

*State of New Mexico*

*Belen Consolidated School District No. 2*

*Annual Financial Report*

*June 30, 2013*



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## **INTRODUCTORY SECTION**

**STATE OF NEW MEXICO**  
 Belen Consolidated School District No. 2  
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 June 30, 2013

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**STATE OF NEW MEXICO**  
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**STATE OF NEW MEXICO**  
Belen Consolidated School District No. 2  
Official Roster  
June 30, 2013

<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

### Report on Financial Statements

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 funds of Belen Consolidated School District No. 2, New Mexico (the District), as of and for the year ended June 30, 2013, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's nonmajor governmental funds and the budgetary comparisons for the major capital projects fund, the major debt service fund, and all nonmajor funds presented as supplementary information as defined by the Governmental Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2013 as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2013, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund and the combining financial statements for the General Fund of the District, as of June 30, 2013, and the respective changes in financial position thereof for the year then ended in accordance 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.

## Other Matters

### *Required Supplementary Information*

Management has omitted the *Management 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the District's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The Schedule of Expenditures of Federal Awards as required by Office of Management and Budget *Circular A-133, Audit of States, Local Governments, and Non-Profit Organizations*, the introductory section, the combining financial statements, and Supporting Schedules I through IV required by 2.2.2 NMAC are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

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

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

## Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 18, 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 in considering the District's internal control over financial reporting and compliance.

*Accounting & Consulting Group, LLP*

Accounting & Consulting Group, LLP  
Albuquerque, New Mexico  
November 18, 2013

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**BASIC  
FINANCIAL STATEMENTS**

**STATE OF NEW MEXICO**  
 Belen Consolidated School District No. 2  
 Statement of Net Position  
 June 30, 2013

	Governmental Activities
<b>Assets</b>	
Current assets	
Cash and cash equivalents	\$ 4,202,260
Investments	710,737
Property taxes receivable	1,971,524
Due from other governments	1,980,182
Inventory	193,317
Total current assets	9,058,020
Noncurrent assets	
Restricted cash and cash equivalents	4,569,664
Bond discounts, net of amortization of \$36,091	17,862
Bond issuance costs, net of amortization of \$82,268	111,817
Capital assets	104,035,238
Less: accumulated depreciation	(44,791,886)
Total noncurrent assets	63,942,695
Total assets	\$ 73,000,715

The accompanying notes are an integral part of these financial statements

	Governmental Activities
<b>Liabilities</b>	
Current liabilities	
Accounts payable	\$ 571,789
Accrued payroll	642,877
Accrued interest	312,643
Due to other governments	27,877
Due to agency fund	103,705
Current portion of accrued compensated absences	224,719
Current portion of bonds payable	<u>1,830,000</u>
Total current liabilities	<u>3,713,610</u>
Noncurrent liabilities	
Bond premiums, net of amortization of \$124,954	104,038
Bonds payable	18,015,000
Accrued compensated absences	<u>282,279</u>
Total noncurrent liabilities	<u>18,401,317</u>
Total liabilities	<u>22,114,927</u>
<b>Net position</b>	
Net investment in capital assets	37,302,661
Restricted for:	
Debt service	7,499,792
Capital projects	2,087,531
Other purposes - special revenue	1,290,307
Unrestricted	<u>2,705,497</u>
Total net position	<u>50,885,788</u>
Total liabilities and net position	<u><u>\$ 73,000,715</u></u>

**STATE OF NEW MEXICO**  
 Belen Consolidated School District No. 2  
 Statement of Activities  
 For the Year Ended June 30, 2013

<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	\$ 23,553,667	\$ 164,953	\$ 3,037,759
Support services	8,277,118	18,992	1,021,910
Central services	1,193,764	6,899	147,385
Operation and maintenance of plant	7,156,807	18,187	883,594
Student transportation	2,000,782	-	1,432,912
Food services	2,405,552	224,264	2,063,074
Community services operations	82,041	474	10,129
Interest on long-term debt	740,100	-	-
Amortization	16,246	-	-
	<u>45,426,077</u>	<u>433,769</u>	<u>8,596,762</u>
Total governmental activities	<u>\$ 45,426,077</u>	<u>\$ 433,769</u>	<u>\$ 8,596,762</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
- Loss on disposition of capital assets
- Subtotal, general revenues

Changes in net position

Net position - beginning  
 Net assets, restatement (Note 17)

Net assets, as restated

Net position - 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 Position</u>
	<u>Governmental Activities</u>
\$ 69,475	\$ (20,281,481)
24,414	(7,211,802)
3,521	(1,035,960)
21,110	(6,233,916)
-	(567,870)
-	(118,214)
242	(71,196)
-	(740,100)
-	(16,246)
<u>\$ 118,762</u>	<u>(36,276,784)</u>

156,378
3,491,489
909,632
29,242,429
11,618
88,368
<u>(27,950)</u>
<u>33,871,964</u>
(2,404,820)
57,556,506
<u>(4,265,898)</u>
<u>53,290,608</u>
<u>\$ 50,885,788</u>

**STATE OF NEW MEXICO**  
 Belen Consolidated School District No. 2  
 Balance Sheet  
 Governmental Funds  
 June 30, 2013

	General Fund	Title I IASA Special Revenue Fund	IDEA-B Entitlement Special Revenue Fund
<i>Assets</i>			
Cash and cash equivalents	\$ 2,252,601	\$ -	\$ 156,703
Investments	-	-	-
Property taxes receivable	77,754	-	-
Due from other governments	33,678	852,844	180,564
Inventory	110,485	-	-
Due from other funds	1,755,527	-	41,062
<i>Total assets</i>	\$ 4,230,045	\$ 852,844	\$ 378,329
<i>Liabilities and fund balances</i>			
<i>Liabilities</i>			
Accounts payable	\$ 196,173	\$ 60,356	\$ 20,863
Accrued payroll	537,047	16,190	26,836
Deferred revenue	29,909	-	-
Due to other governments	-	-	-
Due to other funds	402,907	870,792	341,465
<i>Total liabilities</i>	1,166,036	947,338	389,164
<i>Fund balances</i>			
Nonspendable			
Inventory	110,485	-	-
Spendable			
Restricted for:			
Extracurricular activities	-	-	-
Education	-	-	-
Debt service	-	-	-
Capital acquisition and improvements	-	-	-
Food services	-	-	-
Committed for:			
Subsequent year expenditures	1,985,506	-	-
Unassigned	968,018	(94,494)	(10,835)
<i>Total fund balances</i>	3,064,009	(94,494)	(10,835)
<i>Total liabilities and fund balances</i>	\$ 4,230,045	\$ 852,844	\$ 378,329

The accompanying notes are an integral part of these financial statements

SB-9 Capital Improvement Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Total
\$ 384,201	\$ 4,569,664	\$ 1,408,755	\$ 8,771,924
-	710,737	-	710,737
388,988	1,504,782	-	1,971,524
110,465	-	802,631	1,980,182
-	-	82,832	193,317
-	651,427	58,026	2,506,042
<u>\$ 883,654</u>	<u>\$ 7,436,610</u>	<u>\$ 2,352,244</u>	<u>\$ 16,133,726</u>
\$ 262,943	\$ -	\$ 31,454	\$ 571,789
-	-	62,804	642,877
100,983	399,090	-	529,982
-	-	27,877	27,877
57,456	-	937,127	2,609,747
<u>421,382</u>	<u>399,090</u>	<u>1,059,262</u>	<u>4,382,272</u>
-	-	82,832	193,317
-	-	-	-
-	-	524,416	524,416
-	7,037,520	-	7,037,520
462,272	-	2,675	464,947
-	-	980,106	980,106
-	-	-	1,985,506
-	-	(297,047)	565,642
<u>462,272</u>	<u>7,037,520</u>	<u>1,292,982</u>	<u>11,751,454</u>
<u>\$ 883,654</u>	<u>\$ 7,436,610</u>	<u>\$ 2,352,244</u>	<u>\$ 16,133,726</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 Positions  
 Governmental Funds  
 June 30, 2013

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

Fund balances - total governmental funds	\$	11,751,454
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		59,243,352
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		529,982
Other noncurrent assets are not available to pay for current period expenditures and therefore, are deferred in the funds:		
Bond issuance costs, net		111,817
Bond discounts, net		17,862
Other liabilities are not due and payable with current financial resources and, therefore are not reported in the funds		
Bond premiums, net		(104,038)
Accrued interest		(312,643)
Current portion of accrued compensated absences		(224,719)
Current portion of bonds payable		(1,830,000)
Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds:		
Bonds payable		(18,015,000)
Accrued compensated absences		(282,279)
		(18,297,279)
Total net positions - governmental activities	\$	50,885,788

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, 2013

	General Fund	Title I IASA Special Revenue Fund	IDEA-B Entitlement Special Revenue Fund
<i>Revenues</i>			
Property taxes	\$ 179,193	\$ -	\$ -
Federal flowthrough	372,710	1,732,998	1,030,028
Federal direct	50,779	-	-
State flowthrough	659,400	-	-
State direct	29,242,429	-	-
Transportation distribution	1,432,912	-	-
Charges for services	49,591	-	-
Investment income	9,565	-	-
Miscellaneous	88,368	-	-
<i>Total revenues</i>	<u>32,084,947</u>	<u>1,732,998</u>	<u>1,030,028</u>
<i>Expenditures</i>			
<i>Current</i>			
Instruction	17,611,205	1,274,279	794,643
Support services	7,010,366	553,213	195,051
Central services	1,140,706	-	24,007
Operation and maintenance of plant	5,670,941	-	16,649
Student transportation	1,698,235	-	10,513
Food services operations	-	-	-
Community services operations	82,041	-	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>33,213,494</u>	<u>1,827,492</u>	<u>1,040,863</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,128,547)</u>	<u>(94,494)</u>	<u>(10,835)</u>
<i>Other financing sources (uses)</i>			
Transfers in (out)	(5,394)	-	-
<i>Total other financing sources (uses)</i>	<u>(5,394)</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	(1,133,941)	(94,494)	(10,835)
<i>Fund balances - beginning</i>	4,197,950	-	-
<i>Fund balances - restatement (Note 17)</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - as restated</i>	<u>4,197,950</u>	<u>-</u>	<u>-</u>
<i>Fund balances - ending</i>	<u>\$ 3,064,009</u>	<u>\$ (94,494)</u>	<u>\$ (10,835)</u>

The accompanying notes are an integral part of these financial statements

SB-9 Capital Improvement Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Total
\$ 1,076,567	\$ 4,133,396	\$ -	\$ 5,389,156
-	-	2,607,464	5,743,200
-	-	297,730	348,509
110,465	-	256,277	1,026,142
-	-	164,761	29,407,190
-	-	-	1,432,912
-	-	384,178	433,769
297	1,424	332	11,618
-	-	-	88,368
<u>1,187,329</u>	<u>4,134,820</u>	<u>3,710,742</u>	<u>43,880,864</u>
562,691	-	936,628	21,179,446
8,223	31,574	550,381	8,348,808
310,494	-	10,901	1,486,108
795,525	-	336,969	6,820,084
-	-	-	1,708,748
-	-	2,399,895	2,399,895
-	-	-	82,041
241,807	-	418,836	660,643
-	2,110,000	-	2,110,000
-	786,134	-	786,134
<u>1,918,740</u>	<u>2,927,708</u>	<u>4,653,610</u>	<u>45,581,907</u>
<u>(731,411)</u>	<u>1,207,112</u>	<u>(942,868)</u>	<u>(1,701,043)</u>
-	-	5,394	-
-	-	5,394	-
(731,411)	1,207,112	(937,474)	(1,701,043)
1,193,683	5,119,671	2,260,305	12,771,609
-	710,737	(29,849)	680,888
<u>1,193,683</u>	<u>5,830,408</u>	<u>2,230,456</u>	<u>13,452,497</u>
<u>\$ 462,272</u>	<u>\$ 7,037,520</u>	<u>\$ 1,292,982</u>	<u>\$ 11,751,454</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, 2013

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

Net change in fund balances - total governmental funds	\$ (1,701,043)
--	----------------

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	660,643
Depreciation expense	(2,596,073)
Loss on disposition of assets	(27,950)

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	(831,657)
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Expenses in the Statements of Activities that do not consume current financial resources are not reported as expenditures in the funds:

Increase in the reserve for compensated absences	(48,528)
Decrease in accrued interest	29,826

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 position. 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	2,110,000

Change in net position of governmental activities	\$ (2,404,820)
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**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, 2013

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property taxes	\$ 178,394	\$ 178,394	\$ 135,883	\$ (42,511)
Federal flowthrough	68,710	72,281	372,710	300,429
Federal direct	51,399	51,399	53,141	1,742
Local grants	-	-	-	-
State flowthrough	363,195	363,195	627,000	263,805
State direct	29,196,157	29,236,337	29,242,429	6,092
Transportation distribution	1,324,815	1,432,912	1,432,912	-
Charges for services	54,433	54,433	50,286	(4,147)
Investment income	-	-	9,565	9,565
Miscellaneous	48,150	48,150	88,368	40,218
<i>Total revenues</i>	<u>31,285,253</u>	<u>31,437,101</u>	<u>32,012,294</u>	<u>575,193</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	17,596,537	17,334,537	17,632,204	(297,667)
Support services	7,540,923	8,032,923	6,953,620	1,079,303
Central services	1,277,292	1,345,442	1,139,167	206,275
Operation and maintenance of plant	4,576,029	6,457,280	5,780,803	676,477
Student transportation	1,405,732	1,588,377	1,698,821	(110,444)
Food services operations	-	-	-	-
Community services operations	54,623	78,123	82,041	(3,918)
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>32,451,136</u>	<u>34,836,682</u>	<u>33,286,656</u>	<u>1,550,026</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,165,883)</u>	<u>(3,399,581)</u>	<u>(1,274,362)</u>	<u>2,125,219</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	1,165,883	3,399,581	-	(3,399,581)
Transfers in (out)	-	-	(5,394)	(5,394)
<i>Total other financing sources (uses)</i>	<u>1,165,883</u>	<u>3,399,581</u>	<u>(5,394)</u>	<u>(3,404,975)</u>
<i>Net change in fund balances</i>	-	-	(1,279,756)	(1,279,756)
<i>Fund balances - beginning of year</i>	-	-	4,884,977	4,884,977
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,605,221</u>	<u>\$ 3,605,221</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (1,279,756)
Adjustments to revenues for state flowthrough revenues and property taxes				72,653
Adjustments to expenditures for payroll, materials, other charges, and buses expenditures				73,162
<i>Net changes in fund balances (GAAP Basis)</i>				<u>\$ (1,133,941)</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, 2013

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	1,226,413	1,970,421	1,395,701	(574,720)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,226,413</u>	<u>1,970,421</u>	<u>1,395,701</u>	<u>(574,720)</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	725,063	1,469,071	1,292,472	176,599
Support services	501,350	501,350	553,213	(51,863)
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>1,226,413</u>	<u>1,970,421</u>	<u>1,845,685</u>	<u>124,736</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(449,984)</u>	<u>(449,984)</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>	-	-	(449,984)	(449,984)
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(420,808)</u>	<u>(420,808)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (870,792)</u>	<u>\$ (870,792)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (449,984)
Adjustments to revenues for federal flowthrough grants				337,297
Adjustments to expenditures for instructional expenditures and payroll expenditures				18,193
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ (94,494)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Exhibit C-3

Belen Consolidated School District No. 2  
 IDEA-B Entitlement 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, 2013

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	1,119,753	1,419,403	1,169,654	(249,749)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,119,753</u>	<u>1,419,403</u>	<u>1,169,654</u>	<u>(249,749)</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	831,345	1,085,189	791,074	294,115
Support services	240,705	254,563	199,664	54,899
Central services	32,528	32,528	24,007	8,521
Operation and maintenance of plant	15,175	15,975	16,649	(674)
Student transportation	-	31,148	10,513	20,635
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,119,753</u>	<u>1,419,403</u>	<u>1,041,907</u>	<u>377,496</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>127,747</u>	<u>127,747</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>	-	-	127,747	127,747
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(271,447)</u>	<u>(271,447)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (143,700)</u>	<u>\$ (143,700)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 127,747
Adjustments to revenues for federal flowthrough grants				(139,626)
Adjustments to expenditures for instructional expenditures and payroll expenditures				1,044
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ (10,835)</u>

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, 2013

Exhibit D-1

<i>Assets</i>	
Cash and cash equivalents	\$ 313,491
Due from other funds	<u>103,705</u>
<i>Total assets</i>	<u><u>\$ 417,196</u></u>
 <i>Liabilities</i>	
Due to student organizations	\$ 415,802
Accounts payable	<u>1,394</u>
<i>Total liabilities</i>	<u><u>\$ 417,196</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, 2013

**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.

During the year ended June 30, 2013, the District adopted GASB Statements No. 60 through 63. GASB Statement No. 60, Accounting and Financial Reporting for Service Concession Arrangements. The District does not have any Service Concession Arrangements. GASB Statement No. 61, The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No 34, modifies certain requirements for inclusion of component units in the financial reporting entity. GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in FASB and AICPA Pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements. GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources

*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, as amended by GASB Statement No. 39 and GASB Statement No. 61. Blended component units, although legally separate entities, are in substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

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

**STATE OF NEW MEXICO**  
Belen Consolidated School District No. 2  
Notes to Financial Statements  
June 30, 2013

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

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

*B. Government-wide and fund financial statements*

The government-wide financial statements (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, 2013

**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 *IDEA-B Entitlement Special Revenue Fund* accounts for a program funded by a Federal grant to assist the District in providing free appropriate public education to all disabled children. Fund is authorized by the 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.

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

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

Additionally, the District reports the following agency fund:

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

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

**STATE OF NEW MEXICO**  
Belen Consolidated School District No. 2  
Notes to Financial Statements  
June 30, 2013

**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, 2013 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 2013 is considered 'measurable and available' and, accordingly, is recorded as revenue in the governmental fund statements during the year ended June 30, 2013. 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, 2013.

**STATE OF NEW MEXICO**  
 Belen Consolidated School District No. 2  
 Notes to Financial Statements  
 June 30, 2013

**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 \$529,982 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, 2013

**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, 2013, the nonspendable fund balance in the general fund and food service fund is made up of inventory in the amounts of \$110,485 and \$82,832 respectively.

**Restricted and Committed Fund Balance:** At June 30, 2013, the restricted fund balance on the governmental funds balance sheet is made up of \$524,416 for providing education to the students of the District, \$464,947 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, \$980,106 for food services and \$7,037,520 for the payment of principal and interest of the future debt service requirements.

Also, the District has committed fund balance on the governmental funds balance sheet for subsequent year expenditures in the amount of \$1,985,506.

**STATE OF NEW MEXICO**  
Belen Consolidated School District No. 2  
Notes to Financial Statements  
June 30, 2013

**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.

**Net Position:** Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets: Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted Net Position: Net position is reported as restricted when constraints are placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. Descriptions for the related restrictions for net position restricted for “special revenue, debt service, and capital projects” are described on pages 33 and 62-67.
- c. Unrestricted Net Position: Net position that do not meet the definition of “Restricted” or “Net Investment in Capital Assets.”

**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, 2013

**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 \$29,242,429 in state equalization guarantee distributions during the year ended June 30, 2013.

**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 \$5,389,156 in tax revenues in the governmental fund financial statements during the year ended June 30, 2013. 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 \$1,432,912 in transportation distributions during the year ended June 30, 2013.

**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, 2013 totaled \$327,557.

**STATE OF NEW MEXICO**  
Belen Consolidated School District No. 2  
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June 30, 2013

**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 \$110,465 in state SB-9 matching during the year ended June 30, 2013.

**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, 2013, the District received \$0 in state flow-through capital outlay funds.

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

**NOTE 2. Stewardship, Compliance and Accountability**

*Budgetary Information*

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

**STATE OF NEW MEXICO**  
Belen Consolidated School District No. 2  
Notes to Financial Statements  
June 30, 2013

**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**  
 Belen Consolidated School District No. 2  
 Notes to Financial Statements  
 June 30, 2013

**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	\$ (1,165,883 )	\$ (3,399,581 )
Title I IASA Fund	\$ -	\$ -
IDEA B Entitlement Fund	\$ -	\$ -
SB-9 Capital Improvements Fund	\$ (620,862 )	\$ (1,313,597 )
Debt Service Fund	\$ (4,652,613 )	\$ (4,652,613 )
Nonmajor Funds	\$ (1,846,642 )	\$ (2,413,952 )

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

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

**STATE OF NEW MEXICO**  
Belen Consolidated School District No. 2  
Notes to Financial Statements  
June 30, 2013

**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, 2013.

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. Deposits may be made to the extent that they are insured by an agency of the United States or collateralized as required by statute. The financial institution must provide pledged collateral for 50% of the deposit amount in excess of the deposit insurance.

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

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

By operation of federal law, beginning January 1, 2013, funds deposited in a noninterest-bearing transaction account no longer will receive unlimited deposit insurance coverage by the Federal Deposit Insurance Corporation (FDIC). Beginning January 1, 2013, all of the District's accounts at an insured depository institution, including all noninterest-bearing transaction accounts, will be insured by the FDIC up to the standard maximum deposit insurance amount of \$250,000.

*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, 2013, \$10,354,794 of the District's bank balance of \$10,854,794 was subject to custodial credit risk. Of this amount, \$8,857,619 was collateralized by collateral held by the pledging bank's trust department, not in the District's name, and \$1,497,175 was uninsured and uncollateralized.

**STATE OF NEW MEXICO**  
 Belen Consolidated School District No. 2  
 Notes to Financial Statements  
 June 30, 2013

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

	Wells Fargo Bank	US Bank	Total
Amount of deposits	\$ 3,442,625	\$ 7,412,169	\$ 10,854,794
FDIC Coverage	<u>(250,000)</u>	<u>(250,000)</u>	<u>(500,000)</u>
Total uninsured public funds	<u>3,192,625</u>	<u>7,162,169</u>	<u>10,354,794</u>
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the District's name	<u>1,695,450</u>	<u>7,162,169</u>	<u>8,857,619</u>
Uninsured and uncollateralized	<u>\$ 1,497,175</u>	<u>\$ -</u>	<u>\$ 1,497,175</u>
Collateral requirement (50% of uninsured funds)	\$ 1,596,313	\$ 3,581,085	\$ 5,177,397
Pledged Collateral	<u>1,695,450</u>	<u>8,291,645</u>	<u>9,987,095</u>
Over (Under) collateralized	<u>\$ 99,138</u>	<u>\$ 4,710,561</u>	<u>\$ 4,809,698</u>

**Repurchase Agreement**

*Custodial Credit Risk – Investments* For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The District does not have an investment policy for custodial credit risk. New Mexico State Statutes require collateral pledged to be delivered for securities underlying an overnight repurchase agreement, or a joint safekeeping receipt be 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, 2013, \$789,915 of the District's investment balance was exposed to custodial credit risk because it was not collateralized by collateral held by the counterparty.

Repurchase Agreement-

	Wells Fargo Bank
Repurchase agreements	<u>\$ 789,915</u>
Total uninsured public funds	<u>789,915</u>
Securities underlying an overnight repurchase agreement	<u>789,915</u>
Total investments subject to custodial credit risk	<u>\$ 789,915</u>
Collateral requirement for repurchase agreements (102% of value of underlying securities)	\$ 805,713
Pledged Collateral	<u>-</u>
Over (Under) collateralized	<u>(805,713)</u>

**STATE OF NEW MEXICO**  
 Belen Consolidated School District No. 2  
 Notes to Financial Statements  
 June 30, 2013

**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, 2013. 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, 2013:

Fund #	Special Revenue Funds:		
13000	Transportation	\$	83,782
24101	Title I IASA (Federal)		280,688
24107	Discretionary IDEA-B (Federal)		5,040
24109	IDEA-B Preschool (Federal)		8
24113	Education of Homeless (Federal)		3,850
24120	IDEA B "Risk Pool" (Federal)		15,489
24153	English Language Acquisition (Federal)		43,962
24154	Teacher/Principal Training & Recruiting (Federal)		148,848
24162	Title I School Improvement (Federal)		105,072
24174	Carl Perkins Secondary (Federal)		23,597
27106	2010 GO Bond Public School Acquisition (State)		4,797
27114	New Mexico Reads to Lead K-3 Reading Initiative (State)		167,642
27139	Truancy Prevention/ Intervention (State)		612
27171	2010 GO Bond Instructional Materials (State)		5,083
27176	Science Instructional Materials K-12 (State)		4,130
28189	GRADS - Child Care (State)		6,364
28190	GRADS - Instructional (State)		16,108
31100	Bond Building Capital Projects Fund (State)		5,768
			<hr/>
	Total	\$	<u><u>920,840</u></u>

**STATE OF NEW MEXICO**  
 Belen Consolidated School District No. 2  
 Notes to Financial Statements  
 June 30, 2013

**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	\$ 4,202,260
Investments- Governmental Activities Exhibit A-2	710,737
Restricted cash and cash equivalents- Governmental Activities Exhibit A-1	4,569,664
Fiduciary funds - Exhibit D-1	<u>313,491</u>
 Total cash and cash equivalents	 <u>9,796,152</u>
 Less: Unreconciled difference in cash	 (4,238)
Less: Repurchase agreement	(789,915)
Less: Deposits in transit	(503,064)
Add: Outstanding checks	2,357,034
Less: Petty cash	<u>(1,175)</u>
 Bank balance of deposits	 <u><u>\$ 10,854,794</u></u>

As of June 30, 2013, the District had invested \$710,737 in certificates of deposits.

**NOTE 4. Accounts Receivable**

Accounts receivable as of June 30, 2013, are as follows:

	<b>General</b>	<b>Title I IASA</b>	<b>IDEA-B Entitlement</b>	<b>SB-9 Capital Improvement</b>	<b>Debt Service</b>	<b>Nonmajor Funds</b>	<b>Total</b>
Property taxes	\$ 77,754	\$ -	\$ -	\$ 388,988	\$ 1,504,782	\$ -	\$1,971,524
Other receivables:							
Intergovernmental-grants:							
State	33,678	-	-	110,465	-	217,115	361,258
Federal	-	852,844	180,564	-	-	585,516	1,618,924
	<u>-</u>	<u>852,844</u>	<u>180,564</u>	<u>-</u>	<u>-</u>	<u>585,516</u>	<u>1,618,924</u>
Totals by category	<u>\$ 111,432</u>	<u>\$ 852,844</u>	<u>\$ 180,564</u>	<u>\$ 499,453</u>	<u>\$ 1,504,782</u>	<u>\$ 802,631</u>	<u>\$3,951,706</u>

In accordance with GASB Statement No. 33, property tax revenue in the amount of \$529,982 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**  
 Belen Consolidated School District No. 2  
 Notes to Financial Statements  
 June 30, 2013

**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, 2013 is as follows:

<b>Governmental Activities</b>	<b>Due from other funds</b>	<b>Due to other funds</b>
Operational Fund	\$ 1,606,082	\$ 125,624
Instructional Materials Fund	149,445	149,445
English Language Acquisition	307	43,962
Carl Perkins Secondary	6,896	-
Special Capital Outlay	2,675	-
Special Capital Outlay State	-	13,173
Bond Building Fund	2,167	5,768
Debt Service Fund	651,427	-
Transportation Fund	-	127,838
Food Service	11,692	3,336
Athletics	-	110,122
Title I IASA	-	870,792
Entitlement IDEA-B	41,062	341,465
Discretionary IDEA-B	-	5,040
Preschool IDEA-B	-	8
Education of the Homeless	-	3,850
Fresh Fruits & Vegetables USDA	-	4,669
IDEA-B "Risk Pool:	-	15,489
Enhancing Education Thru Technology (E2Y2-C)	-	1,321
Teacher/Principal Training & Recruiting	-	247,964
Title I School Improvement	-	105,072
Carl Perkins Secondary	-	23,597
Child Care Block Grant	-	3,705
Deferred Sick Leave	-	96,171
Title I - IASA - Federal Stimulus	-	1,335
Entitlement IDEA-B Federal Stimulus	-	10,563
Preschool IDEA-B Federal Stimulus	-	4,878
School Improvements ARRA	-	1,110
Title XIX Medicaid 0/2 Years	34,289	6,280
2010 GO Bond Public School Acquisition	-	4,797
New Mexico Reads to Lead K-3 Reading Initiative	-	167,642
Truancy Prevention/ Intervention	-	612
Breakfast in the Classroom	-	11,692
2010 GO Bond Instructional Materials	-	5,083
Science Instructional Materials K-12	-	4,130
Training & Professional Development for Teachers	-	13,286
GRADS - Child Care	-	6,364
GRADS - Instructional	-	16,108
SB-9 Capital Improvements	-	57,456
Totals	<u>\$ 2,506,042</u>	<u>\$ 2,609,747</u>

At June 30, 2013, the District also had an outstanding due from in the amount of \$103,705 from the agency funds.

All interfund balances are to be repaid within one year.

**STATE OF NEW MEXICO**  
 Belen Consolidated School District No. 2  
 Notes to Financial Statements  
 June 30, 2013

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

The District recorded transfers during the year as follows:

<b>Governmental Activities</b>	<b><u>Transfers In</u></b>	<b><u>Transfers Out</u></b>
General Fund	\$       596	\$       5,990
Title I - IASA - Federal Stimulus	-	142
Title XIX Medicaid 0/2 Years	34,289	-
2008 GO Bond Student Library	1,508	-
Private Direct Grants (Categorical)	1,528	-
School Based Health Center	-	34,289
Special Capital Outlay State	<u>2,500</u>	<u>-</u>
Totals	<u><u>\$       40,421</u></u>	<u><u>\$       40,421</u></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**  
 Belen Consolidated School District No. 2  
 Notes to Financial Statements  
 June 30, 2013

**NOTE 6. Capital Assets**

A summary of capital assets and changes occurring during the year ended June 30, 2013 follows.  
 Land and construction in progress are not subject to depreciation.

	Balance June 30, 2012	Adjustment to Net Position	Additions	Deletions	Balance June 30, 2013
<b>Governmental activities:</b>					
Capital assets not being depreciated:					
Land	\$ 2,083,600	\$ -	\$ 292,344	\$ -	\$ 2,375,944
Construction in progress	1,808,715	-	234,429	829,585	1,213,559
<b>Total capital assets not being depreciated</b>	<b>3,892,315</b>	<b>-</b>	<b>526,773</b>	<b>829,585</b>	<b>3,589,503</b>
Capital assets being depreciated:					
Buildings and improvements	95,386,131	(2,230,340)	841,135	65,000	93,931,926
Furniture and equipment	1,883,304	69,184	122,320	76,184	1,998,624
Vehicles	4,508,185	7,000	-	-	4,515,185
<b>Total capital assets being depreciated</b>	<b>101,777,620</b>	<b>(2,154,156)</b>	<b>963,455</b>	<b>141,184</b>	<b>100,445,735</b>
Less accumulated depreciation:					
Buildings and improvements	34,812,839	2,622,861	2,200,173	37,050	39,598,823
Furniture and equipment	1,185,334	79,143	101,778	76,184	1,290,071
Vehicles	3,518,244	90,626	294,122	-	3,902,992
<b>Total accumulated depreciation</b>	<b>39,516,417</b>	<b>2,792,630</b>	<b>2,596,073</b>	<b>113,234</b>	<b>44,791,886</b>
<b>Total capital assets, net of depreciation</b>	<b>\$ 66,153,518</b>	<b>\$ (4,946,786)</b>	<b>\$ (1,105,845)</b>	<b>\$ 857,535</b>	<b>\$ 59,243,352</b>

Depreciation expense for the year ended June 30, 2013 was charged to the following functions and sub-functions:

<b>Governmental Activities:</b>	
Instruction	\$ 2,251,036
Support services	3,734
Operations and maintenance of plant	44,379
Student transportation	292,034
Food services operations	4,890
	<u>\$ 2,596,073</u>



**STATE OF NEW MEXICO**  
 Belen Consolidated School District No. 2  
 Notes to Financial Statements  
 June 30, 2013

**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 2013. 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, 2013 are for governmental activities.

Bonds outstanding at June 30, 2013, 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, 2013, 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>
	2014	400,000	36,600	436,600
	2015	400,000	22,300	422,300
	2016	400,000	7,500	407,500
		<u>\$ 1,200,000</u>	<u>\$ 66,400</u>	<u>\$ 1,266,400</u>

**STATE OF NEW MEXICO**  
 Belen Consolidated School District No. 2  
 Notes to Financial Statements  
 June 30, 2013

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

Series 2003	Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
	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	500,000	9,388	509,388
		<u>\$ 1,925,000</u>	<u>\$ 197,727</u>	<u>\$ 2,122,727</u>

Series 2004	Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
	2014	200,000	24,850	\$ 224,850
	2015	200,000	21,475	221,475
	2016	200,000	14,600	214,600
	2017	100,000	9,300	109,300
	2018	200,000	7,550	207,550
		<u>\$ 900,000</u>	<u>\$ 77,775</u>	<u>\$ 977,775</u>

Series 2005	Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
	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	400,000	8,500	408,500
	2019-2023	-	-	-
		<u>\$ 2,000,000</u>	<u>\$ 207,500</u>	<u>\$ 2,207,500</u>

Series 2007	Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
	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	250,000	223,150	473,150
	2019-2023	5,800,000	599,975	6,399,975
		<u>\$ 6,800,000</u>	<u>\$ 1,815,350</u>	<u>\$ 8,615,350</u>

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

Series 2008	Fiscal Year	Principal	Interest	Total Debt Service
	Ending June 30,			
	2014	100,000	179,200	\$ 279,200
	2015	100,000	174,951	274,951
	2016	100,000	170,701	270,701
	2017	300,000	162,200	462,200
	2018	200,000	150,325	350,325
	2019-2023	3,450,000	380,916	3,830,916
		-		-
		<u>\$ 4,250,000</u>	<u>\$ 1,218,293</u>	<u>\$ 5,468,293</u>

Series 2009	Fiscal Year	Principal	Interest	Total Debt Service
	Ending June 30,			
	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	460,000	28,900	488,900
	2019-2023	550,000	17,000	567,000
		<u>\$ 2,770,000</u>	<u>\$ 286,113</u>	<u>\$ 3,056,113</u>

The following is a summary of the long-term debt and the activity for the year ended June 30, 2013:

	Balance June 30, 2012	Additions	Retirements	Balance June 30, 2013	Due Within One Year
<b>Governmental Activities</b>					
Bonds	\$ 21,955,000	\$ -	\$ 2,110,000	19,845,000	1,830,000
Compensated Absences	458,470	273,247	224,719	506,998	224,719
<b>Total Long-Term Debt</b>	<u>\$ 22,413,470</u>	<u>\$ 273,247</u>	<u>\$ 2,334,719</u>	<u>\$ 20,351,998</u>	<u>\$ 2,054,719</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, 2013, compensated absences increased \$48,528 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.

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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, 2013 and in the preceding three years, 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 an educational 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, other employees of state public school districts, colleges and universities, and some state agency employees) 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:**

**Member Contributions**

Plan members earning \$20,000 or less are required by statute to contribute 7.9% of their gross salary. Plan members whose annual salary is over \$20,000 are required to make the following contributions to the Plan: 9.40% of their gross salary in fiscal year 2013, 10.1% of their gross salary in fiscal year 2014; and 10.7% of their gross salary in fiscal year 2015 and thereafter.

**Employer Contributions**

In fiscal year 2013, the District was required to contribute 12.4% of the gross covered salary for employees whose annual salary is \$20,000 or less, and 10.9% of the gross covered salary for employees whose annual salary is more than \$20,000. In the future, the District will contribute the following percentages of the gross covered salary of employees: 13.15% of gross covered salary in fiscal year 2014 and 13.9% of gross covered salary in fiscal year 2015.

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, 2013, 2012 and 2011 were \$2,419,132, \$2,185,680, and \$2,640,478, 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 employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the employer and employee contributions can be changed by the New Mexico State Legislature. Employers that choose to become participating employers after January 1, 1998, are required to make contributions to the RHCA fund in the amount determined to be appropriate by the board.

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2013, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2013, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employer was required to contribute 1.0% of their salary.

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**NOTE 10. Post-Employment Benefits- State Retiree Health Care Plan (continued)**

In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act

The District's contribution to the RHCA for the years ended June 30, 2013, 2012, and 2011 were \$435,571, \$413,805, and \$378,391 respectively, which equal the required contribution for each year.

**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 2013 that were not completed at year end. The projects are the Belen High School swimming pool, parking lots at Dennis Chavez Elementary, and reroofing projects at Gil Sanchez Elementary and the Belen High School Cafeteria. At year end, the total projected cost to complete these projects totaled \$1,495,115.

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 November 8, 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 2012- 2013; 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.

**STATE OF NEW MEXICO**  
 Belen Consolidated School District No. 2  
 Notes to Financial Statements  
 June 30, 2013

**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, 2013:

Transportation Fund	\$ 127,838
Title I IASA Special Revenue Fund	94,494
IDEA-B Entitlement Special Revenue Fund	10,835
Athletics Special Revenue Fund	71,134
Discretionary IDEA-B Special Revenue Fund	5,040
Preschool IDEA-B Special Revenue Fund	8
Fresh Fruits & Vegetables USDA Special Revenue Fund	1,206
IDEA-B "Risk Pool" Special Revenue Fund	12,994
English Language Acquisition Special Revenue Fund	26,640
Title I School Improvement Special Revenue Fund	53,148
Carl Perkins Secondary Special Revenue Fund	28,043
Carl Perkins Secondary – Redistribution Special Revenue Fund	938
Deferred Sick Leave Special Revenue Fund	58,452
Title I – IASA – Federal Stimulus Special Revenue Fund	142
TANF/GRADS Special Revenue Fund	3,300
2010 GO Bond Public School Acquisition	786
Truancy Prevention/Intervention Special Revenue Fund	612
2010 GO Bond Instructional Materials Special Revenue Fund	5,083
GRADS – Child Care Special Revenue Fund	6,364
GRADS - Instructional Special Revenue Fund	19,556
Bond Building Capital Projects Fund	<u>3,601</u>
Total Governmental Funds	<u>\$ 530,214</u>

**STATE OF NEW MEXICO**  
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 Notes to Financial Statements  
 June 30, 2013

**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, 2013:

Title I IASA Special Revenue Fund		
Support Services	\$	51,863
IDEA-B Entitlement Special Revenue Fund		
Operation and Maintenance of Plant		674
SB-9 Capital Improvements Capital Project Fund		
Support Services		1,218
Debt Service Fund		
Support Services		2,613
Discretionary IDEA-B Special Revenue Fund		
Instruction		40
IDEA-B "Risk Pool" Special Revenue Fund		
Instruction		12,920
Deferred Sick Leave Special Revenue Fund		
Central Services		10,901
Title XIX Medicaid Special Revenue Fund		
Support Services		1,655
Child Care Block Grant Special Revenue Fund		
Instruction		45
Bond Building Capital Projects Fund		
Capital Outlay		10,821
Operational Fund (Statement D-3)		
Instruction		536,806
Community Service Operations		3,918
Transportation Fund (Statement D-3)		
Student Transportation		<u>140,014</u>
Total Governmental Funds	\$	<u>773,488</u>

**C.** The following funds maintained designated cash appropriations in excess of available balances for the year ended June 30, 2013. They are as follows:

Food Service Special Revenue Fund	\$	3,336
Athletics Special Revenue Fund	\$	50,456
TANF/GRADS Special Revenue Fund	\$	13,034
New Mexico Reads to Lead K-3 Reading Initiative Special Revenue Fund	\$	174,300
GRADS – Child Care Special Revenue Fund	\$	7,300

**NOTE 15. Restricted Net Position**

The Statement of Net Position reports \$10,877,630 of restricted net position, 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.

Title XIX Medicaid 0/2 Years Special Revenue Fund \$336



**STATE OF NEW MEXICO**  
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 June 30, 2013

**NOTE 17. Fund Balance and Net Position Restatements**

*Governmental Funds:* The District restated balances in the following funds:

*Permanent cash transfers-*

IDEA-B “Risk Pool” Special Revenue Fund	\$ (12,994)
English Language Acquisition Special Revenue Fund	(16,243)
Truancy Prevention/Intervention Special Revenue Fund	<u>(612)</u>
Total	<u>\$ (29,849)</u>

*Restatement of District Investment in Certificates of Deposits-*

Debt Service Fund	\$ <u>710,737</u>
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The District was not aware of a certificate of deposit that was in the name of the District in the Debt Service fund at year end. However, subsequent to year end, the District discovered the certificate of deposit and has restated the Debt Service fund and the government wide statements in the amount of \$710,737.

*Government Wide:* The District also restated net position in the amount of \$(4,946,786) related to capital assets. This restatement was necessary due to prior years’ errors in tracking capital assets. Total Governmental Fund and Government Wide restatements totaled \$(4,265,898) as seen at Exhibit A-2.

**NOTE 18. Subsequent Pronouncements**

In March 2012, GASB Statement No. 65 *Items Previously Reported as Assets and Liabilities*, was issued. Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. Earlier application is encouraged. The District will implement this standard during fiscal year June 30, 2014.

In March 2012, GASB Statement No. 66 *Technical Corrections-2012—an amendment of GASB Statements No. 10 and No. 62*, was issued. Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. Earlier application is encouraged. The District will implement this standard during fiscal year June 30, 2014.

In June 2012, GASB Statement No. 67 *Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25*, was issued. Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2013. Earlier application is encouraged. The standard is expected to have no effect on the District in upcoming years.

In June 2012, GASB Statement No. 68 *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, was issued. Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2014. Earlier application is encouraged. The District will implement this standard during the fiscal year June 30, 2016.

In January 2013, GASB Statement No. 69 *Government Combinations and Disposals of Government Operations*, was issued. Effective Date: The provisions of this Statement are effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013. Earlier application is encouraged. The provisions of this Statement generally are required to be applied prospectively. The District is still evaluating how this standard will affect the District.

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Belen Consolidated School District No. 2  
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**NOTE 18. Subsequent Pronouncements (continued)**

In April 2013, GASB Statement No 70 *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, was issued. Effective Date: The provisions of this Statement are effective for reporting periods beginning after June 15, 2013. Earlier application is encouraged. Except for disclosures related to cumulative amounts paid or received in relation to a financial guarantee, the provisions of this Statement are required to be applied retroactively. Disclosures related to cumulative amounts paid or received in relation to a financial guarantee may be applied prospectively. The District is still evaluating how this reporting standard will affect the District.

**NOTE 19. 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.

**SUPPLEMENTARY INFORMATION**

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**NONMAJOR GOVERNMENTAL FUNDS**

**STATE OF NEW MEXICO**  
Belen Consolidated School District No. 2  
Nonmajor Fund Descriptions  
June 30, 2013

**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. Authority for the creation of this fund is NMSA 22-13-13.

**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.

**IDEA-B Discretionary (24107)** – To account for additional funding provided through the IDEA-B program at the discretion of the New Mexico Public Education Department. 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 and authorization are by the McKinney-Vento Homeless Assistance Act, Title VII, Subtitle B.

**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.

**Enhancing Education Thru Tech (E2T2-C) (24149)** – Accounts for funding designed to strengthen teacher learning in the field of technology. The authority for creation of this fund is Title II.D, as amended by the No Child Left Behind Act (Pub L 107-110).

**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. Authority for creation of this fund is the Elementary and Secondary Education Act (ESEA), as amended, Title III, Part A, Sections 3101, 3129.

**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. Authority for creation of this fund is the Rehabilitation Act of 1973, as amended, Title III, Section 303(b)-(d). 20 U.S.C. 777a and 797a.

**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. The authority for creation of this fund is the Elementary and Secondary Education Act, Title IV, Part A, Subpart 1, as amended. 20 U.S.C. 7111-7118.

**Title I School Improvement (24162)** – To account for funds used to provide financial assistance to districts to purchase and install educational materials and systems to help improve the quality of teaching and learning in their schools. (Authority: PL 100-297)

**STATE OF NEW MEXICO**  
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**SPECIAL REVENUE FUNDS (continued)**

**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. (Authority: P.L. 100-297)

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

**Carl Perkins Secondary - Redistribution (24176)** – Redistribution for the program as described above. (Authority: P.L. 105-332).

**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. (Authority: P.L. 105-332).

**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. Authorized by the 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)).

**Title I School Improvement - ARRA (24262)** – The purpose of this program is to help districts improve academic achievements. Authorized by the American Recovery and Reinvestment Act of 2009.

**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. Authorized by the School Board and the New Mexico Public Education Department.

**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. (Authorization: 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. Authorized by the School Board and the New Mexico Public Education Department.

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June 30, 2013

**SPECIAL REVENUE FUNDS (continued)**

**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.

**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. Authorized by the School Board and the New Mexico Public Education Department.

**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. Authorized by the School Board and the New Mexico Public Education Department.

**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. Authorized by the School Board and the New Mexico Public Education Department.

**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. Authorized by the School Board and the New Mexico Public Education Department.

**Special State Appropriation – Formative Assessments (27111)** – The purpose of this grant is to provide funds for the District to purchase formative assessments approved by the Public Education Department for English language arts and math in grades 4 through 10. Funds accounted for in this fund are received from the State of New Mexico. The authority for creation of this fund is the School Board and the New Mexico Public Education Department.

**New Mexico Reads to Lead K-3 Reading Initiative (27114)** – The purpose of this grant is to provide funding for reading initiative activities for grades K-3. Funds accounted for in this fund are received from the State of New Mexico. The authority for creation of this fund is the School Board and the New Mexico Public Education Department.

**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. Authority: 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 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. Authorized by the School Board and the New Mexico Public Education Department.



**STATE OF NEW MEXICO**  
Belen Consolidated School District No. 2  
Nonmajor Fund Descriptions  
June 30, 2013

**SPECIAL REVENUE FUNDS (continued)**

**2010 GO Bond Instructional Materials (27171)** – Accounts for funds provided for the purchase of books and instructional materials to The Family School. Funds accounted for in this fund are received from the State of New Mexico. The authority for creation of this fund is the School Board and the New Mexico Public Education Department.

**Science Instructional Materials K-12 (27176)** – Accounts for funds from a special state appropriation for the purchase of science instructional materials for grades 6-8. Funds accounted for in this fund are received from the State of New Mexico. The authority for creation of this fund is the School Board and the New Mexico Public Education Department.

**Training & Professional Development for Teachers (27520)** – To improve the skills of teachers and the quality of instruction throughout the District. Authorized by the School Board and the New Mexico Public Education Department.

**School Library Material Fund FY 08 (27549)** – Funds awarded to the District by the Instructional Materials Bureau in accordance with 2008 Senate Bill 471 for purchases of library books. Authorized by the School Board and the New Mexico Public Education Department.

**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.

**GRADS – Child Care (28189)** – Partially funds the salary and benefits for a teacher participating in the GRADS program. Authority for the creation of this fund is the New Mexico Public Education Department.

**GRADS - Instruction (28190)** – To assist in the cost for caps and gowns for students who are graduating. Authority for the creation of this fund is the New Mexico Public Education Department.

**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.

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**STATE OF NEW MEXICO**  
Belen Consolidated School District No. 2  
Nonmajor Fund Descriptions  
June 30, 2013

**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.

**STATE OF NEW MEXICO**  
 Belen Consolidated School District No. 2  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2013

	Special Revenue			
	Food Service	Athletics	IDEA-B Discretionary	Preschool IDEA-B
<i>Assets</i>				
Cash and cash equivalents	\$ 823,974	\$ 52,294	\$ -	\$ -
Property taxes receivable	-	-	-	-
Due from other governments	196,820	-	-	-
Inventory	82,832	-	-	-
Due from other funds	11,692	-	-	-
	<u>\$ 1,115,318</u>	<u>\$ 52,294</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Liabilities</i>				
Accounts payable	\$ 415	\$ 13,306	\$ -	\$ -
Accrued payroll	48,629	-	-	-
Deferred revenue	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	3,336	110,122	5,040	8
	<u>52,380</u>	<u>123,428</u>	<u>5,040</u>	<u>8</u>
<i>Fund balances</i>				
Nonspendable				
Inventory	82,832	-	-	-
Spendable				
Restricted for:				
Education	-	-	-	-
Capital acquisition and improvements	-	-	-	-
Food services	980,106	-	-	-
Unassigned	-	(71,134)	(5,040)	(8)
	<u>1,062,938</u>	<u>(71,134)</u>	<u>(5,040)</u>	<u>(8)</u>
<i>Total liabilities and fund balances</i>	<u>\$ 1,115,318</u>	<u>\$ 52,294</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"	Enhancing Education Thru Technology (E2Y2-C)	English Language Acquisition
\$ -	\$ 3,901	\$ -	\$ 1,321	\$ -
-	-	-	-	-
4,784	-	2,495	-	18,068
-	-	-	-	-
-	-	-	-	307
<u>\$ 4,784</u>	<u>\$ 3,901</u>	<u>\$ 2,495</u>	<u>\$ 1,321</u>	<u>\$ 18,375</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,053
-	-	-	-	-
-	-	-	-	-
912	438	-	-	-
3,850	4,669	15,489	1,321	43,962
<u>4,762</u>	<u>5,107</u>	<u>15,489</u>	<u>1,321</u>	<u>45,015</u>
-	-	-	-	-
22	-	-	-	-
-	-	-	-	-
-	(1,206)	(12,994)	-	(26,640)
<u>22</u>	<u>(1,206)</u>	<u>(12,994)</u>	<u>-</u>	<u>(26,640)</u>
<u>\$ 4,784</u>	<u>\$ 3,901</u>	<u>\$ 2,495</u>	<u>\$ 1,321</u>	<u>\$ 18,375</u>

**STATE OF NEW MEXICO**  
 Belen Consolidated School District No. 2  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2013

	Special Revenue			
	Teacher/ Principal Training & Recruiting	Safe & Drug Free Schools & Communities	Title I School Improvement	Reading First
<i>Assets</i>				
Cash and cash equivalents	\$ -	\$ 205	\$ -	\$ 12,138
Property taxes receivable	-	-	-	-
Due from other governments	270,393	-	51,936	-
Inventory	-	-	-	-
Due from other funds	-	-	-	-
<i>Total assets</i>	<u>\$ 270,393</u>	<u>\$ 205</u>	<u>\$ 51,936</u>	<u>\$ 12,138</u>
<i>Liabilities</i>				
Accounts payable	\$ 167	\$ -	\$ -	\$ -
Accrued payroll	2,950	-	12	-
Deferred revenue	-	-	-	-
Due to other governments	-	205	-	12,138
Due to other funds	247,964	-	105,072	-
<i>Total liabilities</i>	<u>251,081</u>	<u>205</u>	<u>105,084</u>	<u>12,138</u>
<i>Fund balances</i>				
Nonspendable				
Inventory	-	-	-	-
Spendable				
Restricted for:				
Education	19,312	-	-	-
Capital acquisition and improvements	-	-	-	-
Food services	-	-	-	-
Unassigned	-	-	(53,148)	-
<i>Total fund balances</i>	<u>19,312</u>	<u>-</u>	<u>(53,148)</u>	<u>-</u>
<i>Total liabilities and fund balances</i>	<u>\$ 270,393</u>	<u>\$ 205</u>	<u>\$ 51,936</u>	<u>\$ 12,138</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

<u>Carl Perkins Secondary</u>	<u>Carl Perkins Secondary - Redistribution</u>	<u>Carl Perkins Secondary - Redistribution 2</u>	<u>Deferred Sick Leave</u>	<u>Title I - IASA - Federal Stimulus</u>
\$ -	\$ 2,218	\$ -	\$ 37,719	\$ 1,193
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
6,896	-	-	-	-
<u>\$ 6,896</u>	<u>\$ 2,218</u>	<u>\$ -</u>	<u>\$ 37,719</u>	<u>\$ 1,193</u>
\$ 11,342	\$ 938	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	2,218	-	-	-
23,597	-	-	96,171	1,335
<u>34,939</u>	<u>3,156</u>	<u>-</u>	<u>96,171</u>	<u>1,335</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
(28,043)	(938)	-	(58,452)	(142)
<u>(28,043)</u>	<u>(938)</u>	<u>-</u>	<u>(58,452)</u>	<u>(142)</u>
<u>\$ 6,896</u>	<u>\$ 2,218</u>	<u>\$ -</u>	<u>\$ 37,719</u>	<u>\$ 1,193</u>

**STATE OF NEW MEXICO**  
 Belen Consolidated School District No. 2  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2013

	<u>Special Revenue</u>			
	<u>Entitlement IDEA- B Federal Stimulus</u>	<u>Preschool IDEA- B Federal Stimulus</u>	<u>Education for Homeless - ARRA</u>	<u>Title I School Improvement - ARRA</u>
<i>Assets</i>				
Cash and cash equivalents	\$ 10,563	\$ 4,878	\$ 454	\$ 1,110
Property taxes receivable	-	-	-	-
Due from other governments	-	-	-	-
Inventory	-	-	-	-
Due from other funds	-	-	-	-
<i>Total assets</i>	<u>\$ 10,563</u>	<u>\$ 4,878</u>	<u>\$ 454</u>	<u>\$ 1,110</u>
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-
Deferred revenue	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	10,563	4,878	-	1,110
<i>Total liabilities</i>	<u>10,563</u>	<u>4,878</u>	<u>-</u>	<u>1,110</u>
<i>Fund balances</i>				
Nonspendable				
Inventory	-	-	-	-
Spendable				
Restricted for:				
Education	-	-	454	-
Capital acquisition and improvements	-	-	-	-
Food services	-	-	-	-
Unassigned	-	-	-	-
<i>Total fund balances</i>	<u>-</u>	<u>-</u>	<u>454</u>	<u>-</u>
<i>Total liabilities and fund balances</i>	<u>\$ 10,563</u>	<u>\$ 4,878</u>	<u>\$ 454</u>	<u>\$ 1,110</u>

The accompanying notes are an integral part of these financial statements



Special Revenue

GRADS Child Care CYFD	Title XIX Medicaid 0/2 Years	Child Care Block Grant	TANF/GRADS	New Mexico Community Foundation
\$ 3,000	\$ 98,091	\$ 99,803	\$ 5,666	\$ 2,465
-	-	-	-	-
-	41,020	-	-	-
-	-	-	-	-
-	34,289	-	-	-
<u>\$ 3,000</u>	<u>\$ 173,400</u>	<u>\$ 99,803</u>	<u>\$ 5,666</u>	<u>\$ 2,465</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	11,213	-	-	-
-	-	-	-	-
3,000	-	-	8,966	-
-	6,280	3,705	-	-
<u>3,000</u>	<u>17,493</u>	<u>3,705</u>	<u>8,966</u>	<u>-</u>
-	-	-	-	-
-	155,907	96,098	-	2,465
-	-	-	-	-
-	-	-	(3,300)	-
<u>-</u>	<u>155,907</u>	<u>96,098</u>	<u>(3,300)</u>	<u>2,465</u>
<u>\$ 3,000</u>	<u>\$ 173,400</u>	<u>\$ 99,803</u>	<u>\$ 5,666</u>	<u>\$ 2,465</u>

**STATE OF NEW MEXICO**  
 Belen Consolidated School District No. 2  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2013

	Special Revenue			
	Dual Credit Instructional Materials/ HB2	2008 GO Bond Student Library	2010 GO Bond Public School Acquisition	Special State Appropriation - Formative Assessments
<i>Assets</i>				
Cash and cash equivalents	\$ 3,518	\$ -	\$ -	\$ -
Property taxes receivable	-	-	-	-
Due from other governments	-	-	4,796	-
Inventory	-	-	-	-
Due from other funds	-	-	-	-
<i>Total assets</i>	<u>\$ 3,518</u>	<u>\$ -</u>	<u>\$ 4,796</u>	<u>\$ -</u>
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ 785	\$ -
Accrued payroll	-	-	-	-
Deferred revenue	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	4,797	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>5,582</u>	<u>-</u>
<i>Fund balances</i>				
Nonspendable				
Inventory	-	-	-	-
Spendable				
Restricted for:				
Education	3,518	-	-	-
Capital acquisition and improvements	-	-	-	-
Food services	-	-	-	-
Unassigned	-	-	(786)	-
<i>Total fund balances</i>	<u>3,518</u>	<u>-</u>	<u>(786)</u>	<u>-</u>
<i>Total liabilities and fund balances</i>	<u>\$ 3,518</u>	<u>\$ -</u>	<u>\$ 4,796</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

Special Revenue				
New Mexico Reads to Lead K- 3 Reading Initiative	Technology for Education PED	Truancy Prevention/ Intervention	Beginning Teacher Mentoring Program	Breakfast in the Classroom
\$ -	\$ 1,314	\$ -	\$ 6,629	\$ 35,747
-	-	-	-	-
167,642	-	-	-	40,547
-	-	-	-	-
-	-	-	-	-
<u>\$ 167,642</u>	<u>\$ 1,314</u>	<u>\$ -</u>	<u>\$ 6,629</u>	<u>\$ 76,294</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
167,642	-	612	-	11,692
<u>167,642</u>	<u>-</u>	<u>612</u>	<u>-</u>	<u>11,692</u>
-	-	-	-	-
-	1,314	-	6,629	64,602
-	-	-	-	-
-	-	(612)	-	-
-	1,314	(612)	6,629	64,602
<u>\$ 167,642</u>	<u>\$ 1,314</u>	<u>\$ -</u>	<u>\$ 6,629</u>	<u>\$ 76,294</u>

**STATE OF NEW MEXICO**  
 Belen Consolidated School District No. 2  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2013

	Special Revenue			
	2010 GO Bond Instructional Materials	Science Instructional Materials K-12	Training & Professional Development for Teachers	School Library Material Fund FY 08
<i>Assets</i>				
Cash and cash equivalents	\$ -	\$ -	\$ 13,286	\$ 6,452
Property taxes receivable	-	-	-	-
Due from other governments	-	4,130	-	-
Inventory	-	-	-	-
Due from other funds	-	-	-	-
<i>Total assets</i>	<u>\$ -</u>	<u>\$ 4,130</u>	<u>\$ 13,286</u>	<u>\$ 6,452</u>
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-
Deferred revenue	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	5,083	4,130	13,286	-
<i>Total liabilities</i>	<u>5,083</u>	<u>4,130</u>	<u>13,286</u>	<u>-</u>
<i>Fund balances</i>				
Nonspendable				
Inventory	-	-	-	-
Spendable				
Restricted for:				
Education	-	-	-	6,452
Capital acquisition and improvements	-	-	-	-
Food services	-	-	-	-
Unassigned	(5,083)	-	-	-
<i>Total fund balances</i>	<u>(5,083)</u>	<u>-</u>	<u>-</u>	<u>6,452</u>
<i>Total liabilities and fund balances</i>	<u>\$ -</u>	<u>\$ 4,130</u>	<u>\$ 13,286</u>	<u>\$ 6,452</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

<u>GEAR UP CHE</u>	<u>GRADS - Child Care</u>	<u>GRADS - Instructional</u>	<u>Private Direct Grants (Categorical)</u>	<u>School Based Health Center</u>
\$ 5,367	\$ -	\$ -	\$ -	\$ 162,276
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 5,367</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 162,276</u>
\$ -	\$ -	\$ 3,448	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	6,364	16,108	-	-
<u>-</u>	<u>6,364</u>	<u>19,556</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
5,367	-	-	-	162,276
-	-	-	-	-
<u>-</u>	<u>(6,364)</u>	<u>(19,556)</u>	<u>-</u>	<u>-</u>
<u>5,367</u>	<u>(6,364)</u>	<u>(19,556)</u>	<u>-</u>	<u>162,276</u>
<u>\$ 5,367</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 162,276</u>

**STATE OF NEW MEXICO**  
 Belen Consolidated School District No. 2  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2013

Capital Projects

	<u>Bond Building</u>	<u>Public School Capital Outlay</u>	<u>Special Capital Outlay</u>	<u>Special Capital Outlay State</u>
<i>Assets</i>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 13,173
Property taxes receivable	-	-	-	-
Due from other governments	-	-	-	-
Inventory	-	-	-	-
Due from other funds	2,167	-	2,675	-
	<u>2,167</u>	<u>-</u>	<u>2,675</u>	<u>-</u>
<i>Total assets</i>	<u>\$ 2,167</u>	<u>\$ -</u>	<u>\$ 2,675</u>	<u>\$ 13,173</u>
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-
Deferred revenue	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	5,768	-	-	13,173
	<u>5,768</u>	<u>-</u>	<u>-</u>	<u>13,173</u>
<i>Total liabilities</i>	<u>5,768</u>	<u>-</u>	<u>-</u>	<u>13,173</u>
<i>Fund balances</i>				
Nonspendable				
Inventory	-	-	-	-
Spendable				
Restricted for:				
Education	-	-	-	-
Capital acquisition and improvements	-	-	2,675	-
Food services	-	-	-	-
Unassigned	(3,601)	-	-	-
	<u>(3,601)</u>	<u>-</u>	<u>2,675</u>	<u>-</u>
<i>Total fund balances</i>	<u>(3,601)</u>	<u>-</u>	<u>2,675</u>	<u>-</u>
<i>Total liabilities and fund balances</i>	<u>\$ 2,167</u>	<u>\$ -</u>	<u>\$ 2,675</u>	<u>\$ 13,173</u>

The accompanying notes are an integral part of these financial statements

<u>Total Nonmajor Governmental Funds</u>	
\$	1,408,755
	-
	802,631
	82,832
	<u>58,026</u>
\$	<u>2,352,244</u>
\$	31,454
	62,804
	-
	27,877
	<u>937,127</u>
	<u>1,059,262</u>
	82,832
	524,416
	2,675
	980,106
	<u>(297,047)</u>
	<u>1,292,982</u>
\$	<u>2,352,244</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, 2013

	Special Revenue			
	Food Service	Athletics	IDEA- B Discretionary	Preschool IDEA-B
<i>Revenues</i>				
Federal flowthrough	\$ 2,055,238	\$ -	\$ -	\$ 10,427
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	137,611	-	-	-
Charges for services	222,715	161,463	-	-
Investment income	262	17	-	-
<i>Total revenues</i>	2,415,826	161,480	-	10,427
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	243,323	5,040	9,929
Support services	-	-	-	506
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Food services operations	2,264,227	-	-	-
Capital outlay	44,297	-	-	-
<i>Total expenditures</i>	2,308,524	243,323	5,040	10,435
<i>Excess (deficiency) of revenues over expenditures</i>	107,302	(81,843)	(5,040)	(8)
<i>Other financing sources (uses)</i>				
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	107,302	(81,843)	(5,040)	(8)
<i>Fund balances - beginning</i>	955,636	10,709	-	-
<i>Fund balances - restatement</i>	-	-	-	-
<i>Fund balances - as restated</i>	955,636	10,709	-	-
<i>Fund balances - ending</i>	\$ 1,062,938	\$ (71,134)	\$ (5,040)	\$ (8)

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"	Enhancing Education Thru Technology (E2Y2-C)	English Language Acquisition
\$ 15,203	\$ 93,914	\$ 6,611	\$ -	\$ 14,639
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>15,203</u>	<u>93,914</u>	<u>6,611</u>	<u>-</u>	<u>14,639</u>
16	-	6,611	-	25,036
15,165	-	-	-	-
-	-	-	-	-
-	95,120	-	-	-
-	-	-	-	-
<u>15,181</u>	<u>95,120</u>	<u>6,611</u>	<u>-</u>	<u>25,036</u>
22	(1,206)	-	-	(10,397)
-	-	-	-	-
-	-	-	-	-
<u>22</u>	<u>(1,206)</u>	<u>-</u>	<u>-</u>	<u>(10,397)</u>
-	-	-	-	-
-	-	(12,994)	-	(16,243)
-	-	(12,994)	-	(16,243)
<u>\$ 22</u>	<u>\$ (1,206)</u>	<u>\$ (12,994)</u>	<u>\$ -</u>	<u>\$ (26,640)</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, 2013

	Special Revenue			
	Teacher/ Principal Training & Recruiting	Safe & Drug Free Schools & Communities	Title I School Improvement	Reading First
<i>Revenues</i>				
Federal flowthrough	\$ 364,895	\$ -	\$ 6,582	\$ -
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
<i>Total revenues</i>	<u>364,895</u>	<u>-</u>	<u>6,582</u>	<u>-</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	331,434	-	21,732	-
Support services	14,149	-	37,998	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>345,583</u>	<u>-</u>	<u>59,730</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>19,312</u>	<u>-</u>	<u>(53,148)</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
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>19,312</u>	<u>-</u>	<u>(53,148)</u>	<u>-</u>
<i>Fund balances - beginning</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - restatement</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - as restated</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - ending</i>	<u>\$ 19,312</u>	<u>\$ -</u>	<u>\$ (53,148)</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

<u>Carl Perkins Secondary</u>	<u>Carl Perkins Secondary - Redistribution</u>	<u>Carl Perkins Secondary - Redistribution 2</u>	<u>Deferred Sick Leave</u>	<u>Title I - IASA - Federal Stimulus</u>
\$ 18,409	\$ -	\$ 21,092	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>18,409</u>	<u>-</u>	<u>21,092</u>	<u>-</u>	<u>-</u>
46,452	938	21,092	-	-
-	-	-	-	-
-	-	-	10,901	-
-	-	-	-	-
-	-	-	-	-
<u>46,452</u>	<u>938</u>	<u>21,092</u>	<u>10,901</u>	<u>-</u>
<u>(28,043)</u>	<u>(938)</u>	<u>-</u>	<u>(10,901)</u>	<u>-</u>
-	-	-	-	(142)
-	-	-	-	(142)
<u>(28,043)</u>	<u>(938)</u>	<u>-</u>	<u>(10,901)</u>	<u>(142)</u>
-	-	-	(47,551)	-
-	-	-	-	-
-	-	-	(47,551)	-
<u>\$ (28,043)</u>	<u>\$ (938)</u>	<u>\$ -</u>	<u>\$ (58,452)</u>	<u>\$ (142)</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, 2013

	Special Revenue			
	Entitlement IDEA- B - ARRA	Preschool IDEA- B - ARRA	Education for Homeless - ARRA	Title I School Improvement - ARRA
<i>Revenues</i>				
Federal flowthrough	\$ -	\$ -	\$ 454	\$ -
Federal direct	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
<i>Total revenues</i>	-	-	454	-
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	454	-
<i>Other financing sources (uses)</i>				
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	454	-
<i>Fund balances - beginning</i>	-	-	-	-
<i>Fund balances - restatement</i>	-	-	-	-
<i>Fund balances - as restated</i>	-	-	-	-
<i>Fund balances - ending</i>	\$ -	\$ -	\$ 454	\$ -

The accompanying notes are an integral part of these financial statements

Special Revenue

GRADS Child Care CYFD	Title XIX Medicaid 0/2 Years	Child Care Block Grant	TANF/GRADS	New Mexico Community Foundation
\$ -	\$ -	\$ -	\$ -	\$ -
-	290,997	6,733	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	290,997	6,733	-	-
-	5,321	-	-	-
-	436,113	-	3,300	-
-	-	-	-	-
-	409	-	-	-
-	-	-	-	-
-	-	-	-	-
-	441,843	-	3,300	-
-	(150,846)	6,733	(3,300)	-
-	34,289	-	-	-
-	34,289	-	-	-
-	(116,557)	6,733	(3,300)	-
-	272,464	89,365	-	2,465
-	-	-	-	-
-	272,464	89,365	-	2,465
\$ -	\$ 155,907	\$ 96,098	\$ (3,300)	\$ 2,465

**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, 2013

	Special Revenue			
	Dual Credit Instructional Materials/ HB2	2008 GO Bond Student Library	2010 GO Bond Public School Acquisition	Special State Appropriation - Formative Assessments
<i>Revenues</i>				
Federal flowthrough	\$ -	\$ -	\$ -	\$ -
Federal direct	-	-	-	-
State flowthrough	11,356	-	4,796	-
State direct	-	-	-	27,150
Charges for services	-	-	-	-
Investment income	-	-	-	-
<i>Total revenues</i>	<u>11,356</u>	<u>-</u>	<u>4,796</u>	<u>27,150</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	7,838	-	5,582	-
Support services	-	-	-	27,150
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>7,838</u>	<u>-</u>	<u>5,582</u>	<u>27,150</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>3,518</u>	<u>-</u>	<u>(786)</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Transfers in (out)	-	1,508	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>1,508</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>3,518</u>	<u>1,508</u>	<u>(786)</u>	<u>-</u>
<i>Fund balances - beginning</i>	<u>-</u>	<u>(1,508)</u>	<u>-</u>	<u>-</u>
<i>Fund balances - restatement</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - as restated</i>	<u>-</u>	<u>(1,508)</u>	<u>-</u>	<u>-</u>
<i>Fund balances - ending</i>	<u>\$ 3,518</u>	<u>\$ -</u>	<u>\$ (786)</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

New Mexico Reads to Lead K- 3 Reading Initiative	Technology for Education PED	Truancy Prevention/ Intervention	Beginning Teacher Mentoring Program	Breakfast in the Classroom
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
167,642	-	-	-	40,547
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>167,642</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,547</u>
167,642	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	40,548
-	-	-	-	-
<u>167,642</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,548</u>
-	-	-	-	(1)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	(1)
-	1,314	-	6,629	64,603
-	-	(612)	-	-
-	1,314	(612)	6,629	64,603
<u>\$ -</u>	<u>\$ 1,314</u>	<u>\$ (612)</u>	<u>\$ 6,629</u>	<u>\$ 64,602</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, 2013

	Special Revenue			
	2010 GO Bond Instructional Materials	Science Instructional Materials K-12	Training & Professional Development for Teachers	School Library Material Fund FY 08
<i>Revenues</i>				
Federal flowthrough	\$ -	\$ -	\$ -	\$ -
Federal direct	-	-	-	-
State flowthrough	-	23,639	-	-
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>23,639</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
Current				
Instruction	5,083	23,639	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>5,083</u>	<u>23,639</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(5,083)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
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>(5,083)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,452</u>
<i>Fund balances - restatement</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - as restated</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,452</u>
<i>Fund balances - ending</i>	<u>\$ (5,083)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,452</u>

The accompanying notes are an integral part of these financial statements



Special Revenue

<u>GEAR UP CHE</u>	<u>GRADS - Child Care</u>	<u>GRADS - Instructional</u>	<u>Private Direct Grants (Categorical)</u>	<u>School Based Health Center</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	6,364	3,556	-	-
-	-	16,000	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	6,364	19,556	-	-
-	(6,364)	(19,556)	-	-
-	-	-	1,528	(34,289)
-	-	-	1,528	(34,289)
-	(6,364)	(19,556)	1,528	(34,289)
5,367	-	-	(1,528)	196,565
-	-	-	-	-
5,367	-	-	(1,528)	196,565
<u>\$ 5,367</u>	<u>\$ (6,364)</u>	<u>\$ (19,556)</u>	<u>\$ -</u>	<u>\$ 162,276</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, 2013

Capital Projects

	Bond Building Fund	Public School Capital Outlay	Special Capital Outlay	Special Capital Outlay State
<i>Revenues</i>				
Federal flowthrough	\$ -	\$ -	\$ -	\$ -
Federal direct	-	-	-	-
State flowthrough	8,297	-	-	-
State direct	-	-	-	-
Charges for services	-	-	-	-
Investment income	53	-	-	-
<i>Total revenues</i>	<u>8,350</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	336,560	-	-	-
Food services operations	-	-	-	-
Capital outlay	374,539	-	-	-
<i>Total expenditures</i>	<u>711,099</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(702,749)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Transfers in (out)	-	-	-	2,500
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,500</u>
<i>Net change in fund balances</i>	<u>(702,749)</u>	<u>-</u>	<u>-</u>	<u>2,500</u>
<i>Fund balances - beginning</i>	<u>699,148</u>	<u>-</u>	<u>2,675</u>	<u>(2,500)</u>
<i>Fund balances - restatement</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - as restated</i>	<u>699,148</u>	<u>-</u>	<u>2,675</u>	<u>(2,500)</u>
<i>Fund balances - ending</i>	<u>\$ (3,601)</u>	<u>\$ -</u>	<u>\$ 2,675</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

<u>Total Nonmajor Governmental Funds</u>	
\$	2,607,464
	297,730
	256,277
	164,761
	384,178
	332
	<u>3,710,742</u>
	936,628
	550,381
	10,901
	336,969
	2,399,895
	418,836
	<u>4,653,610</u>
	<u>(942,868)</u>
	5,394
	<u>5,394</u>
	<u>(937,474)</u>
	2,260,305
	<u>(29,849)</u>
	2,230,456
\$	<u>1,292,982</u>

## STATE OF NEW MEXICO

Statement B-1

Belen Consolidated School District No. 2

Food Service Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	2,127,964	2,127,964	1,782,165	(345,799)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	70,000	70,000	-	(70,000)
State direct	-	-	137,611	137,611
Combined state/local	-	-	-	-
Charges for services	280,000	280,000	222,715	(57,285)
Investment income	-	-	262	262
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>2,477,964</u>	<u>2,477,964</u>	<u>2,142,753</u>	<u>(335,211)</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	3,112,964	3,245,618	2,193,101	1,052,517
Community services operations	-	-	-	-
Capital outlay	165,000	165,000	46,640	118,360
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>3,277,964</u>	<u>3,410,618</u>	<u>2,239,741</u>	<u>1,170,877</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(800,000)</u>	<u>(932,654)</u>	<u>(96,988)</u>	<u>835,666</u>
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	800,000	932,654	-	(932,654)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>800,000</u>	<u>932,654</u>	<u>-</u>	<u>(932,654)</u>
<i>Net change in fund balances</i>	-	-	(96,988)	(96,988)
<i>Fund balances - beginning of year</i>	-	-	929,318	929,318
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 832,330</u>	<u>\$ 832,330</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (96,988)
Adjustments to revenues for federal flowthrough grants				273,073
Adjustment to expenditures for food service operations and payroll expenditures				(68,783)
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ 107,302</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, 2013

	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	197,196	197,196	161,730	(35,466)
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>197,196</u>	<u>197,196</u>	<u>161,730</u>	<u>(35,466)</u>
<i>Expenditures</i>				
Current				
Instruction	260,000	260,000	231,906	28,094
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>260,000</u>	<u>260,000</u>	<u>231,906</u>	<u>28,094</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(62,804)</u>	<u>(62,804)</u>	<u>(70,176)</u>	<u>(7,372)</u>
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	62,804	62,804	-	(62,804)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>62,804</u>	<u>62,804</u>	<u>-</u>	<u>(62,804)</u>
<i>Net change in fund balances</i>	-	-	(70,176)	(70,176)
<i>Fund balances - beginning of year</i>	-	-	12,348	12,348
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (57,828)</u>	<u>\$ (57,828)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (70,176)
Adjustments to revenues for federal flowthrough grants				(250)
Adjustment to expenditures for athletic expenditures				(11,417)
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ (81,843)</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  
 IDEA-B Discretionary 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, 2013

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	5,000	-	(5,000)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
<i>Expenditures</i>				
Current				
Instruction	-	5,000	5,040	(40)
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>5,000</u>	<u>5,040</u>	<u>(40)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(5,040)</u>	<u>(5,040)</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>	-	-	(5,040)	(5,040)
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,040)</u>	<u>\$ (5,040)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (5,040)
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ (5,040)</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, 2013

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	18,597	41,197	10,999	(30,198)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>18,597</u>	<u>41,197</u>	<u>10,999</u>	<u>(30,198)</u>
<i>Expenditures</i>				
Current				
Instruction	16,150	38,750	9,929	28,821
Support services	2,447	2,447	506	1,941
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>18,597</u>	<u>41,197</u>	<u>10,435</u>	<u>30,762</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	564	564
<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>	-	-	564	564
<i>Fund balances - beginning of year</i>	-	-	(572)	(572)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8)</u>	<u>\$ (8)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 564
Adjustments to revenues for federal flowthrough grant				(572)
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ (8)</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, 2013

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	13,500	15,203	11,420	(3,783)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>13,500</u>	<u>15,203</u>	<u>11,420</u>	<u>(3,783)</u>
<i>Expenditures</i>				
Current				
Instruction	13,500	15,203	15,181	22
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>13,500</u>	<u>15,203</u>	<u>15,181</u>	<u>22</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(3,761)</u>	<u>(3,761)</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>	-	-	(3,761)	(3,761)
<i>Fund balances - beginning of year</i>	-	-	(89)	(89)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,850)</u>	<u>\$ (3,850)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (3,761)
Adjustments to revenues for federal flowthrough grant				3,783
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ 22</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, 2013

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	98,073	98,073	105,207	7,134
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	98,073	98,073	105,207	7,134
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	98,073	98,073	95,120	2,953
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	98,073	98,073	95,120	2,953
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	10,087	10,087
<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>	-	-	10,087	10,087
<i>Fund balances - beginning of year</i>	-	-	(10,855)	(10,855)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (768)	\$ (768)
<i>Net change in fund balances (Budget Basis)</i>				\$ 10,087
Adjustments to revenues for federal flowthrough grant				(11,293)
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				\$ (1,206)

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, 2013

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	6,685	4,248	(2,437)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	6,685	4,248	(2,437)
<i>Expenditures</i>				
Current				
Instruction	-	6,685	19,605	(12,920)
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>	-	6,685	19,605	(12,920)
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(15,357)	(15,357)
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	(15,357)	(15,357)
<i>Fund balances - beginning of year</i>	-	-	(132)	(132)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (15,489)	\$ (15,489)
<i>Net change in fund balances (Budget Basis)</i>				\$ (15,357)
Adjustments to revenues for federal flowthrough grant				2,363
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  
 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, 2013

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	12,994	12,994
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>12,994</u>	<u>12,994</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>12,994</u>	<u>12,994</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>	-	-	12,994	12,994
<i>Fund balances - beginning of year</i>	-	-	(12,994)	(12,994)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 12,994
Adjustments to revenues for federal flowthrough grant				(12,994)
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**  
 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, 2013

Statement B-9

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	33,754	22,174	(11,580)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	33,754	22,174	(11,580)
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	33,754	23,983	9,771
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>	-	33,754	23,983	9,771
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(1,809)	(1,809)
<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>	-	-	(1,809)	(1,809)
<i>Fund balances - beginning of year</i>	-	-	(41,846)	(41,846)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (43,655)	\$ (43,655)
<i>Net change in fund balances (Budget Basis)</i>				\$ (1,809)
Adjustments to revenues for federal flowthrough grant				(7,535)
Adjustments to expenditures for instructional expenses				(1,053)
<i>Net change in fund balances (GAAP Basis)</i>				\$ (10,397)

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-10

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, 2013

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	308,016	711,580	362,684	(348,896)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>308,016</u>	<u>711,580</u>	<u>362,684</u>	<u>(348,896)</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	282,916	682,450	335,091	347,359
Support services	25,100	29,130	14,149	14,981
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>308,016</u>	<u>711,580</u>	<u>349,240</u>	<u>362,340</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>13,444</u>	<u>13,444</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>	-	-	13,444	13,444
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(261,408)</u>	<u>(261,408)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (247,964)</u>	<u>\$ (247,964)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 13,444
Adjustments to revenues for federal flowthrough grant				2,211
Adjustments to expenditures for instructional materials and payroll expenditures				<u>3,657</u>
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ 19,312</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  
 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, 2013

	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>	-	-	205	205
<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>				\$ -
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-12

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, 2013

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	112,168	7,794	(104,374)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	112,168	7,794	(104,374)
<i>Expenditures</i>				
Current				
Instruction	-	22,750	21,720	1,030
Support services	-	67,418	37,998	29,420
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>	-	90,168	59,718	30,450
<i>Excess (deficiency) of revenues over expenditures</i>	-	22,000	(51,924)	(73,924)
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	-	(22,000)	-	22,000
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	(22,000)	-	22,000
<i>Net change in fund balances</i>	-	-	(51,924)	(51,924)
<i>Fund balances - beginning of year</i>	-	-	(53,148)	(53,148)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (105,072)	\$ (105,072)
<i>Net change in fund balances (Budget Basis)</i>				\$ (51,924)
Adjustments to revenues for federal flowthrough grants				(1,212)
Adjustments to expenditures for payroll expenditures				(12)
<i>Net change in fund balances (GAAP Basis)</i>				\$ (53,148)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-13

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, 2013

	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>	-	-	12,138	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				-
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-14

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, 2013

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	51,952	57,725	27,828	(29,897)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>51,952</u>	<u>57,725</u>	<u>27,828</u>	<u>(29,897)</u>
<i>Expenditures</i>				
Current				
Instruction	51,952	49,146	39,158	9,988
Support services	-	8,579	-	8,579
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>51,952</u>	<u>57,725</u>	<u>39,158</u>	<u>18,567</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(11,330)</u>	<u>(11,330)</u>
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(11,330)</u>	<u>(11,330)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(5,371)</u>	<u>(5,371)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (16,701)</u>	<u>\$ (16,701)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (11,330)
Adjustments to revenues for federal flowthrough grant				(9,419)
Adjustments to expenditures for instructional expenditures				<u>(7,294)</u>
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ (28,043)</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  
 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, 2013

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	9,675	-	(9,675)
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	9,675	-	(9,675)
<i>Expenditures</i>				
Current				
Instruction	-	9,396	-	9,396
Support services	-	279	-	279
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>	-	9,675	-	9,675
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<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>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	2,218	2,218
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 2,218	\$ 2,218
<i>Net change in fund balances (Budget Basis)</i>				\$ -
No adjustments to revenues				-
Adjustments to expenditures for instructional expenditures				(938)
<i>Net change in fund balances (GAAP Basis)</i>				\$ (938)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-16

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, 2013

	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-17

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, 2013

	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	-	-	10,901	(10,901)
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	-	10,901	(10,901)
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(10,901)	(10,901)
<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>	-	-	(10,901)	(10,901)
<i>Fund balances - beginning of year</i>	-	-	(47,551)	(47,551)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (58,452)	\$ (58,452)
<i>Net change in fund balances (Budget Basis)</i>				\$ (10,901)
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				\$ (10,901)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-18

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, 2013

	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)	-	-	(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>	-	-	(142)	(142)
<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>\$ (142)</u>	<u>\$ (142)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (142)
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ (142)</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  
 Entitlement IDEA-B - ARRA 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, 2013

	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>	-	-	-	-
<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-20

Belen Consolidated School District No. 2  
 Preschool IDEA-B - ARRA 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, 2013

	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-21

Belen Consolidated School District No. 2  
 Education for Homeless - ARRA 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, 2013

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	454	454
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>454</u>	<u>454</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>454</u>	<u>454</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>	-	-	454	454
<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>\$ 454</u>	<u>\$ 454</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 454
No adjustments to revenues				-
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-22

Belen Consolidated School District No. 2  
 Title I School Improvement - ARRA 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, 2013

	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-23

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, 2013

	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				-
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  
 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, 2013

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	449,077	292,963	(156,114)
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	449,077	292,963	(156,114)
<i>Expenditures</i>				
Current				
Instruction	-	9,500	5,321	4,179
Support services	-	439,277	440,260	(983)
Central services	-	-	-	-
Operation and maintenance of plant	-	300	972	(672)
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	449,077	446,553	2,524
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(153,590)	(153,590)
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	-	-	-	-
Transfers in (out)	-	-	34,289	34,289
<i>Total other financing sources (uses)</i>	-	-	34,289	34,289
<i>Net change in fund balances</i>	-	-	(119,301)	(119,301)
<i>Fund balances - beginning of year</i>	-	-	245,401	245,401
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 126,100	\$ 126,100
<i>Net change in fund balances (Budget Basis)</i>				\$ (119,301)
Adjustments to revenues for federal direct grant				(1,966)
Adjustments to expenditures for instructional expenditures and payroll expenditures				4,710
<i>Net change in fund balances (GAAP Basis)</i>				\$ (116,557)

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-25

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, 2013

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	6,733	6,733
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	6,733	6,733
<i>Expenditures</i>				
Current				
Instruction	-	-	45	(45)
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>	-	-	45	(45)
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	6,688	6,688
<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>	-	-	6,688	6,688
<i>Fund balances - beginning of year</i>	-	-	89,410	89,410
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 96,098	\$ 96,098
<i>Net change in fund balances (Budget Basis)</i>				\$ 6,688
No adjustments to revenues				-
Adjustments to expenditures for instructional expenditures				45
<i>Net change in fund balances (GAAP Basis)</i>				\$ 6,733

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-26

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, 2013

	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	-	22,000	3,300	18,700
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>	-	22,000	3,300	18,700
<i>Excess (deficiency) of revenues over expenditures</i>	-	(22,000)	(3,300)	18,700
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	-	22,000	-	(22,000)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	22,000	-	(22,000)
<i>Net change in fund balances</i>	-	-	(3,300)	(3,300)
<i>Fund balances - beginning of year</i>	-	-	8,966	8,966
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 5,666	\$ 5,666
<i>Net change in fund balances (Budget Basis)</i>				\$ (3,300)
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				\$ (3,300)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-27

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, 2013

	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				-
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-28

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, 2013

	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	-	11,356	16,627	5,271
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>11,356</u>	<u>16,627</u>	<u>5,271</u>
<i>Expenditures</i>				
Current				
Instruction	-	11,356	7,838	3,518
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>11,356</u>	<u>7,838</u>	<u>3,518</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>8,789</u>	<u>8,789</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>	-	-	8,789	8,789
<i>Fund balances - beginning of year</i>	-	-	(5,271)	(5,271)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,518</u>	<u>\$ 3,518</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 8,789
Adjustments to revenues for state flowthrough grants				(5,271)
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ 3,518</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-29

Belen Consolidated School District No. 2  
 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, 2013

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	6,903	6,903
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>6,903</u>	<u>6,903</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>6,903</u>	<u>6,903</u>
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	-	-	-	-
Transfers in (out)	-	-	1,508	1,508
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>1,508</u>	<u>1,508</u>
<i>Net change in fund balances</i>	-	-	8,411	8,411
<i>Fund balances - beginning of year</i>	-	-	(8,411)	(8,411)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 8,411
Adjustments to revenues for state flowthrough grants				(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-30

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, 2013

	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	-	13,105	12,979	(126)
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	13,105	12,979	(126)
<i>Expenditures</i>				
Current				
Instruction	-	13,105	4,797	8,308
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>	-	13,105	4,797	8,308
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	8,182	8,182
<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>	-	-	8,182	8,182
<i>Fund balances - beginning of year</i>	-	-	(12,979)	(12,979)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (4,797)	\$ (4,797)
<i>Net change in fund balances (Budget Basis)</i>				\$ 8,182
Adjustments to revenues for state flowthrough grants				(8,183)
No adjustments to expenditures				(785)
<i>Net change in fund balances (GAAP Basis)</i>				\$ (786)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-31

Belen Consolidated School District No. 2  
 Special State Appropriation - Formative Assessments  
 Statement of Revenues, Expenditures, and Changes in Fund Balance  
 Budget (Non-GAAP Budgetary Basis) and Actual  
 For the Year Ended June 30, 2013

	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	-	33,782	27,150	(6,632)
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>33,782</u>	<u>27,150</u>	<u>(6,632)</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services	-	33,782	27,150	6,632
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>33,782</u>	<u>27,150</u>	<u>6,632</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net 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-32

Belen Consolidated School District No. 2  
 New Mexico Reads to Lead K-3 Reading Initiative Special Revenue Fund  
 Statement of Revenues, Expenditures, and Changes in Fund Balance  
 Budget (Non-GAAP Budgetary Basis) and Actual  
 For the Year Ended June 30, 2013

	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	-	174,300	167,642	6,658
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>	-	174,300	167,642	6,658
<i>Excess (deficiency) of revenues over expenditures</i>	-	(174,300)	(167,642)	6,658
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	-	174,300	-	(174,300)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	174,300	-	(174,300)
<i>Net change in fund balances</i>	-	-	(167,642)	(167,642)
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (167,642)	\$ (167,642)
<i>Net change in fund balances (Budget Basis)</i>				\$ (167,642)
Adjustments to revenues for state flowthrough funding				167,642
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-33

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, 2013

	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>	-	-	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>				\$ -
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-34

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, 2013

	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>	-	-	(612)	(612)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (612)</u>	<u>\$ (612)</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-35

Belen Consolidated School District No. 2  
 Beginning Teacher Mentoring Program Special Revenue Fund  
 Statement of Revenues, Expenditures, and Changes in Fund Balance  
 Budget (Non-GAAP Budgetary Basis) and Actual  
 For the Year Ended June 30, 2013

	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>	-	-	6,629	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-36

Belen Consolidated School District No. 2  
 Breakfast in the Classroom Special Revenue Fund  
 Statement of Revenues, Expenditures, and Changes in Fund Balance  
 Budget (Non-GAAP Budgetary Basis) and Actual  
 For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	43,311	1,936	(41,375)
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	43,311	1,936	(41,375)
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	43,311	40,548	2,763
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	43,311	40,548	2,763
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(38,612)	(38,612)
<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>	-	-	(38,612)	(38,612)
<i>Fund balances - beginning of year</i>	-	-	62,667	62,667
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 24,055	\$ 24,055
<i>Net change in fund balances (Budget Basis)</i>				\$ (38,612)
Adjustments to revenues for state flowthrough grants				38,611
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				\$ (1)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-37

Belen Consolidated School District No. 2  
 2010 GO Bond Instructional Materials 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, 2013

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	5,083	-	(5,083)
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>5,083</u>	<u>-</u>	<u>(5,083)</u>
<i>Expenditures</i>				
Current				
Instruction	-	5,083	5,083	-
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>5,083</u>	<u>5,083</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(5,083)</u>	<u>(5,083)</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>	-	-	(5,083)	(5,083)
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,083)</u>	<u>\$ (5,083)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (5,083)
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ (5,083)</u>

The accompanying notes are an integral part of these financial statements



STATE OF NEW MEXICO

Statement B-38

Belen Consolidated School District No. 2  
 Science Instructional Materials K-12 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, 2013

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	65,774	19,509	(46,265)
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>65,774</u>	<u>19,509</u>	<u>(46,265)</u>
<i>Expenditures</i>				
Current				
Instruction	-	65,774	23,639	42,135
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>65,774</u>	<u>23,639</u>	<u>42,135</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(4,130)</u>	<u>(4,130)</u>
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	(4,130)	(4,130)
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,130)</u>	<u>\$ (4,130)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (4,130)
Adjustments to revenues for state flowthrough grants				4,130
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  
 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, 2013

	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-40

Belen Consolidated School District No. 2  
 School Library Material Fund FY 08 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, 2013

	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>	-	-	6,452	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-41

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, 2013

	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	-	-	55,107	55,107
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>55,107</u>	<u>55,107</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>55,107</u>	<u>55,107</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>	-	-	55,107	55,107
<i>Fund balances - beginning of year</i>	-	-	(49,740)	(49,740)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,367</u>	<u>\$ 5,367</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 55,107
Adjustments to revenues for state direct grants				(55,107)
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  
GRADS - Child Care 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, 2013

	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	-	7,300	6,364	936
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>	-	7,300	6,364	936
<i>Excess (deficiency) of revenues over expenditures</i>	-	(7,300)	(6,364)	936
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	-	7,300	-	(7,300)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	7,300	-	(7,300)
<i>Net change in fund balances</i>	-	-	(6,364)	(6,364)
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (6,364)	\$ (6,364)
<i>Net change in fund balances (Budget Basis)</i>				\$ (6,364)
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				\$ (6,364)

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-43

Belen Consolidated School District No. 2  
GRADS - Instructional 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, 2013

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	58,211	-	(58,211)
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	58,211	-	(58,211)
<i>Expenditures</i>				
Current				
Instruction	-	7,000	3,556	3,444
Support services	-	51,211	12,552	38,659
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>	-	58,211	16,108	42,103
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(16,108)	(16,108)
<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>	-	-	(16,108)	(16,108)
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (16,108)	\$ (16,108)
<i>Net change in fund balances (Budget Basis)</i>				\$ (16,108)
No adjustments to revenues				-
Adjustments to expenditures for instructional and support services expenditures				(3,448)
<i>Net change in fund balances (GAAP Basis)</i>				\$ (19,556)

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, 2013

	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	-	-	-	-
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>	-	-	-	-
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	-	-	-	-
Transfers in (out)	-	-	1,528	1,528
<i>Total other financing sources (uses)</i>	-	-	1,528	1,528
<i>Net change in fund balances</i>	-	-	1,528	1,528
<i>Fund balances - beginning of year</i>	-	-	(1,528)	(1,528)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ -	\$ -
<i>Net change in fund balances (Budget Basis)</i>				\$ 1,528
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				\$ 1,528

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, 2013

	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)	-	-	(34,289)	(34,289)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(34,289)</u>	<u>(34,289)</u>
<i>Net change in fund balances</i>	-	-	(34,289)	(34,289)
<i>Fund balances - beginning of year</i>	-	-	196,565	196,565
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 162,276</u>	<u>\$ 162,276</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (34,289)
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ (34,289)</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, 2013

	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	-	-	53	53
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	53	53
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	5,000	5,000	-	5,000
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	978,838	1,231,894	1,242,715	(10,821)
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	983,838	1,236,894	1,242,715	(5,821)
<i>Excess (deficiency) of revenues over expenditures</i>	(983,838)	(1,236,894)	(1,242,662)	(5,768)
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	983,838	1,236,894	-	(1,236,894)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	983,838	1,236,894	-	(1,236,894)
<i>Net change in fund balances</i>	-	-	(1,242,662)	(1,242,662)
<i>Fund balances - beginning of year</i>	-	-	1,239,061	1,239,061
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (3,601)	\$ (3,601)
<i>Net change in fund balances (Budget Basis)</i>				\$ (1,242,662)
Adjustments to revenues for PSFA funding				8,297
Adjustments to expenditures for services, contract services, and construction services				531,616
<i>Net change in fund balances (GAAP Basis)</i>				\$ (702,749)

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, 2013

	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>	-	-	-	-
<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-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, 2013

	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>	-	-	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**  
 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, 2013

Statement B-49

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	88,345	-	(88,345)
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	88,345	-	(88,345)
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	88,345	-	88,345
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	88,345	-	88,345
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	-	-	-	-
Transfers in (out)	-	-	2,500	2,500
<i>Total other financing sources (uses)</i>	-	-	2,500	2,500
<i>Net change in fund balances</i>	-	-	2,500	2,500
<i>Fund balances - beginning of year</i>	-	-	(2,500)	(2,500)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ -	\$ -
<i>Net change in fund balances (Budget Basis)</i>				\$ 2,500
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				\$ 2,500

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-50

Belen Consolidated School District No. 2  
 SB-9 Capital Improvements 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, 2013

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Property taxes	\$ 1,091,482	\$ 1,091,482	\$ 822,349	\$ (269,133)
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	349,196	-	(349,196)
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	297	297
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,091,482</u>	<u>1,440,678</u>	<u>822,646</u>	<u>(618,032)</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services	7,005	7,005	8,223	(1,218)
Central services	80,339	491,805	310,494	181,311
Operation and maintenance of plant	1,010,000	1,010,000	730,897	279,103
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	615,000	1,245,465	702,428	543,037
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,712,344</u>	<u>2,754,275</u>	<u>1,752,042</u>	<u>1,002,233</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(620,862)</u>	<u>(1,313,597)</u>	<u>(929,396)</u>	<u>384,201</u>
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	620,862	1,313,597	-	(1,313,597)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>620,862</u>	<u>1,313,597</u>	<u>-</u>	<u>(1,313,597)</u>
<i>Net change in fund balances</i>	-	-	(929,396)	(929,396)
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,256,141</u>	<u>1,256,141</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 326,745</u>	<u>\$ 326,745</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (929,396)
Adjustments to revenues for capital outlay funding				364,683
Adjustments to expenditures for capital outlay expenditures				<u>(166,698)</u>
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ (731,411)</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, 2013

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property taxes	\$ 2,896,134	\$ 2,896,134	\$ 3,157,807	\$ 261,673
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	1,424	1,424
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>2,896,134</u>	<u>2,896,134</u>	<u>3,159,231</u>	<u>263,097</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	-	-	-	-
Support services	28,961	28,961	31,574	(2,613)
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Debt service</i>				
Principal	6,733,652	6,733,652	2,110,000	4,623,652
Interest	786,134	786,134	786,134	-
<i>Total expenditures</i>	<u>7,548,747</u>	<u>7,548,747</u>	<u>2,927,708</u>	<u>4,621,039</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(4,652,613)</u>	<u>(4,652,613)</u>	<u>231,523</u>	<u>4,884,136</u>
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	4,652,613	4,652,613	-	(4,652,613)
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>4,652,613</u>	<u>4,652,613</u>	<u>-</u>	<u>(4,652,613)</u>
<i>Net change in fund balances</i>	-	-	231,523	231,523
<i>Fund balances - beginning of year</i>	-	-	4,989,568	4,989,568
<i>Fund balances - restatement</i>	-	-	710,737	710,737
<i>Fund balances - as restated</i>	-	-	5,700,305	5,700,305
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,931,828</u>	<u>\$ 5,221,091</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 231,523
Adjustments to revenues for property tax revenues				975,589
No adjustments to expenditures				-
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ 1,207,112</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, 2013

Statement D-1

	Operational Fund	Transportation Fund	Instructional Materials Fund	Total
<i>Assets</i>				
Cash and cash equivalents	\$ 2,038,316	\$ 45,897	\$ 168,388	\$ 2,252,601
Property taxes receivable	77,754	-	-	77,754
Due from other governments	1,735	-	31,943	33,678
Inventory	110,485	-	-	110,485
Due from other funds	1,606,082	-	149,445	1,755,527
<i>Total assets</i>	<u>\$ 3,834,372</u>	<u>\$ 45,897</u>	<u>\$ 349,776</u>	<u>\$ 4,230,045</u>
<i>Liabilities and fund balances</i>				
<i>Liabilities</i>				
Accounts payable	\$ 173,677	\$ -	\$ 22,496	\$ 196,173
Accrued payroll	491,150	45,897	-	537,047
Deferred revenue	29,909	-	-	29,909
Due to other funds	125,624	127,838	149,445	402,907
<i>Total liabilities</i>	820,360	173,735	171,941	1,166,036
<i>Fund balances</i>				
<i>Nonspendable</i>				
Inventory	110,485	-	-	110,485
<i>Spendable</i>				
Committed for:				
Subsequent year expenditures	1,807,671	-	177,835	1,985,506
Unassigned	1,095,856	(127,838)	-	968,018
<i>Total fund balances</i>	3,014,012	(127,838)	177,835	3,064,009
<i>Total liabilities and fund balances</i>	<u>\$ 3,834,372</u>	<u>\$ 45,897</u>	<u>\$ 349,776</u>	<u>\$ 4,230,045</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, 2013

Statement D-2

	Operational Fund	Transportation Fund	Instructional Materials Fund	Total
<i>Revenues</i>				
Property taxes	\$ 179,193	\$ -	\$ -	\$ 179,193
Federal flowthrough	372,710	-	-	372,710
Federal direct	50,779	-	-	50,779
State flowthrough	331,843	-	327,557	659,400
State direct	29,242,429	-	-	29,242,429
Transportation distribution	-	1,432,912	-	1,432,912
Charges for services	49,591	-	-	49,591
Investment income	9,565	-	-	9,565
Miscellaneous	88,368	-	-	88,368
<i>Total revenues</i>	<u>30,324,478</u>	<u>1,432,912</u>	<u>327,557</u>	<u>32,084,947</u>
<i>Expenditures</i>				
Current				
Instruction	17,536,235	-	74,970	17,611,205
Support services	7,010,366	-	-	7,010,366
Central services	1,140,706	-	-	1,140,706
Operation and maintenance of plant	5,670,941	-	-	5,670,941
Student transportation	125,706	1,572,529	-	1,698,235
Food services operations	-	-	-	-
Community services operations	82,041	-	-	82,041
<i>Total expenditures</i>	<u>31,565,995</u>	<u>1,572,529</u>	<u>74,970</u>	<u>33,213,494</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,241,517)</u>	<u>(139,617)</u>	<u>252,587</u>	<u>(1,128,547)</u>
Transfers in (out)	(5,394)	-	-	(5,394)
<i>Total other financing sources (uses)</i>	<u>(5,394)</u>	<u>-</u>	<u>-</u>	<u>(5,394)</u>
<i>Net change in fund balances</i>	<u>(1,246,911)</u>	<u>(139,617)</u>	<u>252,587</u>	<u>(1,133,941)</u>
<i>Fund balances - beginning</i>	<u>4,260,923</u>	<u>11,779</u>	<u>(74,752)</u>	<u>4,197,950</u>
<i>Fund balances - ending</i>	<u>\$ 3,014,012</u>	<u>\$ (127,838)</u>	<u>\$ 177,835</u>	<u>\$ 3,064,009</u>

The accompanying notes are an integral part of these financial statements

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

Statement D-3

Statement of Revenues, Expenditures, and Changes in Fund Balance  
 Budget (Non-GAAP Budgetary Basis) and Actual  
 For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Property taxes	\$ 178,394	\$ 178,394	\$ 135,883	\$ (42,511)
Federal flowthrough	68,710	72,281	372,710	300,429
Federal direct	51,399	51,399	53,141	1,742
Local grants	-	-	-	-
State flowthrough	67,582	67,582	331,386	263,804
State direct	29,196,157	29,236,337	29,242,429	6,092
Combined state/local	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	54,433	54,433	50,286	(4,147)
Investment income	-	-	9,565	9,565
Miscellaneous	48,150	48,150	88,368	40,218
<i>Total revenues</i>	<u>29,664,825</u>	<u>29,708,576</u>	<u>30,283,768</u>	<u>575,192</u>
<i>Expenditures</i>				
<i>Current</i>				
Instruction	17,300,924	17,038,924	17,575,730	(536,806)
Support services	7,540,923	8,032,923	6,953,620	1,079,303
Central services	1,277,292	1,345,442	1,139,167	206,275
Operation and maintenance of plant	4,576,029	6,457,280	5,780,803	676,477
Student transportation	80,917	155,465	125,706	29,759
Food services operations	-	-	-	-
Community services operations	54,623	78,123	82,041	(3,918)
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>30,830,708</u>	<u>33,108,157</u>	<u>31,657,067</u>	<u>1,451,090</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,165,883)</u>	<u>(3,399,581)</u>	<u>(1,373,299)</u>	<u>2,026,282</u>
<i>Other financing sources (uses)</i>				
Designated cash (increase in budgeted cash)	1,165,883	3,399,581	-	(3,399,581)
Transfers in (out)	-	-	(5,394)	(5,394)
<i>Total other financing sources (uses)</i>	<u>1,165,883</u>	<u>3,399,581</u>	<u>(5,394)</u>	<u>(3,404,975)</u>
<i>Net change in fund balances</i>	-	-	(1,378,693)	(1,378,693)
<i>Fund balances - beginning of year</i>	-	-	4,897,467	4,897,467
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,518,774</u>	<u>\$ 3,518,774</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (1,378,693)
Adjustments to revenues for operating grants				40,710
Adjustments to expenditures for payroll, health and medical premium, and other charges				91,072
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ (1,246,911)</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, 2013

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	-	-	-	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Transportation distribution	1,324,815	1,432,912	1,432,912	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,324,815</u>	<u>1,432,912</u>	<u>1,432,912</u>	<u>-</u>
<i>Expenditures</i>				
Current				
Instruction	-	-	-	-
Support services	-	-	-	-
Central services	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Student transportation	1,324,815	1,432,912	1,572,926	(140,014)
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,324,815</u>	<u>1,432,912</u>	<u>1,572,926</u>	<u>(140,014)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(140,014)</u>	<u>(140,014)</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>	-	-	(140,014)	(140,014)
<i>Fund balances - beginning of year</i>	-	-	58,073	58,073
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (81,941)</u>	<u>\$ (81,941)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (140,014)
No adjustments to revenues				-
Adjustments to expenditures for payroll, supply maintenance, and transportation expenditures				397
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ (139,617)</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, 2013

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable)
				Final to Actual
<i>Revenues</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal flowthrough	-	-	-	-
Federal direct	-	-	-	-
Local grants	-	-	-	-
State flowthrough	295,614	295,614	295,614	-
State direct	-	-	-	-
Combined state/local	-	-	-	-
Transportation distribution	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>295,614</u>	<u>295,614</u>	<u>295,614</u>	<u>-</u>
<i>Expenditures</i>				
Current				
Instruction	295,614	295,614	56,663	238,951
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>295,614</u>	<u>295,614</u>	<u>56,663</u>	<u>238,951</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>238,951</u>	<u>238,951</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>	-	-	238,951	238,951
<i>Fund balances - beginning of year</i>	-	-	(70,563)	(70,563)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 168,388</u>	<u>\$ 168,388</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 238,951
Adjustments to revenues for state flowthrough funding				31,943
Adjustments to expenditures for instructional materials and library and visual expenditures				(18,307)
<i>Net change in fund balances (GAAP Basis)</i>				<u>\$ 252,587</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, 2013

Schedule I

	Balance June 30, 2012	Additions	Deletions	Balance June 30, 2013
Belen High School	\$ 211,438	\$ 200,745	\$ 180,289	\$ 231,894
Belen Middle School	52,297	56,585.28	61,658	47,224
Central Elementary	13,870	8,726.81	11,984	10,613
Dennis Chavez Elementary	6,617	22,192.89	20,034	8,776
Gil Sanchez Elementary	9,001	33,199.56	31,374	10,827
Jaramillo Elementary	13,226	61,550.90	53,151	21,626
La Merced Elementary	4,586	64,880.52	45,986	23,481
La Promesa Elementary	14,640	6,024.87	9,871	10,794
Rio Grande Middle School	5,742	38,452.71	32,319	11,876
Infinity High School	1,364	6,460.00	6,794	1,030
Logsdon Middle School	4,472	9,047.02	5,041	8,478
Family School	974	4,423.72	3,282	2,116
Administration	44,387	12,996.80	27,034	30,350
<b>Total</b>	<b>\$ 382,614</b>	<b>\$ 525,286</b>	<b>\$ 488,817</b>	<b>\$ 419,083</b>
Less: Outstanding Deposits				(1,887)
Less: Due From other Funds				(103,705)
<b>Total fiduciary fund cash</b>				<b>\$ 313,491</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, 2013

Schedule II

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value June 30, 2013
<b>US Bank</b>				
	FNMA POOL 890193	8/1/2025	31410K7E8	\$ 4,503,841
	FNMA POOL MA3892	9/1/2021	31418DKE1	3,787,804
	Total US Bank			<u>8,291,645</u>
Name and location of safekeeper for above pledged collateral: 7914 Jefferson St. N.E. Albuquerque, NM				
<b>Wells Fargo Bank</b>				
	FN-AH8825	3/1/2041	3138AAYX3	44,232
	FN-AI8345	8/1/2041	3138ANHX4	52,113
	FN-AJ6970	11/2/2026	3138AYW88	227,340
	FN-AJ9148	12/1/2026	3138E2EW1	191,310
	FN-AQ9991	2/1/2043	3138MSC56	86,875
	FN-AR9199	3/1/2043	3138W7GH1	97,194
	FN-AT2722	5/1/2043	3138WQAY8	239,520
	FN-AT5895	6/1/2043	3138WTRR9	549,258
	FN-AE1755	9/1/2040	31419B5R2	90,812
	FN-AE0981	3/1/2041	31419BCT0	116,796
	Total Wells Fargo Bank			<u>1,695,450</u>
Name and location of safekeeper for above pledged collateral: Wells Fargo Bank, 333 Market Street, San Francisco, CA				
	Total			<u>\$ 9,987,095</u>

See independent auditors' report

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**STATE OF NEW MEXICO**  
 Belen Consolidated School District No. 2  
 Schedule of Deposits  
 June 30, 2013

Schedule III

Bank Name/Account Name	Account Type	Bank Balance	Deposits in Transit	Outstanding Checks	Book Balance
<b>US Bank</b>					
Debt Service	Checking	\$ 4,569,664	\$ -	\$ -	\$ 4,569,664
Federal Grants	Checking	650,737	-	500,000	150,737
Student Nutrition	Checking	772,539	-	13	772,526
Athletic Activity	Checking	49,595	1,552	-	51,147
Activities	Checking	318,532	-	48	318,484
Capital Projects	Checking	3,915	991	-	4,906
Capital Improvement	Checking	336,450	521	-	336,971
Certificate of Deposit	Time	710,737	-	-	710,737
<b>Total US Bank</b>		<b>7,412,169</b>	<b>3,064</b>	<b>500,061</b>	<b>6,915,172</b>
<b>Wells Fargo Bank</b>					
Ops/Tran/Instr/State Grants	Checking	800,000	500,000	-	1,300,000
Ops/Tran/Instr/State Grants	Repurchase	789,915	-	-	789,915
Deferred Sick Leave	Checking	46,563	-	-	46,563
Accounts Payable Clearing	Checking	808,867	-	708,389	100,478
Payroll Clearing	Checking	1,787,195	-	1,148,584	638,611
<b>Total Wells Fargo Bank</b>		<b>4,232,540</b>	<b>500,000</b>	<b>1,856,973</b>	<b>2,875,567</b>
Unreconciled difference in cash		-	-	-	4,238
Petty Cash		-	-	-	1,175
<b>Total</b>		<b>\$ 11,644,709</b>	<b>\$ 503,064</b>	<b>\$ 2,357,034</b>	<b>\$ 9,796,152</b>
<b>Cash per financial statements</b>					
Cash and cash equivalents- Governmental Activities Exhibit A-1				\$ 4,202,260	
Investments- Governmental Activities Exhibit A-2				710,737	
Restricted cash and cash equivalents- Governmental Activities Exhibit A-1				4,569,664	
Fiduciary funds - Exhibit D-1				313,491	
<b>Total cash and cash equivalents</b>					<b>\$ 9,796,152</b>

See independent auditors' report

**STATE OF NEW MEXICO**  
 Belen Consolidated School District No. 2  
 Cash Reconciliation  
 For the Year Ended June 30, 2013

	Operational 11000	Transportation 13000	Instructional Materials 14000	Food Services 21000
Cash, June 30, 2012	\$ 3,459,673	\$ 102,129	\$ -	\$ 932,654
Add:				
2012-2013 revenues	30,284,364	1,432,912	295,614	2,142,753
Loans from other funds	86,979	39,726	-	-
Total cash available	<u>33,831,016</u>	<u>1,574,767</u>	<u>295,614</u>	<u>3,075,407</u>
Less:				
2012-2013 expenditures	32,277,851	1,574,767	56,663	2,288,370
Repayment of loans	-	-	70,563	-
Loans to other funds	5,999	-	-	11,692
Plus:				
Restatement of cash	-	-	-	-
Held checks	491,150	45,897	-	48,629
Cash, June 30, 2013	<u><u>\$ 2,038,316</u></u>	<u><u>\$ 45,897</u></u>	<u><u>\$ 168,388</u></u>	<u><u>\$ 823,974</u></u>

See independent auditors' report

Athletics 22000	Federal Flowthrough 24000	Federal Direct 25000	Local Grants 26000	State Flowthrough 27000
\$ 22,470	\$ 235,890	\$ 753,802	\$ 2,465	\$ 90,348
161,730	3,152,249	333,985	-	86,612
100,000	332,851	-	-	193,956
<u>284,200</u>	<u>3,720,990</u>	<u>1,087,787</u>	<u>2,465</u>	<u>370,916</u>
231,906	3,572,294	460,865	-	276,697
-	-	431,575	-	27,273
-	-	-	-	-
-	-	-	-	-
-	45,988	11,213	-	-
<u>\$ 52,294</u>	<u>\$ 194,684</u>	<u>\$ 206,560</u>	<u>\$ 2,465</u>	<u>\$ 66,946</u>

**STATE OF NEW MEXICO**  
 Belen Consolidated School District No. 2  
 Cash Reconciliation  
 For the Year Ended June 30, 2013

	State Direct 28000	Local/State 29000	Bond Building 31100	Special Capital Outlay-Local 31300
Cash, June 30, 2012	\$ -	\$ 196,565	\$ 1,236,894	\$ -
Add:				
2012-2013 revenues	55,107	1,528	53	-
Loans from other funds	22,472	-	5,768	-
Total cash available	<u>77,579</u>	<u>198,093</u>	<u>1,242,715</u>	<u>-</u>
Less:				
2012-2013 expenditures	22,472	34,289	1,242,715	-
Repayment of loans	49,740	1,528	-	-
Loans to other funds	-	-	-	-
Plus:				
Restatement of cash	-	-	-	-
Held checks	-	-	-	-
Cash, June 30, 2013	<u>\$ 5,367</u>	<u>\$ 162,276</u>	<u>\$ -</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
\$ 10,672	\$ 1,313,597	\$ 4,338,141	\$ 48,620	\$ 12,743,920
2,501	822,646	3,159,231	-	41,931,285
-	-	-	-	781,752
13,173	2,136,243	7,497,372	48,620	55,456,957
-	1,752,042	2,927,708	10,901	46,729,540
-	-	-	-	580,679
-	-	-	-	17,691
-	-	710,737	-	710,737
-	-	-	-	642,877
<u>\$ 13,173</u>	<u>\$ 384,201</u>	<u>\$ 5,280,401</u>	<u>\$ 37,719</u>	<u>\$ 9,482,661</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, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the General Fund and major special revenues funds of the Belen Consolidated School District No. 2 (the District) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and the combining and individual funds and related budgetary comparisons of the District presented as supplementary information, and have issued our report thereon dated November 18, 2013.

**Internal Control Over Financial Reporting**

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as FS 07-06, FS 09-03, FS 09-04, FS 10-01, 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 as FS 07-03 and FS 08-02 to be significant deficiencies.

### **Compliance and Other Matters**

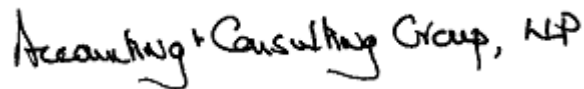
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 10-03, FS 10-09, FS 2013-001, and FS 2013-002.

### **District's Responses to Findings**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Accounting & Consulting Group, LLP  
Albuquerque, NM  
November 18, 2013

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**FEDERAL FINANCIAL ASSISTANCE**



Accounting & Consulting Group, LLP  
Certified Public Accountants

## REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE

### INDEPENDENT AUDITORS' REPORT

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

#### Report on Compliance for Each Major Federal Program

We have audited the Belen Consolidated School District's (the District) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2013. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

#### Management's Responsibility

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

#### Auditor's Responsibility

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

#### Opinion on Each Major Federal Program

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

#### Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item FA 2013-002. Our opinion on each major federal program is not modified with respect to this matter.

The District's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion the response.

### **Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and 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 requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items FA 10-03, FA 12-01 and FA 2013-001 to be significant deficiencies.

The District's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The District's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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

*Accounting + Consulting Group, LLP*

Accounting & Consulting Group, LLP  
Albuquerque, New Mexico  
November 18, 2013

**STATE OF NEW MEXICO**  
 Belen Consolidated School District No. 2  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended June 30, 2013

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)	\$ 1,827,492
Individuals With Disabilities Act - Entitlement	24106	84.027	* (2)	1,040,863
Individuals With Disabilities Act - Discretionary	24107	84.027	* (2)	5,040
Individuals With Disabilities Act - Preschool	24109	84.173	* (2)	10,435
Education of Homeless	24113	84.196		15,181
Individuals With Disabilities Act- Risk Pool	24120	84.027	* (2)	6,611
Title III-A English Language Acquisition	24153	84.365		25,036
Improving Teacher Quality	24154	84.367	* (4)	345,583
Carl Perkins Secondary - Current Year	24174	84.048		46,452
Carl Perkins Secondary - Prior Year Unliquidated Obligations	24175	84.048		21,092
Carl D. Perkins Secondary Redistribution	24176	84.048		<u>938</u>
Total U.S. Department of Education				<u>3,344,723</u>
<u>Department of Health and Human Services</u>				
<i>Flowthrough from NM Department of Health</i>				
NM Grads	25162	93.5580		<u>3,300</u>
Total Department of Health and Human Services				<u>3,300</u>

See independent auditors' report  
 See accompanying notes to the schedule of expenditures of federal awards



**STATE OF NEW MEXICO**  
 Belen Consolidated School District No. 2  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended June 30, 2013

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	87,463
<i>Direct programs</i>			
Forest Reserve - General Fund	11000	10.665	3,570
Federal Direct- Indirect Costs	11000	10.672	14,859
Nutrition Program			
		10.553/ * (3)	
Food Distribution	21000	10.555	76,253
National School Breakfast	21000	10.553 * (3)	669,681
National School Lunch Act	21000	10.555 * (3)	1,562,590
Fresh Fruits and Vegetables USDA	24118	10.582	<u>95,120</u>
Total Department of Agriculture			<u>2,509,536</u>
Total Expenditures of Federal Awards			<u>\$ 5,857,559</u>

\* Major program

**STATE OF NEW MEXICO**  
Belen Consolidated School District No. 2  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2013

**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, 2013 was \$76,253 and is reported in the Schedule of Expenditures of Federal Awards under the Department of Agriculture Commodities program, CFDA number 10.550.

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

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 5,857,559
Total expenditures funded by other sources	<u>39,724,348</u>
Total expenditures	<u><u>\$ 45,581,907</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, 2013

**A. SUMMARY OF AUDIT RESULTS**

*Financial Statements:*

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

**STATE OF NEW MEXICO**  
Belen Consolidated School District No. 2  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2013

Schedule VI

**B. FINDINGS-FINANCIAL STATEMENT AUDIT**

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

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

- During the inventory count of warehouse inventory, 1 out of 13 items observed did not reconcile back to the listing provided by the District. The discrepancy equaled \$428.

*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, 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:* The District will ensure that our auditors are provided with accurate and timely inventories, and that they match our accounting records. The District has already begun to implement all inventory items into our Visions Financial Software and is close to completed.

**STATE OF NEW MEXICO**  
Belen Consolidated School District No. 2  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2013

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

**FS 07-05 — Cash Appropriations in Excess of Available Cash Balances – Other Matter**

*Condition:* The District designated cash appropriations in excess of available balances in the following funds in fiscal year 2013:

Food Service Special Revenue Fund	\$ 3,336
Athletics Special Revenue Fund	\$ 50,456
TANF/GRADS Special Revenue Fund	\$ 13,034
New Mexico Reads to Lead K-3 Reading Initiative Special Revenue Fund	\$ 174,300
GRADS – Child Care Special Revenue Fund	\$ 7,300

*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:* The business office staff will ensure that all budgets reflect accurate adjustments due to cash fluctuations by conducting quarterly reviews. 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, 2013

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 provide training in the above areas so that this issue is resolved. These trainings will be a priority for staff. These trainings will be reported to the Board Finance Committee as well as the Board Audit Committee.

**STATE OF NEW MEXICO**  
Belen Consolidated School District No. 2  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2013

Schedule VI

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

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

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

- A lack of segregation of duties in agency fund receipts cycles. It was noted that employees involved in these cycles are performing incompatible duties.
- During internal control testwork, ACG noted three transactions out of 29 tested where the PO was dated after the invoice date. These transactions totaled \$1,180.71.

*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:* The business office has already taken corrective measures to ensure proper segregation of duties with receipting and disbursements. The accounting manager and finance director review and approve all transactions. We will also take action that these same measures are implemented immediately at the different site locations within *the district*.

**STATE OF NEW MEXICO**  
Belen Consolidated School District No. 2  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2013

**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.

*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:* The finance director will work to train and familiarize the staff as to properly and accurately ensure and maintain an accurate and proper count of chattels and equipment including incorporating internal controls.



**STATE OF NEW MEXICO**  
Belen Consolidated School District No. 2  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2013

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 four 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 is currently reconciling bank accounts monthly and is reviewing interfund balances on a timely basis including postings to the general ledger.

**STATE OF NEW MEXICO**  
Belen Consolidated School District No. 2  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2013

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 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 an update formal purchasing policy in place for procurement.
- 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.
- 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 an accurate accounts payable listing at year end.
- During audit review and testing procedures performed, we noted several instances of incorrect account coding to expenditure accounts.

*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.

*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:* The finance director will provide additional training if needed, including the implementation of the five elements of COSO to insure compliance in these areas.

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

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

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

- In 1 out of 10 items tested, a meal was reimbursed to the employee without an itemized receipt, for \$32.46.

*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 will ensure that review and compliance with all travel and per diem matters are enforced including the attachment of supporting documentation.

**STATE OF NEW MEXICO**  
Belen Consolidated School District No. 2  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2013

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 \$4,283.
- During confirmation procedures over available cash balances, we discovered that the financial institution confirmed a cash balance of \$710,737 that was not reflected in the cash balances prepared by the District. District personnel were not able to identify if the cash balance was an asset of the District or was incorrectly confirmed by the financial institution.

*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. Qualification over cash balances across all funds and governmental activities of the District.

*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. The District is currently up to date with all of our bank reconciliations.

**STATE OF NEW MEXICO**  
 Belen Consolidated School District No. 2  
 Schedule of Findings and Questioned Costs  
 For the Year Ended June 30, 2013

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

**FS 10-09 — Expenditures in Excess of Budget – Other Matter**

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

Title I IASA Special Revenue Fund		
Support Services	\$	51,863
IDEA-B Entitlement Special Revenue Fund		
Operation and Maintenance of Plant		674
SB-9 Capital Improvements Capital Project Fund		
Support Services		1,218
Debt Service Fund		
Support Services		2,613
Discretionary IDEA-B Special Revenue Fund		
Instruction		40
IDEA-B “Risk Pool” Special Revenue Fund		
Instruction		12,920
Deferred Sick Leave Special Revenue Fund		
Central Services		10,901
Title XIX Medicaid Special Revenue Fund		
Support Services		1,655
Child Care Block Grant Special Revenue Fund		
Instruction		45
Bond Building Capital Projects Fund		
Capital Outlay		10,821
Operational Fund (Statement D-3)		
Instruction		536,806
Community Services Operations		3,918
Transportation Fund (Statement D-3)		
Student Transportation		140,014
Total Governmental Funds	\$	<u>773,488</u>

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

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

*Cause:* Oversight during the budgeting procedure is the 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 finance director along with the business office staff are aware of the importance of monitoring its budget closely including preparation of budget adjustments. This will be monitored more closely.

**STATE OF NEW MEXICO**  
Belen Consolidated School District No. 2  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2013

Schedule VI

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

**FS 10-10—Inadequate Closing Cycle – Material Weakness (Repeat/Modified)**

*Condition:* During our fieldwork, we noted that the District's closing cycle related to bank reconciliations was not being performed in a timely manner, and was given to the auditors several months after year end.

*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 did not have a completed trail balance at year, to show the proper ending balances for cash, revenues, expenditures, and fund balances.

*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 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:* Currently, the District has the general ledger reconciled with all of our accounts and we feel that next year we will have an accurate and complete trail balance at year end and will be in compliance.

**STATE OF NEW MEXICO**  
Belen Consolidated School District No. 2  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2013

Schedule VI

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

**FS 2013-001 – Personal Use of District Vehicle – Other Matter**

*Condition:* The District does not add a fringe benefit amount to an employee's W-2 form for use of a District owned vehicle which results in underreporting of employee income and employee tax liability

*Criteria:* Per Internal Revenue Regulation 1.61-21, Taxation of Fringe Benefits, the Internal Revenue Code requires that any personal use of a District vehicle be reported on the employee's W-2 form unless it is a qualified vehicle or employee. To be a qualified vehicle, it must be a vehicle modified for specific use or the employee must have arrest powers and the right to be armed.

*Effect:* The District is not complying with the IRS regulations regarding personal use of a company vehicle. This could result in possible fines or other penalties from the IRS.

*Cause:* The District allows the maintenance supervisor to drive a District-owned vehicle home overnight and does not include a fringe benefit for such use on his W-2.

*Auditors' Recommendations:* The District needs to develop a policy and procedure regarding the personal use of vehicles. The policy needs to address the method to value personal use, which employee is eligible to drive a vehicle home, other than commuting, no other personal use should be permitted and the means to add the personal use to the employee's income.

*Management's Response:* The individual in question has since retired and acknowledges that the W-2 form was incomplete. Any other use of district vehicles for personal use, individual W-2s are currently on file.

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Belen Consolidated School District No. 2  
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Schedule VI

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

**FS 2013-002 – Inadequate Pledged Collateral – Noncompliance**

*Condition:* Deposits at one bank were not collateralized in accordance with State of New Mexico Statutes. The required collateral was \$805,713 for the District.

*Criteria:* Per State Statutes (Section 6-10-1 to 6-10-63 NMSA 1978), any bank designated a deposit of public money for repurchase agreements shall deliver pledged collateral of at least one hundred two percent of the fair value of the securities underlying overnight repurchase accounts invested with the institution.

*Effect:* Lack of proper monitoring of pledged collateral could result in excessive loss of District's funds if the financial institutions encounter financial difficulties.

*Cause:* The District was unable to provide documentation regarding any collateral pledged on the repurchase agreement as the District was not adequately monitoring in order to ensure that balances were sufficiently collateralized.

*Auditors' Recommendations:* As part of a formal policy implemented by the District, an individual should be assigned the responsibilities of reviewing the monthly collateral reports, investigating differences, and resolving discrepancies.

*Management's Response:* Management did not respond to this finding.



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**C. FEDERAL AWARD FINDINGS**

**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: Improving Teacher Quality State Grants (Title II)  
CFDA number: 84.367

*Condition:* Supporting documentation for three Requests for Reimbursement submitted to the State Educational Agency was requested. The documentation was not provided in a timely manner, and receipt of the reimbursements in question was delayed.

*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 supporting documentation for reports filed with grantors and pass-through agencies be readily available and provided upon request in accordance with rules and regulations.

*Questioned Costs:* None

*Effect:* The District did not receive reimbursement for costs expended in the Improving Teacher Quality program in a timely fashion. The District was subsidizing the federal program from operating funds.

*Cause:* During the fiscal year 2013, procedures to retain all supporting documentation in an easily accessible manner were not fully implemented.

*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:* Management will now ensure that all supporting documentation is in place to be in compliance as required and avoid this matter in the future.

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

**FA 10-04 — Deficiencies in Internal Control Structure Design, Operation and Oversight – Mechanisms to Identify Risks of Inaccurate Special Reporting – Material Weakness (Repeated)**

Federal Program Information:

Funding agency: U.S. Department of Agriculture  
Title: Child Nutrition Cluster  
CFDA number: 10.553, 10.556

*Condition:* In two out of two Basic Claim Reports filed to request reimbursement for meals served in the National School Lunch and School Breakfast Programs, the reports submitted did not tie to supporting documentation. In one case, reimbursement for 265 meals not listed on the school site count sheets was requested. Meals were classified incorrectly as free, reduced, or paid, and as severe need or non-severe need breakfasts. The errors resulted in the District receiving less reimbursement than it was entitled to.

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

*Questioned Costs:* 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 2013 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 currently has a segregation of duties and processes for good internal controls. The finance director and accounting manager will provide effective oversight of the internal control and financial reporting process to ensure compliance.

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Schedule VI

**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. 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 has a good internal control structure and segregation of duties. All our financial information is presented to our Board Finance, Audit and Board of Education on a regular basis and documented.

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For the Year Ended June 30, 2013

Schedule VI

**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 2013 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 the general ledger. The District finance director will work with staff to ensure that methods and calculations are correctly implemented.

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Schedule VI

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

**FA 12-01 — Inadequate Controls over Eligibility Determinations – Significant Deficiency (Repeated/Modified)**

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 four applications out of sixty tested where ACG's recalculation of family income did not match the District's calculation. In addition, we noted one application that listed six family members, plus the individual completing the form, for a total of 7 household members; the District listed only six members. None of these errors resulted in changes in student eligibility for free or reduced meals.

*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 correctly calculated and reviewed.

*Questioned Costs:* Undeterminable

*Effect:* If family income and family size are not correctly computed, 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 2013 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:* A periodic review of all applications of those receiving free and reduced lunches will be done to ensure student eligibility.

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Schedule VI

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

**FA 2013-001 — Inaccurate Special Reporting – Significant Deficiency**

Federal Program Information:

Funding agency: U.S. Department of Agriculture

Title: Child Nutrition Cluster

CFDA number: 10.553, 10.556

*Condition:* In two out of two Basic Claim Reports filed to request reimbursement for meals served in the National School Lunch and School Breakfast Programs, the reports submitted did not tie to supporting documentation. In one case, reimbursement for 265 meals not listed on the school site count sheets was requested. Meals were classified incorrectly as free, reduced, or paid, and as severe need or non-severe need breakfasts. The errors resulted in the District receiving less reimbursement than it was entitled to. For the two months tested, ACG recalculated the reimbursement at \$406,423, but the District requested and received \$392,189, for a difference of \$14,234.

*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 matching of reports submitted to supporting documentation.

*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 2013 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 implement policies and procedures to ensure correct accounting information and prevention of inaccuracies to be in compliance with this matter and avoid this issue in the future.

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Schedule of Findings and Questioned Costs  
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**C. FEDERAL AWARD FINDINGS (continued)**

**FA 2013-002 — Unallowable Cost – Compliance (Questioned Cost)**

Federal Program Information:

Funding agency: U.S. Department of Education  
Title: Title I, Part A Cluster  
CFDA number: 84.010

*Condition:* During testwork performed on federal program disbursements, we discovered one expenditure for a meal purchased during a conference that included a charge for a glass of wine totaling \$6.54. While the charge for the wine was marked off of the receipt, the full amount, including the charge for the wine, was reimbursed and charged to the Title I program.

*Criteria:* Per OMB Circular A-87, Attachment B – State, Local & Indian Tribal Governments, alcoholic beverages are an unallowable cost for federal programs.

*Questioned Costs:* \$6.54

*Effect:* An improper payment was made to a vendor using federal funds. The District may be required to reimburse the federal program for the amount of the improper payment from general District funds.

*Cause:* During the disbursement process, the reimbursement was paid from the full amount of the receipt. The alteration to the receipt showing that the alcoholic beverage was not to be reimbursed was overlooked.

*Auditors' Recommendations:* The District should establish procedures requiring special review of disbursements that may include alcohol or other unallowable costs charged to federal programs and ensure that such procedures are consistently followed.

*Management's Response:* The finance director and accounting manager will work with the staff to ensure receipts are looked at carefully and calculations are correctly made.

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Schedule of Findings and Questioned Costs  
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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- 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- Resolved

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- Resolved

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

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

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

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

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 Resolved

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

FA 12-01 – Inadequate Controls over Eligibility Determinations – Significant Deficiency Repeated/Modified



**STATE OF NEW MEXICO**  
Belen Consolidated School District No. 2  
Other Disclosures  
June 30, 2013

**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 November 13, 2013. The following individuals were in attendance.

Belen Consolidated School District No. 2

Larry Lindburg, Board President  
Lola Quintana, Board Member  
Ron Marquez, Superintendent  
George Perea, Finance Director

Accounting & Consulting Group, LLP

Robert Gonzales