

**Accounting & Consulting Group, LLP**

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Certified Public Accountants

STATE OF NEW MEXICO  
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2  
ANNUAL FINANCIAL REPORT  
JUNE 30, 2012





**STATE OF NEW MEXICO**  
**BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**ANNUAL FINANCIAL REPORT**  
**JUNE 30, 2012**

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## **INTRODUCTORY SECTION**

**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, 2012

<u><b>Name</b></u>		<u><b>Title</b></u>
	<u><b>Board of Education</b></u>	
Sam Chavez		President
Adrian Pino		Vice President
Delores Lola Quintana		Secretary
Larry Lindberg		Member
Lorraine Espinosa		Member
	<u><b>School Officials</b></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 have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the General Fund and major special revenue fund, of Belen Consolidated School District No. 2 (District) as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. We have also audited 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 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, 2012 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.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2012, and the respective changes in financial position thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund and the combining financial statements for the general fund of the District, as of June 30, 2012, and the respective changes in financial position thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the budget comparisons referred to above present fairly, in all material respects, the respective budgetary comparisons for the year then ended in conformity with the budgetary basis of accounting as prescribed in the New Mexico Administrative Code, as more fully described in Note 2 to the financial statements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 19, 2013 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's management has omitted *Management's Discussion and Analysis*, that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economical, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Our audit was conducted 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 U.S. Office of Management and Budget Circular A-133, *Audit of States, 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Accounting & Consulting Group, LLP*

Accounting & Consulting Group, LLP  
Albuquerque, NM  
April 19, 2013

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**BASIC  
FINANCIAL STATEMENTS**

**STATE OF NEW MEXICO**  
 Belen Consolidated School District No. 2  
 Statement of Net Assets  
 June 30, 2012

	<u>Governmental Activities</u>
<b>Assets</b>	
Current assets	
Cash and cash equivalents	\$ 8,405,779
Property taxes receivable	1,530,064
Due from other governments	1,373,112
Other receivables	4,585
Inventory	<u>192,581</u>
Total current assets	<u>11,506,121</u>
Noncurrent assets	
Restricted cash and cash equivalents	4,338,141
Bond discounts, net of amortization of \$31,716	22,237
Bond issuance costs, net of amortization of \$66,022	128,063
Capital assets	105,669,935
Less: accumulated depreciation	<u>(39,516,417)</u>
Total noncurrent assets	<u>70,641,959</u>
Total assets	<u><u>\$ 82,148,080</u></u>

The accompanying notes are an integral part of these financial statements



	Governmental Activities
<b>Liabilities</b>	
Current liabilities	
Accounts payable	\$ 1,061,910
Accrued payroll	621,227
Accrued interest	342,469
Due to other governments	27,877
Current portion of accrued compensated absences	418,673
Current portion of bonds payable	<u>2,110,000</u>
Total current liabilities	<u>4,582,156</u>
Noncurrent liabilities	
Bond premiums, net of amortization of \$104,371	124,621
Bonds payable	19,845,000
Accrued compensated absences	<u>39,797</u>
Total noncurrent liabilities	<u>20,009,418</u>
Total liabilities	<u>24,591,574</u>
<b>Net assets</b>	
Invested in capital assets, net of related debt	42,961,624
Restricted for:	
Special revenue	1,807,698
Debt service	5,596,146
Capital projects	2,806,831
Unrestricted	<u>4,384,207</u>
Total net assets	<u>57,556,506</u>
Total liabilities and net assets	<u><u>\$ 82,148,080</u></u>

**STATE OF NEW MEXICO**  
 Belen Consolidated School District No. 2  
 Statement of Activities  
 For the Year Ended June 30, 2012

<u>Functions/Programs</u>	<u>Program Revenues</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
<b>Governmental Activities:</b>			
<b>Education:</b>			
Instruction	\$ 23,369,283	\$ 203,206	\$ 3,213,291
Support services	7,997,305	30,831	1,055,224
Central services	1,558,622	11,629	205,656
Operation and maintenance of plant	7,089,113	29,723	935,390
Student transportation	1,452,846	-	1,288,765
Food services	2,739,606	238,080	2,231,676
Community services operations	77,462	578	10,221
Interest on long-term debt	810,718	-	-
Amortization	16,246	-	-
	<hr/>	<hr/>	<hr/>
Total governmental activities	<u>\$ 45,111,201</u>	<u>\$ 514,047</u>	<u>\$ 8,940,223</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

Reversion to other governments

Subtotal, general revenues

Changes in net assets

Net assets, beginning

Net assets, restatement (Note 19)

Net assets, as restated

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>
\$ 137,097	\$ (19,815,689)
46,916	(6,864,334)
9,144	(1,332,193)
41,589	(6,082,411)
-	(164,081)
-	(269,850)
454	(66,209)
-	(810,718)
-	(16,246)
<u>\$ 235,200</u>	<u>(35,421,731)</u>

175,643
4,137,072
1,078,596
30,360,634
4,361
79,570
<u>(27,877)</u>
<u>35,807,999</u>
386,268
51,475,952
<u>5,694,286</u>
57,170,238
<u>\$ 57,556,506</u>

**STATE OF NEW MEXICO**  
 Belen Consolidated School District No. 2  
 Balance Sheet  
 Governmental Funds  
 June 30, 2012

	General Fund	Title I IASA	Debt Service Fund
<i>Assets</i>			
Cash and cash equivalents	\$ 3,561,802	\$ 169,296	\$ 4,338,141
Property taxes receivable	57,259	-	1,171,100
Due from other governments	-	515,547	-
Other receivables	4,335	-	-
Inventory	92,753	-	-
Due from other funds	1,706,864	-	651,427
	<u>\$ 5,423,013</u>	<u>\$ 684,843</u>	<u>\$ 6,160,668</u>
<i>Total assets</i>			
<i>Liabilities and fund balances</i>			
<i>Liabilities</i>			
Accounts payable	\$ 283,237	\$ 74,697	\$ -
Accrued payroll	505,413	20,042	-
Deferred revenue	52,724	-	1,040,997
Due to other governments	-	-	-
Due to other funds	383,689	590,104	-
	<u>1,225,063</u>	<u>684,843</u>	<u>1,040,997</u>
<i>Total liabilities</i>			
<i>Fund balances</i>			
<i>Nonspendable</i>			
Inventory	92,753	-	-
<i>Spendable</i>			
<i>Restricted for:</i>			
Extracurricular activities	-	-	-
Education	-	-	-
Debt service	-	-	5,119,671
Capital acquisition and improvements	-	-	-
Food services	-	-	-
<i>Committed for:</i>			
Subsequent year expenditures	997,034	-	-
Unassigned	3,108,163	-	-
	<u>4,197,950</u>	<u>-</u>	<u>5,119,671</u>
<i>Total fund balances</i>			
<i>Total liabilities and fund balances</i>			
	<u>\$ 5,423,013</u>	<u>\$ 684,843</u>	<u>\$ 6,160,668</u>

The accompanying notes are an integral part of these financial statements

Other Governmental Funds	Total
\$ 4,674,681	\$ 12,743,920
301,705	1,530,064
857,565	1,373,112
250	4,585
99,828	192,581
99,939	2,458,230
<u>\$ 6,033,968</u>	<u>\$ 18,302,492</u>
\$ 703,976	\$ 1,061,910
95,772	621,227
267,918	1,361,639
27,877	27,877
1,484,437	2,458,230
<u>2,579,980</u>	<u>5,530,883</u>
99,828	192,581
10,709	10,709
645,224	645,224
-	5,119,671
1,895,506	1,895,506
855,808	855,808
-	997,034
(53,087)	3,055,076
<u>3,453,988</u>	<u>12,771,609</u>
<u>\$ 6,033,968</u>	<u>\$ 18,302,492</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, 2012

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

Fund balances - total governmental funds	\$	12,771,609
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		66,153,518
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		1,361,639
Other noncurrent assets are not available to pay for current period expenditures and therefore, are deferred in the funds:		
Bond issuance costs, net		128,063
Bond discounts, net		22,237
Other liabilities are not due and payable with current financial resources and, therefore are not reported in the funds		
Bond premiums		(124,621)
Accrued interest		(342,469)
Current portion of accrued compensated absences		(418,673)
Current portion of bonds payable		(2,110,000)
Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds:		
Bonds payable		(19,845,000)
Accrued compensated absences		(39,797)
		(19,884,797)
Total net assets - governmental activities	\$	57,556,506

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, 2012

	<u>General Fund</u>	<u>Title I IASA</u>	<u>Debt Service Fund</u>
<i>Revenues</i>			
Property taxes	\$ 172,593	\$ -	\$ 4,047,480
Federal flowthrough	150,398	1,381,480	-
Federal direct	66,147	-	-
State flowthrough	192,407	-	-
State direct	30,374,504	-	-
Transportation distribution	1,288,765	-	-
Charges for services	72,761	-	-
Investment income	1,516	-	970
Miscellaneous	79,570	-	-
<i>Total revenues</i>	<u>32,398,661</u>	<u>1,381,480</u>	<u>4,048,450</u>
<i>Expenditures</i>			
<i>Current</i>			
Instruction	17,318,494	893,031	-
Support services	6,430,092	488,449	40,632
Central services	1,415,233	-	-
Operation and maintenance of plant	5,223,869	-	-
Student transportation	1,452,768	-	-
Food services operations	36,477	-	-
Community services operations	77,462	-	-
Capital outlay	-	-	-
<i>Debt service</i>			
Principal	-	-	2,650,000
Interest	-	-	865,366
<i>Total expenditures</i>	<u>31,954,395</u>	<u>1,381,480</u>	<u>3,555,998</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>444,266</u>	<u>-</u>	<u>492,452</u>
<i>Other financing sources (uses)</i>			
Reversion to other governments	-	-	-
Transfers in (out)	280,547	-	-
<i>Total other financing sources (uses)</i>	<u>280,547</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>724,813</u>	<u>-</u>	<u>492,452</u>
<i>Fund balances - beginning</i>	3,619,663	151,703	4,627,219
<i>Fund balances - restatement (Note 19)</i>	<u>(146,526)</u>	<u>(151,703)</u>	<u>-</u>
<i>Fund balances - as restated</i>	3,473,137	-	4,627,219
<i>Fund balances - ending</i>	<u>\$ 4,197,950</u>	<u>\$ -</u>	<u>\$ 5,119,671</u>

The accompanying notes are an integral part of these financial statements



Other Governmental Funds	Total
\$ 1,054,535	\$ 5,274,608
5,153,834	6,685,712
364,130	430,277
303,406	495,813
260,986	30,635,490
-	1,288,765
441,286	514,047
1,875	4,361
-	79,570
<u>7,580,052</u>	<u>45,408,643</u>
2,317,425	20,528,950
1,170,649	8,129,822
143,389	1,558,622
1,865,244	7,089,113
78	1,452,846
2,703,129	2,739,606
-	77,462
2,341,325	2,341,325
-	2,650,000
-	865,366
<u>10,541,239</u>	<u>47,433,112</u>
<u>(2,961,187)</u>	<u>(2,024,469)</u>
(27,877)	(27,877)
<u>(280,547)</u>	<u>-</u>
<u>(308,424)</u>	<u>(27,877)</u>
<u>(3,269,611)</u>	<u>(2,052,346)</u>
6,771,061	15,169,646
<u>(47,462)</u>	<u>(345,691)</u>
6,723,599	14,823,955
<u>\$ 3,453,988</u>	<u>\$ 12,771,609</u>

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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, 2012

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

Net change in fund balances - total governmental funds	\$ (2,052,346)
--	----------------

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	2,341,325
Depreciation expense	(2,840,333)

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	116,703
---	---------

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	132,517
Decrease in accrued interest	38,440

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	(16,246)
Amortization of bond discounts and premiums	16,208
Principal payments on bonds	2,650,000

Change in net assets of governmental activities	\$ 386,268
---	------------

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, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ 171,641	\$ 171,641
Federal flowthrough	203,562	203,562	500,286	296,724
Federal direct	-	-	63,785	63,785
Local grants	-	-	-	-
State flowthrough	241,489	241,489	219,591	(21,898)
State direct	30,235,937	30,331,317	30,374,504	43,187
Transportation distribution	1,367,577	1,288,765	1,288,765	-
Charges for services	207,984	207,984	70,897	(137,087)
Investment income	-	-	1,516	1,516
Miscellaneous	5,000	5,000	125,075	120,075
<i>Total revenues</i>	<u>32,261,549</u>	<u>32,278,117</u>	<u>32,816,060</u>	<u>537,943</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	18,991,604	18,991,604	17,471,348	1,520,256
Support services	7,187,447	7,296,696	6,585,246	711,450
Central services	1,211,089	1,211,139	1,418,981	(207,842)
Operation and maintenance of plant	4,364,073	4,364,023	5,122,662	(758,639)
Student transportation	1,439,162	1,382,365	1,409,900	(27,535)
Food services operations	-	-	36,477	(36,477)
Community services operations	57,062	57,062	77,462	(20,400)
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>33,250,437</u>	<u>33,302,889</u>	<u>32,122,076</u>	<u>1,180,813</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(988,888)</u>	<u>(1,024,772)</u>	<u>693,984</u>	<u>1,718,756</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	988,888	1,024,772	-	(1,024,772)
Transfers in (out)	-	-	280,547	280,547
<i>Total other financing sources (uses)</i>	<u>988,888</u>	<u>1,024,772</u>	<u>280,547</u>	<u>(744,225)</u>
<i>Net change in fund balances</i>	-	-	974,531	974,531
<i>Fund balances - beginning of year</i>	-	-	4,056,972	4,056,972
<i>Fund balances - restatement</i>	-	-	(146,526)	(146,526)
<i>Fund balances - beginning as restated</i>	-	-	3,910,446	3,910,446
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,884,977</u>	<u>\$ 4,884,977</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 974,531
Adjustments to revenues for state flowthrough revenues and property taxes				(417,399)
Adjustments to expenditures for payroll, materials, other charges, and buses expenditures				167,681
<i>Net changes in fund balances (GAAP Basis)</i>				<u>\$ 724,813</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Exhibit C-2

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, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	1,339,734	1,537,215	1,312,699	(224,516)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	1,339,734	1,537,215	1,312,699	(224,516)
<i>Expenditures</i>				
<i>Current</i>				
Instruction	801,467	998,948	798,292	200,656
Support services	538,267	538,267	488,449	49,818
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>	1,339,734	1,537,215	1,286,741	250,474
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	25,958	25,958
<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>	-	-	25,958	25,958
<i>Fund balances - beginning of year</i>	-	-	(295,063)	(295,063)
<i>Fund balances - restatement</i>	-	-	(151,703)	(151,703)
<i>Fund balances - beginning as restated</i>	-	-	(446,766)	(446,766)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (420,808)	\$ (420,808)
<i>Net change in fund balances (Budget Basis)</i>				\$ 25,958
Adjustments to revenues for federal flowthrough grants				68,781
Adjustments to expenditures for instructional expenditures and payroll expenditures				(94,739)
<i>Net change in fund balances (GAAP Basis)</i>				\$ -

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, 2012

Exhibit D-1

<i>Assets</i>	
Cash and cash equivalents	\$ 382,928
	<u>                    </u>
<i>Total assets</i>	<u><u>\$ 382,928</u></u>
 <i>Liabilities</i>	
Due to student organizations	\$ 373,443
Accounts payable	9,485
	<u>                    </u>
<i>Total liabilities</i>	<u><u>\$ 382,928</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, 2012

**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, 2012

**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, 2012

**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 *Title I IASA Special Revenue Fund* accounts 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).

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, 2012

**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, 2012 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 funds 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 2012 is considered 'measurable and available' and, accordingly, is recorded as revenue in the governmental fund statements during the year ended June 30, 2012. 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, 2012.

**STATE OF NEW MEXICO**  
 Belen Consolidated School District No. 2  
 Notes to Financial Statements  
 June 30, 2012

**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 assets 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 \$1,361,639 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, 2012

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

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

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

**Nonspendable Fund Balance:** At June 30, 2012, the nonspendable fund balance in the general fund and food service fund is made up of inventory in the amounts of \$92,753 and \$99,828 respectively.

**Restricted and Committed Fund Balance:** At June 30, 2012, the restricted fund balance on the governmental funds balance sheet is made up of \$645,224 for providing education to the students of the District, \$1,895,506 for the purpose of erecting, remodeling, making additions to and furnishing school buildings and purchasing or improving school grounds and purchasing computer software and hardware for student use in public schools, providing matching funds for capital outlay projects funded pursuant to the Public School Capital Outlay Act [22-24-1 NMSA 1978], or any combination of these purposes, \$855,808 for food services, \$5,119,671 for the payment of principal and interest of the future debt service requirements, and \$10,709 for athletics administered within the District.

Also, the District has committed fund balance on the governmental funds balance sheet for subsequent year expenditures in the amount of \$997,034.

**STATE OF NEW MEXICO**  
Belen Consolidated School District No. 2  
Notes to Financial Statements  
June 30, 2012

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

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

**Minimum Fund Balance Policy:** The District does not have a policy for maintaining a minimum amount of fund balance for operations to help minimize any sudden and unplanned discontinuity to programs, operations or for unforeseen contingencies.

**Equity Classifications**

*Government-wide Statements*

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

- a. Invested in Capital Assets, Net of Related Debt:  
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, capital projects, and debt service” are described on pages 30 and 56-59.
- 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.”

**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.

**STATE OF NEW MEXICO**  
Belen Consolidated School District No. 2  
Notes to Financial Statements  
June 30, 2012

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

*E. Revenues (continued)*

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 \$30,360,634 in state equalization guarantee distributions during the year ended June 30, 2012.

**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 \$5,274,608 in tax revenues in the governmental fund financial statements during the year ended June 30, 2012. 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 \$1,288,765 in transportation distributions during the year ended June 30, 2012.

**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, 2012 totaled \$192,407.

**STATE OF NEW MEXICO**  
Belen Consolidated School District No. 2  
Notes to Financial Statements  
June 30, 2012

**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 \$132,072 in state SB-9 matching during the year ended June 30, 2012.

**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, 2012, the District received \$55,904 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, 2012

**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 Department.
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**  
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 June 30, 2012

**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, 2012, 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	\$ (988,888 )	\$ (1,024,772 )
Title I IASA Fund	\$ -	\$ -
Debt Service Fund	\$ (3,515,366 )	\$ (3,515,366 )
Nonmajor Funds	\$ (5,691,527 )	\$ (5,691,527 )

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  
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**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, 2012.

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. Under the Transaction Account Guarantee Program (TAGP) in effect from July 1, 2010 to December 31, 2010, time deposits, savings deposits and interest bearing negotiable order of withdrawal (NOW) accounts of a public unit in an institution in the same state were insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution. The TAGP program expired on December 31, 2010. On November 9, 2010, the FDIC Board of Directors issued a final rule to implement the section of the Dodd-Frank Wall Street Reform and Consumer Protection Act that provides temporary unlimited coverage for noninterest-bearing transaction accounts at all FDIC-insured depository institutions. The separate coverage on noninterest-bearing transaction accounts became effective on December 31, 2010 and will terminate on December 31, 2012. From December 31, 2010 to July 20, 2012 accounts held by an official custodian for a government unit are insured as follows:

- Up to \$250,000 for the combined total of all time and savings deposits (including NOW accounts), and
- Unlimited coverage for noninterest-bearing transaction (demand deposit) accounts through July 20, 2012, there is no difference in deposit insurance coverage when an official custodian deposits money in-state or out-of-state.

*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, 2012, \$7,937,838 of the District's bank balance of \$12,032,654 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, 2012

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

	Wells Fargo Bank	US Bank	Total
Amount of deposits	\$ 2,721,508	\$ 9,311,146	\$ 12,032,654
Deposit Accounts covered by the "Dodd-Frank Deposit Insurance Provision"	(2,721,508)	(1,123,308)	(3,844,816)
FDIC Coverage	-	(250,000)	(250,000)
Total uninsured public funds	-	7,937,838	7,937,838
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the District's name	-	7,937,838	7,937,838
Uninsured and uncollateralized	\$ -	\$ -	\$ -
Collateral requirement (50% of uninsured funds)	\$ -	\$ 3,968,919	\$ 3,968,919
Pledged Collateral	-	9,551,881	9,551,881
Over (Under) collateralized	\$ -	\$ 5,582,962	\$ 5,582,962

**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 issued 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, 2012, \$2,364,051 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.

	Wells Fargo Bank
Repurchase agreements	\$ 2,364,051
Total uninsured public funds	2,364,051
Securities underlying an overnight repurchase agreement	2,364,051
Total investments subject to custodial credit risk	\$ 2,364,051
Collateral requirement for repurchase agreements (102% of value of underlying securities)	\$ 2,411,332
Pledged Collateral	2,411,332
Over (Under) collateralized	\$ -

**STATE OF NEW MEXICO**  
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**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, 2012. 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 14000, and 27000 through 31400 are nonfederal funds. The following individual funds had negative cash balances as of June 30, 2012:

Fund #	Special Revenue Funds:		
14000	Instructional Materials	\$	70,563
24106	Entitlement IDEA-B (Federal)		5,333
24109	Preschool IDEA-B (Federal)		572
24113	Education of the Homeless (Federal)		89
24118	Fresh Fruits & Vegetables USDA (Federal)		6,186
24120	IDEA B "Risk Pool" (Federal)		132
24149	Enhancing Education Thru Technology (E2Y2-C) (Federal)		11,673
24153	English Language Acquisition (Federal)		42,153
24154	Teacher/Principal Training & Recruiting (Federal)		162,292
24162	Title I School Improvement (Federal)		53,148
24174	Carl Perkins Secondary (Federal)		12,267
27103	Dual Credit Instructional Materials/ HB2 (State)		5,271
27105	2008 GO Bond Student Library (State)		8,411
27106	2010 GO Bond Public School Acquisition (State)		12,979
27139	Truancy Prevention/ Intervention (State)		612
28178	GEAR UP CHE (State)		49,740
29102	Private Direct Grants (Categorical)		1,528
			<hr/>
	Total	\$	<u><u>442,949</u></u>

**STATE OF NEW MEXICO**  
 Belen Consolidated School District No. 2  
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 June 30, 2012

**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	\$ 8,405,779
Restricted cash and cash equivalents- Governmental Activities Exhibit A-1	4,338,141
Fiduciary funds - Exhibit D-1	382,928
Total cash and cash equivalents	13,126,848
Add: Unreconciled difference in cash	1,540
Less: Repurchase agreement	2,364,051
Less: Deposits in transit	509,001
Add: Outstanding checks	1,777,493
Less: Petty cash	175
Bank balance of deposits	\$ 12,032,654

**NOTE 4. Accounts Receivable**

Accounts receivable as of June 30, 2012, are as follows:

	<b>General</b>	<b>Title I IASA</b>	<b>Debt Service</b>	<b>Nonmajor Funds</b>	<b>Total</b>
Property taxes	\$ 57,259	\$ -	\$ 1,171,100	\$ 301,705	\$ 1,530,064
Other receivables:					
Intergovernmental-grants:					
State	-	-	-	87,455	87,455
Federal	-	515,547	-	770,110	1,285,657
Miscellaneous	4,335	-	-	250	4,585
Totals by category	\$ 61,594	\$ 515,547	\$ 1,171,100	\$ 1,159,520	\$ 2,907,761

In accordance with GASB Statement No. 33, property tax revenue in the amount of \$1,361,639 that were not collected within the period of availability have been reclassified as deferred revenue in the governmental fund financial statements. The above receivables are deemed 100% collectible.

**STATE OF NEW MEXICO**  
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 Notes to Financial Statements  
 June 30, 2012

**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. The composition of interfund balances recorded by the District during the year ended June 30, 2012 is as follows:

<b>Governmental Activities</b>	<b>Due from other funds</b>	<b>Due to other funds</b>
Operational Fund	\$ 1,557,419	\$ 119,625
Instructional Materials Fund	149,445	220,008
English Language Acquisition	307	42,153
Carl Perkins Secondary	6,896	12,267
Special Capital Outlay	2,675	-
Special Capital Outlay State	12,543	25,715
Bond Building Fund	2,167	-
Debt Service Fund	651,427	-
Transportation Fund	-	44,056
Food Service	-	3,336
Athletics	-	10,122
Title I IASA	-	590,104
Entitlement IDEA-B	41,062	346,798
Preschool IDEA-B	-	572
Education of the Homeless	-	89
Fresh Fruits & Vegetables USDA	-	10,855
IDEA-B "Risk Pool:	-	132
Enhancing Education Thru Technology (E2Y2-C)	-	12,994
Teacher/Principal Training & Recruiting	-	261,408
Title I School Improvement	-	53,148
Dual Credit Instructional Materials/ HB2	-	5,271
2008 GO Bond Student Library	-	8,411
2010 GO Bond Public School Acquisition	-	12,979
Truancy Prevention/ Intervention	-	612
GEAR UP CHE	-	49,740
Private Direct Grants (Categorical)	-	1,528
Deferred Sick Leave	-	96,171
Title I - IASA - Federal Stimulus	-	1,193
Entitlement IDEA-B Federal Stimulus	-	10,563
Preschool IDEA-B Federal Stimulus	-	4,878
School Improvements Stimulus	-	1,110
Title XIX Medicaid 0/2 Years	34,289	6,280
Operational Federal Stabilization	-	215,298
Education Jobs Fund	-	220,072
Training & Professional Development for Teachers	-	13,286
Capital Improvements SB-9	-	57,456
<b>Totals</b>	<b>\$ 2,458,230</b>	<b>\$ 2,458,230</b>

All interfund balances are to be repaid within one year.

**STATE OF NEW MEXICO**  
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 Notes to Financial Statements  
 June 30, 2012

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

The District recorded transfers during the year as follows:

<b>Governmental Activities</b>	<b>Transfers In</b>	<b>Transfers Out</b>
General Fund	\$ 280,547	\$ -
Entitlement IDEA-B	41,062	-
Total Wellness Program	3,000	-
Title III - Incentive Award	3,000	-
Title I - IASA - Federal Stimulus	142	-
Education for Homeless	454	-
Technology for Education PED	791	-
Operational Federal Stabilization	-	215,298
Education Jobs Fund	-	113,698
Totals	<u>\$ 328,996</u>	<u>\$ 328,996</u>

These transfers were due to expenditures that had to be absorbed by the General Fund due to non reimbursement of federal expenditures.

**STATE OF NEW MEXICO**  
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 June 30, 2012

**NOTE 6. Capital Assets**

A summary of capital assets and changes occurring during the year ended June 30, 2012 follows.  
 Land and construction in progress are not subject to depreciation.

	Balance June 30, 2011	Adjustment to Net Assets	Additions	Deletions	Balance June 30, 2012
<b>Governmental activities:</b>					
Capital assets not being depreciated:					
Land	\$ 2,083,600	\$ -	\$ -	\$ -	\$ 2,083,600
Construction in progress	684,802	1,520,232	1,808,715	2,205,034	1,808,715
<b>Total capital assets not being depreciated</b>	<b>2,768,402</b>	<b>1,520,232</b>	<b>1,808,715</b>	<b>2,205,034</b>	<b>3,892,315</b>
Capital assets being depreciated:					
Buildings and improvements	90,816,846	2,048,176	2,521,109	-	95,386,131
Furniture and equipment	3,596,341	(1,793,438)	80,401	-	1,883,304
Vehicles	4,379,051	-	136,134	7,000	4,508,185
<b>Total capital assets being depreciated</b>	<b>98,792,238</b>	<b>254,738</b>	<b>2,737,644</b>	<b>7,000</b>	<b>101,777,620</b>
Less accumulated depreciation:					
Buildings and improvements	35,154,620	(2,763,090)	2,421,309	-	34,812,839
Furniture and equipment	2,594,798	(1,508,977)	99,513	-	1,185,334
Vehicles	3,198,673	7,060	319,511	7,000	3,518,244
<b>Total accumulated depreciation</b>	<b>40,948,091</b>	<b>(4,265,007)</b>	<b>2,840,333</b>	<b>7,000</b>	<b>39,516,417</b>
<b>Total capital assets, net of depreciation</b>	<b>\$ 60,612,549</b>	<b>\$ 6,039,977</b>	<b>\$ 1,706,026</b>	<b>\$ 2,205,034</b>	<b>\$ 66,153,518</b>

Depreciation expense for the year ended June 30, 2012 was charged to the following functions and sub-functions:

<b>Governmental Activities:</b>	
Instruction	\$ 2,462,832
Support services	4,085
Operations and maintenance of plant	48,554
Student transportation	319,511
Food services operations	5,351
	<u>\$ 2,840,333</u>



**STATE OF NEW MEXICO**  
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**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 \$34,925,000. The District did not issue any general obligation bonds for fiscal year 2012. 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, 2012 are for governmental activities.

Bonds outstanding at June 30, 2012, are comprised of the following:

	<u>Series</u> <u>10/15/2002</u>	<u>Series</u> <u>10/31/2003</u>	<u>Series</u> <u>11/2/2004</u>	<u>Series</u> <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
	<u>Series</u> <u>11/27/2007</u>	<u>Series</u> <u>12/2/2008</u>	<u>Series</u> <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, 2012, including interest payments are as follows:

Series 2002	<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt</u> <u>Service</u>
	2013	\$ 200,000	\$ 46,950	\$ 246,950
	2014	400,000	36,600	436,600
	2015	400,000	22,300	422,300
	2016	400,000	7,500	407,500
		<u>\$ 1,400,000</u>	<u>\$ 113,350</u>	<u>\$ 1,513,350</u>

**STATE OF NEW MEXICO**  
 Belen Consolidated School District No. 2  
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 June 30, 2012

**NOTE 7. Long-term Debt (continued)**

Series	Fiscal Year	Principal	Interest	Total Debt
	Ending June 30,			Service
Series 2003	2013	\$ 225,000	\$ 71,408	\$ 296,408
	2014	225,000	64,337	289,337
	2015	350,000	54,908	404,908
	2016	400,000	42,124	442,124
	2017	450,000	26,970	476,970
	2018-2022	500,000	9,388	509,388
		<u>\$ 2,150,000</u>	<u>\$ 269,135</u>	<u>\$ 2,419,135</u>
Series 2004	2013	\$ 150,000	\$ 33,975	\$ 183,975
	2014	200,000	169,300	369,300
	2015	200,000	21,475	221,475
	2016	200,000	14,600	214,600
	2017	100,000	9,300	109,300
	2018-2022	200,000	7,550	207,550
		<u>\$ 1,050,000</u>	<u>\$ 256,200</u>	<u>\$ 1,306,200</u>
Series 2005	2013	\$ 900,000	\$ 99,000	\$ 999,000
	2014	400,000	73,000	473,000
	2015	400,000	58,000	458,000
	2016	400,000	42,500	442,500
	2017	400,000	25,500	425,500
	2018-2022	400,000	8,500	408,500
		<u>\$ 2,900,000</u>	<u>\$ 306,500</u>	<u>\$ 3,206,500</u>
Series 2007	2013	\$ 100,000	\$ 263,275	\$ 363,275
	2014	100,000	259,525	359,525
	2015	100,000	255,650	355,650
	2016	350,000	244,900	594,900
	2017	200,000	232,150	432,150
	2018-2022	4,550,000	794,250	5,344,250
	2023-2027	1,500,000	28,875	1,528,875
	<u>\$ 6,900,000</u>	<u>\$ 2,078,625</u>	<u>\$ 8,978,625</u>	

**STATE OF NEW MEXICO**  
 Belen Consolidated School District No. 2  
 Notes to Financial Statements  
 June 30, 2012

**NOTE 7. Long-term Debt (continued)**

Series 2008	Fiscal Year	Principal	Interest	Total Debt
	Ending June 30,			Service
	2013	\$ 100,000	\$ 188,763	\$ 288,763
	2014	100,000	183,451	283,451
	2015	100,000	179,201	279,201
	2016	100,000	174,951	274,951
	2017	300,000	170,701	470,701
	2018-2022	2,900,000	629,455	3,529,455
	2023-2027	750,000	63,989	813,989
		<u>\$ 4,350,000</u>	<u>\$ 1,590,511</u>	<u>\$ 5,940,511</u>

Series 2009	Fiscal Year	Principal	Interest	Total Debt
	Ending June 30,			Service
	2013	\$ 435,000	\$ 88,075	\$ 523,075
	2014	405,000	78,663	483,663
	2015	570,000	66,475	636,475
	2016	395,000	53,425	448,425
	2017	390,000	41,650	431,650
	2018-2022	1,010,000	45,900	1,055,900
		<u>\$ 3,205,000</u>	<u>\$ 374,188</u>	<u>\$ 3,579,188</u>

The following is a summary of the long-term debt and the activity for the year ended June 30, 2012:

	Balance June 30, 2011	Additions	Retirements	Balance June 30, 2012	Due Within One Year
<b>Governmental Activities</b>					
Bonds	\$ 24,605,000	\$ -	\$ 2,650,000	\$ 21,955,000	\$ 2,110,000
Compensated Absences	590,987	286,156	418,673	458,470	418,673
<b>Total Long-Term Debt</b>	<u>\$ 25,195,987</u>	<u>\$ 286,156</u>	<u>\$ 3,068,673</u>	<u>\$ 22,413,470</u>	<u>\$ 2,528,673</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, 2012, compensated absences decreased \$132,517 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  
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**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 \$15,000 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, 2012, there have been no claims that have exceeded insurance coverage.

**NOTE 9. Pension Plan- Educational Retirement Board**

*Plan Description.* Substantially all of the District's full-time employees participate in a public employee retirement system authorized under the Educational Retirement Act (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, NM 87502. The report is also available on ERB's website at [www.nmerb.org](http://www.nmerb.org).

*Funding Policy.* Plan members earning \$20,000 or less annually are required by statute to contribute 7.9% of their gross salary. Plan members earning over \$20,000 annually were required to contribute 11.15% of their gross salary in fiscal year 2012 and will be required to contribute 9.40% of their gross salary in fiscal year 2013. The District has been and is required to contribute 12.4% of the gross covered salary for employees earning \$20,000 or less, in fiscal years 2012 and 2013. In fiscal year 2012 the District contributed 9.15% of the gross covered salary of employees earning more than \$20,000 annually. In fiscal year 2013 the District will contribute 10.9% of the gross covered salary of employees earning more than \$20,000 annually. 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, 2012, 2011 and 2010 were \$2,185,680, \$2,640,478, and \$2,716,043, respectively, which equal the amount of the required contributions for each fiscal year.

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**NOTE 10. Post-Employment Benefits- State 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](http://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, 2012, the statute required each participating employer to contribute 1.834% of each participating employee’s annual salary; each participating employee was required to contribute .917% of their salary. In the fiscal year ending 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>
FY13	2.000%	1.000%

Also, employers joining the program after January 1, 1998 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, 2012, 2011, and 2010 were \$413,805, \$378,391, and \$304,350 respectively, which equal the required contribution for each year.

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**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 2012 that were not completed at year end. The six projects are Transportation bus wash bay project, BHS Gym heating and cooling renovation, Gill Sanchez/ BHS renovations, La Merced playground project, La Merced heating and cooling renovation, and the Transportation painting project. At year end, the total projected cost to complete these projects totaled \$1,307,586.

The date to which events occurring after June 30, 2012, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or disclosures is April 19, 2013 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 and 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 2011- 2012; Estimated amount of project – Not to exceed \$50,000  
 Cost to the District: Not to exceed \$50,000; 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.

**NOTE 14. Other Required Individual Fund Disclosures**

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

A. The following funds maintained a deficit fund balance as of June 30, 2012:

Instructional Materials	\$ 74,752
Deferred Sick Leave Special Revenue Fund	47,551
2008 GO Bond Student Library Special Revenue Fund	1,508
Private Direct Grants Categorical) Special Revenue Fund	1,528
Special Capital Outlay State Capital Projects Fund	<u>2,500</u>
Total Governmental Funds	<u>\$ 127,839</u>

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**NOTE 14. Other Required Individual Fund Disclosures (continued)**

**B.** The following funds maintained expenditures in excess of budgeted authority for the year ended June 30, 2012:

Food Service Special Revenue Fund		
Capital Outlay	\$	55,821
Education of the Homeless Special Revenue Fund		
Support Services		2,796
IDEA-B "Risk Pool" Special Revenue Fund		
Support Services		132
Deferred Sick Leave Special Revenue Fund		
Support Services		58,494
Entitlement IDEA-B Federal Stimulus Special Revenue Fund		
Support Services		183,144
School Improvements Stimulus Special Revenue Fund		
Instruction		380
Capital Improvements SB-9 Capital Projects Fund		
Capital Outlay		40,717
Debt Service Fund		
Support Services		5,479
Operational Fund (Statement D-3)		
Support Services		328,274
Food Service Operations		36,477
Community Service Operations		<u>20,400</u>
Total Governmental Funds		<u>\$ 732,114</u>

**C.** The following funds maintained designated cash appropriations in excess of available balances for the year ended June 30, 2012. They are as follows:

2008 GO Bond Student Library Special Revenue Fund	\$	13,006
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**NOTE 15. Restricted Net Assets**

The Statement of Net Assets reports \$10,210,675 of restricted net assets, of which all 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.

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**NOTE 17. Subsequent Pronouncements**

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 March 2012, Statement No. 65 *Items Previously Reported as Assets and Liabilities*, Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. Earlier application is encouraged. The standard will be implemented for year ending June 30, 2013.

**NOTE 18. Concentrations**

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

**NOTE 19. Fund Balance and Net Assets Restatements**

*Governmental Funds:* The District made permanent cash transfers and fund balance restatements in the following funds:

General Fund	\$ (146,526)
Title I IASA	(151,703)
Entitlement IDEA-B	(54,868)
Title I School Improvement	4,687
Reading First	1,873
School Improvements Stimulus	380
TANF/GRADS	716
Operational Federal Stabilization	(9,920)
GEAR UP CHE	6,053
School Based Health Center	3,617
	<hr/>
Totals	<u><u>\$ (345,691)</u></u>

These restatements were due to expenses that had to be absorbed by the General Fund due to non reimbursement of federal expenditures in current and prior years, and due to prior year errors in recording transactions.

*Government Wide:* The District also restated net assets in the amount of \$6,039,977 related to capital assets. This restatement was necessary due to prior year's errors in tracking capital assets. Total Governmental Fund and Government Wide restatements totaled \$5,694,286 as noted at Exhibit A-2.



**SUPPLEMENTARY INFORMATION**

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**NONMAJOR GOVERNMENTAL FUNDS**

**STATE OF NEW MEXICO**  
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Nonmajor Fund Descriptions  
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**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.

**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.

**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 Public Education Department (PED).

**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.

**IDEA B “Risk Pool” (24120)** – Reallocation by PED based upon available amounts from Fund 24106 Entitlement IDEA-B. This fund accounts 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 Act, Part B, Section 611-620, as amended, Public Laws 91-230, 93-380, 94-142, 98-199, 99457, 100-639, and 101-476, 20 U.S.C. 1411-1420.

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

**iTeach NM (24128)** – This is a discretionary grant through New Mexico Public Education Department, which promotes professional development for teachers. This grant promotes professional development and concentrates in the area of mathematics for grades 5-8 which include classroom visitation and coaching. PL 107-110 ESEA of 1965 as amended by the No Child Left Behind Act of 2001

**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. HAF/H2,3,4,5,6 and 10 a (PL 103-382).

**English Language Acquisition (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)

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**SPECIAL REVENUE FUNDS (continued)**

**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)

**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 - Redistribution (24176)** – Redistribution for the program as described above.

**Carl D. Perkins Secondary – Redistribution 2 (24183)** – This grant provided a one-time appropriation for equipment assistant to School Food Authorities (SFA) participating in the National School Lunch Program (NSLP) thru application process.

**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. Authority for creation of this fund Title I of the Elementary and Secondary Education Act and the General Education Provisions Act (P.L. 103-382), Title I regulations in 34 CFR Part 200, EDGAR in 34 CFR Parts 76 (except for 76.650 - 76.662), 77,80,81,82 and 85.

**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.

**Preschool IDEA-B - Federal Stimulus (24209)** - To account for the American Recovery and Reinvestment Act of 2009 (ARRA) funding for Entitlement IDEA-B to meet the educational needs of the District. American Recovery and Reinvestment Act of 2009.

**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.

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Nonmajor Fund Descriptions  
June 30, 2012

**SPECIAL REVENUE FUNDS (continued)**

**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.

**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.

**Education Jobs Fund (25255)** – To account for the U.S. Department of Education (USDOE) assistance to states to save or create education jobs for the 2010-2011 school year. This allocation was allocated through the public school funding formula. The allocation was based on the same units used during the FY11 budget season for the general fund portion of the state equalization guarantee (SEG) to meet the educational needs of the District.

**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.

**Dual Credit Instructional Materials/ HB2 (27103)** – To account for House Bill 2, 2009 which makes an appropriation for Dual Credit Instructional materials. The dual credit instructional materials must be for a course approved by Higher Education Department and through a college/university for which the District has an approved agreement.

**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.

**2010 GO Bond Public School Acquisition (27106)** – This award allows schools to acquire library books, equipment and library resources for public school library resources for public school libraries statewide. The funding was made available through Senate Bill 1, Laws of 2010, 2nd Special Session B3.

**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.

**Truancy Prevention/Intervention (27139)** – Continue implementation of programs and strategies for the purpose of identifying best practices for truancy prevention that are unique to New Mexico populations and cultures that will assist students to stay in school and succeed. NMSA 22-2-8-10.

**Truancy Initiative PED (27141)** – Schools will implement programs and strategies for the purpose of identifying best practices for truancy prevention that are unique to New Mexico populations and cultures that will assist students to stay in school and succeed. NMSA 22-2-8-10

**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

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June 30, 2012

**SPECIAL REVENUE FUNDS (continued)**

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.

**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 7<sup>th</sup> graders. Higher Education Act, Title IV, Part A, Subpart 2, Chapter 2, 20 U.S.C. 1070a-21-1070a-28.

**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 services, through a Level Three School Based Health Center.

**CAPITAL PROJECTS FUNDS**

**Bond Building (31100)** – 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 School District.

**Public School Special Capital Outlay (31200)** – To account for critical capital outlay funds and other special capital outlay funds received from the State of New Mexico.

**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.

**Capital Improvements SB-9 (31700)** – 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.

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 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2012

Special Revenue

	<u>Food Service</u>	<u>Athletics</u>	<u>Entitlement IDEA-B</u>	<u>Preschool IDEA-B</u>
<i>Assets</i>				
Cash and cash equivalents	\$ 932,654	\$ 22,470	\$ 34,289	\$ -
Property taxes receivable	-	-	-	-
Due from other governments	-	-	320,190	572
Other receivables	-	250	-	-
Inventory	99,828	-	-	-
Due from other funds	-	-	41,062	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<i>Total assets</i>	<u>\$ 1,032,482</u>	<u>\$ 22,720</u>	<u>\$ 395,541</u>	<u>\$ 572</u>
<i>Liabilities</i>				
Accounts payable	\$ 27,672	\$ 1,889	\$ 13,014	\$ -
Accrued payroll	45,838	-	35,729	-
Deferred revenue	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	3,336	10,122	346,798	572
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<i>Total liabilities</i>	<u>76,846</u>	<u>12,011</u>	<u>395,541</u>	<u>572</u>
<i>Fund balances</i>				
Nonspendable				
Inventory	99,828	-	-	-
Spendable				
Restricted for:				
Extracurricular activities	-	10,709	-	-
Education	-	-	-	-
Capital acquisition and improvements	-	-	-	-
Food services	855,808	-	-	-
Unassigned	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<i>Total fund balances</i>	<u>955,636</u>	<u>10,709</u>	<u>-</u>	<u>-</u>
<i>Total liabilities and fund balances</i>	<u>\$ 1,032,482</u>	<u>\$ 22,720</u>	<u>\$ 395,541</u>	<u>\$ 572</u>

The accompanying notes are an integral part of these financial statements



Special Revenue

Education of the Homeless	Fresh Fruits & Vegetables USDA	IDEA B "Risk Pool"	Total Wellness Program	iTeach NM	Title III - Incentive Award
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
1,001	11,293	13,126	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 1,001</u>	<u>\$ 11,293</u>	<u>\$ 13,126</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ 12,994	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
912	438	-	-	-	-
89	10,855	132	-	-	-
<u>1,001</u>	<u>11,293</u>	<u>13,126</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 1,001</u>	<u>\$ 11,293</u>	<u>\$ 13,126</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**STATE OF NEW MEXICO**  
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 Nonmajor Governmental Funds  
 June 30, 2012

Special Revenue

	Enhancing Education Thru Technology (E2Y2-C)	English Language Acquisition	Teacher/Principal Training & Recruiting	Safe & Drug Free Schools & Communities
<i>Assets</i>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 205
Property taxes receivable	-	-	-	-
Due from other governments	12,994	41,846	268,182	-
Other receivables	-	-	-	-
Inventory	-	-	-	-
Due from other funds	-	307	-	-
<i>Total assets</i>	<u>\$ 12,994</u>	<u>\$ 42,153</u>	<u>\$ 268,182</u>	<u>\$ 205</u>
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ 4,009	\$ -
Accrued payroll	-	-	2,765	-
Deferred revenue	-	-	-	-
Due to other governments	-	-	-	205
Due to other funds	12,994	42,153	261,408	-
<i>Total liabilities</i>	<u>12,994</u>	<u>42,153</u>	<u>268,182</u>	<u>205</u>
<i>Fund balances</i>				
Nonspendable				
Inventory	-	-	-	-
Spendable				
Restricted for:				
Extracurricular activities	-	-	-	-
Education	-	-	-	-
Capital acquisition and improvements	-	-	-	-
Food services	-	-	-	-
Unassigned	-	-	-	-
<i>Total fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total liabilities and fund balances</i>	<u>\$ 12,994</u>	<u>\$ 42,153</u>	<u>\$ 268,182</u>	<u>\$ 205</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 - Redistribution</u>	<u>Carl Perkins Secondary - Redistribution 2</u>	<u>Deferred Sick Leave</u>
\$ -	\$ 12,138	\$ -	\$ 2,218	\$ -	\$ 48,620
-	-	-	-	-	-
53,148	-	9,419	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	6,896	-	-	-
<u>\$ 53,148</u>	<u>\$ 12,138</u>	<u>\$ 16,315</u>	<u>\$ 2,218</u>	<u>\$ -</u>	<u>\$ 48,620</u>
\$ -	\$ -	\$ 4,048	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	12,138	-	2,218	-	-
53,148	-	12,267	-	-	96,171
<u>53,148</u>	<u>12,138</u>	<u>16,315</u>	<u>2,218</u>	<u>-</u>	<u>96,171</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	(47,551)
-	-	-	-	-	(47,551)
<u>\$ 53,148</u>	<u>\$ 12,138</u>	<u>\$ 16,315</u>	<u>\$ 2,218</u>	<u>\$ -</u>	<u>\$ 48,620</u>

**STATE OF NEW MEXICO**  
 Belen Consolidated School District No. 2  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2012

Special Revenue

	Title I - IASA - Federal Stimulus	Entitlement IDEA- B Federal Stimulus	Preschool IDEA- B Federal Stimulus	Education for Homeless
<i>Assets</i>				
Cash and cash equivalents	\$ 1,193	\$ 10,563	\$ 4,878	\$ -
Property taxes receivable	-	-	-	-
Due from other governments	-	-	-	-
Other receivables	-	-	-	-
Inventory	-	-	-	-
Due from other funds	-	-	-	-
	<u>1,193</u>	<u>10,563</u>	<u>4,878</u>	<u>-</u>
<i>Total assets</i>	<u>\$ 1,193</u>	<u>\$ 10,563</u>	<u>\$ 4,878</u>	<u>\$ -</u>
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-
Deferred revenue	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	1,193	10,563	4,878	-
	<u>1,193</u>	<u>10,563</u>	<u>4,878</u>	<u>-</u>
<i>Total liabilities</i>	<u>1,193</u>	<u>10,563</u>	<u>4,878</u>	<u>-</u>
<i>Fund balances</i>				
Nonspendable				
Inventory	-	-	-	-
Spendable				
Restricted for:				
Extracurricular activities	-	-	-	-
Education	-	-	-	-
Capital acquisition and improvements	-	-	-	-
Food services	-	-	-	-
Unassigned	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total liabilities and fund balances</i>	<u>\$ 1,193</u>	<u>\$ 10,563</u>	<u>\$ 4,878</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

School Improvements Stimulus	GRADS Child Care CYFD	Title XIX Medicaid 0/2 Years	Child Care Block Grant	TANF/GRADS	Operational Federal Stabilization
\$ 1,110	\$ 3,000	\$ 217,056	\$ 89,410	\$ 8,966	\$ 215,298
-	-	-	-	-	-
-	-	42,986	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	34,289	-	-	-
<u>\$ 1,110</u>	<u>\$ 3,000</u>	<u>\$ 294,331</u>	<u>\$ 89,410</u>	<u>\$ 8,966</u>	<u>\$ 215,298</u>
\$ -	\$ -	\$ 4,147	\$ 45	\$ -	\$ -
-	-	11,440	-	-	-
-	-	-	-	-	-
-	3,000	-	-	8,966	-
1,110	-	6,280	-	-	215,298
<u>1,110</u>	<u>3,000</u>	<u>21,867</u>	<u>45</u>	<u>8,966</u>	<u>215,298</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	272,464	89,365	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	272,464	89,365	-	-
<u>\$ 1,110</u>	<u>\$ 3,000</u>	<u>\$ 294,331</u>	<u>\$ 89,410</u>	<u>\$ 8,966</u>	<u>\$ 215,298</u>

**STATE OF NEW MEXICO**  
 Belen Consolidated School District No. 2  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2012

Special Revenue

	<u>Education Jobs Fund</u>	<u>New Mexico Community Foundation</u>	<u>Dual Credit Instructional Materials/ HB2</u>	<u>2008 GO Bond Student Library</u>
<i>Assets</i>				
Cash and cash equivalents	\$ 220,072	\$ 2,465	\$ -	\$ -
Property taxes receivable	-	-	-	-
Due from other governments	-	-	5,271	6,903
Other receivables	-	-	-	-
Inventory	-	-	-	-
Due from other funds	-	-	-	-
<i>Total assets</i>	<u>\$ 220,072</u>	<u>\$ 2,465</u>	<u>\$ 5,271</u>	<u>\$ 6,903</u>
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-
Deferred revenue	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	220,072	-	5,271	8,411
<i>Total liabilities</i>	<u>220,072</u>	<u>-</u>	<u>5,271</u>	<u>8,411</u>
<i>Fund balances</i>				
Nonspendable				
Inventory	-	-	-	-
Spendable				
Restricted for:				
Extracurricular activities	-	-	-	-
Education	-	2,465	-	-
Capital acquisition and improvements	-	-	-	-
Food services	-	-	-	-
Unassigned	-	-	-	(1,508)
<i>Total fund balances</i>	<u>-</u>	<u>2,465</u>	<u>-</u>	<u>(1,508)</u>
<i>Total liabilities and fund balances</i>	<u>\$ 220,072</u>	<u>\$ 2,465</u>	<u>\$ 5,271</u>	<u>\$ 6,903</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

2010 GO Bond Public School Acquisition	Technology for Education PED	Truancy Prevention/ Intervention	Truancy Initiative PED	Beginning Teacher Mentoring Program	Breakfast in the Classroom
\$ -	\$ 1,314	\$ -	\$ -	\$ 6,629	\$ 62,667
-	-	-	-	-	-
12,979	-	612	-	-	1,936
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 12,979</u>	<u>\$ 1,314</u>	<u>\$ 612</u>	<u>\$ -</u>	<u>\$ 6,629</u>	<u>\$ 64,603</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
12,979	-	612	-	-	-
<u>12,979</u>	<u>-</u>	<u>612</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	1,314	-	-	6,629	64,603
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>1,314</u>	<u>-</u>	<u>-</u>	<u>6,629</u>	<u>64,603</u>
<u>\$ 12,979</u>	<u>\$ 1,314</u>	<u>\$ 612</u>	<u>\$ -</u>	<u>\$ 6,629</u>	<u>\$ 64,603</u>

**STATE OF NEW MEXICO**  
 Belen Consolidated School District No. 2  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2012

	Special Revenue			
	Training & Professional Development for Teachers	Library Books	GEAR UP CHE	Private Direct Grants (Categorical)
<i>Assets</i>				
Cash and cash equivalents	\$ 13,286	\$ 6,452	\$ -	\$ -
Property taxes receivable	-	-	-	-
Due from other governments	-	-	55,107	-
Other receivables	-	-	-	-
Inventory	-	-	-	-
Due from other funds	-	-	-	-
	<u>\$ 13,286</u>	<u>\$ 6,452</u>	<u>\$ 55,107</u>	<u>\$ -</u>
<i>Total assets</i>				
	<u>\$ 13,286</u>	<u>\$ 6,452</u>	<u>\$ 55,107</u>	<u>\$ -</u>
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-
Deferred revenue	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	13,286	-	49,740	1,528
	<u>13,286</u>	<u>-</u>	<u>49,740</u>	<u>1,528</u>
<i>Total liabilities</i>				
	<u>13,286</u>	<u>-</u>	<u>49,740</u>	<u>1,528</u>
<i>Fund balances</i>				
Nonspendable				
Inventory	-	-	-	-
Spendable				
Restricted for:				
Extracurricular activities	-	-	-	-
Education	-	6,452	5,367	-
Capital acquisition and improvements	-	-	-	-
Food services	-	-	-	-
Unassigned	-	-	-	(1,528)
	<u>-</u>	<u>6,452</u>	<u>5,367</u>	<u>(1,528)</u>
<i>Total fund balances</i>				
	<u>-</u>	<u>6,452</u>	<u>5,367</u>	<u>(1,528)</u>
<i>Total liabilities and fund balances</i>				
	<u>\$ 13,286</u>	<u>\$ 6,452</u>	<u>\$ 55,107</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements



Capital Projects

<u>School Based Health Center</u>	<u>Bond Building</u>	<u>Public School Capital Outlay</u>	<u>Special Capital Outlay</u>	<u>Special Capital Outlay State</u>	<u>Capital Improvements SB-9</u>
\$ 196,565	\$ 1,236,894	\$ -	\$ -	\$ 10,672	\$ 1,313,597
-	-	-	-	-	301,705
-	-	-	-	-	-
-	-	-	-	-	-
-	2,167	-	2,675	12,543	-
<u>\$ 196,565</u>	<u>\$ 1,239,061</u>	<u>\$ -</u>	<u>\$ 2,675</u>	<u>\$ 23,215</u>	<u>\$ 1,615,302</u>
\$ -	\$ 539,913	\$ -	\$ -	\$ -	\$ 96,245
-	-	-	-	-	-
-	-	-	-	-	267,918
-	-	-	-	-	-
-	-	-	-	25,715	57,456
-	539,913	-	-	25,715	421,619
-	-	-	-	-	-
-	-	-	-	-	-
196,565	-	-	-	-	-
-	699,148	-	2,675	-	1,193,683
-	-	-	-	(2,500)	-
<u>196,565</u>	<u>699,148</u>	<u>-</u>	<u>2,675</u>	<u>(2,500)</u>	<u>1,193,683</u>
<u>\$ 196,565</u>	<u>\$ 1,239,061</u>	<u>\$ -</u>	<u>\$ 2,675</u>	<u>\$ 23,215</u>	<u>\$ 1,615,302</u>

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**STATE OF NEW MEXICO**  
 Belen Consolidated School District No. 2  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2012

	Total Nonmajor Governmental Funds
<i>Assets</i>	
Cash and cash equivalents	\$ 4,674,681
Property taxes receivable	301,705
Due from other governments	857,565
Other receivables	250
Inventory	99,828
Due from other funds	99,939
<i>Total assets</i>	\$ 6,033,968
<i>Liabilities</i>	
Accounts payable	\$ 703,976
Accrued payroll	95,772
Deferred revenue	267,918
Due to other governments	27,877
Due to other funds	1,484,437
<i>Total liabilities</i>	2,579,980
<i>Fund balances</i>	
Nonspendable	
Inventory	99,828
Spendable	
Restricted for:	
Extracurricular activities	10,709
Education	645,224
Capital acquisition and improvements	1,895,506
Food services	855,808
Unassigned	(53,087)
<i>Total fund balances</i>	3,453,988
<i>Total liabilities and fund balances</i>	\$ 6,033,968

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  
 Nonmajor Governmental Funds  
 For the Year Ended June 30, 2012

Special Revenue

	Food Service	Athletics	Entitlement IDEA-B	Preschool IDEA-B
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	2,231,676	-	1,130,661	1,303
Federal direct	-	-	-	-
State flowthrough	20,467	-	-	-
State direct	129,775	-	-	-
Charges for services	238,080	203,206	-	-
Investment income	363	-	-	-
Miscellaneous income	-	-	-	-
<i>Total revenues</i>	<u>2,620,361</u>	<u>203,206</u>	<u>1,130,661</u>	<u>1,303</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	240,062	836,499	175
Support services	-	-	253,664	1,128
Central services	-	-	25,365	-
Operation and maintenance of plant	-	-	15,133	-
Student transportation	-	-	-	-
Food services operations	2,546,783	-	-	-
Capital outlay	80,401	-	-	-
<i>Total expenditures</i>	<u>2,627,184</u>	<u>240,062</u>	<u>1,130,661</u>	<u>1,303</u>
<i>Other financing sources (uses)</i>				
Reversion to other governments	-	-	-	-
Transfers in (out)	-	-	41,062	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>41,062</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>(6,823)</u>	<u>(36,856)</u>	<u>41,062</u>	<u>-</u>
<i>Fund balances - beginning</i>	962,459	47,565	13,806	-
<i>Fund balances - restatement</i>	-	-	(54,868)	-
<i>Fund balances - as restated</i>	<u>962,459</u>	<u>47,565</u>	<u>(41,062)</u>	<u>-</u>
<i>Fund balances - ending</i>	<u>\$ 955,636</u>	<u>\$ 10,709</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

Education of the Homeless	Fresh Fruits & Vegetables USDA	IDEA B "Risk Pool"	Total Wellness Program	iTeach NM	Title III - Incentive Award
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
34,413	161,139	13,126	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>34,413</u>	<u>161,139</u>	<u>13,126</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	12,994	-	-	-
14,718	-	132	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
78	-	-	-	-	-
-	135,879	-	-	-	-
-	-	-	-	-	-
<u>14,796</u>	<u>135,879</u>	<u>13,126</u>	<u>-</u>	<u>-</u>	<u>-</u>
(912)	(438)	-	-	-	-
-	-	-	3,000	-	3,000
<u>(912)</u>	<u>(438)</u>	<u>-</u>	<u>3,000</u>	<u>-</u>	<u>3,000</u>
18,705	24,822	-	3,000	-	3,000
(18,705)	(24,822)	-	(3,000)	-	(3,000)
-	-	-	-	-	-
<u>(18,705)</u>	<u>(24,822)</u>	<u>-</u>	<u>(3,000)</u>	<u>-</u>	<u>(3,000)</u>
<u>\$ -</u>	<u>\$ -</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, 2012

	Special Revenue			
	Enhancing Education Thru Technology (E2Y2-C)	English Language Acquisition	Teacher/Principal Training & Recruiting	Safe & Drug Free Schools & Communities
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	12,994	49,340	341,553	-
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous income	-	-	-	-
<i>Total revenues</i>	<u>12,994</u>	<u>49,340</u>	<u>341,553</u>	<u>-</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	28,989	324,637	-
Support services	-	-	16,167	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>28,989</u>	<u>340,804</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Reversion to other governments	-	-	-	(205)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(205)</u>
<i>Net change in fund balances</i>	<u>12,994</u>	<u>20,351</u>	<u>749</u>	<u>(205)</u>
<i>Fund balances - beginning</i>	(12,994)	(20,351)	(749)	205
<i>Fund balances - restatement</i>	-	-	-	-
<i>Fund balances - as restated</i>	<u>(12,994)</u>	<u>(20,351)</u>	<u>(749)</u>	<u>205</u>
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

Title I School Improvement	Reading First	Carl Perkins Secondary	Carl Perkins Secondary - Redistribution	Carl D. Perkins Secondary – Redistribution 2	Deferred Sick Leave
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
53,148	-	36,587	6,616	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>53,148</u>	<u>-</u>	<u>36,587</u>	<u>6,616</u>	<u>-</u>	<u>-</u>
-	-	34,934	3,253	-	-
-	-	1,653	-	-	-
-	-	-	-	-	58,494
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>36,587</u>	<u>3,253</u>	<u>-</u>	<u>58,494</u>
-	(12,138)	-	(2,218)	-	-
-	-	-	-	-	-
<u>-</u>	<u>(12,138)</u>	<u>-</u>	<u>(2,218)</u>	<u>-</u>	<u>-</u>
53,148	(12,138)	-	1,145	-	(58,494)
(57,835)	10,265	-	(1,145)	-	10,943
4,687	1,873	-	-	-	-
<u>(53,148)</u>	<u>12,138</u>	<u>-</u>	<u>(1,145)</u>	<u>-</u>	<u>10,943</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (47,551)</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, 2012

Special Revenue

	Title I - IASA - Federal Stimulus	Entitlement IDEA- B Federal Stimulus	Preschool IDEA- B Federal Stimulus	Education for Homeless
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	62,022	832,392	46,121	-
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous income	-	-	-	-
<i>Total revenues</i>	<u>62,022</u>	<u>832,392</u>	<u>46,121</u>	<u>-</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	58,485	513,426	-	-
Support services	-	318,966	46,121	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>58,485</u>	<u>832,392</u>	<u>46,121</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Reversion to other governments	-	-	-	-
Transfers in (out)	142	-	-	454
<i>Total other financing sources (uses)</i>	<u>142</u>	<u>-</u>	<u>-</u>	<u>454</u>
<i>Net change in fund balances</i>	<u>3,679</u>	<u>-</u>	<u>-</u>	<u>454</u>
<i>Fund balances - beginning</i>	(3,679)	-	-	(454)
<i>Fund balances - restatement</i>	-	-	-	-
<i>Fund balances - as restated</i>	<u>(3,679)</u>	<u>-</u>	<u>-</u>	<u>(454)</u>
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements



Special Revenue

School Improvements Stimulus	GRADS Child Care CYFD	Title XIX Medicaid 0/2 Years	Child Care Block Grant	TANF/GRADS	Operational Federal Stabilization
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
127,850	-	-	-	-	-
-	-	323,828	30,552	9,750	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>127,850</u>	<u>-</u>	<u>323,828</u>	<u>30,552</u>	<u>9,750</u>	<u>-</u>
114,142	-	-	368	-	-
-	-	487,985	-	9,750	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>114,142</u>	<u>-</u>	<u>487,985</u>	<u>368</u>	<u>9,750</u>	<u>-</u>
-	(3,000)	-	-	(8,966)	-
-	-	-	-	-	(215,298)
-	<u>(3,000)</u>	-	-	<u>(8,966)</u>	<u>(215,298)</u>
<u>13,708</u>	<u>(3,000)</u>	<u>(164,157)</u>	<u>30,184</u>	<u>(8,966)</u>	<u>(215,298)</u>
(14,088)	3,000	436,621	59,181	8,250	225,218
380	-	-	-	716	(9,920)
<u>(13,708)</u>	<u>3,000</u>	<u>436,621</u>	<u>59,181</u>	<u>8,966</u>	<u>215,298</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 272,464</u>	<u>\$ 89,365</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, 2012

Special Revenue

	Education Jobs Fund	New Mexico Community Foundation	Dual Credit Instructional Materials/ HB2	2008 GO Bond Student Library
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	12,893	-	-	-
Federal direct	-	-	-	-
State flowthrough	-	-	5,271	8,410
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous income	-	-	-	-
<i>Total revenues</i>	<u>12,893</u>	<u>-</u>	<u>5,271</u>	<u>8,410</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	5,271	-
Support services	-	-	-	9,918
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>5,271</u>	<u>9,918</u>
<i>Other financing sources (uses)</i>				
Reversion to other governments	-	-	-	-
Transfers in (out)	(113,698)	-	-	-
<i>Total other financing sources (uses)</i>	<u>(113,698)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>(100,805)</u>	<u>-</u>	<u>-</u>	<u>(1,508)</u>
<i>Fund balances - beginning</i>	100,805	2,465	-	-
<i>Fund balances - restatement</i>	-	-	-	-
<i>Fund balances - as restated</i>	<u>100,805</u>	<u>2,465</u>	<u>-</u>	<u>-</u>
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ 2,465</u>	<u>\$ -</u>	<u>\$ (1,508)</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

2010 GO Bond Public School Acquisition	Technology for Education PED	Truancy Prevention/ Intervention	Truancy Initiative PED	Beginning Teacher Mentoring Program	Breakfast in the Classroom
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
12,979	-	612	-	-	20,467
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>12,979</u>	<u>-</u>	<u>612</u>	<u>-</u>	<u>-</u>	<u>20,467</u>
12,979	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	20,467
-	-	-	-	-	-
<u>12,979</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,467</u>
-	-	-	-	-	-
-	791	-	-	-	-
-	<u>791</u>	-	-	-	-
-	791	612	-	-	-
-	523	(612)	-	6,629	64,603
-	-	-	-	-	-
-	<u>523</u>	<u>(612)</u>	<u>-</u>	<u>6,629</u>	<u>64,603</u>
<u>\$ -</u>	<u>\$ 1,314</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,629</u>	<u>\$ 64,603</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, 2012

Special Revenue

	Training & Professional Development for Teachers	Library Books	GEAR UP CHE	Private Direct Grants (Categorical)
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	131,211	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous income	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>131,211</u>	<u>-</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	131,211	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>131,211</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Reversion to other governments	-	-	-	-
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>-</u>	<u>-</u>
<i>Fund balances - beginning</i>	-	6,452	(686)	(1,528)
<i>Fund balances - restatement</i>	-	-	6,053	-
<i>Fund balances - as restated</i>	<u>-</u>	<u>6,452</u>	<u>5,367</u>	<u>(1,528)</u>
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ 6,452</u>	<u>\$ 5,367</u>	<u>\$ (1,528)</u>

The accompanying notes are an integral part of these financial statements

Capital Projects

School Based Health Center	Bond Building Fund	Public School Capital Outlay	Special Capital Outlay	Special Capital Outlay State	Capital Improvements SB-9
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,054,535
-	-	-	-	-	-
-	-	-	-	-	-
-	-	55,904	-	47,224	132,072
-	-	-	-	-	-
-	991	-	-	-	521
-	-	-	-	-	-
-	991	55,904	-	47,224	1,187,128
-	-	-	-	-	-
-	-	-	-	-	10,447
-	-	-	-	-	59,530
-	747,754	-	-	47,224	1,055,133
-	-	-	-	-	-
-	-	-	-	-	-
-	2,015,176	55,904	-	-	189,844
-	2,762,930	55,904	-	47,224	1,314,954
-	-	-	-	-	-
-	-	-	-	-	-
-	(2,761,939)	-	-	-	(127,826)
192,948	3,461,087	-	2,675	(2,500)	1,321,509
3,617	-	-	-	-	-
196,565	3,461,087	-	2,675	(2,500)	1,321,509
\$ 196,565	\$ 699,148	\$ -	\$ 2,675	\$ (2,500)	\$ 1,193,683

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**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, 2012

	Total Nonmajor Governmental Funds
<i>Revenues</i>	
Property taxes	\$ 1,054,535
Federal flowthrough	5,153,834
Federal direct	364,130
State flowthrough	303,406
State direct	260,986
Charges for services	441,286
Investment income	1,875
Miscellaneous income	-
<i>Total revenues</i>	7,580,052
<i>Expenditures</i>	
Current	
Instruction	2,317,425
Support services	1,170,649
Central services	143,389
Operation and maintenance of plant	1,865,244
Student transportation	78
Food services operations	2,703,129
Capital outlay	2,341,325
<i>Total expenditures</i>	10,541,239
<i>Other financing sources (uses)</i>	
Reversion to other governments	(27,877)
Transfers in (out)	(280,547)
<i>Total other financing sources (uses)</i>	(308,424)
<i>Net change in fund balances</i>	(3,269,611)
<i>Fund balances - beginning</i>	6,771,061
<i>Fund balances - restatement</i>	(47,462)
<i>Fund balances - as restated</i>	6,723,599
<i>Fund balances - ending</i>	\$ 3,453,988

The accompanying notes are an integral part of these financial statements

## 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, 2012

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	2,103,406	2,103,406	2,074,277	(29,129)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	70,000	70,000	20,467	(49,533)
State direct	-	-	129,775	129,775
Combined state/local	-	-	-	-
Charges for services	225,000	225,000	238,080	13,080
Investment income	-	-	363	363
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>2,398,406</u>	<u>2,398,406</u>	<u>2,462,962</u>	<u>64,556</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	2,962,992	2,962,992	2,327,109	635,883
Community services operations	-	-	-	-
Capital outlay	35,414	35,414	91,235	(55,821)
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,998,406</u>	<u>2,998,406</u>	<u>2,418,344</u>	<u>580,062</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(600,000)</u>	<u>(600,000)</u>	<u>44,618</u>	<u>644,618</u>
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	600,000	600,000	-	(600,000)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>600,000</u>	<u>600,000</u>	<u>-</u>	<u>(600,000)</u>
<i>Net change in fund balances</i>	-	-	44,618	44,618
<i>Fund balances - beginning of year</i>	-	-	884,700	884,700
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 929,318</u>	<u>\$ 929,318</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 44,618
Adjustments to revenues for federal flowthrough grants				157,399
Adjustment to expenditures for food service operations and payroll expenditures				(208,840)
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ (6,823)</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, 2012

	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	240,000	240,000	202,956	(37,044)
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>240,000</u>	<u>240,000</u>	<u>202,956</u>	<u>(37,044)</u>
<i>Expenditures</i>				
Current				
Instruction	240,000	240,000	238,173	1,827
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>240,000</u>	<u>240,000</u>	<u>238,173</u>	<u>1,827</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(35,217)</u>	<u>(35,217)</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>	-	-	(35,217)	(35,217)
<i>Fund balances - beginning of year</i>	-	-	47,565	47,565
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,348</u>	<u>\$ 12,348</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (35,217)
Adjustments to revenues for federal flowthrough grants				250
Adjustment to expenditures for athletic expenditures				(1,889)
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ (36,856)</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  
 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, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	1,147,155	1,147,155	1,007,725	(139,430)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,147,155</u>	<u>1,147,155</u>	<u>1,007,725</u>	<u>(139,430)</u>
<i>Expenditures</i>				
Current				
Instruction	857,074	857,074	809,519	47,555
Support services	245,945	245,945	241,929	4,016
Central services	28,992	28,992	25,365	3,627
Operation and maintenance of plant	15,144	15,144	15,133	11
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,147,155</u>	<u>1,147,155</u>	<u>1,091,946</u>	<u>55,209</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(84,221)</u>	<u>(84,221)</u>
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	-	-	-	-
Transfers in (out)	-	-	41,062	41,062
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>41,062</u>	<u>41,062</u>
<i>Net change in fund balances</i>	-	-	(43,159)	(43,159)
<i>Fund balances - beginning of year</i>	-	-	(173,420)	(173,420)
<i>Fund balances - restatement</i>	-	-	(54,868)	(54,868)
<i>Fund balances - beginning as restated</i>	-	-	(228,288)	(228,288)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (271,447)</u>	<u>\$ (271,447)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (43,159)
Adjustments to revenues for federal flowthrough grant				122,936
Adjustments for student support services and instruction materials and payroll expenditures				(38,715)
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ 41,062</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  
 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, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	19,387	40,140	731	(39,409)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>19,387</u>	<u>40,140</u>	<u>731</u>	<u>(39,409)</u>
<i>Expenditures</i>				
Current				
Instruction	4,500	7,500	175	7,325
Support services	14,887	32,640	1,128	31,512
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>19,387</u>	<u>40,140</u>	<u>1,303</u>	<u>38,837</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(572)</u>	<u>(572)</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>	-	-	(572)	(572)
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - restatement</i>	-	-	-	-
<i>Fund balances - beginning as restated</i>	-	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (572)</u>	<u>\$ (572)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (572)
Adjustments to revenues for federal flowthrough grant				572
No adjustments to expenditures				-
<i>Net change 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-5

Belen Consolidated School District No. 2  
 Education of the 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, 2012

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	15,000	15,000	33,412	18,412
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>15,000</u>	<u>15,000</u>	<u>33,412</u>	<u>18,412</u>
<i>Expenditures</i>				
Current				
Instruction	3,000	3,000	-	3,000
Support services	12,000	12,000	14,718	(2,718)
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	78	(78)
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>15,000</u>	<u>15,000</u>	<u>14,796</u>	<u>204</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>18,616</u>	<u>18,616</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>	-	-	18,616	18,616
<i>Fund balances - beginning of year</i>	-	-	(18,705)	(18,705)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (89)</u>	<u>\$ (89)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 18,616
Adjustments to revenues for federal flowthrough grant				1,001
Adjustments to expenditures for reversion to other governments				(912)
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ 18,705</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  
 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, 2012

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	136,136	136,136	154,175	18,039
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	136,136	136,136	154,175	18,039
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	136,136	136,136	135,879	257
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	136,136	136,136	135,879	257
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	18,296	18,296
<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>	-	-	18,296	18,296
<i>Fund balances - beginning of year</i>	-	-	(29,151)	(29,151)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (10,855)	\$ (10,855)
<i>Net change in fund balances (Budget Basis)</i>				\$ 18,296
Adjustments to revenues for federal flowthrough grant				6,964
Adjustments to expenditures for reversion to other governments				(438)
<i>Net change in fund balances (GAAP Basis)</i>				\$ 24,822

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-7

Belen Consolidated School District No. 2  
 IDEA B "Risk Pool" 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, 2012

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	9,376	9,376	2,403	(6,973)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	9,376	9,376	2,403	(6,973)
<i>Expenditures</i>				
Current				
Instruction	9,376	9,376	-	9,376
Support services	-	-	132	(132)
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>	9,376	9,376	132	9,244
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	2,271	2,271
<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>	-	-	2,271	2,271
<i>Fund balances - beginning of year</i>	-	-	(2,403)	(2,403)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (132)	\$ (132)
<i>Net change in fund balances (Budget Basis)</i>				\$ 2,271
Adjustments to revenues for federal flowthrough grant				10,723
Adjustments to expenditures for instruction materials				(12,994)
<i>Net change in fund balances (GAAP Basis)</i>				\$ -

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-8

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, 2012

	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>	<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)	-	-	3,000	3,000
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>3,000</u>	<u>3,000</u>
<i>Net change in fund balances</i>	-	-	3,000	3,000
<i>Fund balances - beginning of year</i>	-	-	(3,000)	(3,000)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 3,000
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change 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-9

Belen Consolidated School District No. 2  
 iTeach NM 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, 2012

	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>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<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 change 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-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, 2012

	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>	<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)	-	-	3,000	3,000
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>3,000</u>	<u>3,000</u>
<i>Net change in fund balances</i>	-	-	3,000	3,000
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(3,000)</u>	<u>(3,000)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 3,000
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change 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, 2012

	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>	<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>	-	-	(12,994)	(12,994)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (12,994)</u>	<u>\$ (12,994)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ -
Adjustments to revenues for federal flowthrough grant				12,994
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ 12,994</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  
 English Language Acquisition 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, 2012

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	19,308	31,428	7,494	(23,934)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>19,308</u>	<u>31,428</u>	<u>7,494</u>	<u>(23,934)</u>
<i>Expenditures</i>				
Current				
Instruction	19,308	31,428	28,989	2,439
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>19,308</u>	<u>31,428</u>	<u>28,989</u>	<u>2,439</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(21,495)</u>	<u>(21,495)</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>	-	-	(21,495)	(21,495)
<i>Fund balances - beginning of year</i>	-	-	(20,351)	(20,351)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (41,846)</u>	<u>\$ (41,846)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (21,495)
Adjustments to revenues for federal flowthrough grant				41,846
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ 20,351</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, 2012

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	335,828	701,188	93,807	(607,381)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>335,828</u>	<u>701,188</u>	<u>93,807</u>	<u>(607,381)</u>
<i>Expenditures</i>				
Current				
Instruction	316,216	660,239	317,863	342,376
Support services	19,612	40,949	16,167	24,782
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>335,828</u>	<u>701,188</u>	<u>334,030</u>	<u>367,158</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(240,223)</u>	<u>(240,223)</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>	-	-	(240,223)	(240,223)
<i>Fund balances - beginning of year</i>	-	-	(21,185)	(21,185)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (261,408)</u>	<u>\$ (261,408)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (240,223)
Adjustments to revenues for federal flowthrough grant				247,746
Adjustments to expenditures for instructional materials and payroll expenditures				(6,774)
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ 749</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, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	147	147
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>147</u>	<u>147</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>147</u>	<u>147</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>	-	-	147	147
<i>Fund balances - beginning of year</i>	-	-	58	58
<i>Fund balances - restatement</i>	-	-	-	-
<i>Fund balances - beginning as restated</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 205</u>	<u>\$ 205</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 147
Adjustments to revenues for federal flowthrough grant				(147)
Adjustments to expenditures for reversion to other governments				(205)
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ (205)</u>

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, 2012

	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>	-	-	(57,835)	(57,835)
<i>Fund balances - restatement</i>	-	-	4,687	4,687
<i>Fund balances - beginning as restated</i>	<u>-</u>	<u>-</u>	<u>(53,148)</u>	<u>(53,148)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (53,148)</u>	<u>\$ (53,148)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ -
Adjustments to revenues for federal flowthrough grant				53,148
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ 53,148</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, 2012

	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>	-	-	10,265	10,265
<i>Fund balances - restatement</i>	-	-	1,873	1,873
<i>Fund balances - beginning as restated</i>	-	-	12,138	12,138
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,138</u>	<u>\$ 12,138</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ -
No adjustments to revenues				-
Adjustments to expenditures for reversion to other governments				(12,138)
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ (12,138)</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, 2012

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	37,756	53,482	41,135	(12,347)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	37,756	53,482	41,135	(12,347)
<i>Expenditures</i>				
Current				
Instruction	35,687	50,658	30,886	19,772
Support services	2,069	2,824	1,653	1,171
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>	37,756	53,482	32,539	20,943
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	8,596	8,596
<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>	-	-	8,596	8,596
<i>Fund balances - beginning of year</i>	-	-	(13,967)	(13,967)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (5,371)	\$ (5,371)
<i>Net change in fund balances (Budget Basis)</i>				\$ 8,596
Adjustments to revenues for federal flowthrough grant				(4,548)
Adjustments to expenditures for instructional expenditures				(4,048)
<i>Net change in fund balances (GAAP Basis)</i>				\$ -

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 - 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, 2012

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	6,616	14,815	6,616	(8,199)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>6,616</u>	<u>14,815</u>	<u>6,616</u>	<u>(8,199)</u>
<i>Expenditures</i>				
Current				
Instruction	6,246	14,200	3,253	10,947
Support services	370	615	-	615
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>6,616</u>	<u>14,815</u>	<u>3,253</u>	<u>11,562</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>3,363</u>	<u>3,363</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>	-	-	3,363	3,363
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(1,145)</u>	<u>(1,145)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,218</u>	<u>\$ 2,218</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 3,363
No adjustments to revenues				-
Adjustments to expenditures for reversion to other governments				<u>(2,218)</u>
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ 1,145</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 2 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, 2012

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	19,922	19,922
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	19,922	19,922
<i>Expenditures</i>				
<i>Current</i>				
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>	-	-	19,922	19,922
<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>	-	-	19,922	19,922
<i>Fund balances - beginning of year</i>	-	-	(19,922)	(19,922)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ -	\$ -
<i>Net change in fund balances (Budget Basis)</i>				\$ 19,922
Adjustments to revenues for federal flowthrough grant				(19,922)
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				\$ -

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, 2012

	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	-	-	-	-
Central services	-	-	58,494	(58,494)
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	-	58,494	(58,494)
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(58,494)	(58,494)
<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>	-	-	(58,494)	(58,494)
<i>Fund balances - beginning of year</i>	-	-	10,943	10,943
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (47,551)	\$ (47,551)
<i>Net change in fund balances (Budget Basis)</i>				\$ (58,494)
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				\$ (58,494)

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, 2012

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	62,022	62,022	149,073	87,051
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>62,022</u>	<u>62,022</u>	<u>149,073</u>	<u>87,051</u>
<i>Expenditures</i>				
Current				
Instruction	62,022	62,022	62,022	-
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>62,022</u>	<u>62,022</u>	<u>62,022</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>87,051</u>	<u>87,051</u>
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	-	-	-	-
Transfers in (out)	-	-	142	142
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>142</u>	<u>142</u>
<i>Net change in fund balances</i>	-	-	87,193	87,193
<i>Fund balances - beginning of year</i>	-	-	(87,193)	(87,193)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 87,193
Adjustments to revenues for federal flowthrough grant				(87,051)
Adjustments to expenditures for instructional materials				3,537
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ 3,679</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, 2012

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	832,392	832,392	880,668	48,276
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	832,392	832,392	880,668	48,276
<i>Expenditures</i>				
Current				
Instruction	696,570	696,570	513,426	183,144
Support services	135,822	135,822	318,966	(183,144)
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>	832,392	832,392	832,392	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	48,276	48,276
<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>	-	-	48,276	48,276
<i>Fund balances - beginning of year</i>	-	-	(48,276)	(48,276)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ -	\$ -
<i>Net change in fund balances (Budget Basis)</i>				\$ 48,276
Adjustments to revenues for federal flowthrough grant				(48,276)
No adjustments to expenditures				-
<i>Net change 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  
 Preschool 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, 2012

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	46,121	46,121	48,560	2,439
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>46,121</u>	<u>46,121</u>	<u>48,560</u>	<u>2,439</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services	46,121	46,121	46,121	-
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>46,121</u>	<u>46,121</u>	<u>46,121</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>2,439</u>	<u>2,439</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>	-	-	2,439	2,439
<i>Fund balances - beginning of year</i>	-	-	(2,439)	(2,439)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 2,439
Adjustments to revenues for federal flowthrough grant				(2,439)
No adjustments to expenditures				-
<i>Net change 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-24

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, 2012

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	909	909
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>909</u>	<u>909</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>909</u>	<u>909</u>
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	-	-	-	-
Transfers in (out)	-	-	454	454
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>454</u>	<u>454</u>
<i>Net change in fund balances</i>	-	-	1,363	1,363
<i>Fund balances - beginning of year</i>	-	-	(1,363)	(1,363)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 1,363
Adjustments to revenues for federal flowthrough grant				(909)
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ 454</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-25

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, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	127,850	127,850	163,707	35,857
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>127,850</u>	<u>127,850</u>	<u>163,707</u>	<u>35,857</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	127,850	127,850	128,230	(380)
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>127,850</u>	<u>127,850</u>	<u>128,230</u>	<u>(380)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>35,477</u>	<u>35,477</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>	-	-	35,477	35,477
<i>Fund balances - beginning of year</i>	-	-	(35,857)	(35,857)
<i>Fund balances - restatement</i>	-	-	380	380
<i>Fund balances - beginning as restated</i>	<u>-</u>	<u>-</u>	<u>(35,477)</u>	<u>(35,477)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 35,477
Adjustments to revenues for federal flowthrough grant				(35,857)
Adjustments to expenditures for instructional expenditures				14,088
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ 13,708</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  
 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, 2012

	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>	<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 reversion to other governments				(3,000)
<i>Net change 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-27

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, 2012

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	692,270	692,270	280,842	(411,428)
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	692,270	692,270	280,842	(411,428)
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services	692,270	692,270	472,398	219,872
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>	692,270	692,270	472,398	219,872
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(191,556)	(191,556)
<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>	-	-	(191,556)	(191,556)
<i>Fund balances - beginning of year</i>	-	-	436,621	436,621
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 245,065	\$ 245,065
<i>Net change in fund balances (Budget Basis)</i>				\$ (191,556)
Adjustments to revenues for federal direct grant				42,986
Adjustments to expenditures for instructional expenditures and payroll expenditures				(15,587)
<i>Net change in fund balances (GAAP Basis)</i>				\$ (164,157)

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-28

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, 2012

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	26,128	26,128	30,552	4,424
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	26,128	26,128	30,552	4,424
<i>Expenditures</i>				
Current				
Instruction	8,328	8,328	323	8,005
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	5,800	5,800	-	5,800
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	12,000	12,000	-	12,000
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	26,128	26,128	323	25,805
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	30,229	30,229
<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>	-	-	30,229	30,229
<i>Fund balances - beginning of year</i>	-	-	59,181	59,181
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 89,410	\$ 89,410
<i>Net change in fund balances (Budget Basis)</i>				\$ 30,229
No adjustments to revenues				-
Adjustments to expenditures for instructional expenditures				(45)
<i>Net change in fund balances (GAAP Basis)</i>				\$ 30,184

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-29

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, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	9,750	9,750	9,750	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>9,750</u>	<u>9,750</u>	<u>9,750</u>	<u>-</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services	9,750	9,750	9,750	-
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>9,750</u>	<u>9,750</u>	<u>9,750</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>	-	-	8,250	8,250
<i>Fund balances - restatement</i>	-	-	716	716
<i>Fund balances - beginning as restated</i>	-	-	8,966	8,966
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,966</u>	<u>\$ 8,966</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ -
No adjustments to revenues				-
Adjustments to expenditures for reversion to other governments				(8,966)
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ (8,966)</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  
 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, 2012

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	71,795	71,795
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>71,795</u>	<u>71,795</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>71,795</u>	<u>71,795</u>
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	-	-	-	-
Transfers in (out)	-	-	(215,298)	(215,298)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(215,298)</u>	<u>(215,298)</u>
<i>Net change in fund balances</i>	-	-	(143,503)	(143,503)
<i>Fund balances - beginning of year</i>	-	-	153,423	153,423
<i>Fund balances - restatement</i>	-	-	(9,920)	(9,920)
<i>Fund balances - beginning as restated</i>	<u>-</u>	<u>-</u>	<u>143,503</u>	<u>143,503</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (143,503)
Adjustments to revenues for federal direct grants				(71,795)
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ (215,298)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-31

Belen Consolidated School District No. 2  
 Education Jobs Fund 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, 2012

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	12,893	362,781	349,888
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>362,781</u>	<u>349,888</u>
<i>Expenditures</i>				
Current				
Instruction	-	12,893	-	12,893
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>-</u>	<u>12,893</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>362,781</u>	<u>362,781</u>
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	-	-	-	-
Transfers in (out)	-	-	(113,698)	(113,698)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(113,698)</u>	<u>(113,698)</u>
<i>Net change in fund balances</i>	-	-	249,083	249,083
<i>Fund balances - beginning of year</i>	-	-	(249,083)	(249,083)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 249,083
Adjustments to revenues for federal direct grants				(349,888)
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ (100,805)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-32

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, 2012

	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>	-	-	2,465	2,465
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,465</u>	<u>\$ 2,465</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ -
No adjustments to revenues				-
Adjustments to expenditures for reversion to other governments				-
<i>Net change 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-33

Belen Consolidated School District No. 2  
 Dual Credit Instructional Materials/ HB2 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, 2012

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	5,271	5,271	-	(5,271)
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>5,271</u>	<u>5,271</u>	<u>-</u>	<u>(5,271)</u>
<i>Expenditures</i>				
Current				
Instruction	5,271	5,271	5,271	-
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>5,271</u>	<u>5,271</u>	<u>5,271</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(5,271)</u>	<u>(5,271)</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>	-	-	(5,271)	(5,271)
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,271)</u>	<u>\$ (5,271)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (5,271)
Adjustments to revenues for state flowthrough grant				5,271
No adjustments to expenditures				-
<i>Net change 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-34

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, 2012

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	13,006	-	-	-
Federal direct	-	13,006	1,507	(11,499)
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>13,006</u>	<u>13,006</u>	<u>1,507</u>	<u>(11,499)</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services	26,012	26,012	9,918	16,094
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>26,012</u>	<u>26,012</u>	<u>9,918</u>	<u>16,094</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(13,006)</u>	<u>(13,006)</u>	<u>(8,411)</u>	<u>4,595</u>
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	13,006	13,006	-	(13,006)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>13,006</u>	<u>13,006</u>	<u>-</u>	<u>(13,006)</u>
<i>Net change in fund balances</i>	-	-	(8,411)	(8,411)
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8,411)</u>	<u>\$ (8,411)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (8,411)
Adjustments to revenues for state flowthrough grant				6,903
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ (1,508)</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-35

Belen Consolidated School District No. 2  
 2010 GO Bond Public School Acquisition 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, 2012

	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	26,084	26,084	-	(26,084)
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	26,084	26,084	-	(26,084)
<i>Expenditures</i>				
Current				
Instruction	26,084	26,084	12,979	13,105
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>	26,084	26,084	12,979	13,105
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(12,979)	(12,979)
<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>	-	-	(12,979)	(12,979)
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (12,979)	\$ (12,979)
<i>Net change in fund balances (Budget Basis)</i>				\$ (12,979)
Adjustments to revenues for state flowthrough grant				12,979
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				\$ -

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-36

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, 2012

	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>	<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>	-	-	1,314	1,314
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,314</u>	<u>\$ 1,314</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ -
Adjustments to revenues for transfers in				791
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ 791</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  
 Truancy Prevention/ Intervention 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, 2012

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	235	235
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	235	235
<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>	-	-	235	235
<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>	-	-	235	235
<i>Fund balances - beginning of year</i>	-	-	(847)	(847)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (612)	\$ (612)
<i>Net change in fund balances (Budget Basis)</i>				\$ 235
Adjustments to revenues for state flowthrough grant				377
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				\$ 612

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-38

Belen Consolidated School District No. 2  
 Truancy Initiative 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, 2012

	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>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<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 change 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-39

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, 2012

	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>	-	-	6,629	6,629
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,629</u>	<u>\$ 6,629</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change 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  
 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, 2012

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	46,499	46,499	18,531	(27,968)
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	46,499	46,499	18,531	(27,968)
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	46,499	46,499	20,467	26,032
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	46,499	46,499	20,467	26,032
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(1,936)	(1,936)
<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>	-	-	(1,936)	(1,936)
<i>Fund balances - beginning of year</i>	-	-	64,603	64,603
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 62,667	\$ 62,667
<i>Net change in fund balances (Budget Basis)</i>				\$ (1,936)
Adjustments to revenues for state flowthrough grant				1,936
No adjustments to expenditures				-
<i>Net change 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  
 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, 2012

	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>	<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>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<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 change 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-42

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, 2012

	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>	<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>	-	-	6,452	6,452
<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>				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change 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-43

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, 2012

	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	-	171,296	114,760	(56,536)
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>171,296</u>	<u>114,760</u>	<u>(56,536)</u>
<i>Expenditures</i>				
Current				
Instruction	-	171,296	131,211	40,085
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>171,296</u>	<u>131,211</u>	<u>40,085</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(16,451)</u>	<u>(16,451)</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>	-	-	(16,451)	(16,451)
<i>Fund balances - beginning of year</i>	-	-	(39,342)	(39,342)
<i>Fund balances - restatement</i>	-	-	6,053	6,053
<i>Fund balances - beginning as restated</i>	<u>-</u>	<u>-</u>	<u>(33,289)</u>	<u>(33,289)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (49,740)</u>	<u>\$ (49,740)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (16,451)
Adjustments to revenues for state direct grants				16,451
No adjustments to expenditures				-
<i>Net change 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-44

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, 2012

	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>	<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>	-	-	(1,528)	(1,528)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,528)</u>	<u>\$ (1,528)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change 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-45

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, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	22,041	22,041
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>22,041</u>	<u>22,041</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>22,041</u>	<u>22,041</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>	-	-	22,041	22,041
<i>Fund balances - beginning of year</i>	-	-	170,907	170,907
<i>Fund balances - restatement</i>	-	-	3,617	3,617
<i>Fund balances - beginning as restated</i>	-	-	174,524	174,524
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 196,565</u>	<u>\$ 196,565</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 22,041
Adjustments to revenues for state flowthrough grants				(22,041)
No adjustments to expenditures				-
<i>Net change 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-46

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, 2012

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		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	-	-	991	991
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	991	991
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	25,000	25,000	-	25,000
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	3,697,940	3,697,940	2,584,595	1,113,345
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	3,722,940	3,722,940	2,584,595	1,138,345
<i>Excess (deficiency) of revenues over expenditures</i>	(3,722,940)	(3,722,940)	(2,583,604)	1,139,336
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	3,722,940	3,722,940	-	(3,722,940)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	3,722,940	3,722,940	-	(3,722,940)
<i>Net change in fund balances</i>	-	-	(2,583,604)	(2,583,604)
<i>Fund balances - beginning of year</i>	-	-	3,822,665	3,822,665
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 1,239,061	\$ 1,239,061
<i>Net change in fund balances (Budget Basis)</i>				\$ (2,583,604)
No adjustments to revenues				-
Adjustments to expenditures for services, contract services, and construction services				(178,335)
<i>Net change in fund balances (GAAP Basis)</i>				\$ (2,761,939)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-47

Belen Consolidated School District No. 2  
 Public School 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, 2012

	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 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>	-	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ -
Adjustments to revenues for PSFA monies received				55,904
Adjustments to expenditures for capital projects				(55,904)
<i>Net change 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-48

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, 2012

	Budgeted Amounts		Actual	Variations
	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 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>	-	-	2,675	2,675
<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>				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change 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-49

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, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	47,224	47,224	47,224	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>47,224</u>	<u>47,224</u>	<u>47,224</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	47,224	47,224	47,224	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>47,224</u>	<u>47,224</u>	<u>47,224</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>	-	-	(2,500)	(2,500)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,500)</u>	<u>\$ (2,500)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change 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-50

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, 2012

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ 1,034,419	\$ 1,034,419	\$ 1,052,894	\$ 18,475
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	132,072	132,072	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	521	521
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,034,419</u>	<u>1,166,491</u>	<u>1,185,487</u>	<u>18,996</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services	7,000	7,000	10,447	(3,447)
Central services	3,000	3,000	59,530	(56,530)
Operation and maintenance of plant	2,225,000	2,225,000	827,084	1,397,916
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	155,000	287,072	327,789	(40,717)
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,390,000</u>	<u>2,522,072</u>	<u>1,224,850</u>	<u>1,297,222</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,355,581)</u>	<u>(1,355,581)</u>	<u>(39,363)</u>	<u>1,316,218</u>
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	1,355,581	1,355,581	-	(1,355,581)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,355,581</u>	<u>1,355,581</u>	<u>-</u>	<u>(1,355,581)</u>
<i>Net change in fund balances</i>	-	-	(39,363)	(39,363)
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,295,504</u>	<u>1,295,504</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,256,141</u>	<u>\$ 1,256,141</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (39,363)
Adjustments to revenues for capital outlay				1,641
Adjustments to expenditures for capital outlay				<u>(90,104)</u>
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ (127,826)</u>

The accompanying notes are an integral part of these financial statements

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## STATE OF NEW MEXICO

Statement B-51

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, 2012

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ 3,515,366	\$ 3,515,366	\$ 4,046,364	\$ 530,998
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	970	970
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>3,515,366</u>	<u>3,515,366</u>	<u>4,047,334</u>	<u>531,968</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services	35,153	35,153	40,632	(5,479)
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	6,130,213	6,130,213	2,650,000	3,480,213
Interest	865,366	865,366	865,366	-
<i>Total expenditures</i>	<u>7,030,732</u>	<u>7,030,732</u>	<u>3,555,998</u>	<u>3,474,734</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(3,515,366)</u>	<u>(3,515,366)</u>	<u>491,336</u>	<u>4,006,702</u>
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	3,515,366	3,515,366	-	(3,515,366)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>3,515,366</u>	<u>3,515,366</u>	<u>-</u>	<u>(3,515,366)</u>
<i>Net change in fund balances</i>	-	-	491,336	491,336
<i>Fund balances - beginning of year</i>	-	-	4,498,232	4,498,232
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,989,568</u>	<u>\$ 4,989,568</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 491,336
Adjustments to revenues for property tax revenues				1,116
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ 492,452</u>

The accompanying notes are an integral part of these financial statements

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**GENERAL FUND**

**STATE OF NEW MEXICO**  
 Belen Consolidated School District No. 2  
 Combining Balance Sheet  
 General Fund  
 June 30, 2012

Statement D-1

	Operational Fund	Transportation Fund	Instructional Materials Fund	Total
<i>Assets</i>				
Cash and cash equivalents	\$ 3,459,673	\$ 102,129	\$ -	\$ 3,561,802
Property taxes receivable	57,259	-	-	57,259
Due from other governments	4,335	-	-	4,335
Inventory	92,753	-	-	92,753
Due from other funds	1,557,419	-	149,445	1,706,864
<i>Total assets</i>	<u>\$ 5,171,439</u>	<u>\$ 102,129</u>	<u>\$ 149,445</u>	<u>\$ 5,423,013</u>
<i>Liabilities and fund balances</i>				
<i>Liabilities</i>				
Accounts payable	\$ 278,462	\$ 586	\$ 4,189	\$ 283,237
Accrued payroll	459,705	45,708	-	505,413
Deferred revenue	52,724	-	-	52,724
Due to other funds	119,625	44,056	220,008	383,689
<i>Total liabilities</i>	910,516	90,350	224,197	1,225,063
<i>Fund balances</i>				
<i>Nonspendable</i>				
Inventory	92,753	-	-	92,753
<i>Spendable</i>				
Committed for:				
Subsequent year expenditures	997,034	-	-	997,034
Unassigned	3,171,136	11,779	(74,752)	3,108,163
<i>Total fund balances</i>	4,260,923	11,779	(74,752)	4,197,950
<i>Total liabilities and fund balances</i>	<u>\$ 5,171,439</u>	<u>\$ 102,129</u>	<u>\$ 149,445</u>	<u>\$ 5,423,013</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, 2012

Statement D-2

	Operational Fund	Transportation Fund	Instructional Materials Fund	Total
<i>Revenues</i>				
Property taxes	\$ 172,593	\$ -	\$ -	\$ 172,593
Federal flowthrough	150,398	-	-	150,398
Federal direct	66,147	-	-	66,147
State flowthrough	-	-	192,407	192,407
State direct	30,360,634	13,870	-	30,374,504
Transportation distribution	-	1,288,765	-	1,288,765
Charges for services	72,761	-	-	72,761
Investment income	1,516	-	-	1,516
Miscellaneous	79,570	-	-	79,570
<i>Total revenues</i>	<u>30,903,619</u>	<u>1,302,635</u>	<u>192,407</u>	<u>32,398,661</u>
<i>Expenditures</i>				
Current				
Instruction	17,181,438	-	137,056	17,318,494
Support services	6,430,092	-	-	6,430,092
Central services	1,415,233	-	-	1,415,233
Operation and maintenance of plant	5,223,869	-	-	5,223,869
Student transportation	152,974	1,299,794	-	1,452,768
Food services operations	36,477	-	-	36,477
Community services operations	77,462	-	-	77,462
<i>Total expenditures</i>	<u>30,517,545</u>	<u>1,299,794</u>	<u>137,056</u>	<u>31,954,395</u>
Transfers in (out)	280,547	-	-	280,547
<i>Total other financing sources (uses)</i>	<u>280,547</u>	<u>-</u>	<u>-</u>	<u>280,547</u>
<i>Net change in fund balances</i>	<u>666,621</u>	<u>2,841</u>	<u>55,351</u>	<u>724,813</u>
<i>Fund balances - beginning</i>	3,741,061	8,938	(130,336)	3,619,663
<i>Fund balances - restatement</i>	(146,759)	-	233	(146,526)
<i>Fund balances - as restated</i>	3,594,302	8,938	(130,103)	3,473,137
<i>Fund balances - ending</i>	<u>\$ 4,260,923</u>	<u>\$ 11,779</u>	<u>\$ (74,752)</u>	<u>\$ 4,197,950</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement D-3

Belen Consolidated School District No. 2

Operational Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final		(Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ 171,641	\$ 171,641
Federal flowthrough	203,562	203,562	500,286	296,724
Federal direct	-	-	63,785	63,785
Local grants	-	-	-	-
State flowthrough	75,000	75,000	27,184	(47,816)
State direct	30,235,937	30,345,186	30,360,634	15,448
Combined state/local	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	207,984	207,984	70,897	(137,087)
Investment income	-	-	1,516	1,516
Miscellaneous	5,000	5,000	125,075	120,075
<i>Total revenues</i>	<u>30,727,483</u>	<u>30,836,732</u>	<u>31,321,018</u>	<u>484,286</u>
<i>Expenditures</i>				
Current				
Instruction	18,825,115	18,825,115	17,338,481	1,486,634
Support services	7,187,447	7,296,696	6,585,246	711,450
Central services	1,211,089	1,211,139	1,418,981	(207,842)
Operation and maintenance of plant	4,364,073	4,364,023	5,122,662	(758,639)
Student transportation	79,731	79,731	152,974	(73,243)
Food services operations	-	-	36,477	(36,477)
Community services operations	57,062	57,062	77,462	(20,400)
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>31,724,517</u>	<u>31,833,766</u>	<u>30,732,283</u>	<u>1,101,483</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(997,034)</u>	<u>(997,034)</u>	<u>588,735</u>	<u>1,585,769</u>
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	997,034	997,034	-	(997,034)
Transfers in (out)	-	-	280,547	280,547
<i>Total other financing sources (uses)</i>	<u>997,034</u>	<u>997,034</u>	<u>280,547</u>	<u>(716,487)</u>
<i>Net change in fund balances</i>	-	-	869,282	869,282
<i>Fund balances - beginning of year</i>	-	-	4,174,944	4,174,944
<i>Fund balances - restatement</i>	-	-	(146,759)	(146,759)
<i>Fund balances - beginning as restated</i>	-	-	4,028,185	4,028,185
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,897,467</u>	<u>\$ 4,897,467</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 869,282
Adjustments to revenues for operating grants				(417,399)
Adjustments to expenditures for payroll, health and medical premium, and other charges				214,738
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ 666,621</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, 2012

	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	-	13,870	13,870	-
Combined state/local	-	-	-	-
Transportation distribution	1,367,577	1,288,765	1,288,765	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,367,577</u>	<u>1,302,635</u>	<u>1,302,635</u>	<u>-</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	1,359,431	1,302,635	1,256,926	45,709
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,359,431</u>	<u>1,302,635</u>	<u>1,256,926</u>	<u>45,709</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>8,146</u>	<u>-</u>	<u>45,709</u>	<u>45,709</u>
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	(8,146)	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(8,146)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	45,709	45,709
<i>Fund balances - beginning of year</i>	-	-	12,364	12,364
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,073</u>	<u>\$ 58,073</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 45,709
No adjustments to revenues				-
Adjustments to expenditures for payroll, supply maintenance, and transportation expenditures				(42,868)
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ 2,841</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, 2012

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	166,489	166,489	192,407	25,918
State direct	-	-	-	-
Combined state/local	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>166,489</u>	<u>166,489</u>	<u>192,407</u>	<u>25,918</u>
<i>Expenditures</i>				
Current				
Instruction	166,489	166,489	132,867	33,622
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>166,489</u>	<u>166,489</u>	<u>132,867</u>	<u>33,622</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>59,540</u>	<u>59,540</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>	-	-	59,540	59,540
<i>Fund balances - beginning of year</i>	-	-	(130,336)	(130,336)
<i>Fund balances - restatement</i>	-	-	233	233
<i>Fund balances - beginning as restated</i>	-	-	(130,103)	
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (70,563)</u>	<u>\$ (70,563)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 59,540
No adjustments to revenues				-
Adjustments to expenditures for instructional materials and library and visual expenditures				(4,189)
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ 55,351</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, 2012

Schedule I

	Balance June 30, 2011	Additions	Deletions	Balance June 30, 2012
Belen High School	\$ 327,794	\$ 170,263	\$ 286,619	\$ 211,438
Belen Middle School	48,015	57,435	53,153	52,297
Central Elementary	19,619	14,952	20,701	13,870
Dennis Chavez Elementary	2,901	25,253	21,537	6,617
Gil Sanchez Elementary	8,030	22,537	21,566	9,001
Jaramillo Elementary	15,508	62,978	65,260	13,226
La Merced Elementary	11,077	37,270	43,761	4,586
La Promesa Elementary	13,115	13,971	12,446	14,640
Rio Grande Middle School	6,740	22,506	23,505	5,741
Infinity High School	1,544	6,786	6,966	1,364
Logsdan Middle School	1,019	4,304	850	4,473
Family School	897	504	427	974
Administration	27,522	30,069	13,204	44,387
<b>Total</b>	<b>\$ 483,781</b>	<b>\$ 468,828</b>	<b>\$ 569,995</b>	<b>\$ 382,614</b>
Add: Outstanding Deposits				314
<b>Total fiduciary fund cash</b>				<b>\$ 382,928</b>

See independent auditors' report

**STATE OF NEW MEXICO**  
 Belen Consolidated School District No. 2  
 Schedule of Collateral Pledged By Depository  
 for Public Funds  
 June 30, 2012

Schedule II

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value June 30, 2012
<b>US Bank</b>				
	FNMA POOL 890193	8/1/2025	31410K7E8	\$ 1,721,286
	GNMA REMIC 2010-76 CH	6/20/2037	38377GJ67	<u>7,830,595</u>
	Total US Bank			<u>9,551,881</u>
Name and location of safekeeper for above pledged collateral: Federal Home Loan Bank of Dallas, 5606 N. MacArthur Blvd., Dallas, TX				
<b>Wells Fargo Bank (Repurchase Agreement)</b>				
	FHG-3Q05598	1/1/2042	3132GL3F9	2,358,956
	FN-30AK1754	1/1/2042	3138E55Q7	<u>52,376</u>
	Total Wells Fargo Bank			<u>2,411,332</u>
Name and location of safekeeper for above pledged collateral: Wells Fargo Bank, 420 Montgomery, 11th Floor, San Francisco, CA				
	Total			<u>\$ 11,963,213</u>

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**STATE OF NEW MEXICO**  
 Belen Consolidated School District No. 2  
 Schedule of Deposits  
 June 30, 2012

Schedule III

Bank Name/Account Name	Account Type	Bank Balance	Deposits in Transit	Outstanding Checks	Book Balance
<b>US Bank</b>					
Debt Service	Checking	\$ 4,338,141	\$ -	\$ -	\$ 4,338,141
Federal Grants	Checking	1,123,308	3,705	500,000	627,013
Student Nutrition	Checking	886,604	37	-	886,641
Athletic Activity	Checking	21,092	1,552	-	22,644
Activities	Checking	381,879	314	-	382,193
Capital Projects	Checking	1,246,576	991	-	1,247,567
Capital Improvement	Checking	1,313,546	521	-	1,314,067
Total US Bank		9,311,146	7,120	500,000	8,818,266
<b>Wells Fargo Bank</b>					
Ops/Tran/Instr/State Grants	Checking	800,000	501,881	-	1,301,881
Ops/Tran/Instr/State Grants	Repurchase	2,364,051	-	-	2,364,051
Deferred Sick Leave	Checking	48,620	-	-	48,620
Accounts Payable Clearing	Checking	67,164	-	96,495	(29,331)
Payroll Clearing	Checking	1,805,724	-	1,180,998	624,726
Total Wells Fargo Bank		5,085,559	501,881	1,277,493	4,309,947
Unreconciled difference in cash		-	-	-	(1,540)
Petty Cash		-	-	-	175
Total		<u>\$ 14,396,705</u>	<u>\$ 509,001</u>	<u>\$ 1,777,493</u>	<u>\$ 13,126,848</u>
<b>Cash per financial statements</b>					
Cash and cash equivalents- Governmental Activities Exhibit A-1				\$ 8,405,779	
Restricted cash and cash equivalents- Governmental Activities Exhibit A-1				4,338,141	
Fiduciary funds - Exhibit D-1				382,928	
Total cash and cash equivalents					<u>\$ 13,126,848</u>

See independent auditors' report

**STATE OF NEW MEXICO**  
 Belen Consolidated School District No. 2  
 Cash Reconciliation  
 For the Year Ended June 30, 2012

	Operational 11000	Transportation 13000	Instructional Materials 14000	Food Services 21000
Cash, June 30, 2011	\$ 3,020,960	\$ 12,364	\$ -	\$ 884,700
Add:				
2011-2012 revenues	31,321,018	1,302,635	192,407	2,462,962
Repayment of loans	528,718	-	-	-
Loans from other funds	-	44,056	89,672	3,336
Bond proceeds	-	-	-	-
Total cash available	<u>34,870,696</u>	<u>1,359,055</u>	<u>282,079</u>	<u>3,350,998</u>
Less:				
2011-2012 expenditures	30,517,669	1,302,634	132,867	2,464,182
Repayment of loans	894,652	-	-	-
Loans to other funds	-	-	149,445	-
Plus:				
Restatement of cash	(146,759)	-	233	-
Held checks	148,057	45,708	-	45,838
Cash, June 30, 2012	<u>\$ 3,459,673</u>	<u>\$ 102,129</u>	<u>\$ -</u>	<u>\$ 932,654</u>

See independent auditors' report



Athletics 22000	Federal Flowthrough 24000	Federal Direct 25000	Local Grants 26000	State Flowthrough 27000
\$ 47,565	\$ 10,323	\$ 507,052	\$ 2,465	\$ 92,284
202,956	3,970,841	755,720	-	20,273
-	-	973,215	-	-
10,122	497,222	-	-	26,426
-	-	-	-	-
<u>260,643</u>	<u>4,478,386</u>	<u>2,235,987</u>	<u>2,465</u>	<u>138,983</u>
238,173	4,059,909	820,671	-	48,635
-	-	627,225	-	-
-	41,492	34,289	-	-
-	(199,631)	(9,204)	-	-
-	58,536	11,440	-	-
<u>\$ 22,470</u>	<u>\$ 235,890</u>	<u>\$ 753,802</u>	<u>\$ 2,465</u>	<u>\$ 90,348</u>

**STATE OF NEW MEXICO**  
 Belen Consolidated School District No. 2  
 Cash Reconciliation  
 For the Year Ended June 30, 2012

	State Direct 28000	Local/State 29000	Bond Building 31100	Special Capital Outlay-Local 31300
Cash, June 30, 2011	\$ -	\$ 170,907	\$ 3,822,665	\$ 2,675
Add:				
2011-2012 revenues	114,760	22,041	991	-
Repayment of loans	-	-	-	-
Loans from other funds	10,398	-	-	-
Bond proceeds	-	-	-	-
Total cash available	<u>125,158</u>	<u>192,948</u>	<u>3,823,656</u>	<u>2,675</u>
Less:				
2011-2012 expenditures	131,211	-	2,584,595	-
Repayment of loans	-	-	-	-
Loans to other funds	-	-	2,167	2,675
Plus:				
Restatement of cash	6,053	3,617	-	-
Held checks	-	-	-	-
Cash, June 30, 2012	<u>\$ -</u>	<u>\$ 196,565</u>	<u>\$ 1,236,894</u>	<u>\$ -</u>

See independent auditors' report

Special Capital Outlay State 31400	Capital Improvements SB-9 31700	Debt Service 41000	Deferred Sick Leave 42000	Total
\$ 23,216	\$ 1,295,504	\$ 4,498,232	\$ 10,943	\$ 14,401,855
-	1,185,487	4,047,334	-	45,599,425
-	-	-	-	1,501,933
-	57,456	-	96,171	834,859
-	-	-	-	-
<u>23,216</u>	<u>2,538,447</u>	<u>8,545,566</u>	<u>107,114</u>	<u>62,338,072</u>
-	1,224,850	3,555,998	58,494	47,139,888
-	-	-	-	1,521,877
<u>12,544</u>	<u>-</u>	<u>651,427</u>	<u>-</u>	<u>894,039</u>
-	-	-	-	(345,691)
-	-	-	-	309,579
<u>\$ 10,672</u>	<u>\$ 1,313,597</u>	<u>\$ 4,338,141</u>	<u>\$ 48,620</u>	<u>\$ 12,743,920</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 have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information and the budgetary comparisons for the general fund and the major special revenue fund, of Belen Consolidated School District No.2 (District), as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents and have issued our report thereon dated April 19, 2013. We also have audited 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 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, 2012 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**

Management of the District is responsible for establishing and maintaining effective 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 was not designed to 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, and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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, 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 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, FS 10-09, and FS 12-01.

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 are described in the accompanying schedule of findings and questioned costs as findings FS 10-03 and FS 11-01.

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  
April 19, 2013

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**FEDERAL FINANCIAL ASSISTANCE**



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

**INDEPENDENT AUDITORS' 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, New Mexico (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, 2012. 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.

As described in items FA 11-03, FA 10-04, FA 10-05, and FA 11-05, 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 all major programs. Compliance with such requirements is necessary, in our opinion, for the District, to comply with the requirements applicable to those programs.

In our opinion, except for the noncompliance described in the preceding paragraph, 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, 2012.

## 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 the 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 over compliance described in the accompanying schedule of findings and questioned costs as items FA 10-04, FA 10-05, and FA 11-05 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 over compliance described in the accompanying schedule of findings and questioned costs as items FA 10-01, FA 10-03, FA 10-06, FS 11-01, and FS 12-01 to be significant deficiencies.

The District'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*

Accounting & Consulting Group, LLP  
Albuquerque, New Mexico  
April 19, 2013

**STATE OF NEW MEXICO**  
 Belen Consolidated School District No. 2  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended June 30, 2012

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) \$	1,381,480
Individuals With Disabilities Act - Entitlement	24106	84.027 * (2)	1,130,661
Individuals With Disabilities Act - Preschool	24109	84.173 * (2)	1,303
Education of Homeless	24113	84.196O	15,708
Individuals With Disabilities Act- Risk Pool	24120	84.027 * (2)	13,126
Title III-A English Language Acquisition	24153	84.365A	28,989
Improving Teacher Quality	24154	84.367A * (4)	340,804
Reading First	24167	84.357A	12,138
Carl Perkins Secondary - Current Year	24174	84.048O	36,587
Carl D. Perkins Secondary Redistribution	24176	84.048O	5,471
Title I - IASA - Federal Stimulus- ARRA	24201	84.389 * (1)	58,485
Individuals With Disabilities Act - Entitlement - ARRA	24206	84.391 * (2)	832,392
Individuals With Disabilities Act - Federal Stimulus - ARRA	24209	84.392 * (2)	46,121
Title I School Improvement - Federal Stimulus- ARRA	24262	84.010 * (1)	<u>114,142</u>
<i>Flowthrough Children, Youth and Families Department</i>			
Title IV Drug-free Schools	24157	84.186	<u>205</u>
<i>Direct U.S. Department of Education</i>			
Child CareBlock GrantCYFD	25157	93.575	<u>368</u>
Total U.S. Department of Education			<u>4,017,980</u>
<u>Department of Health and Human Services</u>			
<i>Flowthrough from NM Department of Health</i>			
NM Grads/Childcare	25149	93.590	3,000
Child Care Block Grant CYFD	25157	93.037	368
NM Grads	25162	93.558O	<u>18,716</u>
Total Department of Health and Human Services			<u>22,084</u>

See 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, 2012

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	136,139
<i>Direct programs</i>			
Forest Reserve - General Fund	11000	10.665	3,534
Federal Direct- Indirect Costs	11000	10.672	27,042
Nutrition Program			
Food Distribution	21000	10.550 * (3)	157,399
National School Breakfast	21000	10.553 * (3)	743,131
National School Lunch Act	21000	10.555 * (3)	2,074,277
Fresh Fruits and Vegetables USDA	24118	10.582	136,317
Total Department of Agriculture			<u>3,277,839</u>
Total Expenditures of Federal Awards			<u>\$ 7,317,903</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, 2012 was \$157,399 and is reported in the Schedule of Expenditures of Federal Awards under the Department of Agriculture Commodities program, CFDA number 10.550.

See 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, 2012

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

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 7,317,903
Total expenditures funded by other sources	<u>40,115,209</u>
Total expenditures	<u><u>\$ 47,433,112</u></u>

See independent auditors' report

**STATE OF NEW MEXICO**  
 Belen Consolidated School District No. 2  
 Schedule of Findings and Questioned Costs  
 For the Year Ended June 30, 2012

**A. SUMMARY OF AUDIT RESULTS**

*Financial Statements:*

- |  |             |
|--|-------------|
| 1. Type of auditors' report issued   | Unqualified |
| 2. Internal control over financial reporting:                                    |             |
| a. Material weaknesses identified?   | Yes         |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes         |
| c. Noncompliance material to the 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   | Qualified |
| 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
84.010 and 84.389 10.550, 10.553, and 10.555	Title I Program Child Nutrition Cluster
84.027, 84.173, 84.391, and 84.392 84.367A	IDEA B Program Improving Teacher Quality

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

**B. FINDINGS-FINANCIAL STATEMENT AUDIT**

**FS 07-03 — Inventory Discrepancies – Significant Deficiency**

*Condition:* During our inventory procedures we noted the following:

- Due to the timing of the audit, student nutrition inventory count procedures could not be performed. Consequently, the District was not able to provide evidence that a corrective action plan or internal controls are in place and working to prevent, detect or correct inventory discrepancies.
- During the inventory count of warehouse inventory, 2 out of 16 items observed did not reconcile back to the listing provided by the District. These discrepancies totaled \$253.

*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:* Due to the lack of an automated inventory tracking system for student nutrition warehouse inventory and the timing of the audit procedures, the District was not able to reconcile movement of inventory to the June 30, 2012 account balances. Also, due to oversights by management, there were 2 items found that were not tracked properly.

*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. Also, we would recommend the District incorporate the same inventory tracking system that they use for the warehouse inventory for their student nutrition inventory.

*Management’s Response:* As indicated above due to the timing of the audits in past and current one, the end of fiscal year there was a change in the supervisor of those departments and although an inventory was taken the auditors were not able to verify actual on hand at June 30th since they were not on site. The District is will ensure that the new supervisor of those departments provide our auditors with the accurate inventories, and they match our accounting system records. The District is going to be putting all inventory on our Visions Enterprise G/L Software.



**STATE OF NEW MEXICO**  
Belen Consolidated School District No. 2  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2012

Schedule VI

**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 2012:

2008 GO Bond Student Library Special Revenue Fund	\$	13,006
---	----	--------

*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:* Due to the timing of audits in past being late, the District was not able to prepare a budget adjustment for this item. Now the district has the actual cash reconciliations the business office staff will ensure that all budgets reflect accurate adjustments due to cash fluctuations. All budget adjustments are presented to our Board finance committee and Board of Education for review and approval.

**STATE OF NEW MEXICO**  
Belen Consolidated School District No. 2  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2012

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. 115, 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 affect 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:* The District will ensure that training in the above areas will be pursued in the future. The finance director has had some of the above training but will include other staff involved in financial statement preparation and maintenance. Again due to the back log of our audit's the staff was not able to have the time to accomplish these trainings. Now we will make sure trainings will be a priority, and will report those trainings to our Board finance committee, and Board audit committee.

**B. FINDINGS-FINANCIAL STATEMENT AUDIT (continued)**

**FS 08-02 — Internal Controls – Lack of Segregation of Duties and internal controls (Receipts and Disbursements Cycle) – Material Weakness (Repeat/Modified)**

*Condition:* During our walkthrough of the receipts and disbursements transaction cycles we observed the following:

- A lack of segregation of duties during the first part of the year. It was observed that internal controls were not properly working and employees were allowed to perform all duties during the receipting and disbursements cycles.
- 3 out of 5 receipts tested were missing supporting documentation to support the deposit. The amount of these 3 checks totaled \$422.
- In 1 out of 5 receipts tested, the receipt was improperly posted to the incorrect fund. The deposit was for \$15,323.71.

*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 cycles. 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 prior 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 for the first part of the year.

*Auditors' Recommendation:* We suggest that the District's management ensure that the system of checks and balances that was implemented in prior years is working properly.

*Management's Response:* As stated above there was staff turnover in those areas. The district had to let some staff go, and other staff had to pick up the duties temporarily until those positions were filled, this was at the beginning of the fiscal year, end of last fiscal year. Currently the District has staff that are not performing all duties with receipting and disbursements. The accounting manager and finance director review and approve all transactions that staff produce and post in our G/L system.

**STATE OF NEW MEXICO**  
Belen Consolidated School District No. 2  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2012

Schedule VI

**B. FINDINGS-FINANCIAL STATEMENT AUDIT (continued)**

**FS 09-01 — Accrued Compensated Absences – Significant Deficiency**

*Condition:* During accrued compensation testwork, we found that for 5 out of the 5 employees eligible for vacation time and tested 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. Also, employees with less than 10 years can earn up to 12 days at a rate of .50 days per pay period for a 24 pay period. 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, and employees with less than ten years are earning 13 days per year.
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 the numbers from the system. Hand keying the numbers instead of using the system numbers 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:* The District is in the process of updating our policy in this area so it will be congruent with our pay periods. The Board of Education is aware of this issue and management will be working with the Board Policy Committee to revise this area and resolve this finding.

**STATE OF NEW MEXICO**  
Belen Consolidated School District No. 2  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2012

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 during the fiscal year.
- The District incorrectly omitted 1 asset from their capital asset listing and improperly included them as repairs and maintenance in the amount of \$22,290.
- Construction in progress was completely left off of the Districts capital asset listing, and the District had to manually supply the auditors with construction in progress several months after year end due to not timely tracking the progress. The total construction in progress at year end totaled \$1,808,715.

*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, which may result in a material misstatement on the government wide financial statement.

*Cause:* The District did not properly maintain, track, and record capital assets throughout the fiscal year and had to go back to reconcile capital assets after year end.

*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:* Although the other capital assets were properly accounted for and tracked, in our changes in staff in the warehouse and facility area we did not list on our original list the construction in progress even though we had a separate list of these items. The asset coded to repairs and maintenance was due to staff not aware of the difference in the chart of accounts when work and equipment are on one PO for the same vendor. The finance director will work and train staff to separate these out in the future and ensure all assets are reported on our fixed assets listing at year end.

**STATE OF NEW MEXICO**  
Belen Consolidated School District No. 2  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2012

Schedule VI

**B. FINDINGS-FINANCIAL STATEMENT AUDIT (continued)**

**FS 09-04 — Interfund Activity – Material Weakness**

*Condition:* The interfund balances of the District were not tracked throughout the last three years to ensure proper account balances.

*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 was 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 District not having reconciled bank accounts in prior years, and the District having incorrect revenue and expenditure postings in prior years, management was unable 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 processes to ensure interfund balances are correctly accounted for.

*Management’s Response:* The District went back and worked with the “due to and due from” items from prior years to verify what has been remedied and what was still outstanding. The finance director worked with the consultant to rectify this and as a result we feel that this has been resolved at year end.

**STATE OF NEW MEXICO**  
Belen Consolidated School District No. 2  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2012

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 that the District has insufficient internal controls to properly identify and assess fraud risks.
- During our audit procedures, we noted that the District has insufficient internal controls to properly identify and assess risks related to employee turnover and employee retirements.
- 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 and several checks tested through our the audit procedures did not follow internal control processes.
- 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 when given the initial trial balance.
- During our review of the bank reconciliation, we noted that the District does not have proper internal controls over bank reconciliations and voided checks.
- During our review of cash, we noted that the PED report submitted to the New Mexico Public Education Department was neither correct nor complete.
- The District did not properly provide accurate accounts payable or accounts receivable listing at year end.
- During our review of voided checks the District is not correctly tracking voided checks to ensure all are properly voided and voided checks are supported manually and in the accounting system.
- During audit review and testing procedures performed, we noted several instances of incorrect account coding to expenditure accounts.
- The District did not meet certain debt covenants due to not issuing financial statements in a timely manner.
- The District violated the anti-donation clause of New Mexico by paying employees for 4 days of work before the work was performed.

*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, 2012

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 prior years, the District's internal controls that were implemented in prior years were not implemented or monitored fully during the fiscal year 2012.

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

*Management's Response:* Due to prior year audits being late and the hiring of a new finance director the COSO framework was not adhered to or taught to other staff in these areas. The new finance director will provide training and implement the five elements of COSO. The new finance director has made substantial changes to internal controls to ensure compliance in these areas. We will work with our Board policy committee to create, amend, or delete any policies in these respective areas to ensure compliance.



**STATE OF NEW MEXICO**  
Belen Consolidated School District No. 2  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2012

Schedule VI

**B. FINDINGS-FINANCIAL STATEMENT AUDIT (continued)**

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

*Condition:* During our procedures over non-standard journal entries, we noted the District does not have adequate internal controls over non-standard journal entries entered into its accounting system. We noted 45 non-standard journal entries that did not have the proper documented review to ensure accuracy and reasonability.

*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 proper internal controls and review processes over non-standard journal entries, the risk that fraud, errors, or irregularities going undetected or not being detected in a timely manner is higher. The District may also be at risk for fraudulent activity without a proper internal controls and review process over all non-standard 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 without an adequate approval process.

*Auditors' Recommendation:* 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:* The District will ensure that all non-standard journal entries will have the review of the finance director and / or accounting manager. The journal entries that were noted by the auditor were reviewed by the finance director and were done at year end in trying to reconcile items. Supporting items were available at the time but were not attached as required. This will be more closely monitored and we feel has and will be corrected.

**STATE OF NEW MEXICO**  
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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:

- 2 out of 26 items tested did not have the proper documentation filed to support expenditure. These transactions were for a total cost of \$297.81.
- 1 out of 26 items tested was made before authorization in the amount of \$220.80.
- 1 out of 26 items tested was incorrectly posted to travel and per diem. This item was for clothing and was in the amount of \$229.12
- In 1 out of 26 items tested, the District could not provide support for receipts to support additional meals on the receipt beyond the 3 authorized employees. This travel credit card payment included meal purchases for 5 entrees for \$242.25, 5 entrees for \$204.35, 5 entrees for \$81.01, and 6 entrees for \$77.01 at four different times throughout the travel period.
- In 1 out of 26 items tested, the District paid for a meal in the amount of \$379.59 during employee travel authorized for 5 individuals, however per the itemized receipt there were 7 entrees. The District was never reimbursed for the additional entrees purchased. Also, the amount of the dinner was over the \$45 limit per person for out-of-state travel.
- In 1 out of 26 items tested, the District paid over \$215 per night for hotels without proper approval. The cost of these hotel rooms were \$230.31 per night for 3 individuals.

*Criteria:* NMAC 2.42.2, 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 management oversight, 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 NMAC 2.42.2.

*Management's Response:* The District's management and Board will make sure that review and compliance with all travel and per diem matters are enforced. The items listed above has since been reimbursed, and support documentation attached. The mileage was paid at \$.51 which is allowed by federal regulations per IRS. In future we now have 3 staff that review all travel, and all out of state travel is approved by our Board of Education prior to travel.

**STATE OF NEW MEXICO**  
Belen Consolidated School District No. 2  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2012

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 the following:

- The District did not correctly reconcile their bank accounts throughout the year. These variances resulting in unreconciled cash balance of \$1,540.
- The District supplied several different bank reconciliations that were incorrect throughout the audit.
- The District did not properly track all voided checks during the fiscal year.

*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 materially misstated at year-end as initially provided to the auditors and the true results of financial data were initially incorrect. 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 errors in prior years related to the financial data of the District, the District was catching up with the operating transactions from the prior year and throughout the current year in order to reconcile their bank accounts. The District did not finish until after year end.

*Auditors' Recommendation:* 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. This review should be documented in the form of initialing each reconciliation.

*Management's Response:* The District has made substantial progress in this area. Our prior unrecognized balance was \$432,916 which at this yearend was \$1,540. The District was working with our consultant and finance director to ensure all bank accounts are reconciled and accurate. We are current with all bank reconciliations and our Voided Checks are all accounted for in our system and physically.

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**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 the following:

- 1 out of 5 transactions tested totaling \$84.18 did not have proper authorization before the purchase.

*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:* The finance director has made sure all staff are aware of the importance of the getting the requisition and purchase order prior to making any purchases including credit card purchases. The business office staff currently keeps credit cards in vault and ensures all purchases are documented and approved before issuing payments. We will continue to emphasize this requirement to all staff. Credit Cards are primarily used to travel such as air fare, rooms, and rental cars and in some rare cases vendors that do not take checks or purchase orders.

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**B. FINDINGS-FINANCIAL STATEMENT AUDIT (continued)**

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

*Condition:* The District did not issue its 2012 audit report by November 15, 2012 as required by the Office of the State Auditor. The report was issued on April 30, 2013.

*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. The District is not in compliance with State regulations.

*Cause:* The District was unable to submit the June 30, 2012 audit report on a timely basis due to the District reconciling their bank accounts for the fiscal year 2009-2010 to current at the end of fiscal year 2012. This delay in reconciliation, lead to the District to close out their account records at year end 2012 after the deadline of June 30, 2012.

*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:* Due to the prior year audits being late this caused the 2012 audit to be late as well. The District feels that now that audits are up to date we should have no problems in being timely with our future audits. Our Board of Education has been fully aware of this matter.

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**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:

Food Service Special Revenue Fund		
Capital Outlay	\$	55,821
Education of the Homeless Special Revenue Fund		
Support Services		2,796
IDEA-B “Risk Pool” Special Revenue Fund		
Support Services		132
Deferred Sick Leave Special Revenue Fund		
Support Services		58,494
Entitlement IDEA-B Federal Stimulus Special Revenue Fund		
Support Services		183,144
School Improvements Stimulus Special Revenue Fund		
Instruction		380
Capital Improvements SB-9 Capital Projects Fund		
Capital Outlay		40,717
Debt Service Fund		
Support Services		5,479
Operational Fund (Statement D-3)		
Support Services		328,274
Food Service Operations		36,477
Community Service Operations		20,400
Total Governmental Funds		\$ 732,114

*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 reason for these instances of noncompliance with budget requirements.

*Auditors’ Recommendations:* We recommend that the District monitor its budget closely and prepare budget adjustments as necessary.

*Management’s Response:* The District finance director and Accounting manager review budgets on a monthly basis for accuracy and compliance including over expenditures. These areas were over in functions not in total budgets by fund that were approved by our Board and PED. We feel that this has been remedied and resolved currently.

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**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 initial trial balance was neither complete nor accurate. There were several accounts that contained balances that were missing account totals or accounts that were not rolled from prior year correctly. Also, the closing cycle was not being performed in a timely manner, and was 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:* 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 severely deficient condition of the financial data, several audit procedures could not be performed to obtain reasonable assurance over account balances which can lead to a high risk of not identifying fraudulent, erroneous, or unusual transactions.

*Cause:* Due to the errors in prior years related to the financial data of the District, the District was catching up with the operating transactions from the prior year and throughout the current year in order to reconcile their bank accounts. This process was not completed until after year end which lead to the initial trial balance not having the corrections and also lead to an untimely close out of the general ledger.

*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:* The District concurs with the auditors “Cause” statement. Now that we have the general ledger reconciled with all of our accounts we feel that next year we will have an accurate and complete trial balance at year end. The finance director and accounting manager will report this to our Board finance committee at year end and ensure future compliance since audits of the past are now up to date.

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**B. FINDINGS-FINANCIAL STATEMENT AUDIT (continued)**

**FS 11-01 — Procurement Code – Bids- Other Matter**

*Condition:* During our procurement testwork, we noted the following item:

- In 2 instances out of 5 the bid was not properly accompanied by the Campaign Contribution Disclosure Form.

*Criteria:* According to 2006 New Mexico Statutes Annotated section 13-1-200, effective May 17, 2006, Chapter 81, Laws of 2006 requires any prospective contractor seeking to enter into a contract with any state agency or local public body to file a “Campaign Contribution Disclosure Form” with that state agency or local public body. Additionally, according to Section 13-1-1 to 13-1-199 NMSA 1978 and 2009 State Audit Rule 2.2.2.10 H, regarding the procurement code, in particular Section 13-1-21, application of preferences bids received from resident business shall be awarded to the lowest vendor or the bid nearest to the bid price.

*Effect:* It is not evident whether or not the bidding contractor contributed to a campaign for the District, nor if the winning bid was awarded properly.

*Cause:* The District does not have the appropriate controls in place to verify that all necessary information for the bids is properly completed and that the bids are properly awarded.

*Auditors’ Recommendation:* We recommend that the District implement a system of internal controls in order to verify that bid files are complete and bids are properly awarded.

*Management’s Response:* The District and Finance Director will ensure that all Bid files and documents are complete prior to award of any bid or contract. The Warehouse supervisor did have these documents but were not filed in the proper bid file.



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**B. FINDINGS-FINANCIAL STATEMENT AUDIT (continued)**

**FS 12-01 – Anti – Donation – Noncompliance**

*Condition:* During our audit procedures we noted the District purchased 250 Kindle Fires for the graduating class of 2012. The District posted these expenditures to the General fund. The cost of this purchase was in the amount of \$49,422.50.

*Criteria:* NM Constitution, Article IX, Section 14, states neither the state nor any county, school district, or municipality shall directly or indirectly make any donation to or in aid of any person, association or public or private corporation. A donation for purposes of the anti-donation clause is a gift.

*Effect:* The District had to absorb \$49,422.50 in the General fund for purchases that are considered gifts, which violates NM Constitution, Article IX, Section 14 for anti-donations.

*Cause:* The District purchased these Kindle Fires initially through the GEAR UP fund, however was denied, and had to transfer these expenditures to the General fund. The District did charge the students \$1, however due to the value of the equipment compared to the compensation given by the student, by nature this is considered a gift.

*Auditors' Recommendations:* We recommend that the District review all grant agreements and ensure there are no anti-donation noncompliance before any purchases are made.

*Management's Response:* The District management will make sure that in the future all purchases are in compliance with Federal and State Laws and regulations. The District did charge the students a nominal fee for these items, but this will no longer be allowed.

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**C. FEDERAL AWARD FINDINGS**

**FA 10-01 — Excluded Parties List – Significant Deficiency (Repeated)**

Federal Program Information:

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

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

*Criteria:* 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:* Undeterminable

*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’ Recommendation:* 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 now that audits are current that the Excluded Parties List will be reviewed to ensure compliance with this matter and avoid this issue in future years. The Business Office will be trained and tasked with this matter.

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**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 – Significant Deficiency (Repeated/Modified)**

Federal Program Information:

Funding agency: U.S. Department of Education  
Title: Title I  
Improving Teacher Quality State Grants (Title II)  
CFDA number: 84.010, 84.389  
84.367

*Condition:* One Request for Reimbursement prepared for the Title I program was prepared and reviewed by the same individual. One Request for Reimbursement prepared for the Title II program was prepared and reviewed by the same individual.

*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 financial reports filed with grantors be properly reviewed and approved prior to submittal.

*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 2012 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 and process 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:* The District Finance Director did review the above mentioned reimbursement requests but did not sign the actual RFR. Currently staff prepares the RFR and the Finance Director will review it and submit it on PED OBMS system. The system documents who submitted it and who prepared it. This is in compliance.

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**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 (Repeated)**

Federal Program Information:

Funding agency: U.S. Department of Education and U.S. Department of Agriculture  
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 that mechanisms to identify risks of faulty reporting be established.

*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 2012 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:* The District management will work with our Board policy committee and our Board of Education to update and implement policies area. We do currently have a segregation of duties and processes for good internal controls we need to document these into a current policy.

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**C. FEDERAL AWARD FINDINGS (continued)**

**FA 10-05 — Schedule of Federal Expenditures – Material Weakness (Repeated)**

Federal Program Information:

Funding agency: U.S. Department of Education and U.S. Department of Agriculture

Title: All major programs

CFDA number: All major programs

*Condition:* The District failed to produce an accurate 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:* Undeterminable

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

*Cause:* An accurate SEFA was not produced due to repeated turnover in key management at the District during the fiscal year. The turnover of management causes 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 currently does have a good internal control structure and segregation of duties. We will present these to our Board policy committee and Board for approval. In the past and currently all finances information is presented to our Board Finance Committee, Audit Committee and Board of Education on a regular basis and documented.

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**C. FEDERAL AWARD FINDINGS (continued)**

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

Federal Program Information:

Funding agency: U.S. Department of Education and U.S. Department of Agriculture

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, 2012 was not submitted by the required final due date of March 31, 2013.

*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, 2013.

*Questioned Costs:* Undeterminable

*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:* This item / issue was due to all the other prior audits that were late which in turn caused this audit to be late, thus resulting in the Data Collection Form to be submitted late. Now that audits are up to date this should no longer be an issue.

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**C. FEDERAL AWARD FINDINGS (continued)**

**FA 11-01 — Circular A-87 Cost Principles and Allowable Activities – Significant Deficiency (Repeated/Modified)**

Federal Program Information:

Funding agency: U.S. Department of Education and U.S. Department of Agriculture

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 Cost Principles contained in Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, applicable to costs charged to federal programs and that District staff were unaware of this document.

*Criteria:* OMB Circular A-133 stipulates that non-federal entities must follow the Cost Principles as applicable to their entity for all costs charged to federal programs. Also, 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 staff reviewing federal expenditures be familiar with federal program compliance requirements.

*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:* The District has not implemented a review of Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, into its procurement processes for federal awards. Also, for the fiscal year 2012, management did not have a documented policy to ensure internal controls were in place and working properly. Lastly, 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' Recommendations:* We recommend that the District implement procedures to ensure that all staff charged with administration of federal programs be made aware of the Cost Principles contained in Circular A-87 and understand the importance of abiding by the Cost Principles. The District should ensure that a comprehensive internal control structure, including procedures for ensuring that all federal program expenditures are reviewed and approved by management personnel familiar with the applicable compliance requirements, 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:* The District management will implement policies regarding Cost Principles in Circular A-87, and ensure that our Board finance committee and Board are aware of this implementation.

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**C. FEDERAL AWARD FINDINGS (continued)**

**FA 11-03 — Indirect Costs – Compliance (Repeated)**

Federal Program Information:

Funding Agency: U.S. Department of Education  
 Title: Title I  
           IDEA-B  
           Improving Teacher Quality State Grants (Title II)  
 CFDA Number: 84.010  
                   84.027  
                   84.367

*Condition:* During our review of indirect costs charged to federal programs, it was noted that the District charged excess indirect costs to the above programs as follows:

Title:	Title I	IDEA-B	Title II
CFDA Number:	84.010	84.027	84.367
Indirect costs allowed:	\$62,088	\$53,003	\$15,999
Indirect costs charged:	\$62,531	\$55,592	\$16,167
Excess indirect costs:	\$ 443	\$ 2,589	\$ 168

*Criteria:* OMB Circular No. A-87, Cost Principles for State, Local, and Indian Tribal Governments, requires that indirect costs be consistent with policies, regulations, and procedures that apply to Federal awards.

*Questioned Costs:* \$3,200

*Effect:* The District overcharged for indirect costs.

*Cause:* The miscalculations were caused by oversights by the District when calculating the indirect costs to charge to these federal programs.

*Auditors' Recommendation:* We recommend that the District implement internal controls to review indirect cost calculations to ensure proper indirect cost amounts.

*Management's Response:* The Finance Director will work with staff to ensure that the method and calculations are made correctly to all Federal Programs and Grants. The Finance director is aware and understands the proper calculation for these. We have since resolved this matter.



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**C. FEDERAL AWARD FINDINGS (continued)**

**FA 11-05 — Inadequate Controls over Program Income – Material Weakness (Repeated)**

Federal Program Information:

Funding Agency: U.S. Department of Agriculture

Title: School Breakfast Program (SBP)/National School Lunch Program (NSLP)

CFDA Number: 10.553, 10.555

*Condition:* We were unable to complete testwork on internal controls over the program income compliance requirements, and testwork on compliance with the program income compliance requirements, since the District's system does not retain information about student prepayments and student charges for meals past the end of the school year. It was not possible to determine the total cash received on a given day from the available information.

*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 complete information regarding cash receipts and revenues be available and reconciled to cash deposited on a daily basis.

*Questioned Costs:* Undeterminable

*Effect:* There is no way to determine if all of the cash received by the District was properly recorded and deposited. It is impossible to determine if the District complied with the program income compliance requirements applicable to the School Breakfast Program and the National School Lunch Program. 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 2012 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' Recommendations:* The District should ensure that a comprehensive internal control structure, including procedures for ensuring that cash receipts are properly recorded, controlled, and deposited, 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:* The District does record all revenues in our general ledger. We will implement a process to be able to account for prepayments more clearly and any charges past the school year since the existing system does not allow for this.

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**C. FEDERAL AWARD FINDINGS (continued)**

**FA 12-01 — Inadequate Controls over Eligibility Determinations – Significant Deficiency**

Federal Program Information:

Funding Agency: U.S. Department of Agriculture

Title: School Breakfast Program (SBP)/National School Lunch Program (NSLP)

CFDA Number: 10.553, 10.555

*Condition:* During testwork over eligibility determinations and processes at the District, we noted one application out of forty tested that the District could not locate. The student whose application was missing received free lunches. We also noted that three out of the forty applications tested contained only one signature, instead of signatures of the Determining Official and Confirming Official, denoting review of the determination.

*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 eligibility documentation be retained and correctly filed, and that such determinations be reviewed.

*Questioned Costs:* Undeterminable

*Effect:* If applications are not properly reviewed and retained, errors in eligibility determinations could be made and not timely corrected. Students could receive more or fewer benefits than they are entitled to. 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 comply with federal requirements. Adequate controls are not in place to prevent or detect intentional misclassifications of student eligibility.

*Cause:* For the fiscal year 2012 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' Recommendations:* The District should ensure that a comprehensive internal control structure, including procedures for ensuring that cash receipts are properly recorded, controlled, and deposited, 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:* The Cafeteria Supervisor was new and was unaware of this one application that was inadvertently pulled from the files and misfiled. A periodic review of all applications with those receiving free and reduced lunches will be done to ensure reconciliation of this matter.

**STATE OF NEW MEXICO**  
Belen Consolidated School District No. 2  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2012

Schedule VI

**D. PRIOR YEAR AUDIT FINDINGS**

FS 07-03 — Inventory Discrepancies – Repeated/ Modified

FS 07-05 — Cash Appropriations in Excess of Available Cash Balances- Repeated/ Modified

FS 07-06 — Preparation of Financial Statements- Repeated

FS 08-02 — Internal Controls – Lack of Segregation of Duties (Receipts and Disbursements Cycle)- Repeated/ Modified

FS 09-01 — Accrued Compensated Absences- Repeated/ Modified

FS 09-02 — Procurement Code (Related Parties) - Resolved

FS 09-03 — Capital Assets- Repeated/ Modified

FS 09-04 — Interfund Activity- Repeated/ Modified

FS 10-01 — Entity-Wide Control Deficiency- Repeated/ Modified

FS 10-02 — Internal Controls Over Non-Standard Journal Entries- Repeated

FS 10-03 — Travel and Per Diem Compliance- Repeated/ Modified

FS 10-04 — Internal Controls over Bank Reconciliations- Repeated/ Modified

FS 10-05 — Internal Controls over Credit Cards- Repeated/ Modified

FS 10-06 — Lack of Internal Controls – Use of Manual Checks- Resolved

FS 10-07 — Late Filing of Audit Report- Repeated

FS 10-08 — Budget Adjustment Requests- Resolved

FS 10-09 — Expenditures in Excess of Budget- Repeated/ Modified

FS 10-10 — Incomplete Trial Balance and Inadequate Closing Cycle- Repeated/ Modified

FS 11-01 — Bids- Other Matter- Repeated/Modified

FA 10-01 — Excluded Parties List – Significant Deficiency- Repeated

FA 10-02 — Internal Controls – Inaccurate Posting of Revenues to the General Ledger- Resolved

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

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

FA 10-05 — Schedule of Federal Expenditures- Repeated

FA 10-06 — Late Data Collection Form Submission- Repeated

FA 11-01 — Circular A-87 Cost Principles and Allowable Activities – Significant Deficiency (Repeated/Modified)

FA 11-03 — Indirect Costs – Compliance (Repeated)

FA 11-04 — Inaccurate Special Reporting – Significant Deficiency (Resolved)

FA 11-05 — Inadequate Controls over Program Income – Material Weakness (Repeated)

**STATE OF NEW MEXICO**  
Belen Consolidated School District No. 2  
Other Disclosures  
June 30, 2012

**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 April 30, 2013. The following individuals were in attendance.

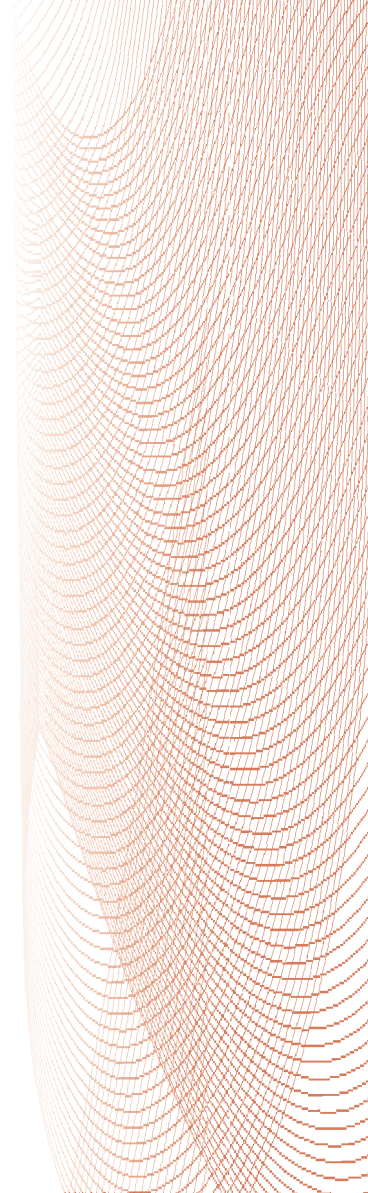
Belen Consolidated School District No. 2

Sam Chavez, Board President  
Lola Quintana, Board Member  
Ron Marquez, Superintendent  
George Perea, Finance Director

Accounting & Consulting Group, LLP

Robert Cordova, CPA  
Robert Gonzales





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