auditor
The Office of Management and Budget
To the Board of Education
Belen Consolidated School District No. 2
Belen, New Mexico

We were engaged to audit the accompanying financial statements of the governmental activities, each major fund, the budgetary comparison for the general fund and the aggregate remaining fund information of Belen Consolidated School District No.2 (District), as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents and have issued our report thereon dated March 8, 2012. We were also engaged to audit the financial statements of each of the District's nonmajor governmental funds, the combining financial statements for the general fund, and the respective budgetary comparisons for the major capital projects funds, the debt service fund and the remaining nonmajor governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2010 as listed in the table of contents. We rendered a disclaimer of opinion due to a scope limitation not allowing us to obtain sufficient evidence to support account balances and related disclosures presented within the District's financial statements. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be 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 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 entity'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 listed as items FS 07-06, FS 08-02, FS 09-03, FS 09-04, FS 10-01, FS 10-02, FS 10-04, FS 10-06, and FS 10-10 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 and the other auditors consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs listed as items FS 07-03, FS 09-01, and FS 10-05 to be significant deficiencies..

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items FS 07-05, FS 10-07, and FS 10-09.

We noted certain matters that are required to be reported under Government Auditing Standards January 2007 Revision paragraphs 5.14 and 5.16, and section 12-6-5, NMSA 1978, which is described in the accompanying schedule of findings and questioned costs as findings FS 09-02, FS 10-03, and FS 10-08.

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

This report is intended solely for the information and use of the audit committee management, others within the organization, the Board of Education, the Office of the State Auditor, the New Mexico Legislature, federal awarding agencies and pass-through entities, such as the New Mexico Public Education Department, and is not intended to be and should not be used by anyone other than these specified parties.

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP
Albuquerque, NM
March 8, 2012

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FEDERAL FINANCIAL ASSISTANCE



Accounting & Consulting Group, LLP
Certified Public Accountants

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Hector H. Balderas
New Mexico State Auditor
The Office of Management and Budget
To the Board of Education
Belen Consolidated School District No. 2
Belen, New Mexico

Compliance

We have audited Belen Consolidated School District's (District) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular *A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2010. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

We were not able to obtain sufficient evidence to substantiate the account balances of cash, revenues and expenditures of each major program, nor were we able to satisfy ourselves as to the District's compliance with other auditing procedures.

As described in items FA 10-02, FA 10-03, and FA 10-04, in the accompanying schedule of findings and questioned costs, the District did not comply with requirements regarding cash management, allowable costs, and reporting requirements that are applicable to Operational Federal Stimulus Program, all major programs for the noncompliance noted in findings FA -10-03 and FA 10-04. Compliance with such requirements is necessary, in our opinion, for the District, to comply with the requirements applicable to those programs.

In our opinion, because of the effects of the noncompliance described in the preceding paragraph, the District did not comply in all material respects, with the requirements referred to in the preceding paragraph that could have a direct and material effect on each of its major programs. Also, in our opinion, the District complied, in all material respects, with the 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, 2010.

Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance but not for the purpose of expressing our opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

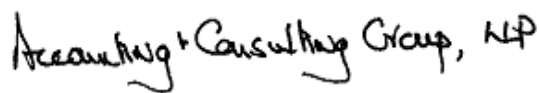
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal controls over compliance that we considered to be material weaknesses, and other deficiencies that we consider to be significant deficiencies.

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. We consider the deficiencies in internal control compliance described in the accompanying schedule of findings and questioned costs as items FA 10-02, FA 10-03, FA 10-04, and FA 10-05 to be material weaknesses.

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 requirements 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. We consider the deficiencies in internal control compliance described in the accompanying schedule of findings and questioned costs as items FA 10-01 and FA 10-06 to be significant deficiencies.

The Belen Consolidated School District No. 2's responses to the finding identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the District's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the audit committee, management, others within the organization, the Board of Education, the Office of the State Auditor, the New Mexico Legislature, federal awarding agencies and pass-through entities, such as the New Mexico Public Education Department, and is not intended to be and should not be used by anyone other than these specified parties.



Accounting & Consulting Group, LLP
Albuquerque, New Mexico
March 8, 2012

STATE OF NEW MEXICO
 Belen Consolidated School District No. 2
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2010

Federal Grantor/Pass Through Grantor/Program Title	Pass- through Number	Federal C.F.D.A. Number		Expenditures
<u>Federal Department of Education</u>				
<i>Passed through from New Mexico Public Education Department</i>				
Improving America's Schools Title I	24101	84.010	*	\$ 1,422,388
Individuals With Disabilities Act - Entitlement	24106	84.027	*	1,206,678
Individuals With Disabilities Act - Preschool	24109	84.173	*	12,336
Education of Homeless	24113	84.196O		14,072
ELL Title III- Incentive Awards	24143	84.364A		3,000
Enhancing Education Thru Technology (E2Y2-C)	24149	84.318X		41,377
Title III-A English Language Acquisition	24153	84.365A		32,012
Improving Teacher Quality	24154	84.367A	*	204,655
Title I School Improvement	24162	84.010	*	57,835
Reading First	24167	84.357A		111,335
Carl Perkins Secondary - Current Year	24174	84.048O		31,819
Carl Perkins Secondary - Prior Year Unliquidated Obligations	24175	84.048O		12,869
Carl D. Perkins Secondary Redistribution	24176	84.048O		7,802
Title I - IASA - Federal Stimulus- ARRA	24201	84.398	*	232,481
Individuals With Disabilities Act - Entitlement - ARRA	24206	84.027	*	176,442
Title I School Improvement - Federal Stimulus- ARRA	24262	84.010	*	72,493
<i>Flowthrough Children, Youth and Families Department</i>				
Title IV Drug-free Schools	24157	84.186		12,991
Education of Homeless - Federal Stimulus- ARRA	24213	84.196O		<u>454</u>
<i>Direct U.S. Department of Education</i>				
Operational Federal Stabilization- ARRA	25250	84.394	*	<u>2,692,173</u>
Total U.S. Department of Education				<u>6,348,212</u>
<u>Department of Health and Human Services</u>				
<i>Flowthrough from NM Department of Health</i>				
NM Grads/Childcare	25149	93.590		250
NM Grads	25162	93.558O		<u>8,000</u>
Total Department of Health and Human Services				<u>8,250</u>

See accompanying independent auditors' report

STATE OF NEW MEXICO
 Belen Consolidated School District No. 2
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2010

Federal Grantor/Pass Through Grantor/Program Title	Pass- through Number	Federal C.F.D.A. Number	Expenditures
<u>Department of Agriculture</u>			
<i>Passed through from New Mexico Public Education Department</i>			
Rural Development, Forestry, and Communities- Indirect Costs	11000	10.672	138,220
<i>Direct programs</i>			
Forest Reserve - General Fund	11000	10.665	4,436
Federal Direct- Indirect Costs	11000	10.672	5,139
Nutrition Program			
Food Distribution	21000	10.550	147,298
National School Lunch Act	21000	10.555	2,322,561
Fresh Fruits and Vegetables USDA	24118	10.582	7,141
Total Department of Agriculture			<u>2,624,795</u>
Total Expenditures of Federal Awards			<u>\$ 8,981,257</u>

* Major program

Notes to Schedule of Expenditures of Federal Awards

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Belen Consolidated School District No. 2, New Mexico (District) and is presented on the modified accrual basis of accounting, which is the same basis as was used to prepare the fund financial statements except the Department of Agriculture awards that are presented on the 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. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

Subrecipients

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

Non-Cash Federal Assistance

The District receives USDA Commodities for use in sponsoring the National School Lunch and Breakfast programs. The value of commodities received for the year ended June 30, 2010 was \$147,298 and is reported in the Schedule of Expenditures of Federal Awards under the Department of Agriculture Commodities program, CFDA number 10.550.

STATE OF NEW MEXICO
Belen Consolidated School District No. 2
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2010

Schedule V
Page 3 of 3

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

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 8,981,257
Total expenditures funded by other sources	<u>46,856,798</u>
Total expenditures	<u><u>\$ 55,838,055</u></u>

STATE OF NEW MEXICO
 Belen Consolidated School District No. 2
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2010

A. SUMMARY OF AUDIT RESULTS

Financial Statements:

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

Federal Awards:

- | | |
|---|---------|
| 1. Internal control over major programs: | |
| a. Material weaknesses identified? | Yes |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes |
| 2. Type of auditors' report issued on compliance for major programs | Adverse |
| 3. Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? | Yes |
| 4. Identification of major programs: | |

CFDA Number	Federal Program
84.10	Title I Program
84.394	Operational- Federal Stimulus Program
84.027	IDEA B Program
84.367A	Improving Teacher Quality Program

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

STATE OF NEW MEXICO
Belen Consolidated School District No. 2
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2010

Schedule VI

B. FINDINGS-FINANCIAL STATEMENT AUDIT

FS 07-03- Inventory Discrepancies – Significant Deficiency

Condition: During inventory testwork, we found that for 2 out of the 9 items tested had discrepancies between amounts reported on the year end inventory report, and what was actually in the inventory warehouse. The discrepancies are:

1. Item – *Flour, White* had on hand 215 units, however, per the Inventory History Report, there should have been 236 units in stock. The discrepancy led to an inventory overstatement of \$178.71.
2. Item – *Flour Wheat* had on hand 292 units, however, per the Inventory History Report, there should have been 303 units in stock. The discrepancy led to an inventory overstatement of \$109.56.

Criteria: NMAC 6.20.2.16 states that “School District shall establish adequate internal accounting control procedures over inventory in accordance with GAAP.”

Effect: Inventory is subject to theft and this could also result in misstatements to inventory amounts reported on the District’s financial statements.

Cause: There is a lack of internal control in the receiving and shipment of items and a lack of internal controls over the count of inventory on hand at year end.

Auditors’ Recommendation: We recommend that the District ensure compliance with NMAC 6.20.2.16 by implementing internal control processes that will safeguard inventory and increase monitoring and control related to inventory, particularly in the areas of shipping and packing, inventory counts and clerical accuracy.

Management’s Response: Management will ensure that end of the year physical inventory will agree to the Inventory History Reports in our accounting systems. The Finance Director will review these items and report to the Superintendent and Audit Committee.

STATE OF NEW MEXICO
 Belen Consolidated School District No. 2
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2010

B. FINDINGS-FINANCIAL STATEMENT AUDIT (continued)

FS 07-05- Cash Appropriations in Excess of Available Cash Balances – Material Noncompliance

Condition: The District designated cash appropriations in excess of available balances in the following funds in fiscal year 2010:

Instructional Materials Fund	\$ 3,025
Entitlement IDEA-B Special Revenue Fund	294,031
Entitlement IDEA-B Federal Stimulus Special Revenue Fund	43,773
School Improvements Stimulus Special Revenue Fund	240,000
Private Direct Grants (Categorical) Special Revenue Fund	36,132
Debt Service Fund	12,554
Total Governmental Funds	\$ 629,515

Criteria: Section 2.2.2.10. (P) (1), NMAC, requires all School District funds, with the exception of agency funds, to be budgeted by the local governing body and submitted to the Public Education Department for approval. Cash balances rebudgeted to make up for deficit budgeted revenues that do not cover the budgeted expenditures, cannot exceed the actual cash balance available at the end of the prior year.

Effect: The effect of a budget with inadequate designated cash available to cover the excess of budgeted expenditures over budgeted revenue could result in the District incurring debt to pay for current year budgeted expenditures, which would result in noncompliance with the Bateman Act.

Cause: Inadequate monitoring of cash available to be budgeted in subsequent year caused this noncompliance.

Auditors' Recommendation: Greater attention should be given to the cash balances actually available to cover budgeted expenditures in excess of budgeted revenues.

Management's Response: Management will ensure that any and all cash available to be budgeted in all funds will be in line with audited cash balances compared to projected cash balances. Any variances over the projected cash balances will be presented to the Board and Finance Committee for consideration and approvals, and budget adjustments will be approved as per PED requirements.

STATE OF NEW MEXICO
Belen Consolidated School District No. 2
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2010

Schedule VI

B. FINDINGS-FINANCIAL STATEMENT AUDIT (continued)

FS 07-06- Preparation of Financial Statements – Material Weakness

Condition: Financial statements and related footnote disclosures were not prepared by the District.

Criteria: According to the American Institute of Certified Public Accountants' Statement on Auditing Standards No. 112, a system of internal control over financial reporting does not stop at the general ledger. Well designed systems should be implemented and should include controls over financial statement preparation, footnote disclosure preparation, and should give the entity the ability to catch material errors that may effect the financial statements.

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

Cause: District personnel do not have the time to prepare the district's financial statements, or adequate training to understand the elements of external financial reporting including the preparation of financial statements, the preparation of the related footnote disclosures, or the ability to recognize material errors.

Auditors' Recommendation: We recommend the District's management and personnel receive training on understanding the requirements of external financial reporting. The training should include, but not be limited to:

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

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

Management's Response: Management will ensure that district staff be trained in the above mentioned areas. The current Director of Finance hired in April 2011 has the above experience and training, but was not able to prepare financial statements due to a short timeline and other duties when hired. The Superintendent and Finance Committee will follow up on the progress of this issue.

STATE OF NEW MEXICO
Belen Consolidated School District No. 2
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2010

Schedule VI

B. FINDINGS-FINANCIAL STATEMENT AUDIT (continued)

FS 08-02- Internal Controls – Lack of Segregation of Duties (Receipts and Disbursements Cycle) – Material Weakness

Condition: During our walkthrough of the receipts and disbursements transaction cycle, we observed a lack of segregation of duties. It was observed that internal controls were not properly working and employees were allowed to perform all duties during the receipting and disbursements cycle respectively.

Criteria: Section 6.20.2.11 of NMAC requires each school district to develop, establish and maintain a structure of internal accounting controls and written procedures to provide for segregation of duties, a system of authorization and recording procedures, and sound accounting practices in performance of duties and functions. The duties to be segregated are the authorization to execute a transaction, recording the transaction, and custody of assets involved in the transaction.

Effect: The District overlooked the potential for misappropriation of assets by allowing the same individuals to perform all duties in relation to the receipting and disbursements cycle respectively. When one single person can perform duties related to an individual cycle an opportunity for irregularities exists.

Cause: Due to the turnover in management several times throughout the year, there was a lack of oversight by management to enforce policies and procedures over the receipting and disbursement process and ensure internal controls were working properly.

Auditors' Recommendation: We suggest that the District's management ensures that the system of checks and balances, that were implemented in prior years are working properly.

Management's Response: Management will ensure proper internal controls with respect to segregation of duties be implemented. The new finance director has already implemented these segregation of duties to various staff that have resolved this finding. The progress of this will be reported to the Superintendent and Finance Committee.

B. FINDINGS-FINANCIAL STATEMENT AUDIT (continued)

FS 09-01- Accrued Compensated Absences – Significant Deficiency

Condition: During accrued compensation test work, we found that for 3 out of the 142 employees eligible for vacation time had discrepancies in the amounts reported on year end accrued compensation for vacation. The discrepancies are:

1. The District's Leave Policy states that employees with 10 or more years of service can earn up to 15 days a year, at a rate of .625 days per pay period for 24 pay periods. However, the district is on a 26 pay period schedule, therefore any employee with 10 or more years of service that works the entire 26 pay period year will actually earn 16.25 days of leave.
 - a. Two employees tested were noted to have earned 16.25 days when, according to the District's Policy, both should have earned a maximum of 15 days.
 - b. One of these employees, per the Policy, was eligible for a vacation accrual of 1.75 hours and approximately \$126. However, per the Sick and Vacation Accrual Report, the employee had 3 hours and approximately \$215 for vacation accrual. The total discrepancy was an approximate understatement of \$90.
2. Per the Leave Policy and the system there is not an identifiable correlation to determine how employees with less than 10 years of service are earning their leave

Criteria: The Codification of Statements on Auditing Standards (SAS AU) paragraph 110.03 states that the financial statements are management's responsibility. Management is responsible for adopting sound accounting policies, and for establishing and maintaining internal control that will, among other things, initiate, authorize, record, process, and report transactions (as well as events and conditions) consistent with management's assertions embodied in the financial statements.

Effect: With insufficient internal controls in place, leave accrual amounts are more susceptible to error and could result in misstatements to leave accrual amounts reported on the District's financial statements.

Cause: In preparing the Sick and Vacation Accrual Report, management hand keyed numbers for the report rather than using formulas. Hand keying the numbers with out a formula to verify the accuracy of the input allowed errors to go uncorrected.

Auditors' Recommendation: We recommend that the District ensure internal control processes are in place for the preparation of leave accruals. Management should ensure that amounts reported in the Sick and Vacation Accrual Report are verified against recalculations and that the report is reviewed for reasonableness and accuracy.

Management's Response: Management will ensure that the policy will align with our payroll procedures. The new finance director will provide the Board policy committee a draft for review, and then for approval by the full Board. The superintendent will make sure we achieve compliance with this finding.

STATE OF NEW MEXICO
Belen Consolidated School District No. 2
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2010

Schedule VI

B. FINDINGS-FINANCIAL STATEMENT AUDIT (continued)

FS 09-02- Procurement Code (Related Parties) – Other Matters

Condition: The District did not receive the proper quotes for items as required by the District's procurement policy. In addition the vendor award is considered a related party which was not done in an arms length transaction. The total cost for the items purchases were \$7,115.61.

Criteria: According to the District's procurement policy, the District must receive at least 3 quotes for items over \$1,500.

Effect: Not following the procurement code while purchasing items from a related party can promote favoritism within the organization and set a bad example for employees. This condition can also open the District to potential litigation.

Cause: There was an oversight and lack of review by management while purchasing these items and did not review to ensure proper policy compliance.

Auditors' Recommendations: We recommend the District incorporate internal controls to monitor the policy that is already in place to ensure that all procurement, including related party transactions, follow procurement codes.

Management's Response: Management will ensure that all purchases are in compliance with Board Policies regarding quotes and bids. The new finance director will work with sites, departments, and warehouse purchasing coordinator for training of staff, and compliance to our policies. The Board will also ensure that compliance to this policy is adhered to.

STATE OF NEW MEXICO
Belen Consolidated School District No. 2
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2010

Schedule VI

B. FINDINGS-FINANCIAL STATEMENT AUDIT (continued)

FS 09-03- Capital Assets – Material Weakness

Condition: During the capital asset inventory procedures, we noted the following issues:

- The capital assets system was not being reconciled and the depreciation schedule did not foot correctly. The ending capital assets balance for the prior year end did not agree with current year beginning balance by \$33,012.
- The District incorrectly omitted 4 items on the capital asset listing and improperly included them as repairs and maintenance. The value of the 4 items omitted equaled \$52,314.60.
- Ending accumulated depreciation for the District's capital asset equipment did not tie to the beginning balance for fiscal year 2010 by \$433,430. The District was unable to reconcile the amount.
- The District did not perform an annual inventory count of their capital assets.

Criteria: Section 2.2.2.10.Y(2), NMAC, requires each agency to conduct an annual physical inventory of movable chattels and equipment on the inventory list at the end of each fiscal year. The agency shall certify the correctness of the inventory after the physical inventory. This certification should be provided to the agency's auditors.

Effect: The District's capital asset listing may have capital assets that do not exist or there may be capital assets omitted that should be on the capital asset inventory. All of which may result in a material misstatement on the government wide financial statement.

Cause: The District does not have personnel trained and knowledgeable in the maintenance and record keeping of capital assets for the District.

Auditors' Recommendation: The District must formalize its policies with regards to the required capital assets yearly inventory count and ensure that a proper count of movable chattels and equipment takes place every year. The District must also incorporate internal controls to ensure that capital asset detail reports are accurate and complete.

Management's Response: Management will ensure that the new finance director review the capital listing with staff and make the necessary adjustments for compliance. The superintendent will review these documents when completed by the finance director, as well as the finance committee. Management will also ensure that a physical inventory be performed at year end as required. Management will also make sure all account codes are properly coded to avoid errors in the accounting for fixed assets, and supply assets.

STATE OF NEW MEXICO
Belen Consolidated School District No. 2
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2010

Schedule VI

B. FINDINGS-FINANCIAL STATEMENT AUDIT (continued)

FS 09-04- Interfund Activity – Material Weakness

Condition: The interfund balances of the District are not accurate or complete.

Criteria: GASB 34, paragraph 112 requires that all interfund receivables/payables be recorded properly, in a timely manner. Also, Public Education Department (PED) Manual of Procedures PSAB Supplement #7 states cash controls requires that temporary inter-fund transfers be recorded as “due from” and “due to” accounts to indicate inter-fund receivables and payables.

Effect: The District’s interfund balances are misstated at year end. In addition, the District is not able to make informed financial decisions as the trial balance does not represent an accurate financial position. Also, the risk of fraud, errors, or irregularities not being prevented or detected in a timely manner is high due to the deteriorated nature of their financial information.

Cause: Due to the turnover several times throughout the year, as well as the District not having reconciled bank accounts, the District having incorrect revenue and expenditure postings, and the District having numerous incorrect manual journal entries posted throughout the year, there was an oversight by management to ensure all loans from one fund to another were properly accounted for and posted to the general ledger.

Auditors’ Recommendation: We recommend that the District review and incorporate policies and process to ensure interfund balances are correctly accounted for.

Management’s Response: Management will ensure through a thorough review of the “due to and due from’s” that they will net out to a (0) zero balance. This will be accomplished by the new finance director with close oversight of the superintendent and finance committee. All loans and loans payable will be properly documented in the GL.

STATE OF NEW MEXICO
Belen Consolidated School District No. 2
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2010

Schedule VI

B. FINDINGS-FINANCIAL STATEMENT AUDIT (continued)

FS 10-01- Entity-Wide Control Deficiency – Material Weakness

Condition: During our process of understanding the entity and its environment, we noted instances where elements of the framework of Committee of Sponsoring Organizations COSO were nonexistent or deficient. We noted that the risk assessment element and monitoring element were not documented or sufficiently designed. We also noted the following deficiencies:

- During our audit procedures, we noted the District has insufficient internal controls to properly identify and assess fraud risks.
- During our audit procedures, we noted the District has insufficient internal controls to properly identify and assess risks related to employee turnover and employee retirements.
- During our review of the District, the tone from the top was not sufficient to ensure all internal controls were in place and working properly throughout the year.
- During our disbursements and payroll test work, we noted that the District does not review master files for inaccurate or unauthorized changes.
- During our disbursements test work, we noted that the District does not have a formal purchasing policy in place for procurement.
- During our review of debt, we noted the District did not have proper internal controls over debt documentation, and was not able to find the debt files upon request. The information to complete our audit procedures over debt was not provided until five months after the information was requested.
- During our review over fund balances, we noted the District improperly rolled fund balance and posted several material entries to roll fund balances to general expenditure line item account and other incorrect balance sheet and income statement accounts.
- During our review of the general ledger and trial balance, we noted that the District did not capture several transactions related to revenues and expenditures in the amount of \$2,180,380 and 3,780,508 when given the initial trial balance. We received several additional trial balances, however was not ever given a complete and accurate general ledger and trial balance.
- During our review over the bank reconciliation, we noted that the District does not have proper internal controls over bank reconciliations and voided checks.
- During our review of the cash, we noted that the PED report submitted to the New Mexico Public Education Department was neither correct nor complete. This report was also not submitted in a timely manner.
- During our review of the general ledger, due to the issues related to cash, revenues, and expenditures, we could not gather sufficient evidence to rely on the Schedule of Expenditures of Federal Awards.

Criteria: The Committee of Sponsoring Organizations (COSO) internal control integrated framework consists of five critical elements that must be present in carrying out the achievement objectives of an organization. These elements are known as the control environment, risk assessment, control activities, information and communication and monitoring.

STATE OF NEW MEXICO
Belen Consolidated School District No. 2
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2010

Schedule VI

B. FINDINGS-FINANCIAL STATEMENT AUDIT (continued)

FS 10-01- Entity-Wide Control Deficiency (continued) – Material Weakness

Effect: Without all of the five elements of the COSO framework present, the District is exposing itself to the risk of misappropriation of assets and does not have set processes in place to maximize the resources of the District.

Cause: Due to the turnover in management several times throughout the year, the District's internal controls that were implemented in prior years were not implemented or monitored during the fiscal year 2010.

Auditors' Recommendations: We recommend that the District incorporate the five elements of the COSO internal control integrated framework in their organization as planned.

Management's Response: Management will ensure that the five elements of the COSO internal control framework be incorporated. Management will report the progress of this finding to our Finance and Audit Committee, and full Board of Education. Management will work at revising any and all finance policies for compliance and accuracy, and will present these changes to our Board and Board policy committee. The new director of finance has already made change to the internal control structure that is part of addressing this finding.

STATE OF NEW MEXICO
Belen Consolidated School District No. 2
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2010

Schedule VI

B. FINDINGS-FINANCIAL STATEMENT AUDIT (continued)

FS 10-02 — Internal Controls Over Non-Standard Journal Entries – Material Weakness

Condition: The District does not have adequate internal controls over non-standard journal entries entered into its accounting system. Non standard journal entries are not properly reviewed and improper employees are allowed to post journal entries to the general ledger by not properly reviewing non standard journal entries that are posted to the accounting system and allowing improper employees to post to the general ledger without proper training or knowledge of the transactions.

Criteria: State Board of Education Title 6, section 6.20.2.11 states that Policies and Procedures document administrative and accounting controls. Sound business practice recommends review and approval of all non-standard journal entries, and to have proper and knowledgeable employees post to the general ledger.

Effect: Due to the lack of internal controls over manual journal entries, there are numerous journal entries that were incorrectly posted, then changed, then posted several other times throughout the year, causing some manual journal entries to display materially incorrect amounts in the financial data. Also, the lack of a proper internal controls and review processes on journal entries may result in errors or irregularities going undetected or not being detected in a timely manner. The District may be at risk for fraudulent activity without a proper internal controls and review process over journal entries.

Cause: The District has not complied with its own policies for all non-standard journal entries. As a result, proper controls over journal entries have not been maintained. Journal entries are processed by improper employees, and without an adequate approval process.

Auditors' Recommendations: The District should follow their previously incorporated policies and procedures manual regarding the review and approval of journal entries and implement a procedure to insure non-standard journal entries are reviewed, approved and supported.

Management's Response: Management will ensure that internal controls over journal entries will be implemented and adhered to. Management has already provided training and knowledge of procedures regarding journal entries with close review, and approval of these items by the finance director. The Board and Audit committee will be made aware of the progress of this finding. All Journal entries are kept in a binder and are documented by our GL system.

STATE OF NEW MEXICO
Belen Consolidated School District No. 2
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2010

Schedule VI

B. FINDINGS-FINANCIAL STATEMENT AUDIT (continued)

FS 10-03 — Travel and Per Diem Compliance –Other Matters

Condition: During our testwork over travel and per diem, we noted the following:

- 1 out of 5 items tested did not have the proper itemized receipts filed with the supporting documentation. This transaction was for a total cost of \$754.07.

Criteria: State Auditor Rule 2.2.2.10 H. 2, requires that for Travel and Per Diem, an entity must be able to support the expenditure with supporting documentation.

Effect: Without proper supporting documentation, or proper review of documentation, the risk of misuse or unauthorized purchases is high.

Cause: Due to the turnover in management, support documentation was not properly reviewed and internal controls were not in place to ensure proper compliance with travel and per diem requirements.

Auditors' Recommendation: We recommend that the District follow the District policies in place while processing travel and per diem transactions in order to comply with the State Auditor Rule 2.2.2.10 H. 2.

Management's Response: Management will ensure that all receipts and supporting documentation will be attached prior to any payments being made. The oversight of this will be directly with the finance director. The finance department will provide training to all staff regarding all finance policies and procedures and in particular to travel and per diem. The superintendent and board will be made aware of the progress of this finding.

STATE OF NEW MEXICO
Belen Consolidated School District No. 2
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2010

Schedule VI

B. FINDINGS-FINANCIAL STATEMENT AUDIT (continued)

FS 10-04 Internal Controls over Bank Reconciliations – Material Weakness

Condition: During our walkthrough of cash reconciliation procedures, we noted that the Following:

- The District did not correctly reconcile their bank accounts throughout the year, which lead to 9 out of the 12 bank accounts to have variances at year end. These variances resulting in unreconciled cash balance of \$177,564.
- The District supplied several different bank reconciliations that were incorrect throughout the audit.
- The District posted numerous manual journal entries to cash and miscellaneous revenue and expenditure accounts to try to reconcile bank accounts throughout the year.
- The District posted several journal entries to cash and interfund balances throughout the year to try and reconcile bank accounts.
- The District incorrectly posted cash and interfund balances throughout the year in the amount of \$1,300,000 to a none-existing federal fund number 24000 on the general ledger.
- The District incorrectly accounted for certificate of deposits on their general ledger in the amount of \$329,611 and \$6,689 on their general ledger.
- The District was not aware of one prior year capital bank account with an amount at year end of \$1,700,000, and had to research banking information to determine what this account was for.
- The District incorrectly posted several cash and fund balance entries to try and reconcile the bank statement accounts at year end.

Criteria: The New Mexico Public Education Department issued regulation 6.20.2 NMAC governing budgeting and accounting for New Mexico public schools. This regulation applies to public school districts, charter schools and regional education cooperatives in the State of New Mexico. Per Section 6.20.2.14.K. NMAC, “all bank accounts shall be reconciled on a monthly basis. Reconciled bank statements are to be reviewed by the business manager and/or assistant superintendent for business administration”. Also, per Section 6.20.14.L NMAC “the school district shall submit cash reports to the department by the last working day of the month following the end of the reporting period, unless extended to a later date by the secretary of education”.

Effect: Bank accounts were off materially at year end and the true results of financial data are incomplete. Also, inaccurate bank reconciliations may lead to poor management decisions based on incomplete information and possible errors or fraudulent activity within the account may occur without detection.

Cause: Due to the turnover several times throughout the year at the management level and implementation of a new software system, the District materially incorrectly posting revenue and expenditure transactions, as well as the District having numerous incorrect manual journal entries posted throughout the year, the District’s internal controls that were implemented in prior years were not implemented or monitored during the fiscal year 2010.

Auditors’ Recommendations: We recommend that the District’s bank reconciliations be completed in a timely and accurate manner, and are also reviewed by a member of management and this review be documented in the form of initialing each reconciliation.

Management’s Response: Management will ensure the Finance and Audit committees of the Board that bank reconciliations will be done timely, appropriately, and accurately. These bank reconciliations will be made a part of these committee’s reports. The superintendent will ensure that the finance department stays on top of these reconciliations. All bank reconciliations will be kept in binders by month and fund, and made available to our Board Committees, and Superintendent. The new finance director will be preparing these reconciliations.

STATE OF NEW MEXICO
Belen Consolidated School District No. 2
Schedule of Findings and Questioned Costs
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Schedule VI

B. FINDINGS-FINANCIAL STATEMENT AUDIT (continued)

FS 10-05- Internal Controls over Credit Cards – Significant Deficiency

Condition: During our test work of credit cards, we noted that the District was misusing the District's credit cards as follows:

- 8 out of 11 transactions tested totaling \$791.08 did not have sufficient documentation to support the purchase.
- 1 out of 11 transactions tested was completed before the purchase over was approved.

Criteria: NMAC 6.20.2.17 states that each school shall establish and implement written policies and procedures for purchasing, which shall be in compliance with the procurement code Section 13-1-21, NMSA 1978.

Effect: The District did not comply with NMSA 1978 Section 13-1-21 and NMAC 6.20.2.17. In addition, the proper disbursement internal controls were not monitored, which increases the risk of misuse of funding by the District.

Cause: The District did not maintain necessary monitoring of the credit card process, and failed to follow disbursement internal controls when processing checks for credit card payments.

Auditors' Recommendation: We recommend the District implement a procurement policy in relation to credit card use, in accordance with NMSA 1978 Section 13-1-21, that monitors the credit card holders' usage, and ensures that proper authorization is being performed before credit card transactions are executed.

Management's Response: Management will ensure that all documentation relating to credit cards will be attached; management will also ensure that purchases will all have prior approval before using any credit cards. The finance director has already consolidated credit cards to only 3 and these can only be checked out for use by the superintendent and finance director. The progress of this will be reported to the audit and finance committee of the Board.

STATE OF NEW MEXICO
Belen Consolidated School District No. 2
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2010

Schedule VI

B. FINDINGS-FINANCIAL STATEMENT AUDIT (continued)

FS 10-06 Lack of Internal Controls – Use of Manual Checks – Material Weakness

Condition: The District used manual checks for several disbursements instead of generating checks from their accounting system. These checks do not go through the same procedures as the system generated checks and are more susceptible to fraud.

Criteria: *The Codification of Statements on Auditing Standards* (SAS AU) paragraph 110.03 states that management is responsible for maintaining internal control that will, among other things, initiate, authorize, record, process and report transactions (as well as events and conditions) consistent with management's assertions embodied in the financial statements.

The SAS No. 115 Appendix lists the following circumstances as a possible control deficiency, significant deficiency, or material weakness, "inadequate documentation of the components of internal control." SAS 115 paragraph 15 states that ineffective oversight of the agency's financial reporting and internal control by those charged with governance should be regarded as at least a significant deficiency and a strong indicator of a material weakness in internal control.

Good internal control policy dictates that the District shall establish and maintain a consistent cash disbursement policy to safeguard against errors and fraud. Systems of internal control with the most favorable designs include procedures designed to prevent or detect errors due to misclassification of transactions in the accounting records. (AU 325.21 appdx) Section 12-6-5, NMSA 1978 requires the audit report to set out in detail any violation of good accounting practices found by the audit.

Effect: The use of manual checks increases the risk that misstatement due to error or fraud is being made at the District.

Cause: Due to the turnover in management several times throughout the year the District's internal controls that were implemented in prior years was not implemented or monitored during the fiscal year 2010 and due to this, there were many accounting errors that were corrected by manual checks.

Auditors' Recommendation: The District should maintain internal controls to ensure printing checks off the accounting system is required.

Management's Response: Management will ensure that our GL system will generate any and all checks for disbursements. The new finance director noted that the district was using these to transfer monies from one bank account to another when a deposit may have been put in the wrong account. The new finance director will make sure compliance with utilizing our checks and balances over check stock and check issuance. Procedures are in place so staff adheres to proper internal controls over this finding. The superintendent, finance and audit committee will be made aware of the progress of this issue.

STATE OF NEW MEXICO
Belen Consolidated School District No. 2
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2010

Schedule VI

B. FINDINGS-FINANCIAL STATEMENT AUDIT (continued)

FS 10-07 — Late Filing of Audit Report – Material Noncompliance

Condition: The District did not issue its 2010 audit report by the November 15, 2010 as required by the Office of the State Auditor.

Criteria: The District is required to submit their audit reports for the year ended June 30, on or before November 15 subsequent to the entities' fiscal year end in accordance with State Statute (Chapter 12, Section 6: NMSA 1978) and Section 2.2.2.9.A (1) of NMAC.

Effect: The District could be affected by a late submission by not catching problems in a timely fashion to correct findings. The financial statements are not available for use by the District in a timely fashion for purposes such as debt applications.

Cause: The District was unable to submit the June 30, 2010 audit report on a timely basis due to the turnover in management several times throughout the year and implementation of a new software system, which caused information to be misplaced, incorrect, or incomplete which lead to the inability of the District to close out their account records at year end.

Auditors' Recommendation: The District must ensure that all future audit reports are filed in a timely manner. The District should ensure this process is timely in the future through communication with the auditor and timely close out of accounting records at year end.

Management's Response: Management is in the process of getting the district caught up with late audit reports by filing reports, plan of action and progress of the 09-10 and 10-11 audits. The Superintendent, and Board are fully aware of this issue and have hired a new finance director in April of 2011 who has worked at getting all audits up to date.

STATE OF NEW MEXICO
Belen Consolidated School District No. 2
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2010

Schedule VI

B. FINDINGS-FINANCIAL STATEMENT AUDIT (continued)

FS 10-08 — Budget Adjustment Requests – Other Matters

Condition: During our test work on the budget adjustment requests, we could not trace the budget adjustment requests from the original budget to the final budget because the District could not provide all of the request forms in order for us to verify the adjustment to the final budget.

Criteria: Sound good budget management requires the District to maintain the original and final approved budget documents for purposes of independent verification and audit of the District's budget.

Effect: The effect of this condition is that we are unable to test the budget adjustments to make sure the District is correctly changing the adjusted amounts from the original budget.

Cause: Due to the turnover in management several times throughout the year the District's internal controls that were implemented in prior years were not implemented or monitored during the fiscal year 2010 in relation to the budget adjustment requests.

Auditors' Recommendation: We recommend that the District keep the proper budget documentation in order for an independent auditor to review and test for compliance.

Management's Response: Management will ensure that all budget adjustments will fully documented, approved, and filed appropriately. The new finance director has files and binders on all BAR's with supporting documents attached to each BAR, and approved by the Board. The finance and audit committee will be kept abreast of this issue.

STATE OF NEW MEXICO
 Belen Consolidated School District No. 2
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2010

B. FINDINGS-FINANCIAL STATEMENT AUDIT (continued)

FS 10-09 – Expenditures in Excess of Budget – Material Noncompliance

Condition: The District over expended its budget in the following funds:

Athletics Special Revenue Fund	\$	21,665
Entitlement IDEA-B Special Revenue Fund		84,216
Title III-A Special Revenue Fund		2
Reading First Special Revenue Fund		14,047
Deferred Sick Leave Special Revenue Fund		9,426
Title I- IASA- Federal Stimulus Special Revenue Fund		14,971
School Improvements Stimulus Special Revenue Fund		9
Title XIX Medicaid 0/2 Years Special Revenue Fund		23,192
Operational Federal Stabilization Special Revenue Fund		56,451
Technology for Education PED Special Revenue Fund		5,632
Truancy Initiative Special Revenue Fund		24
GEAR UP CHE Special Revenue Fund		10,978
Special Capital Outlay Capital Revenue Fund		15,900
Bond Building Capital Revenue Fund		2,827,415
Operational Fund		15,777
Transportation Fund		<u>56,929</u>
 Total Governmental Funds	 \$	 <u>3,156,634</u>

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

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

Cause: Oversight during the budgeting procedure is the reasons for these instances of noncompliance with budget requirements.

Auditors' Recommendations: Budget for future years should be revised to include the capital projects and debt service funds that are not currently in the District's records. All future year budgets should include all required funds.

Management's Response: Management will ensure that all budgets are appropriately stated and no over expenditure of budgets or functions of the each budget. Management will have quarterly reports to our finance committee for review to ensure compliance as well. The new finance director monitors budgets daily and makes adjustments as needed through the proper channels and procedures. The finance committee will be made aware regularly of the progress of this finding.

STATE OF NEW MEXICO
Belen Consolidated School District No. 2
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Schedule VI

B. FINDINGS-FINANCIAL STATEMENT AUDIT (continued)

FS 10-10 — Incomplete Trial Balance and Inadequate Closing Cycle – Material Weakness

Condition: During our fieldwork, we noted that the District's trial balance was neither complete nor accurate. There were several accounts that contained balances that were negative in relation to the normal operating nature of the account (debit/credit) balances. Also, the closing cycle was not being performed correctly being that there were several trial balances given to the auditors several months after year end. In addition, it appears that management did not perform a review of the trial balance to ensure each fund accurately reflected the year's activity.

Criteria: Per Section 6.20.2.13 of NMAC, the District shall establish and maintain a general ledger in accordance with GAAP. The general ledger will be comprised of individual funds and account groups using the department's uniform chart of accounts and shall be reconciled every fiscal year with department records. School districts shall use funds to report their financial position and operating results. Funds are classified into three broad categories: a) governmental funds, b) proprietary funds and c) fiduciary funds. All school districts shall prepare, maintain, and report budget and financial information utilizing a standard and uniform chart of accounts. In accordance with GASB 34, school districts shall use a full accrual basis of accounting in preparation of annual financial statements and cash basis of accounting for budgeting and reporting.

Effect: As result, the District's trial balance did not represent an accurate picture of the District's operational transactions or equity position at year end. Revenues and expenditures appear to have been either omitted or in many cases posted with no evidence to support the transaction. Also, due to the server condition of the financial data, several audit procedures could not be performed to obtain reasonable assurance over account balances. Lastly, due to the numerous trial balances that were given throughout the audit, the risk of not identifying fraudulent, erroneous, or unusual transactions is high.

Cause: Due to the turnover several times throughout the year at the management level, implementation of a new software system, unreconciled bank accounts, the District materially incorrectly posting revenue and expenditure transactions, as well as the District having numerous incorrect manual journal entries posted throughout the year, the District's internal controls that were implemented in prior years were not implemented or monitored during the fiscal year 2010.

Auditors' Recommendation: We recommend the District receive training and necessary updates in order to be able to produce a complete and accurate trial balance. In addition, an appropriate closing cycle must be implemented to ensure fund balances are properly tracked from year to year.

Management's Response: Management will ensure that all trial balances in the future will receive full review and scrutiny of the new finance director, and finance committee for accuracy and completeness. This will also be made available to the finance committee at year end for review as well. The new finance director will also train staff in review of the GL Trial Balance to ensure any concerns be addressed at all levels.

STATE OF NEW MEXICO
Belen Consolidated School District No. 2
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Schedule VI

C. FEDERAL AWARD FINDINGS

FA 10-01 Excluded Parties List – Significant Deficiency

Federal Program Information:

Funding agency: U.S. Department of Education
Title: All major programs
CFDA number: All major programs

Condition: During our review of the procurement process for all major programs tested it was noted the District does not reference the Excluded Parties List System for contracts of goods or services in which more than \$25,000 is expended.

Criteria: The OMB A-133 stipulates non-federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. “Covered Transactions” include those procurement contracts for goods and services awarded under a nonprocurement transaction that is expected to equal or exceed \$25,000 or meet other certain specified criteria.

Questioned Costs: None

Effect: The District could be contracting with vendors for services or goods that are included on the suspension and debarment listing which potentially decrease federal funding received since this is considered non-compliance.

Cause: The District has not implemented checking the Excluded Parties List System website into their purchasing process.

Auditors’ Recommendations: We recommend that the District implement procedures to ensure all vendors for services and goods over \$25,000 be verified that they do not exist on the suspension and debarment listing.

Management’s Response: Management will ensure that purchases will be reviewed and compared to the Excluded Parties List System for compliance. Management will train appropriate staff with the procedure and have requisitions reflect that this check has been accomplished. Management will also incorporate this within our finance policies and procedures. The audit committee will be kept informed of the progress of this matter.

STATE OF NEW MEXICO
Belen Consolidated School District No. 2
Schedule of Findings and Questioned Costs
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Schedule VI

C. FEDERAL AWARD FINDINGS (continued)

FA 10-02 Internal Controls – Inaccurate Posting of Revenues to the General Ledger – Material Weakness

Federal program information:

Funding agency: U.S. Department of Education
Title: Operational Federal Stabilization - ARRA
CFDA number: 84.394

Condition: During our test work of receipts, it was noted that revenue for the Operational Federal Stabilization - ARRA Fund was not properly accounted for on the general ledger. The account had revenue recorded in the amount of \$185,086 that did not belong to the program and revenue received in the amount of \$973,215 that was not included on the general ledger.

Criteria: The District shall establish and maintain a cash management program to safeguard cash and provide prompt and accurate reporting that adheres to cash management requirements of the Office of Management and Budget (OMB) Circular 102, and applicable state and federal laws and regulations.

Questioned Costs: Undeterminable

Effect: Revenue for the Operational Federal Stabilization - ARRA - Federal Stimulus Fund was understated by \$788,129, and the Government-Wide financial statements revenue and cash are understated by \$973,215 for the fiscal year ended June 30, 2010.

Cause: The District did not have internal controls in place to prevent or detect this error. This was contributed to the fact the bank reconciliations were not being performed or reviewed timely and sufficient documentation was not being kept.

Auditors' Recommendation: We recommend that the District review cash management procedures with the responsible individuals often to ensure that each is aware of the requirements and to review posting to the general ledger to verify revenue is properly accounted for.

Management's Response: Management will ensure that all revenues will be accurately posted to the correct GL accounts, by having the new finance director sign off on all revenue postings prior to entry being made. This process will be updated in our procedures and staff will be trained. The finance and audit committee will be made aware of the progress of this.

STATE OF NEW MEXICO
Belen Consolidated School District No. 2
Schedule of Findings and Questioned Costs
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Schedule VI

C. FEDERAL AWARD FINDINGS (continued)

FA 10-03 Deficiencies in Internal Control Structure Design, Operation and Oversight – Documented Procedures for Preparing and Filing Financial Reports – Material Weakness

Federal Program Information:

Funding agency: U.S. Department Education
Title: All Major Programs
CFDA number: All Major Programs

Condition: Due to the untimely preparation of bank reconciliations the District was unable to submit accurate and timely requests for reimbursement for the 09-10 fiscal year causing the District to have many of their Requests for Reimbursements disapproved by the New Mexico Public Education Department.

Criteria: The A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) require that non-Federal entities receiving Federal awards establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Good internal controls require that management maintain adequate supporting documentation for filing financial reports with grantors.

Questioned Costs: Undeterminable

Effect: Because the internal control structure is inadequate and not documented, management and staff are unsure about what procedures and processes to follow or what key controls are in place to properly safeguard assets. Adequate controls are not in place to prevent or detect intentional misstatements of accounting information.

Cause: For the fiscal year 2010 management did not have a documented policy to ensure internal controls were in place and working properly. Also, the governing body was unaware of requirements under the A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) that require management to establish and maintain internal controls over Federal awards.

Auditors' Recommendation: The District should ensure that a comprehensive internal control structure, including a documented schedule for preparation of financial reports filed with grantors, is designed, documented, and implemented. The body charged with governance should provide effective oversight of the internal control and financial reporting process.

Management's Response: Management will ensure that all Requests for Reimbursements will be made timely and accurately. The new finance director will sign off and submit these to the proper agency, and the RFR's will be made available to the finance committee to ensure that this is being done.

STATE OF NEW MEXICO
Belen Consolidated School District No. 2
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Schedule VI

C. FEDERAL AWARD FINDINGS (continued)

FA 10-04 Deficiencies in Internal Control Structure Design, Operation and Oversight – Mechanisms to Identify Risks of Inaccurate Financial Reporting – Material Weakness

Federal Program Information:

Funding agency: U.S. Department Education
Title: All Major Programs
CFDA number: All Major Programs

Condition: The District does not have the mechanisms in place to identify risks of faulty reporting caused by items such as lack of current knowledge, inconsistent application, or carelessness or disregard for standards and reporting requirements of federal awards.

Criteria: The A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) require that non-Federal entities receiving Federal awards establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Good internal controls require mechanisms to identify risks of faulty reporting be established.

Questioned Costs: None

Effect: Because the internal control structure is inadequate and not documented, management and staff are unsure about what procedures and processes to follow or what key controls are in place to properly safeguard assets. Adequate controls are not in place to prevent or detect intentional misstatements of accounting information.

Cause: For the fiscal year 2010 management did not have a documented policy to ensure internal controls were in place and working properly. Also, the governing body was unaware of requirements under the A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) that require management to establish and maintain internal controls over Federal awards.

Auditors' Recommendation: The District should ensure that a comprehensive internal control structure, including mechanisms to identify risks of faulty reporting, is designed, documented, and implemented. The body charged with governance should provide effective oversight of the internal control and financial reporting process.

Management's Response: Management will ensure that finance policies and procedures are brought up to date and in compliance with current laws and requirements. The new finance director will ensure that the internal control structure will be adhered to and staff trained appropriately. The superintendent and board will be made aware of this structure when the policies and procedures are approved, as well as staff roles in this area.

STATE OF NEW MEXICO
Belen Consolidated School District No. 2
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2010

Schedule VI

C. FEDERAL AWARD FINDINGS (continued)

FA 10-05 Schedule of Expenditures of Federal Awards – Material Weakness

Federal Program Information:

Funding agency: U.S. Department Education
Title: All Major Programs
CFDA number: All Major Programs

Condition: The District failed to produce an accurate Schedule of Expenditures of Federal Awards (SEFA). In the preparation of the SEFA, they did not remedy expenditures being larger than grant awards for several grants. Management was also unable to provide us with the information to produce an accurate SEFA.

Criteria: The A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) require that non-Federal entities receiving Federal awards establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Good internal controls require that management have procedures in place for identifying federal, state, and other awards

Questioned Costs: None

Effect: Without proper grant awards reported on the SEFA, it is impossible to know if grant records are correct and if administrators are over expending their awards, thus causing the District to spend money out of its funds that will not be reimbursed.

Cause: Repeated turnover in key management at the District during the fiscal year. The turnover of management caused a lack of communication and structure in regards to the amount of funds awarded and expended for the current year.

Auditors' Recommendation: The District should ensure that a comprehensive internal control structure is designed, documented, and implemented. The body charged with governance should provide effective oversight of the internal control and financial reporting process, which includes the periodic review of financial reports, which includes establishing procedures to identify federal, state, and other awards.

Management's Response: Management will ensure that the superintendent, finance and audit committee be kept aware of the progress of financial reports, internal controls and compliance with all fiscal requirements on a regular basis. The new finance director will make sure through quarterly meetings or as needed or required to ensure compliance with this finding. The new finance director will also train and explain to all the proper expenditures for all funds in particular the Federal Awards Fund.

STATE OF NEW MEXICO
Belen Consolidated School District No. 2
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2010

Schedule VI

C. FEDERAL AWARD FINDINGS (continued)

FA 10-06 Late Data Collection Form Submission – Significant Deficiency

Federal Program Information:

Funding agency: U.S. Department Education
Title: All Major Programs
CFDA number: All Major Programs

Condition: The Data Collection Form cannot be submitted to the Federal Audit Clearinghouse until the annual financial audit has been completed; therefore, the A-133 compliance audit for June 30, 2010 was not submitted by the required final due date of March 31, 2011.

Criteria: OMB Circular A-133 Section .320(a) states that the Data Collection Form and Audit report shall be submitted within the earlier of 30 days after receipt of the auditor(s) report, or nine months after the end of the audit period. Based on this regulation, the latest the District could have filed the Data Collection Form was March 31, 2011.

Questioned Costs: None

Effect: The District is in violation of OMB Circular A-133 Section .320(a). This violation could potentially jeopardize the District's eligibility to receive federal funding. Late audit report submission also prevents the timely release of financial data.

Cause: The audit of the District was not completed timely.

Auditors' Recommendation: We recommend that future audits be completely in a timely manner to ensure that the Data Collection Form can also be filed timely.

Management's Response: Management has hired a new finance director in April of 2011 that has worked at bringing the district up to date with its audits and reports. Management has also notified the Office of the State Auditor regarding the status of this issue. Management will continue working at getting audits completed and up to date and will provide the Board with reports regularly regarding this issue. The Administration and Board are fully aware of this issue, which prompted the change in staff.

STATE OF NEW MEXICO
Belen Consolidated School District No. 2
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Schedule VI

D. PRIOR YEAR AUDIT FINDINGS

FS 07-03- Inventory Discrepancies- Repeat

FS 07-05- Cash Appropriations in Excess of Available Cash Balances- Repeat

FS 07-06- Preparation of Financial Statements- Repeat

FS 08-02- Internal Controls – Lack of Segregation of Duties (Receipting and Disbursements Cycle)- Repeat and Modified

FS 09-01- Accrued Compensated Absences- Repeat

FS 09-02- Procurement Code (Related Parties)- Repeat and Modified

FS 09-03- Capital Assets- Repeat and Modified

FS 09-04- Interfund Activity- Repeat and Modified

STATE OF NEW MEXICO
Belen Consolidated School District No. 2
Other Disclosures
June 30, 2010

A. AUDITOR PREPARED FINANCIAL STATEMENTS

Accounting and Consulting, Group, LLP prepared the GAAP-basis financial statements and footnotes of the Belen Consolidated School District No. 2 from the original books and records provided to them by the management of the District. The responsibility for the financial statements remains with the District.

B. EXIT CONFERENCE

The contents of this report were discussed on March 9, 2012. The following individuals were in attendance.

Belen Consolidated School District No. 2

Delores "Lola" Quintana, Board Secretary and Audit Committee

Larry Lindberg, Board Member and Audit Committee

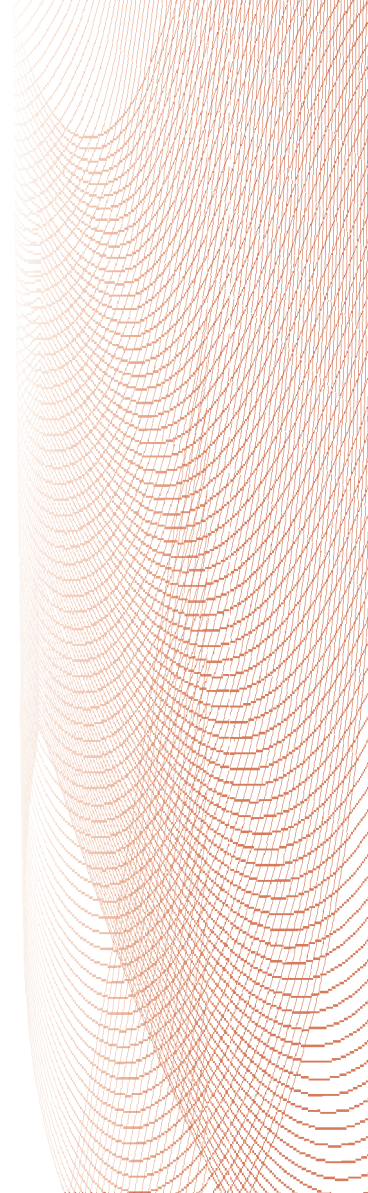
Ron Marquez, Superintendent

George Perea, Finance Director

Annette Torrez, Accounting/Finance Manager

Accounting & Consulting Group, LLP

Bobby Cordova, CPA



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