

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
ANNUAL FINANCIAL REPORT
JUNE 30, 2014



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INTRODUCTORY SECTION

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
FOR THE YEAR ENDED JUNE 30, 2014
TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
INTRODUCTORY SECTION		
Table of Contents		i
Official Roster		iv
 FINANCIAL SECTION		
Independent Auditor’s Report		v
Basic Financial Statements		
Government-wide Financial Statements:		
Statement of Net Position	A-1	1
Statement of Activities	A-2	2
Fund Financial Statements		
Balance Sheet – Governmental Funds	B-1	3
Reconciliation of the Balance Sheet to the Statement of Net Position	B-2	5
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds	B-3	6
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	B-4	8
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual		
Operational Fund	C-1	9
Transportation Fund	C-2	10
Instructional Materials Fund	C-3	11
Title I-IASA	C-4	12
Statement of Fiduciary Assets and Liabilities	D-1	13
Notes to the Financial Statements		14
 SUPPLEMENTARY INFORMATION		
Combining and Individual Fund Statements and Schedules		
Combining Balance Sheet – Nonmajor Governmental Funds	A-1	39
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	A-2	40
Special Revenue Funds Descriptions		41
Combining Balance Sheet – Nonmajor Special Revenue Funds	B-1	45
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds	B-2	56
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual		
Food Services Special Revenue Fund	B-3	67
Athletics Special Revenue Fund	B-4	68
IDEA-B Entitlement Special Revenue Fund	B-5	69
IDEA-B Discretionary Special Revenue Fund	B-6	70
IDEA-B Preschool Special Revenue Fund	B-7	71
Education of the Homeless Special Revenue Fund	B-8	72
Fresh Fruits and Vegetables Special Revenue Fund	B-9	73
IDEA-B “Risk Pool” Special Revenue Fund	B-10	74

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
FOR THE YEAR ENDED JUNE 30, 2014
TABLE OF CONTENTS

SUPPLEMENTARY INFORMATION

	<u>Statement</u>	<u>Page</u>
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual		
English Language Acquisition Special Revenue Fund	B-11	75
Teacher/Principal Training & Recruiting Special Revenue Fund	B-12	76
Safe & Drug Free Schools & Community Special Revenue Fund	B-13	77
Title I School Improvement Special Revenue Fund	B-14	78
Reading First Special Revenue Fund	B-15	79
Carl Perkins Secondary – Current – Special Revenue Fund	B-16	80
Carl Perkins Secondary – PY Unliq. Obligations Special Revenue Fund	B-17	81
Carl Perkins Secondary-Redistribution Special Revenue Fund	B-18	82
Title I IASA Federal Stimulus Special Revenue Fund	B-19	83
IDEA-B Entitlement Federal Stimulus Special Revenue Fund	B-20	84
IDEA-B Preschool Federal Stimulus Special Revenue Fund	B-21	85
Education for the Homeless ARRA Special Revenue Fund	B-22	86
Title I School Improvement ARRA Special Revenue Fund	B-23	87
Deferred Sick Leave Special Revenue Fund	B-24	88
GRADS Child Care CYFD Special Revenue Fund	B-25	89
Title XIX Medicaid 0/2 Years Special Revenue Fund	B-26	90
Child Care Block Grant Special Revenue Fund	B-27	91
TANF/GRADS HSD Special Revenue Fund	B-28	92
New Mexico Community Foundation Special Revenue Fund	B-29	93
Dual Credit Instructional Materials Special Revenue Fund	B-30	94
2008 GO Bond Student Library Special Revenue Fund	B-31	95
2010 GO Bonds Student Library Fund (SB1) Special Revenue Fund	B-32	96
2012 GO Bonds Student Library Fund (SB66) Special Revenue Fund	B-33	97
New Mexico Reads to Lead K-3 Reading Initiative Special Revenue Fund	B-34	98
Technology for Education PED Special Revenue Fund	B-35	99
Truancy Prevention/Intervention Special Revenue Fund	B-36	100
Truancy Initiative PED Special Revenue Fund	B-37	101
PreK Initiative Special Revenue Fund	B-38	102
Beginning Teacher Mentoring Program Special Revenue Fund	B-39	103
Breakfast for Elementary Students Special Revenue Fund	B-40	104
Kindergarten – Three Plus Special Revenue Fund	B-41	105
2010 GO Bond Instructional Materials Special Revenue Fund	B-42	106
Science Instructional Materials K-12 Special Revenue Fund	B-43	107
2013 School Bus Special Revenue Fund	B-44	108
NM Grown Fresh Fruits and Vegetables Special Revenue Fund	B-45	109
Next Generation Assessments Special Revenue Fund	B-46	110
School Library Material Fund FY 08 Special Revenue Fund	B-47	111
GEAR-UP CHE Special Revenue Fund	B-48	112
GRADS-Child Care Special Revenue Fund	B-49	113
GRADS-Instruction Special Revenue Fund	B-50	114
GRADS-Plus Special Revenue Fund	B-51	115
School Based Health Center Special Revenue Fund	B-52	116

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
FOR THE YEAR ENDED JUNE 30, 2014
TABLE OF CONTENTS

SUPPLEMENTARY INFORMATION	<u>Statement</u>	<u>Page</u>
Capital Projects Funds Descriptions		117
Combining Balance Sheet – Nonmajor Capital Projects Funds	C-1	118
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds	C-2	119
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual		
Bond Building Capital Projects Fund	C-3	120
Special Capital Outlay – Local Capital Projects Fund	C-4	121
Special Capital Outlay – State Capital Projects Fund	C-5	122
Capital Improvements Capital Projects Fund	C-6	123
Debt Service Funds Descriptions		
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual		
Debt Service Fund	D-3	124
 OTHER SUPPLEMENTAL INFORMATION	 <u>Schedule</u>	 <u>Page</u>
Schedule of Changes in Fiduciary Assets and Liabilities – Agency Funds	I	125
Schedule of Pledged Collateral	II	126
Schedule of Cash and Temporary Investment Accounts	III	127
Schedule of Cash Reconciliations	IV	128
Schedule of Joint Powers Agreements	V	132
 COMPLIANCE SECTION	 <u>Schedule</u>	 <u>Page</u>
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		133
 FEDERAL FINANCIAL ASSISTANCE		
Report on Compliance for Each Major Federal Program;		
Report on Internal Control over Compliance		135
Schedule of Expenditures of Federal Awards	VI	137
Schedule of Findings and Questioned Costs	VII	139
 OTHER DISCLOSURES		169

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
OFFICIAL ROSTER
FOR THE YEAR ENDED JUNE 30, 2014

<u>Name</u>		<u>Title</u>
	<u>School Board</u>	
Larry Lindberg		President
Lorraine Espinosa		Vice-President
Dolores "Lola" Quintana		Secretary
Larry B. Garley		Member
Tom Wisneski		Member
	<u>District Officials</u>	
Ron Marquez		Superintendent
George Perea		Director of Finance & Business

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Hector H. Balderas, New Mexico State Auditor
The Office of Management and Budget
And the Board of Education of
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, (the District) as of and for the year ended June 30, 2014, 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 have also audited the financial statements of each of the District's nonmajor governmental funds and the budgetary comparisons for the major capital project 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, 2014 as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2014, and the respective changes in financial position and the respective budgetary comparisons for the general fund and the major special revenue funds 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 fiduciary fund of the District as of June 30, 2014, and the respective changes in financial position thereof and the respective budgetary comparisons for the major capital project fund, debt service fund, and all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

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 comparison. 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 Organization*, the introductory section, and the Other Supplemental Information, Schedules I through V required by 2.2.2 NMAC are presented for purposes 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 V 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and Supporting Schedules I through V required by 2.2.2 NMAC are fairly stated, in all material respects, in relation to the basic financial statements 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 14, 2014 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.

Manning Accounting and Consulting Services, LLC

Manning Accounting and Consulting Services, LLC
Kirtland, New Mexico
November 14, 2014

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BASIC FINANCIAL STATEMENTS

STATE OF NEW MEXICO
 BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
 STATEMENT OF NET POSITION
 JUNE 30, 2014

Exhibit A-1

	Governmental Activities
	<u> </u>
ASSETS	
<i>Current Assets</i>	
Cash and cash equivalents	\$ 22,768,599
Receivables (net of allowance for uncollectibles)	3,259,356
Inventory	203,567
<i>Total current assets</i>	<u>26,231,522</u>
<i>Noncurrent assets</i>	
Bond discounts, net of amortization of \$40,464	13,489
Capital assets (net of accumulated depreciation):	
Land and land improvements	2,375,944
Buildings and building improvements	94,055,018
Furniture, fixtures and equipment	2,115,912
Vehicles	4,694,407
Construction in progress	4,254,699
Less: accumulated depreciation	(46,799,169)
<i>Total noncurrent assets</i>	<u>60,710,300</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amount on advance refunding of debt	<u>-</u>
<i>Total assets and deferred outflows of resources</i>	<u>\$ 86,941,822</u>
LIABILITIES	
<i>Current liabilities</i>	
Accounts payable	\$ 1,840,551
Accrued payroll liabilities	1,482,678
Accrued interest payable	450,393
Unearned revenues	24,110
Current maturities of:	
Bonds payable	4,295,000
Compensated absences	393,958
<i>Total current liabilities</i>	<u>8,486,690</u>
<i>Noncurrent liabilities:</i>	
Bond premiums, net of amortization of \$257,223	176,342
Bonds payable	26,970,000
Compensated absences	18,172
<i>Total noncurrent liabilities</i>	<u>27,164,514</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenues	<u>-</u>
NET POSITION	
Net investment in capital assets	29,268,958
Restricted for:	
Debt service	9,974,912
Capital projects	9,649,997
Other purposes - special revenue	1,600,235
Unrestricted	796,516
<i>Total net position</i>	<u>51,290,618</u>
<i>Total liabilities, deferred inflows of resources, and net position</i>	<u>\$ 86,941,822</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
 BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2014

Exhibit A-2

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position</u>
		<u>Charges for Service</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Primary Government					
Governmental activities:					
Instruction	\$ 22,354,925	\$ 241,059	\$ 4,303,305	\$ -	\$ (17,810,561)
Support services:					
Students	4,128,050	-	536,431	-	(3,591,619)
Instruction	938,936	-	34,158	-	(904,778)
General administration	1,368,460	-	-	-	(1,368,460)
School administration	1,937,972	-	-	-	(1,937,972)
Other	87,651	-	-	-	(87,651)
Central services	1,128,460	234,971	-	-	(893,489)
Operation & maintenance of plant	5,395,047	1,786	-	93,237	(5,300,024)
Student transportation	1,861,631	-	1,485,017	-	(376,614)
Food services operation	2,652,820	199,573	2,486,802	-	33,555
Community services	79,531	-	-	-	(79,531)
Interest on long-term debt	865,499	-	-	-	(865,499)
Facilities materials, supplies, & other services	1,919,208	-	-	88,345	(1,830,863)
Depreciation - unallocated	-	-	-	-	-
Total Primary Government	<u>\$ 44,718,190</u>	<u>\$ 677,389</u>	<u>\$ 8,845,713</u>	<u>\$ 181,582</u>	<u>(35,013,506)</u>

General Revenues:

Property taxes:	
Levied for general purposes	227,458
Levied for debt service	5,274,438
Levied for capital projects	1,374,633
State Equalization Guarantee	29,215,541
Unrestricted investment earnings	15,396
Gain on disposal of fixed assets	477
Miscellaneous	422,116
Total general revenues	<u>36,530,059</u>
Change in net position	<u>1,516,553</u>
Net position - beginning of year	<u>50,885,788</u>
Restatement	<u>(1,111,723)</u>
Net position - beginning of year, restated	<u>49,774,065</u>
Net position - ending of year	<u>\$ 51,290,618</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
 BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 JUNE 30, 2014

Exhibit B-1

	General Fund			Title I IASA 24101
	Operational 11000	Transportation 13000	Instructional Materials 14000	
ASSETS				
<i>Current assets:</i>				
Cash and temporary investments	\$ 1,961,261	\$ -	\$ 49,616	\$ -
Taxes	84,822	-	-	-
Due from other governments	-	-	-	481,917
Interfund receivables	1,195,521	-	-	-
Inventory	111,230	-	-	-
<i>Total assets</i>	<u>3,352,834</u>	<u>-</u>	<u>49,616</u>	<u>481,917</u>
LIABILITIES				
<i>Current liabilities:</i>				
Accounts payable	374,624	-	20,381	6,694
Accrued payroll liabilities	1,221,994	65,567	-	57,576
Interfund payables	-	60,845	-	458,728
Unearned revenue	-	-	-	-
<i>Total liabilities</i>	<u>1,596,618</u>	<u>126,412</u>	<u>20,381</u>	<u>522,998</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - property taxes	77,642	-	-	-
Unavailable revenues - other	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>77,642</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	111,230	-	-	-
Restricted for:				
Transportation	-	-	-	-
Instructional materials	-	-	29,235	-
Grant mandates	-	-	-	-
Capital projects	-	-	-	-
Debt service	-	-	-	-
Assigned	-	-	-	-
Unassigned	1,567,344	(126,412)	-	(41,081)
<i>Total fund balances</i>	<u>1,678,574</u>	<u>(126,412)</u>	<u>29,235</u>	<u>(41,081)</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 3,352,834</u>	<u>\$ -</u>	<u>\$ 49,616</u>	<u>\$ 481,917</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

Exhibit B-1

	Bond Building 31100	Debt Service 41000	Other Governmental Funds	Total Primary Government
ASSETS				
<i>Current assets:</i>				
Cash and temporary investments	\$ 10,260,971	\$ 8,335,990	\$ 2,160,761	\$ 22,768,599
Taxes	-	1,638,922	425,161	2,148,905
Due from other governments	-	-	628,534	1,110,451
Interfund receivables	-	-	-	1,195,521
Inventory	-	-	92,337	203,567
<i>Total assets</i>	<u>10,260,971</u>	<u>9,974,912</u>	<u>3,306,793</u>	<u>27,427,043</u>
LIABILITIES				
<i>Current liabilities:</i>				
Accounts payable	1,292,224	-	146,628	1,840,551
Accrued payroll liabilities	-	-	137,541	1,482,678
Interfund payables	-	-	675,948	1,195,521
Unearned revenue	-	-	24,110	24,110
<i>Total liabilities</i>	<u>1,292,224</u>	<u>-</u>	<u>984,227</u>	<u>4,542,860</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - property taxes	-	1,469,039	380,967	1,927,648
Unavailable revenues - other	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>1,469,039</u>	<u>380,967</u>	<u>1,927,648</u>
FUND BALANCES				
Nonspendable	-	-	92,337	203,567
Restricted for:				
Transportation	-	-	-	-
Instructional materials	-	-	-	29,235
Grant mandates	-	-	1,548,979	1,548,979
Capital projects	8,968,747	-	300,283	9,269,030
Debt service	-	8,505,873	-	8,505,873
Assigned	-	-	-	-
Unassigned	-	-	-	1,399,851
<i>Total fund balances</i>	<u>8,968,747</u>	<u>8,505,873</u>	<u>1,941,599</u>	<u>20,956,535</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 10,260,971</u>	<u>\$ 9,974,912</u>	<u>\$ 3,306,793</u>	<u>\$ 27,427,043</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO

Exhibit B-2

BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2

GOVERNMENTAL FUNDS

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION

JUNE 30, 2014

	<u>Governmental Funds</u>
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Fund balances - total governmental funds	\$ 20,956,535
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	60,696,811
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds:	
Delinquent property taxes not collected within sixty days after year end are not considered "available" revenues and are considered to be deferred revenue in the fund financial statements, but are considered revenue in the Statement of Activities	1,927,648
Bond issuance costs, including original issue discounts and premiums are not financial resources and therefore are not reported in the funds	
Bond discounts net of related accumulated amortization	13,489
Bond premiums net of accumulated amortization	(176,342)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:	
Accrued compensated absences	(412,130)
Accrued interest payable	(450,393)
General obligation bonds	(31,265,000)
Net position - total governmental activities	<u>\$ 51,290,618</u>

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, 2014

Exhibit B-3

	General Fund				
	Operational 11000	Transportation 13000	Instructional Materials 14000	Title I IASA 24101	Bond Building 31100
<i>Revenues:</i>					
Property taxes	\$ 179,725	\$ -	\$ -	\$ -	\$ -
State grants	29,215,541	1,434,135	246,873	-	-
Federal grants	3,385	-	-	1,517,019	-
Miscellaneous	419,208	-	-	-	-
Charges for services	274,075	-	-	-	-
Investment Income	465	-	-	-	3,901
<i>Total revenues</i>	<u>30,092,399</u>	<u>1,434,135</u>	<u>246,873</u>	<u>1,517,019</u>	<u>3,901</u>
<i>Expenditures:</i>					
Current:					
Instruction	17,814,282	-	395,473	622,386	-
Support services					
Students	3,161,926	-	-	506,636	-
Instruction	721,943	-	-	69,972	-
General administration	919,227	-	-	264,612	-
School administration	1,927,907	-	-	-	-
Central services	1,098,873	-	-	-	-
Operation & maintenance of plant	5,381,817	-	-	-	-
Student transportation	166,992	1,432,709	-	-	-
Other support services	87,651	-	-	-	-
Food services operations	-	-	-	-	-
Community service	79,531	-	-	-	-
Capital outlay	-	-	-	-	4,342,541
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Bond issuance costs	-	-	-	-	-
<i>Total expenditures</i>	<u>31,360,149</u>	<u>1,432,709</u>	<u>395,473</u>	<u>1,463,606</u>	<u>4,342,541</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(1,267,750)</u>	<u>1,426</u>	<u>(148,600)</u>	<u>53,413</u>	<u>(4,338,640)</u>
<i>Other financing sources (uses):</i>					
Operating transfers	(58,140)	-	-	-	-
Proceeds from bond issues	-	-	-	-	13,250,000
Bond underwriter premium	-	-	-	-	60,988
<i>Total other financing sources (uses)</i>	<u>(58,140)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,310,988</u>
<i>Net changes in fund balances</i>	<u>(1,325,890)</u>	<u>1,426</u>	<u>(148,600)</u>	<u>53,413</u>	<u>8,972,348</u>
<i>Fund balances - beginning of year</i>	3,014,012	(127,838)	177,835	(94,494)	(3,601)
<i>Prior period adjustment</i>	(9,548)	-	-	-	-
<i>Adjusted fund balance - beginning of year</i>	<u>3,004,464</u>	<u>(127,838)</u>	<u>177,835</u>	<u>(94,494)</u>	<u>(3,601)</u>
<i>Fund balances - end of year</i>	<u>\$ 1,678,574</u>	<u>\$ (126,412)</u>	<u>\$ 29,235</u>	<u>\$ (41,081)</u>	<u>\$ 8,968,747</u>

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, 2014

	Debt Service 41000	Other Governmental Funds	Total Primary Government
<i>Revenues:</i>			
Property taxes	\$ 4,204,489	\$ 1,094,649	\$ 5,478,863
State grants	-	1,624,732	32,521,281
Federal grants	-	4,204,536	5,724,940
Miscellaneous	-	-	419,208
Charges for services	-	403,314	677,389
Investment Income	10,568	462	15,396
<i>Total revenues</i>	<u>4,215,057</u>	<u>7,327,693</u>	<u>44,837,077</u>
<i>Expenditures:</i>			
<i>Current:</i>			
Instruction	-	1,749,886	20,582,027
Support services			
Students	-	459,488	4,128,050
Instruction	-	180,445	972,360
General administration	25,494	159,127	1,368,460
School administration	-	10,065	1,937,972
Central services	-	29,587	1,128,460
Operation & maintenance of plant	-	16,817	5,398,634
Student transportation	-	466,495	2,066,196
Other support services	-	-	87,651
Food services operations	-	2,691,329	2,691,329
Community service	-	-	79,531
Capital outlay	-	1,435,236	5,777,777
Debt service			
Principal	1,830,000	-	1,830,000
Interest	865,499	-	865,499
Bond issuance costs	25,711	-	25,711
<i>Total expenditures</i>	<u>2,746,704</u>	<u>7,198,475</u>	<u>48,939,657</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>1,468,353</u>	<u>129,218</u>	<u>(4,102,580)</u>
<i>Other financing sources (uses):</i>			
Operating transfers	-	58,140	-
Proceeds from bond issues	-	-	13,250,000
Bond underwriter premium	-	-	60,988
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>58,140</u>	<u>13,310,988</u>
<i>Net changes in fund balances</i>	<u>1,468,353</u>	<u>187,358</u>	<u>9,208,408</u>
<i>Fund balances - beginning of year</i>	7,037,520	1,748,020	11,751,454
<i>Prior period adjustment</i>	-	6,221	(3,327)
<i>Adjusted fund balance - beginning of year</i>	<u>7,037,520</u>	<u>1,754,241</u>	<u>11,748,127</u>
<i>Fund balances - end of year</i>	<u>\$ 8,505,873</u>	<u>\$ 1,941,599</u>	<u>\$ 20,956,535</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO

Exhibit B-4

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
FOR THE YEAR ENDED JUNE 30, 2014

	Governmental Funds
Amounts reported for governmental activities in the Statement of Activities are different because:	
Net change in fund balances - total governmental funds	\$ 9,208,408
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which depreciation exceeds capital outlays for the period.	
Depreciation expense	(2,296,010)
Capital Outlays	4,728,596
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	
Change in deferred revenue related to the property taxes receivable	1,397,666
The issuance of long-term debt (e.g., bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities:	
Amortization of bond discounts	(4,373)
Amortization of bond premium	6,146
Decrease in accrued compensated absences	94,868
Increase in accrued interest payable	(137,750)
Principal payments on bonds	1,830,000
Proceeds from bond sale	(13,250,000)
Premium on bond sale	<u>(60,998)</u>
Change in net position - total governmental activities	<u>\$ 1,516,553</u>

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
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
OPERATIONAL FUND (11000)
FOR THE YEAR ENDING JUNE 30, 2014

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ 183,522	\$ 183,522	\$ 220,390	\$ 36,868
State grants	29,223,151	29,226,338	29,215,541	(10,797)
Federal grants	-	3,384	3,385	1
Miscellaneous	112,482	112,482	419,665	307,183
Charges for services	204,168	204,168	275,353	71,185
Interest	500	500	465	(35)
<i>Total revenues</i>	<u>29,723,823</u>	<u>29,730,394</u>	<u>30,134,799</u>	<u>404,405</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	18,024,459	18,237,039	17,080,732	1,156,307
Support services				
Students	3,376,044	3,376,044	3,162,836	213,208
Instruction	714,221	717,606	717,606	-
General administration	923,343	923,343	923,238	105
School administration	1,923,915	1,923,915	1,923,901	14
Central services	1,106,745	1,106,745	1,106,116	629
Operation & maintenance of plant	5,207,991	5,182,365	5,181,828	537
Student transportation	167,653	167,653	166,992	661
Other support services	87,123	87,123	86,323	800
Food services operations	-	-	-	-
Community services	-	80,000	79,531	469
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>31,531,494</u>	<u>31,801,833</u>	<u>30,429,103</u>	<u>1,372,730</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(1,807,671)</u>	<u>(2,071,439)</u>	<u>(294,304)</u>	<u>1,777,135</u>
<i>Other financing sources (uses):</i>				
Designated cash	1,807,671	2,071,439	-	(2,071,439)
Operating transfers	-	-	(58,140)	(58,140)
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,807,671</u>	<u>2,071,439</u>	<u>(58,140)</u>	<u>(2,129,579)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(352,444)</u>	<u>(352,444)</u>
<i>Cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>3,518,774</u>	<u>3,518,774</u>
Prior period adjustments	<u>-</u>	<u>-</u>	<u>(9,548)</u>	<u>(9,548)</u>
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>3,509,226</u>	<u>3,509,226</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,156,782</u>	<u>\$ 3,156,782</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (352,444)	
Adjustments to revenues			(42,400)	
Adjustments to expenditures			(931,046)	
Net change in fund balance (GAAP basis)			<u>\$ (1,325,890)</u>	

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
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 STUDENT TRANSPORTATION FUND (13000)
 FOR THE YEAR ENDING JUNE 30, 2014

Exhibit C-2

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	1,434,671	1,434,135	1,434,135	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>1,434,671</u>	<u>1,434,135</u>	<u>1,434,135</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	1,434,671	1,434,135	1,413,039	21,096
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,434,671</u>	<u>1,434,135</u>	<u>1,413,039</u>	<u>21,096</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>21,096</u>	<u>21,096</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<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>21,096</u>	<u>21,096</u>
<i>Cash or fund balances - beginning of year</i>	-	-	(81,941)	(81,941)
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(81,941)</u>	<u>(81,941)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (60,845)</u>	<u>\$ (60,845)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ 21,096	
Adjustments to revenues			-	
Adjustments to expenditures			(19,670)	
Net change in fund balance (GAAP basis)			<u>\$ 1,426</u>	

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
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 INSTRUCTIONAL MATERIALS FUND (14000)
 FOR THE YEAR ENDING JUNE 30, 2014

Exhibit C-3

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	229,200	229,200	278,816	49,616
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>229,200</u>	<u>229,200</u>	<u>278,816</u>	<u>49,616</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	229,200	397,588	397,588	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>229,200</u>	<u>397,588</u>	<u>397,588</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(168,388)</u>	<u>(118,772)</u>	<u>49,616</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	168,388	-	(168,388)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>168,388</u>	<u>-</u>	<u>(168,388)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(118,772)</u>	<u>(118,772)</u>
<i>Cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>168,388</u>	<u>168,388</u>
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>168,388</u>	<u>168,388</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,616</u>	<u>\$ 49,616</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (118,772)	
Adjustments to revenues			(31,943)	
Adjustments to expenditures			2,115	
Net change in fund balance (GAAP basis)			<u>\$ (148,600)</u>	

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
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 TITLE I IASA SPECIAL REVENUE FUND (24101)
 FOR THE YEAR ENDING JUNE 30, 2014

Exhibit C-4

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	1,539,938	1,751,521	1,887,946	136,425
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>1,539,938</u>	<u>1,751,521</u>	<u>1,887,946</u>	<u>136,425</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	777,104	876,687	634,662	242,025
Support services				
Students	507,829	507,829	506,636	1,193
Instruction	-	70,000	69,972	28
General administration	255,005	297,005	264,612	32,393
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,539,938</u>	<u>1,751,521</u>	<u>1,475,882</u>	<u>275,639</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>412,064</u>	<u>412,064</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	412,064	412,064
<i>Cash or fund balances - beginning of year</i>	-	-	(870,792)	(870,792)
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(870,792)</u>	<u>(870,792)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (458,728)</u>	<u>\$ (458,728)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ 412,064	
Adjustments to revenues			(370,927)	
Adjustments to expenditures			12,276	
Net change in fund balance (GAAP basis)			<u>\$ 53,413</u>	

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
AGENCY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2014

Exhibit D-1

	<u>Agency Funds</u>
ASSETS	
<i>Current Assets</i>	
Cash	\$ 369,897
<i>Total assets</i>	<u>369,897</u>
 LIABILITIES	
<i>Current Liabilities</i>	
Current payables	12,399
Deposits held in trust for others	<u>357,498</u>
<i>Total liabilities</i>	<u>\$ 369,897</u>

The accompanying notes are an integral part of these financial statements

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STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1. Summary of Significant Accounting Policies

The Belen Consolidated School Board was created under the provision of Chapter 22 Article 5, Paragraph 4, New Mexico Statutes 1978 to provide public education for the children within the District. The Board of Education is the basic level of government, which has oversight responsibility and control over 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 governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting financial reporting principles. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes the governmental units.

During the year ended June 30, 2014, the District adopted GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions—an amendment of GASB Statement No 53*, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, and GASB Statement No. 66, *Technical Corrections—2012—an amendment of GASB Statements No. 10 and No. 62*. The more significant of the government's accounting policies are described below.

A. Financial Reporting Entity

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14 and No. 39. GASB Statement No. 61 modifies certain requirements for inclusion of component units in the financial reporting entity. Blended component unites, 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 basis, 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 criteria used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity. Based upon the application of these criteria, the District does not have a component unit and is not a component unit of another government agency.

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1. **Summary of Significant Accounting Policies - (Continued)**

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities and changes in net position) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of 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*.

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. The District does not currently employ indirect cost allocation systems. Depreciation expense is specifically identified by function and is included in the direct expense of each function, except for that portion of depreciation that is identified as unallocated on the Statement of Activities.

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 period for which the taxes are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

GASB No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB No. 65, *Items Previously Reported as Assets and Liabilities*, amend GASB No. 34, *Basic Financial Statements – and Management's Discussion and Analysis for State and Local Governments*, to incorporate deferred outflows of resources and deferred inflows of resources in the financial reporting model.

Deferred outflows of resources – a consumption of net position by the government that is applicable to a future reporting period. It has a positive effect on net position, similar to assets; therefore, it is not recognized as an outflow of resources (expense) until then.

Deferred inflows of resources – an acquisition of net position by the government that is applicable to a future reporting period. It has a negative effect on net position, similar to liabilities; therefore, it is not recognized as an inflow of resources (revenue) until that time.

Net position – the residual of the net effects of assets, deferred outflows of resources, liabilities, and deferred inflows of resources.

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1. Summary of Significant Accounting Policies - (Continued)

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Ad valorem taxes (property taxes), 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

The *agency funds* are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the District holds for others in an agency capacity.

Governmental funds are used to account for the District's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds include:

The *General Fund* is the primary operating fund of the District, and accounts for all financial resources of the general government, except those required to be accounted for in other funds. The General Fund includes the Operational, Transportation, and Instructional Materials Funds.

The *Special Revenue Funds* account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

The *Debt Service Funds* account for the services of general long-term debt not being financed by proprietary or nonexpendable trust funds.

The *Capital Projects Funds* account for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

Under the requirements of GASB Statement No. 34, the District is required to present certain of its governmental funds as major funds based upon certain criteria. The major funds presented in the fund financial statements include the following:

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1. Summary of Significant Accounting Policies - (Continued)

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

The *Operational Fund* (11000) accounts for the primary revenues and expenditures of the District, including, but not limited to, student instruction, student support, instructional support, general administration, school administration, central services, and operations and maintenance of plant. Revenues come from district tax levy, state equalization, and other local, state, and federal sources. This fund is considered by PED to be a sub-fund of the General Fund.

The *Student Transportation Fund* (13000) accounts for state equalization funds authorized by Section 22-8-26, NMSA, 1978 designated for the costs of transporting school-age children who are students within the District. This fund is considered by PED to be a sub-fund of the General Fund.

The *Instructional Materials Fund* (14000) accounts for funding designated for instructional materials purchases as authorized by Sections 22-15-1 through 22-15-14, NMSA, 1978 for the purposes of purchasing instructional materials (books, manuals, periodicals, etc.) used in the education of students. This is considered by PED to be a sub-fund of the General Fund.

Title I IASA Fund (24101) the major objectives of the Title I programs are to provide supplemental educational opportunity for academically disadvantaged children in the area of residing. Campuses are identified for program participation by the percentage of students on free or reduced price lunches. Any school with a free and reduced price lunch percentage that is equal to or greater than the total district percentage becomes eligible for program participation. Any student whose test scores fall below District established criteria and who is attending a Title I campus is eligible to receive Title I services. Poverty is the criteria that identify a campus; educational need determines the students to be served. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Department of Education. Authority for creation of this fund is Part A of Chapter I of Title I of Elementary and Secondary Education Act (ESEA) of 1965, as amended, Public Law 103-383.

The *Bond Building Fund* (31100) is used to account for bond proceeds and any income earned thereon. The proceeds are restricted for the purpose of making additions to and furnishing of school buildings, or purchasing or improving school grounds or any combination thereof, as approved by the voters of the District.

The *Debt Service Fund* (41000) is used to account for the accumulation of resources for the payment of General Long-Term Debt principal and interest.

Additionally, the government reports the following fund types:

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. The fiduciary funds are for student activities.

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 THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1. Summary of Significant Accounting Policies - (Continued)

D. *Assets, Liabilities and Net Position or Equity*

Cash and Temporary 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 State Treasurer's Investment Pool.

Investments for the District are reported at fair value. The State Treasurer's 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.

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 by collateral deposited as security or by bond.

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

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

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 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 Socorro County and Valencia County. The funds are collected by the County Treasurer and are remitted to the School District the following month. Under the modified accrual method of accounting, the amount remitted by the Socorro and Valencia County Treasurer's in July and August 2014 is considered 'measurable and available' and, accordingly, is recorded as revenue during the year ended June 30, 2014.

Certain Special Revenue funds are administered on a reimbursement method of funding, other funds are operated on a cash advance method of funding. The funds incurred the cost and submitted the necessary request for reimbursement or advance, respectively.

Prepaid Items: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1. Summary of Significant Accounting Policies - (Continued)

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

Inventory: The District accounts for its inventories under the consumption method, reporting inventories purchased as an asset. The recognition of the expenditures is deferred until the period in which the inventories are actually consumed. Inventory in the Cafeteria Fund 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.

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 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. 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 and equipment in accordance with NMAC 2.20.1.9 C (5). Capital expenditures made by the NM Public Schools Facilities Authority are appropriately included in the District's capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. The District expenses the cost of library books when purchased because their estimated useful life is 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 during the year ended June 30, 2014.

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

Land Improvements	5-50 years
Buildings/building improvements	5-100 years
Furniture and equipment	5-20 years

Unearned Revenues: The District recognizes grant revenue at the time the related expense is made if the expenditure of funds is the prime factor for determining eligibility for reimbursement; therefore, amounts received and not expended in the Special Revenue Funds are shown as unearned revenues.

Deferred Inflows of Resources – Unavailable Revenues: Governmental funds report unavailable revenues in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Revenues not received within sixty (60) days of year-end are not considered available; therefore, a receivable is recorded for the amount due and corresponding deferred revenue is recorded as well.

Compensated Absences: Twelve (12) month employees at the professional level or a classified administrator will be on duty from July 1 through June 30 and will be entitled to sixteen and one quarter (16.25) working days of annual leave which may accumulate to a total of forty (40) days including the current year. An employee who terminates will be paid for all earned leave; however, payment for earned leave may not exceed twenty (20) days. Annual leave will accumulate at a rate of 0.6250 days per pay period.

Classified employees who work full time are entitled to period of annual leave ranging from thirteen (13) to fifteen (15) working days per year depending upon the length of service with the Belen Consolidated Schools. Annual leave may accumulate to a total of forty (40) days of earned vacation. Twelve (12) days paid leave will be allowed for completing each full year of employment up to ten (10) years. Annual leave will accumulate at a rate of 0.50 days per pay period. Sixteen and one quarter (16.25) days of paid vacation will be allowed annually after completing ten (10) full years of employment. Annual leave will accumulate at a rate of 0.6250 days

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1. Summary of Significant Accounting Policies - (Continued)

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

per pay period. If a classified employee terminates, the employee will be paid for all earned annual leave time; however, payments for earned leave may not exceed twenty (20) days' salary. No classified employee will be paid for annual leave upon termination before completing six (6) months of employment.

The Board of Education has determined that there are instances in which employees suffer from catastrophic or unusual illnesses or injuries, or disabilities from performing the usual duties of the employee's job, which may not be sufficiently covered by existing board policies relating to sick leave and leaves of absence. As a result, and so that employees not suffer undue economic hardship as the result of such catastrophic or unusual illness, injury or disability, the Board of Education hereby authorizes the creation of a Sick Leave Bank (SLB). This SLB will be used to establish an available pool of sick leave days upon which eligible employees may draw, and into which participating employees may contribute accrued and unused sick leave to be made available to participating employees in the event of catastrophic or unusual illness, injury, or disability. The Sick Leave Bank shall be available only to employees participating in the Sick Leave Bank program. Employees participating in the SLB are entitled to use the days within the SLB when a catastrophic or unusual illness or injury occurs that requires extended hospitalization or home confinement of the employee or members of his or her immediate family, or results in the employee's disability from performing the usual duties of his or her job. Prior to use of the Sick Leave Bank, an eligible and participating employee must use all accrued sick, personal, or vacation leave. The Board of Education hereby delegates to the Administration the authority to adopt reasonable regulations, guidelines, procedures, and forms for implementing the Sick Leave Bank consistent with the provision adopted in this policy, and to define the relevant conditions for eligibility and grant of benefits under the Sick Leave Bank program. Decisions of the Administration with regard to applications for use of Sick Leave Bank shall not be subject to review.

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. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the district-wide statement of net position.

Long-term Obligations: In the government-wide fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. For bonds issued after the fiscal year ended June 30, 2014, bond premiums and discounts, will be deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs will be reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognized 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.

Net Position or Fund Equity: Governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The detail of the District's fund balances is presented in Note 15.

In the government-wide financial statements, fund equity is classified as net position and is displayed in three components:

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1. Summary of Significant Accounting Policies - (Continued)

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

Net investment in capital assets: Consists of capital assets including restricted 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.

Restricted Net Position: Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. Descriptions for the related restrictions for net position is restricted for “debt service or capital projects.”

Unrestricted Net Position: All other net position that does not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Fund Balance: In the fund financial statements, governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Some governments may not have policies or procedures that are comparable to those policies that underlie the classifications and therefore would not report amounts in all possible fund balance classifications.

In the governmental financial statements, fund balance is classified and is displayed in five components:

Nonspendable: Consists of amounts that cannot be spent because they are either;
(a) not in spendable form or
(b) Legally or contractually required to be maintained intact.

Restricted: Consists of amounts that are restricted to specific purposes as a result of a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed: Consist of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

Assigned: Consist of amounts that are constrained by the government's *intent* to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

Unassigned: Represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

E. Revenues

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

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

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1. Summary of Significant Accounting Policies - (Continued)

E. Revenues - (continued)

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

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. Significant estimates affecting the District's financials include management's estimate of the useful lives of capital assets.

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 cost.

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 \$29,215,541 in state equalization guarantee distributions during the year ended June 30, 2014.

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. In the government-wide financial statements, the District recognizes property tax revenues in the period for which they are levied, net of estimated refunds and uncollectible amounts. The District records only the portion of the taxes considered to be 'measurable' and 'available' in the government fund financial statements, which is within 60 days of year-end. 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.

In the financial statements, the mill levy and ad-valorem taxes are broken out into two types: property taxes – residential and commercial and property taxes – oil and gas. Amounts collected from residential and commercial property taxes at June 30, 2014 were \$6,876,529. Amounts collected from oil and gas taxes were \$0.

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 \$1,434,135 in transportation distributions during the year ended June 30, 2014.

Instructional Materials: The New Mexico Public Education Department (PED) receives federal material leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, fifty percent is restricted to the requisition of materials listed in the State Board of Education "State Adopted Instructional Material" list, while fifty percent of each allocation is available for purchases directly from vendors. Allocations received from the State for the year ended June 30, 2014 totaled \$246,873.

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

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1. Summary of Significant Accounting Policies - (Continued)

E. Revenues - (continued)

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. Provided, 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 \$93,237 in state SB-9 matching during the year ended June 30, 2014.

Public School Capital Outlay: Under the provisions of Chapter 22, Article 24, NMSA 1978. The money in the fund may be used only for capital expenditures deemed by the public school capital outlay council 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, 2014, the District received \$88,345 in special 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 operated under its own budget, which has been approved by the Federal Department or the flowthrough 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.

The District also receives reimbursement under the National School Lunch and Breakfast Programs for its food services operations, and the distributions of commodities through the New Mexico Human Services Department.

NOTE 2. Stewardship, Compliance and Accountability

Budgetary Information

Budgets for the General, Special Revenue, Capital Projects, and Debt Service 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. Public School Capital Outlay Council expenditures in the Public School Capital Outlay fund are not budgeted at the District level, so there is no budgetary comparison presented.

These budgets are prepared on the Non-GAAP cash basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year. The budget process in the State of New Mexico requires that the ending cash balance be appropriated in the budget of the subsequent fiscal year.

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 2. Stewardship, Compliance and Accountability – (Continued)

Budgetary Information – (Continued)

Actual expenditures may not exceed the budget at the function level, the level of budgetary control for districts. 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 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 (100%) 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 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, while not intended for the general public, 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.
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 approved budget and amendments thereto.
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 Board of Education may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. New Mexico state law prohibits a Governmental Agency from exceeding an individual line item.

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 2. Stewardship, Compliance and Accountability – (Continued)

Budgetary Information – (Continued)

The accompanying Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual present comparisons of the legally adopted budget with actual data on a budgetary basis.

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of resultant basis, perspective, equity, and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2014, is presented on each funds' Statement of Revenue, Expenditures and Changes in Fund Balance – Budget (non-GAAP Budgetary Basis) and Actual.

NOTE 3. Cash and Cash Equivalents

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, 2014.

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 by collateralized as required by the statute.

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

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

The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, district or political subdivision of the State of New Mexico.

According to the Federal Deposit Insurance Corporation, public unit deposits are funds owned by the public unit. Time deposits, savings deposits and interest bearing NOW accounts of a public unit in an institution in the same state will be insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution.

Deposits

NM State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the District for at least one half of the amount on deposit with the institution in excess of federal deposit insurance. The schedule listed below will meet the State of New Mexico Office of the State Auditor's requirements in reporting the insured portion of the deposits.

**STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 3. Cash and Cash Equivalents - (Continued)

	US Bank <u>Bank</u>	Wells Fargo <u>Bank</u>	<u>Total</u>
Total amounts of deposits	\$ 20,486,475	\$ 3,206,650	\$ 23,693,125
FDIC coverage	<u>250,000</u>	<u>250,000</u>	<u>500,000</u>
Total uninsured public funds	<u>20,236,475</u>	<u>2,956,650</u>	<u>23,193,125</u>
Collateral requirement (50% of uninsured public funds)	10,118,237	1,478,325	11,596,562
Pledged security	<u>25,316,971</u>	<u>1,608,105</u>	<u>26,925,076</u>
Total over (under) collateralized	<u>\$ 15,198,734</u>	<u>\$ 129,780</u>	<u>\$ 3,731,951</u>

The funds are maintained in a combination of interest bearing and non-interest bearing checking accounts.

The types of collateral allowed are limited by the section 6-10-16, NMSA 1978.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government 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).

Deposits – The risk exists when a portion of the District's deposits are not covered by depository insurance and are:

1. Uncollateralized;
2. Collateralized with securities held by the pledging financial institution; or
3. Collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor's (District's) name.

At June 30, 2014, \$23,193,125 of the District's bank balance of \$23,693,125 was exposed to custodial credit risk as it was uninsured and not in the District's name as the collateral for Wells Fargo Bank is held at Bank of New York Mellon, and US.Bank holds its own collateral.

Reconciliation of Cash to the Financial Statements

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

**STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 3. Cash and Cash Equivalents - (Continued)

Reconciliation to Statement of Net Position

Governmental Funds - Balance Sheet

Cash and cash equivalents per Exhibit A-1	22,768,599
Statement of Fiduciary Net Position - cash per Exhibit D-1	<u>369,897</u>
Total per financial statements	23,138,496
Less petty cash	(275)
Add unreconciled difference in cash	7,297
Add outstanding checks and other reconciling items	<u>547,607</u>
Bank balance of deposits	<u><u>\$ 23,693,125</u></u>

The District utilized pooled accounts for their programs and funds. Negative cash balances in individual funds that were part of the pooled accounts should be reclassified as due to/due from accounts in the combining balance sheets at June 30, 2014. Funds 24000 through 25000 are federal funds and 13000 and 27000 through 28000 funds are non-federal funds. The following individual funds had negative cash balances as of June 30, 2014:

Fund #	Major Funds	
13000	Transportation	\$ 60,845
24101	Title II ASA	<u>458,728</u>
	Major Funds Subtotal	<u><u>519,573</u></u>
	Special Revenue Funds	
22000	Athletics	44,058
24106	IDEA B Entitlement	246,735
24107	IDEA B Discretionary	5,040
24109	IDEA B Preschool	3,730
24113	Education of the Homeless	2,116
24118	Fresh Fruits and Vegetables	11,544
24153	English Language Acquisition	31,615
24154	Teacher/Principal Training & Recruiting	110,501
24162	Title I School Improvement	64,244
24174	Carl Perkins Secondary	13,273
24175	Carl Perkins Secondary - PY Unliq. Oblig	472
24176	Carl Perkins Secondary - Redistribution	7,465
27103	Dual Credit Instructional Materials	4,403
27106	2010 GO Bond Student Library Fund	8,309
27107	2012 GO Bond Student Library Fund	30,226
27114	NM Reads to Lead K-3 Reading Initiative	7,013
27139	Truancy Prevention/Intervention	612
27149	PreK Initiative	18,437
27166	Kindergarten - Three Plus	24,176
27183	NM Grown Fresh Fruits & Vegetables	581
27185	Next Generation Assessments	35,034
28189	GRADS - Child Care	<u>6,364</u>
	Special Revenue Funds Subtotal	<u><u>675,948</u></u>
	Total	<u><u>\$ 1,195,521</u></u>

**STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 4. Receivables

Receivables as of June 30, 2014 are as follows:

	Major Funds			Other Governmental Funds	Total Governmental Funds
	Operational 11000	Title I IASA 24101	Debt Service 41000		
Property taxes	\$ 84,822	\$ -	\$ 1,638,922	\$ 425,161	\$ 2,148,905
Due from other governments	-	481,917	-	628,534	1,110,451
Total receivables	\$ 84,822	\$ 481,917	\$ 1,638,922	\$ 1,053,695	\$ 3,259,356

The above receivables are deemed 100% collectible. In accordance with GASB No. 33, property tax revenues in the amount of \$1,927,648 were not collected within the period of availability and have been reclassified as deferred revenue in the governmental fund financial statements.

**STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 5. Interfund Receivables, Payables, and Transfers

“Interfund balances” have primarily been recorded when funds overdraw their share of pooled cash when the District is waiting for grant reimbursements. The composition of interfund balances at June 30, 2014 is as follows:

Governmental Activities	Interfund Receivables	Interfund Payables
Major Funds:		
Operational (11000)	\$ 1,195,521	\$ -
Transportation (13000)	-	60,845
Title IIASA (24101)	-	458,728
Non-major Funds:		
Athletics (22000)	-	44,058
IDEA B Entitlement (24106)	-	246,735
IDEA B Discretionary (24107)	-	5,040
IDEA B Preschool (24109)	-	3,730
Education of the Homeless (24113)	-	2,116
Fresh Fruits and Vegetables (24118)	-	11,544
English Language Acquisition (24153)	-	31,615
Teacher/Principal Training & Recruiting (24154)	-	110,501
Title I School Improvement (24162)	-	64,244
Carl D Perkins - Secondary - Current (24174)	-	13,273
Carl D Perkins - Secondary - PY Unliquidated Obligations (24175)	-	472
Carl D Perkins - Secondary - Redistribution (24176)	-	7,465
Dual Credit Instructional Materials (27103)	-	4,403
2010 GO Bonds Student Library Fund (SB1) (27106)	-	8,309
2012 GO Bonds Student Library Fund (SB66) (27107)	-	30,226
NM Reads to Lead K-3 Initiative (27114)	-	7,013
Truancy Prevention/Intervention (27139)	-	612
PreK Initiative (27149)	-	18,437
Kindergarten - Three Plus (27166)	-	24,176
NM Grown Fresh Fruits and Vegetables (27183)	-	581
Next Generation Assessments (27185)	-	35,034
GRADS - Child Care (28189)	\$ -	\$ 6,364
Totals	\$ 1,195,521	\$ 1,195,521

All interfund balances are expected to be repaid within one year.

During the year ended June 30, 2014, the District closed its deferred sick leave account into its operational fund which resulted in a transfer of \$37,719 to the operational fund and the forgiveness of \$96,171 in accrued liability resulting in a net transfer of \$58,452 to the deferred sick leave account. The District also closed two dormant funds, resulting in a net transfer of \$312 to the operational fund.

**STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 6. Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2014 follows. Land and construction in progress is not subject to depreciation.

	<u>Balance</u>				<u>Balance</u>
Capital assets used in governmental activities:	<u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	<u>June 30, 2014</u>
Capital assets not being depreciated:					
Land	\$ 2,375,944	\$ -	\$ -	\$ -	\$ 2,375,944
Construction in progress	1,213,559	4,143,359	123,092	(979,127)	4,254,699
Total capital assets not being depreciated	<u>3,589,503</u>	<u>4,143,359</u>	<u>123,092</u>	<u>(979,127)</u>	<u>6,630,643</u>
Capital assets being depreciated:					
Buildings and building improvements	93,931,926	123,092	-	-	94,055,018
Furniture, fixtures, and equipment	1,998,624	122,385	5,097	-	2,115,912
Vehicles	4,515,185	462,852	283,630	-	4,694,407
Total capital assets being depreciated	<u>100,445,735</u>	<u>708,329</u>	<u>288,727</u>	<u>-</u>	<u>100,865,337</u>
Less accumulated depreciation:					
Buildings and building improvements	39,598,823	1,893,993	-	-	41,492,816
Furniture, fixtures, and equipment	1,290,071	115,109	5,097	-	1,400,083
Vehicles	3,902,992	286,908	283,630	-	3,906,270
Total accumulated depreciation	<u>44,791,886</u>	<u>2,296,010</u>	<u>288,727</u>	<u>-</u>	<u>46,799,169</u>
Total capital assets, net of depreciation	<u>\$ 59,243,352</u>	<u>\$ 2,555,678</u>	<u>\$ (123,092)</u>	<u>\$ (979,127)</u>	<u>\$ 60,696,811</u>

Depreciation expense for the year ended June 30, 2014 was charged to governmental activities as follows:

Governmental activities:	
Instruction	\$ 1,990,857
Support services - students	3,292
Operation and maintenance of plant	39,248
Student transportation	258,287
Food services	4,326
Total depreciation	<u>\$ 2,296,010</u>

Construction commitments:

The current construction in progress had a remaining commitment of approximately \$5,532,466 for completion at June 30, 2014.

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 7. Long-Term Debt

During the year ended June 30, 2014 the following changes occurred in the liabilities reported in the government-wide statement of net position:

	Balance at 06/30/13	Additions	Deletions	Balance at 06/30/14	Due Within One Year
General Obligation Bonds	\$ 19,845,000	\$ 13,250,000	\$ 1,830,000	\$ 31,265,000	\$ 4,295,000
Compensated Absences	506,998	299,090	393,958	412,130	393,958
Total	\$ 20,351,998	\$ 13,549,090	\$ 2,223,958	\$ 31,677,130	\$ 4,688,958

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, 2014, compensated absences decreased \$94,868 over the prior year accrual. See Note 1 for more details.

General Obligations Bonds

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. As of June 30, 2014, all general obligation bonds are for governmental activities.

Bonds outstanding at June 30, 2014 are comprised of the following:

	2002 Series 10/15/2002	2003 Series 10/31/2003	2004 Series 11/2/2004	2005 Series 3/29/2005
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	1-Aug	1-Aug	1-Aug	1-Aug
Interest Rate	3.00-4.50%	0.84-3.76%	2.30-3.80%	3.25-5.00%
Interest	1-Feb 1-Aug	1-Feb 1-Aug	1-Feb 1-Aug	1-Feb 1-Aug
	2007 Series 11/27/2007	2008 Series 12/2/2008	2009 Series 11/24/2009	2013 Series 9/17/2013
Original Issue	\$8,000,000.00	\$5,000,000	\$4,605,000	13,250,000
Maturity Date	8/1/2022	8/1/2022	8/1/2019	8/1/2027
Principal	1-Aug	1-Aug	1-Aug	1-Aug
Interest Rate	3.65-5.0%	4.00-5.00%	2.00-4.00%	2.00-4.00%
Interest	1-Feb 1-Aug	1-Feb 1-Aug	1-Feb 1-Aug	1-Feb 1-Aug

The annual requirements to amortize the General Obligation Bonds as of June 30, 2014, including interest payments are as follows:

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 7. Long-Term Debt – (Continued)

Series 2002 General Obligation Bond			
Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2015	\$ 400,000	\$ 22,300	\$ 422,300
2016	400,000	7,500	407,500
Totals	<u>\$ 800,000</u>	<u>\$ 29,800</u>	<u>\$ 829,800</u>

Series 2003 General Obligation Bond			
Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
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
Totals	<u>\$ 1,700,000</u>	<u>\$ 133,390</u>	<u>\$ 1,833,390</u>

Series 2004 General Obligation Bond			
Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2015	\$ 200,000	\$ 21,475	\$ 221,475.00
2016	200,000	14,600	214,600
2017	100,000	9,300	109,300
2018	100,000	5,650	105,650
2019	100,000	1,900	101,900
Totals	<u>\$ 700,000</u>	<u>\$ 52,925</u>	<u>\$ 752,925</u>

Series 2005 General Obligation Bond			
Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2015	\$ 400,000	\$ 58,000	\$ 458,000.00
2016	400,000	42,500	442,500
2017	400,000	25,500	425,500
2018	400,000	8,500	408,500
Totals	<u>\$ 1,600,000</u>	<u>\$ 134,500</u>	<u>\$ 1,734,500</u>

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 7. Long-Term Debt - (Continued)

Series 2007 General Obligation Bond			
Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2015	\$ 100,000	\$ 255,650	\$ 355,650.00
2016	350,000	244,900	594,900
2017	200,000	232,150	432,150
2018	250,000	223,150	473,150
2019	800,000	203,550	1,003,550
2020-2024	5,000,000	396,425	5,396,425
Totals	<u>\$ 6,700,000</u>	<u>\$ 1,555,825</u>	<u>\$ 8,255,825</u>

Series 2008 General Obligation Bond			
Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2015	\$ 100,000	\$ 174,950	\$ 274,950.00
2016	100,000	170,700	270,700
2017	300,000	162,200	462,200
2018	200,000	150,325	350,325
2019	700,000	130,825	830,825
2020-2024	2,750,000	250,088	3,000,088
Totals	<u>\$ 4,150,000</u>	<u>\$ 1,039,088</u>	<u>\$ 5,189,088</u>

Series 2009 General Obligation Bond			
Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2015	\$ 570,000	\$ 66,475	\$ 636,475.00
2016	395,000	53,425	448,425
2017	390,000	41,650	431,650
2018	460,000	28,900	488,900
2019	400,000	14,000	414,000
2020-2024	150,000	3,000	153,000
Totals	<u>\$ 2,365,000</u>	<u>\$ 207,450</u>	<u>\$ 2,572,450</u>

**STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 7. Long-Term Debt - (Continued)

Fiscal Year Ending June 30,	Series 2013 General Obligation Bond		Total Debt Service
	Principal	Interest	
2015	\$ 2,175,000	\$ 370,688	\$ 2,545,687.50
2016	500,000	343,938	843,938
2017	500,000	333,938	833,938
2018	500,000	323,938	823,938
2019	500,000	313,938	813,938
2020-2024	4,050,000	1,310,687	5,360,687
2025-2029	5,025,000	400,219	5,425,219
Totals	<u>\$ 13,250,000</u>	<u>\$ 3,397,343</u>	<u>\$ 16,647,343</u>

In prior years, the general fund was typically used to liquidate long-term liabilities other than debt.

Operating Leases – The District leases office equipment, including copy machines and postage meter machines, under short-term cancelable operating leases.

NOTE 8. Unearned Revenue

In accordance with the terms of the various grant agreements within the Special Revenue Funds, revenues received in excess of expenditures carry over to the subsequent years, unless such excess revenues are requested to be returned to the grantor. The following funds had unearned revenues at June 30, 2014:

Fund #	Fund and Function	Amount
Non-Major Funds		
24113	Education of the Homeless	\$ 883
24157	Safe & Drug Free Schools & Community	205
24167	Reading First	12,138
24176	Carl D Perkins Secondary - Redistribution	2,218
25149	GRADS Child Care CYFD	3,000
25162	TANF/GRADS HSD	5,666
	Total	<u>\$ 24,110</u>

NOTE 9. Risk Management

The District is a member of the New Mexico Public Schools 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.

**STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 9. Risk Management – (Continued)

The NMPSIA provides coverage for up to a maximum of \$500,000,000 for each property damage claim with a \$750 deductible to each building. General liability coverage is afforded to all employees, volunteers and school board members and the limit is subject to the NMSA Tort Claims Act on a per occurrence basis. The automobile and property liability limit is subject to the provisions of the Tort Claims Act. The crime limit is \$250,000 per occurrence for faithful performance. A limit of \$250,000 applies to depositor's forgery, credit card forgery and money orders. A limit of \$100,000 applies to Money and Security, which includes 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, 2014, there have been no claims that have exceeded insurance coverage.

NOTE 10. Other Required Individual Fund Disclosures

Generally accepted accounting principles require disclosures as part of the Combined Statements of certain information concerning individual funds including:

A. Deficit fund balance of individual funds. The following funds reported a deficit fund balance at June 30, 2014:

Fund #	Major Funds	Amount
13000	Transportation	\$ 126,412
24101	Title IIASA	41,081
	Subtotal	167,493
	Non-Major Funds	
22000	Athletics	44,985
24106	IDEA-B Entitlement	2,745
24107	IDEA-B Discretionary	5,040
24109	IDEA-B Preschool	64
24118	Fresh Fruits and Vegetables USDA	11,544
24153	English Language Acquisition	25,736
24154	Teacher/Principal Training & Recruiting	15,167
24162	Title I School Improvement	53,148
24174	Carl D. Perkins - Special Projects - Current	549
24175	Carl D. Perkins - Secondary PY Unliq. Obligations	472
27107	2012 GO Bonds Student Library Fund (SB66)	30,226
27139	Truancy/Prevention Intervention	612
27183	NM Grown Fresh Fruits and Vegetables	581
28189	GRADS - Child Care	6,364
	Subtotal	144,399
	Total	\$ 311,892

**STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 10. Other Required Individual Fund Disclosures – (Continued)

B. Excess of expenditures over appropriations: The following funds reported expenditures over appropriations.

Fund #	Fund Name	Function	Amount
Non-Major Funds:			
24153	English Language Acquisition	General Administration	615
25152	Title XIX Medicaid 0/2 Years	Support Services	5,423
27149	Pre K Initiative	General Administration	268
31700	Capital Improvements SB-9	General Administration	2,338
Total			<u><u>\$ 8,644</u></u>

C. Two funds had designated cash appropriations in excess of available balances for the year ended June 30, 2014. They were Bond Building and Capital Improvements SB-9 in the amounts of \$256,710 and \$478,324, respectively.

NOTE 11. Pension Plan – Educational Retirement Board

Plan Description. Substantially all of Belen Consolidated School District No. 2's full-time employees participate in a public employee retirement system authorized under the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978.) The Educational Retirement Board (ERB) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members (certified teachers, and other employees of State public school districts, colleges and universities, and 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.

Funding Policy:

Member Contributions

Plan members whose annual salary is \$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: 10.10% of their gross salary in fiscal year 2014; and 10.70% of their gross salary in fiscal year 2015 and thereafter.

Employer Contributions

Belen Consolidated School District No. 2 was required to contribute 13.15% of the gross covered salary in fiscal year 2014. In fiscal year 2015 Belen Consolidated School District No. 2 will contribute 13.90% of gross covered salary.

The contribution requirements of plan members and Belen Consolidated School District No. 2 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, 2014, 2013, and 2012, were \$2,822,059, \$2,419,132, and \$2,185,680 respectively, which equal the amount of the required contributions for each fiscal year.

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 12. Post-Employment Benefits – State Retiree Health Care Plan

Plan Description. Belen Consolidated School District No. 2 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.

NOTE 12. Post-Employment Benefits – State Retiree Health Care Plan

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

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

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

The 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, 2014, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2014, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The District's contributions to the RHCA for the years ended June 30, 2014, 2013, and 2012 were \$430,473, \$435,571, and \$413,805 respectively, which equal the required contributions for each year.

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 13. Contingent Liabilities

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 14. Subsequent Accounting Standard Pronouncements

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68 *Accounting and Financial Reporting for Pensions* which is effective for annual reporting periods beginning after June 15, 2014. Statement No. 68 requires cost-sharing employers to record a liability and expense equal to their proportionate share of the collective net pension liability and expense for the cost-sharing plan. Due to the implementation of GASB 68 in fiscal year 2015, Belen Consolidated School District No. 2's financial statements will include a material liability for pension participation costs which have not been previously disclosed. The amount of this liability cannot be determined at this time, but it will have a significant effect on the financial statement presentation in the next fiscal year.

NOTE 15. Restatement/Prior Period Adjustments

During the year ended June 30, 2014, there was a restatement in the District's financial statements in the amount of \$1,111,723. This total is principally due to an adjustment in construction in progress amounts which were improperly included in the prior year. The fixed asset reduction amounted to \$979,127.

With the implementation of GASB statement No. 65, the District eliminated bond issuance costs in the amount of \$194,085, of which \$82,268 was accumulated amortization of for a net elimination of \$111,817. Additionally, the District discovered previous bond premiums which had not been capitalized. Additional premiums of \$143,575 less accumulated amortization of \$126,123 were capitalized in this year's statements for a net reduction of \$17,452.

The District made adjustments to three funds during the year netting to a reduction of \$3,327.

NOTE 16. Subsequent Events

A review of subsequent events through November 14, 2014 is the date the financial statements were available to be issued, indicated nothing of audit significance other than those disclosed below.

On September 26, 2014, Belen Consolidated School District No. 2 retired several outstanding bond issues. The District retired the 2002, 2003, and 2004 series general obligation bonds. The total cost of this defeasance was \$2,271,773, which saved the District \$136,753 in interest versus paying the bonds through maturity.

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SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

STATE OF NEW MEXICO
 BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2014

Statement A-1

	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TOTAL
ASSETS				
<i>Current assets:</i>				
Cash and temporary investments	\$ 1,860,678	\$ 300,083	\$ -	\$ 2,160,761
Accounts receivable				
Taxes	-	425,161	-	425,161
Due from other governments	628,534	-	-	628,534
Interfund receivables	-	-	-	-
Other	-	-	-	-
Inventory	92,337	-	-	92,337
	<u>2,581,549</u>	<u>725,244</u>	<u>-</u>	<u>3,306,793</u>
<i>Total assets</i>				
LIABILITIES				
<i>Current liabilities:</i>				
Accounts payable	102,634	43,994	-	146,628
Accrued payroll liabilities	137,541	-	-	137,541
Interfund payables	675,948	-	-	675,948
Unearned revenue	24,110	-	-	24,110
	<u>940,233</u>	<u>43,994</u>	<u>-</u>	<u>984,227</u>
<i>Total liabilities</i>				
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - property taxes	-	380,967	-	380,967
Unavailable revenues - other	-	-	-	-
	<u>-</u>	<u>380,967</u>	<u>-</u>	<u>380,967</u>
<i>Total deferred inflows of resources</i>				
FUND BALANCES				
Nonspendable	92,337	-	-	92,337
Restricted for:				
Grant mandates	1,548,979	-	-	1,548,979
Capital projects	-	300,283	-	300,283
Debt service	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
	<u>1,641,316</u>	<u>300,283</u>	<u>-</u>	<u>1,941,599</u>
<i>Total fund balances</i>				
	<u>\$ 2,581,549</u>	<u>\$ 725,244</u>	<u>\$ -</u>	<u>\$ 3,306,793</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>				

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
 BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

Statement A-2

	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TOTAL
<i>Revenues:</i>				
Property taxes	\$ -	\$ 1,094,649	\$ -	\$ 1,094,649
State grants	1,443,150	181,582	-	1,624,732
Federal grants	4,204,536	-	-	4,204,536
Miscellaneous	-	-	-	-
Charges for services	403,314	-	-	403,314
Investment Income	311	151	-	462
<i>Total revenues</i>	<u>6,051,311</u>	<u>1,276,382</u>	<u>-</u>	<u>7,327,693</u>
<i>Expenditures:</i>				
Current:				
Instruction	1,749,886	-	-	1,749,886
Support services				
Students	459,488	-	-	459,488
Instruction	180,445	-	-	180,445
General administration	145,794	13,333	-	159,127
School administration	10,065	-	-	10,065
Central services	29,587	-	-	29,587
Operation & maintenance of plant	16,817	-	-	16,817
Student transportation	466,495	-	-	466,495
Other support services	-	-	-	-
Food services operations	2,691,329	-	-	2,691,329
Community service	-	-	-	-
Capital outlay	7,523	1,427,713	-	1,435,236
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>5,757,429</u>	<u>1,441,046</u>	<u>-</u>	<u>7,198,475</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>293,882</u>	<u>(164,664)</u>	<u>-</u>	<u>129,218</u>
<i>Other financing sources (uses):</i>				
Operating transfers	58,140	-	-	58,140
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>58,140</u>	<u>-</u>	<u>-</u>	<u>58,140</u>
<i>Net changes in fund balances</i>	<u>352,022</u>	<u>(164,664)</u>	<u>-</u>	<u>187,358</u>
<i>Fund balances - beginning of year</i>	1,283,073	464,947	-	1,748,020
<i>Prior period adjustment</i>	6,221	-	-	6,221
<i>Adjusted fund balances - beginning of year</i>	<u>1,289,294</u>	<u>464,947</u>	<u>-</u>	<u>1,754,241</u>
<i>Fund balances - end of year</i>	<u>\$ 1,641,316</u>	<u>\$ 300,283</u>	<u>\$ -</u>	<u>\$ 1,941,599</u>

The accompanying notes are an integral part of these financial statements.

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SPECIAL REVENUE FUNDS

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. Special Revenue Funds include:

Food Services (21000) - This fund is utilized to account for Federal and Local sources of income relating to the food service programs. The Food Service Fund is segregated into two categories, one being the Federal funds and the other being Non-Federal funds. Federal funds consist of National School Lunch Program, which is administered by the State of New Mexico for the purpose of making breakfast and lunch available to all school children and to encourage the domestic consumption of agricultural commodities and other food components. Authority for the creation of this fund is NMSA 22-13-13.

Athletics (22000) – This fund is used 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 Entitlement (24106) – To account for a program funded by a Federal grant to assist the District in providing free appropriate public education to all handicapped children. Funding authorized by Individuals with Disabilities Education Act, Part B, Section 611-620, as amended, Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100,639, and 101-476, 20 U.S.C. 1411-1420.

IDEA-B Discretionary (24107) – To provide grants to states that flow-through to schools to assist them in providing a free appropriate public education to all children with disabilities. The program is funded by the United States government under the Individuals with Disabilities Education Act, Part B, Section 611-617, and part D, Section 674 as amended, 20 U.S.C. 1711-1417 and 1420.

IDEA-B Preschool (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 and Vegetables (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) – Funding for students with disabilities who are parentally placed in private elementary and secondary schools (“equitable participation services”) located in the school district.

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.

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.

Safe & Drug Free Schools & Community (24157) – To establish a local program of alcohol and drug abuse education and prevention coordinated with related community efforts and resources. Authorized by 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)

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

Carl Perkins Secondary – PY Unliquidated Obligations (24175) To provide funds which were encumbered in the prior year for the program as described above. (24174) (Authority: P.L. 105-332).

Carl Perkins Secondary – Redistribution (24176) – Redistribution for the program as described above in (24174). (Authority: P.L. 105-332).

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 Parts 76 (except for 76.650 – 76.662), 77,80,81,82 and 85.

IDEA-B Entitlement 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.

IDEA-B Preschool - 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 ARRA (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.

Deferred Sick Leave (24999) – To account for resources reserved and restricted for the payment of sick leave to District employees. Authorized administratively by the District's School Board.

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.

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 (27103) – To purchase college textbooks for students who dual enroll in college credited courses while still attending high school.

2008 GO Bond Student Library (27105) – To acquire library books, equipment, and library resources for public school and state-supported school libraries statewide

2010 GO Bonds Student Library Fund (SB1) (27106) – Funds used to purchase library books and library supplies for all school sites. Program is authorized by state statute.

2012 GO Bonds Student Library Fund (SB66) (27107) – Funds used to purchase library books and library supplies for all school sites. Program is authorized by state statute.

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.

Truancy Initiative PED (27141) – To account for monies received to help students who are truant from school to be required to perform community service rather than being suspended from school.

PreK Initiative (27149) – The Pre-K Initiative program provides high-quality early childhood services (in accordance with the NM Pre-K standards) to four year old children in need. Authorized through 32A-23-1 NMSA 1978.

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 from creation of this fund is NMSA 22-2-8-10.

Breakfast for Elementary Students (27155) - The 2005 Legislative General Appropriations Act allocated \$475,000 to implement Breakfast in the Classroom for elementary schools in need of improvement based on 2004-2005 AYP designation.

Kindergarten – Three Plus (27166) - In 2007, Representative Mimi Stewart sponsored House Bill 198 to establish a fund to allow New Mexico public schools and districts to develop a six year pilot project that extends to the school year for kindergarten through third grade by up to two months for participating students to measure the effect of additional time on literacy, numeric and social skills development.

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.

2013 School Bus (27178) – To account for funds provided by New Mexico Public Education Department to purchase school buses.

NM Grown Fresh Fruits and Vegetables (27183) – To account for funds provided by New Mexico Public Education Department to purchase New Mexico locally grown fresh fruits and vegetables for school meal programs.

Next Generation Assessments (27185) – To account for funds provided by the New Mexico Public Education Department to remediate deficiencies in computer devices compliant with the Partnership for Assessment of Readiness for College and Career assessment requirements.

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) – (Gaining Early Awareness and Readiness for Undergraduate Programs.) The purpose of this grant is to increase the number of low-income students who, upon graduation from high school, have the skills and knowledge to succeed in college.

GRADS – Child Care (28189) – Partially fund 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.

GRADS Plus (28203) – To account for funds provided through the New Mexico Public Education Department to assist with support for high school mothers and mothers-to-be.

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.

STATE OF NEW MEXICO
 BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2014

Statement B-1

	Food Services 21000	Athletics 22000	IDEA-B Entitlement 24106	IDEA-B Discretionary 24107	IDEA-B Preschool 24109
ASSETS					
<i>Current assets:</i>					
Cash and temporary investments	\$ 1,179,886	\$ -	\$ -	\$ -	\$ -
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	6,560	-	286,038	-	3,867
Interfund receivables	-	-	-	-	-
Inventory	92,337	-	-	-	-
<i>Total assets</i>	<u>1,278,783</u>	<u>-</u>	<u>286,038</u>	<u>-</u>	<u>3,867</u>
LIABILITIES					
<i>Current liabilities:</i>					
Accounts payable	89,967	927	5,484	-	-
Accrued payroll liabilities	68,729	-	36,564	-	201
Interfund payables	-	44,058	246,735	5,040	3,730
Unearned revenue	-	-	-	-	-
<i>Total liabilities</i>	<u>158,696</u>	<u>44,985</u>	<u>288,783</u>	<u>5,040</u>	<u>3,931</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues - property taxes	-	-	-	-	-
Unavailable revenues - other	-	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	92,337	-	-	-	-
Restricted for:					
Grant mandates	1,027,750	-	-	-	-
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	(44,985)	(2,745)	(5,040)	(64)
<i>Total fund balances</i>	<u>1,120,087</u>	<u>(44,985)</u>	<u>(2,745)</u>	<u>(5,040)</u>	<u>(64)</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 1,278,783</u>	<u>\$ -</u>	<u>\$ 286,038</u>	<u>\$ -</u>	<u>\$ 3,867</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
 BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2014

Statement B-1

	Education of the Homeless 24113	Fresh Fruits and Vegetables 24118	IDEA-B "Risk Pool" 24120	English Language Acquisition 24153	Teacher/Principal Training & Recruiting 24154
ASSETS					
<i>Current assets:</i>					
Cash and temporary investments	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	2,999	-	-	5,879	110,258
Interfund receivables	-	-	-	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>2,999</u>	<u>-</u>	<u>-</u>	<u>5,879</u>	<u>110,258</u>
LIABILITIES					
<i>Current liabilities:</i>					
Accounts payable	-	-	-	-	4,673
Accrued payroll liabilities	-	-	-	-	10,251
Interfund payables	2,116	11,544	-	31,615	110,501
Unearned revenue	883	-	-	-	-
<i>Total liabilities</i>	<u>2,999</u>	<u>11,544</u>	<u>-</u>	<u>31,615</u>	<u>125,425</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues - property taxes	-	-	-	-	-
Unavailable revenues - other	-	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted for:					
Grant mandates	-	-	-	-	-
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	(11,544)	-	(25,736)	(15,167)
<i>Total fund balances</i>	<u>-</u>	<u>(11,544)</u>	<u>-</u>	<u>(25,736)</u>	<u>(15,167)</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 2,999</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,879</u>	<u>\$ 110,258</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
 BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2014

Statement B-1

	Safe & Drug Free Schools & Community 24157	Title I School Improvement 24162	Reading First 24167	Carl D Perkins Secondary-Current 24174	Carl D Perkins Secondary - PY Unliq. Obligations 24175
ASSETS					
<i>Current assets:</i>					
Cash and temporary investments	\$ 205	\$ -	\$ 12,138	\$ -	\$ -
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	-	11,096	-	12,724	-
Interfund receivables	-	-	-	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>205</u>	<u>11,096</u>	<u>12,138</u>	<u>12,724</u>	<u>-</u>
LIABILITIES					
<i>Current liabilities:</i>					
Accounts payable	-	-	-	-	-
Accrued payroll liabilities	-	-	-	-	-
Interfund payables	-	64,244	-	13,273	472
Unearned revenue	205	-	12,138	-	-
<i>Total liabilities</i>	<u>205</u>	<u>64,244</u>	<u>12,138</u>	<u>13,273</u>	<u>472</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues - property taxes	-	-	-	-	-
Unavailable revenues - other	-	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted for:					
Grant mandates	-	-	-	-	-
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	(53,148)	-	(549)	(472)
<i>Total fund balances</i>	<u>-</u>	<u>(53,148)</u>	<u>-</u>	<u>(549)</u>	<u>(472)</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 205</u>	<u>\$ 11,096</u>	<u>\$ 12,138</u>	<u>\$ 12,724</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
 BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2014

Statement B-1

	Carl D Perkins Secondary - Redistribution 24176	Title I IASA Federal Stimulus 24201	IDEA-B Entitlement Federal Stimulus 24206	IDEA-B Preschool Federal Stimulus 24209	Education for Homeless - ARRA 24213
ASSETS					
<i>Current assets:</i>					
Cash and temporary investments	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	10,096	-	-	-	-
Interfund receivables	-	-	-	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>10,096</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES					
<i>Current liabilities:</i>					
Accounts payable	-	-	-	-	-
Accrued payroll liabilities	413	-	-	-	-
Interfund payables	7,465	-	-	-	-
Unearned revenue	2,218	-	-	-	-
<i>Total liabilities</i>	<u>10,096</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues - property taxes	-	-	-	-	-
Unavailable revenues - other	-	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted for:					
Grant mandates	-	-	-	-	-
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<i>Total fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 10,096</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
 BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2014

Statement B-1

	Title I School Improvement ARRA 24262	Deferred Sick Leave 24999	GRADS Child Care CYFD 25149	Title XIX Medicaid 0/2 Years 25152	Child Care Block Grant 25157
ASSETS					
<i>Current assets:</i>					
Cash and temporary investments	\$ -	\$ -	\$ 3,000	\$ 302,413	\$ 121,947
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	-	-	-	50,852	-
Interfund receivables	-	-	-	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>-</u>	<u>-</u>	<u>3,000</u>	<u>353,265</u>	<u>121,947</u>
LIABILITIES					
<i>Current liabilities:</i>					
Accounts payable	-	-	-	1,583	-
Accrued payroll liabilities	-	-	-	12,971	-
Interfund payables	-	-	-	-	-
Unearned revenue	-	-	3,000	-	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>3,000</u>	<u>14,554</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues - property taxes	-	-	-	-	-
Unavailable revenues - other	-	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted for:					
Grant mandates	-	-	-	338,711	121,947
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<i>Total fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>338,711</u>	<u>121,947</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,000</u>	<u>\$ 353,265</u>	<u>\$ 121,947</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
 BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2014

Statement B-1

	TANF/GRADS HSD 25162	New Mexico Community Foundation 26176	Dual Credit Instructional Materials 27103	2008 GO Bond Student Library 27105	2010 GO Bonds Student Library Fund (SB1) 27106
ASSETS					
<i>Current assets:</i>					
Cash and temporary investments	\$ 5,666	\$ 2,465	\$ -	\$ -	\$ -
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	-	-	7,921	-	8,309
Interfund receivables	-	-	-	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>5,666</u>	<u>2,465</u>	<u>7,921</u>	<u>-</u>	<u>8,309</u>
LIABILITIES					
<i>Current liabilities:</i>					
Accounts payable	-	-	-	-	-
Accrued payroll liabilities	-	-	-	-	-
Interfund payables	-	-	4,403	-	8,309
Unearned revenue	5,666	-	-	-	-
<i>Total liabilities</i>	<u>5,666</u>	<u>-</u>	<u>4,403</u>	<u>-</u>	<u>8,309</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues - property taxes	-	-	-	-	-
Unavailable revenues - other	-	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted for:					
Grant mandates	-	2,465	3,518	-	-
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<i>Total fund balances</i>	<u>-</u>	<u>2,465</u>	<u>3,518</u>	<u>-</u>	<u>-</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 5,666</u>	<u>\$ 2,465</u>	<u>\$ 7,921</u>	<u>\$ -</u>	<u>\$ 8,309</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
 BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2014

Statement B-1

	2012 GO Bonds Student Library Fund (SB66) 27107	New Mexico Reads to Lead K-3 Reading Initiative 27114	Technology for Education PED 27117	Truancy Prevention/ Intervention 27139	Truancy Initiative PED 27141
ASSETS					
<i>Current assets:</i>					
Cash and temporary investments	\$ -	\$ -	\$ 1,314	\$ -	\$ -
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	-	12,387	-	-	-
Interfund receivables	-	-	-	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>-</u>	<u>12,387</u>	<u>1,314</u>	<u>-</u>	<u>-</u>
LIABILITIES					
<i>Current liabilities:</i>					
Accounts payable	-	-	-	-	-
Accrued payroll liabilities	-	4,947	-	-	-
Interfund payables	30,226	7,013	-	612	-
Unearned revenue	-	-	-	-	-
<i>Total liabilities</i>	<u>30,226</u>	<u>11,960</u>	<u>-</u>	<u>612</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues - property taxes	-	-	-	-	-
Unavailable revenues - other	-	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted for:					
Grant mandates	-	427	1,314	-	-
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	(30,226)	-	-	(612)	-
<i>Total fund balances</i>	<u>(30,226)</u>	<u>427</u>	<u>1,314</u>	<u>(612)</u>	<u>-</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ -</u>	<u>\$ 12,387</u>	<u>\$ 1,314</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
 BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2014

Statement B-1

	PreK Initiative 27149	Beginning Teacher Mentoring Program 27154	Breakfast for Elementary Students 27155	Kindergarten - Three Plus 27166	2010 GO Bond Instructional Materials 27171
ASSETS					
<i>Current assets:</i>					
Cash and temporary investments	\$ -	\$ 6,629	\$ 46,166	\$ -	\$ -
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	21,902	-	18,436	24,176	-
Interfund receivables	-	-	-	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>21,902</u>	<u>6,629</u>	<u>64,602</u>	<u>24,176</u>	<u>-</u>
LIABILITIES					
<i>Current liabilities:</i>					
Accounts payable	-	-	-	-	-
Accrued payroll liabilities	3,465	-	-	-	-
Interfund payables	18,437	-	-	24,176	-
Unearned revenue	-	-	-	-	-
<i>Total liabilities</i>	<u>21,902</u>	<u>-</u>	<u>-</u>	<u>24,176</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues - property taxes	-	-	-	-	-
Unavailable revenues - other	-	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted for:					
Grant mandates	-	6,629	64,602	-	-
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<i>Total fund balances</i>	<u>-</u>	<u>6,629</u>	<u>64,602</u>	<u>-</u>	<u>-</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 21,902</u>	<u>\$ 6,629</u>	<u>\$ 64,602</u>	<u>\$ 24,176</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
 BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2014

Statement B-1

	Science Instructional Materials K-12 27176	2013 School Bus 27178	NM Grown Fresh Fruits and Vegetables 27183	Next Generation Assessments 27185	School Library Material Fund FY 08 27549
ASSETS					
<i>Current assets:</i>					
Cash and temporary investments	\$ -	\$ -	\$ -	\$ -	\$ 6,452
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	-	-	-	35,034	-
Interfund receivables	-	-	-	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,034</u>	<u>6,452</u>
LIABILITIES					
<i>Current liabilities:</i>					
Accounts payable	-	-	-	-	-
Accrued payroll liabilities	-	-	-	-	-
Interfund payables	-	-	581	35,034	-
Unearned revenue	-	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>581</u>	<u>35,034</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues - property taxes	-	-	-	-	-
Unavailable revenues - other	-	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted for:					
Grant mandates	-	-	-	-	6,452
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	(581)	-	-
<i>Total fund balances</i>	<u>-</u>	<u>-</u>	<u>(581)</u>	<u>-</u>	<u>6,452</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,034</u>	<u>\$ 6,452</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
 BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2014

Statement B-1

	GEAR-UP CHE 28178	GRADS - Child Care 28189	GRADS - Instruction 28190	GRADS - Plus 28203	School Based Health Center 29130
ASSETS					
<i>Current assets:</i>					
Cash and temporary investments	\$ 5,367	\$ -	\$ 1,010	\$ 3,744	\$ 162,276
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	-	-	-	-	-
Interfund receivables	-	-	-	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>5,367</u>	<u>-</u>	<u>1,010</u>	<u>3,744</u>	<u>162,276</u>
LIABILITIES					
<i>Current liabilities:</i>					
Accounts payable	-	-	-	-	-
Accrued payroll liabilities	-	-	-	-	-
Interfund payables	-	6,364	-	-	-
Unearned revenue	-	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>6,364</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues - property taxes	-	-	-	-	-
Unavailable revenues - other	-	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted for:					
Grant mandates	5,367	-	1,010	3,744	162,276
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	(6,364)	-	-	-
<i>Total fund balances</i>	<u>5,367</u>	<u>(6,364)</u>	<u>1,010</u>	<u>3,744</u>	<u>162,276</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 5,367</u>	<u>\$ -</u>	<u>\$ 1,010</u>	<u>\$ 3,744</u>	<u>\$ 162,276</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
 BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2014

Statement B-1

	<u>Total</u>
ASSETS	
<i>Current assets:</i>	
Cash and temporary investments	\$ 1,860,678
Accounts receivable	-
Taxes	-
Due from other governments	628,534
Interfund receivables	-
Inventory	<u>92,337</u>
<i>Total assets</i>	<u><u>2,581,549</u></u>
LIABILITIES	
<i>Current liabilities:</i>	
Accounts payable	102,634
Accrued payroll liabilities	137,541
Interfund payables	675,948
Unearned revenue	<u>24,110</u>
<i>Total liabilities</i>	<u><u>940,233</u></u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenues - property taxes	-
Unavailable revenues - other	<u>-</u>
<i>Total deferred inflows of resources</i>	<u><u>-</u></u>
FUND BALANCES	
Nonspendable	92,337
Restricted for:	
Grant mandates	1,746,212
Capital projects	-
Debt service	-
Assigned	-
Unassigned	<u>(197,233)</u>
<i>Total fund balances</i>	<u><u>1,641,316</u></u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u><u>\$ 2,581,549</u></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
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	Food Services 21000	Athletics 22000	IDEA-B Entitlement 24106	IDEA-B Discretionary 24107	IDEA-B Preschool 24109
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	167,851	-	-	-	-
Federal grants	2,208,339	-	785,249	-	21,298
Miscellaneous	-	-	-	-	-
Charges for services	199,573	203,741	-	-	-
Investment Income	302	9	-	-	-
<i>Total revenues</i>	<u>2,576,065</u>	<u>203,750</u>	<u>785,249</u>	<u>-</u>	<u>21,298</u>
<i>Expenditures:</i>					
Current:					
Instruction	-	177,601	501,424	-	12,850
Support services					
Students	-	-	97,822	-	-
Instruction	-	-	23,489	-	-
General administration	-	-	99,384	-	900
School administration	-	-	-	-	-
Central services	-	-	29,587	-	-
Operation & maintenance of plant	-	-	16,817	-	-
Student transportation	-	-	1,863	-	7,604
Other support services	-	-	-	-	-
Food services operations	2,518,916	-	-	-	-
Community service	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>2,518,916</u>	<u>177,601</u>	<u>770,386</u>	<u>-</u>	<u>21,354</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>57,149</u>	<u>26,149</u>	<u>14,863</u>	<u>-</u>	<u>(56)</u>
<i>Other financing sources (uses):</i>					
Operating transfers	-	-	-	-	-
Proceeds from bond issues	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>57,149</u>	<u>26,149</u>	<u>14,863</u>	<u>-</u>	<u>(56)</u>
<i>Fund balances - beginning of year</i>	1,062,938	(71,134)	(10,835)	(5,040)	(8)
<i>Prior period adjustment</i>	-	-	(6,773)	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>1,062,938</u>	<u>(71,134)</u>	<u>(17,608)</u>	<u>(5,040)</u>	<u>(8)</u>
<i>Fund balances - end of year</i>	<u>\$ 1,120,087</u>	<u>\$ (44,985)</u>	<u>\$ (2,745)</u>	<u>\$ (5,040)</u>	<u>\$ (64)</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
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	Education of the Homeless 24113	Fresh Fruits and Vegetables 24118	IDEA-B "Risk Pool" 24120	English Language Acquisition 24153	Teacher/Principal Training & Recruiting 24154
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-	-
Federal grants	14,903	110,612	9,284	24,211	368,686
Miscellaneous	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment Income	-	-	-	-	-
<i>Total revenues</i>	<u>14,903</u>	<u>110,612</u>	<u>9,284</u>	<u>24,211</u>	<u>368,686</u>
<i>Expenditures:</i>					
Current:					
Instruction	14,925	-	9,284	22,692	373,788
Support services					
Students	-	-	-	-	58
Instruction	-	-	-	-	254
General administration	-	-	-	615	19,000
School administration	-	-	-	-	10,065
Central services	-	-	-	-	-
Operation & maintenance of plant	-	-	-	-	-
Student transportation	-	-	-	-	-
Other support services	-	-	-	-	-
Food services operations	-	120,950	-	-	-
Community service	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>14,925</u>	<u>120,950</u>	<u>9,284</u>	<u>23,307</u>	<u>403,165</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(22)</u>	<u>(10,338)</u>	<u>-</u>	<u>904</u>	<u>(34,479)</u>
<i>Other financing sources (uses):</i>					
Operating transfers	-	-	-	-	-
Proceeds from bond issues	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>(22)</u>	<u>(10,338)</u>	<u>-</u>	<u>904</u>	<u>(34,479)</u>
<i>Fund balances - beginning of year</i>	22	(1,206)	(12,994)	(26,640)	19,312
<i>Prior period adjustment</i>	-	-	12,994	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>22</u>	<u>(1,206)</u>	<u>-</u>	<u>(26,640)</u>	<u>19,312</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ (11,544)</u>	<u>\$ -</u>	<u>\$ (25,736)</u>	<u>\$ (15,167)</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
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	Safe & Drug Free Schools & Community 24157	Title I School Improvement 24162	Reading First 24167	Carl Perkins Secondary - Current 24174	Carl D Perkins Secondary - PY Unliq. Obligations 24175
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-	-
Federal grants	-	35,055	-	68,496	17,984
Miscellaneous	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment Income	-	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>35,055</u>	<u>-</u>	<u>68,496</u>	<u>17,984</u>
<i>Expenditures:</i>					
Current:					
Instruction	-	12,770	-	38,791	16,463
Support services					
Students	-	22,285	-	-	-
Instruction	-	-	-	-	-
General administration	-	-	-	2,211	1,993
School administration	-	-	-	-	-
Central services	-	-	-	-	-
Operation & maintenance of plant	-	-	-	-	-
Student transportation	-	-	-	-	-
Other support services	-	-	-	-	-
Food services operations	-	-	-	-	-
Community service	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>35,055</u>	<u>-</u>	<u>41,002</u>	<u>18,456</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,494</u>	<u>(472)</u>
<i>Other financing sources (uses):</i>					
Operating transfers	-	-	-	-	-
Proceeds from bond issues	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,494</u>	<u>(472)</u>
<i>Fund balances - beginning of year</i>	-	(53,148)	-	(28,043)	-
<i>Prior period adjustment</i>	-	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>-</u>	<u>(53,148)</u>	<u>-</u>	<u>(28,043)</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ (53,148)</u>	<u>\$ -</u>	<u>\$ (549)</u>	<u>\$ (472)</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
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	Carl D Perkins Secondary - Redistribution 24176	Title I IASA Federal Stimulus 24201	IDEA-B ENTITLEMENT Federal Stimulus 24206	IDEA-B Preschool Federal Stimulus 24209	Education for Homeless - ARRA 24213
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-	-
Federal grants	17,161	-	-	-	-
Miscellaneous	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment Income	-	-	-	-	-
<i>Total revenues</i>	<u>17,161</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>					
Current:					
Instruction	15,498	-	-	-	-
Support services					
Students	-	-	-	-	-
Instruction	-	-	-	-	-
General administration	725	-	-	-	-
School administration	-	-	-	-	-
Central services	-	-	-	-	-
Operation & maintenance of plant	-	-	-	-	-
Student transportation	-	-	-	-	-
Other support services	-	-	-	-	-
Food services operations	-	-	-	-	-
Community service	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>16,223</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>938</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>					
Operating transfers	-	142	-	-	(454)
Proceeds from bond issues	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>142</u>	<u>-</u>	<u>-</u>	<u>(454)</u>
<i>Net changes in fund balances</i>	<u>938</u>	<u>142</u>	<u>-</u>	<u>-</u>	<u>(454)</u>
<i>Fund balances - beginning of year</i>	(938)	(142)	-	-	454
<i>Prior period adjustment</i>	-	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>(938)</u>	<u>(142)</u>	<u>-</u>	<u>-</u>	<u>454</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	Title I School Improvement ARRA 24262	Deferred Sick Leave 24999	GRADS Child Care CYFD 25149	Title XIX Medicaid 0/2 Years 25152	Child Care Block Grant 25157
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-	-
Federal grants	-	-	-	494,109	25,849
Miscellaneous	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment Income	-	-	-	-	-
<i>Total revenues</i>	-	-	-	494,109	25,849
<i>Expenditures:</i>					
Current:					
Instruction	-	-	-	7,723	-
Support services					
Students	-	-	-	284,044	-
Instruction	-	-	-	-	-
General administration	-	-	-	19,538	-
School administration	-	-	-	-	-
Central services	-	-	-	-	-
Operation & maintenance of plant	-	-	-	-	-
Student transportation	-	-	-	-	-
Other support services	-	-	-	-	-
Food services operations	-	-	-	-	-
Community service	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	-	-	-	311,305	-
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	-	-	182,804	25,849
<i>Other financing sources (uses):</i>					
Operating transfers	-	58,452	-	-	-
Proceeds from bond issues	-	-	-	-	-
<i>Total other financing sources (uses)</i>	-	58,452	-	-	-
<i>Net changes in fund balances</i>	-	58,452	-	182,804	25,849
<i>Fund balances - beginning of year</i>	-	(58,452)	-	155,907	96,098
<i>Prior period adjustment</i>	-	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	-	(58,452)	-	155,907	96,098
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ -	\$ 338,711	\$ 121,947

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO

Statement B-2

BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	TANF/GRADS HSD 25162	New Mexico Community Foundation 26176	Dual Credit Instructional Materials 27103	2008 GO Bond Student Library 27105	2010 GO Bonds Student Library Fund (SB1) 27106
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	-	-	7,921	-	8,309
Federal grants	3,300	-	-	-	-
Miscellaneous	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment Income	-	-	-	-	-
<i>Total revenues</i>	<u>3,300</u>	<u>-</u>	<u>7,921</u>	<u>-</u>	<u>8,309</u>
<i>Expenditures:</i>					
Current:					
Instruction	-	-	7,921	-	-
Support services					
Students	-	-	-	-	-
Instruction	-	-	-	-	-
General administration	-	-	-	-	-
School administration	-	-	-	-	-
Central services	-	-	-	-	-
Operation & maintenance of plant	-	-	-	-	-
Student transportation	-	-	-	-	-
Other support services	-	-	-	-	-
Food services operations	-	-	-	-	-
Community service	-	-	-	-	-
Capital outlay	-	-	-	-	7,523
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>7,921</u>	<u>-</u>	<u>7,523</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>3,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>786</u>
<i>Other financing sources (uses):</i>					
Operating transfers	-	-	-	-	-
Proceeds from bond issues	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>3,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>786</u>
<i>Fund balances - beginning of year</i>	(3,300)	2,465	3,518	-	(786)
<i>Prior period adjustment</i>	-	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>(3,300)</u>	<u>2,465</u>	<u>3,518</u>	<u>-</u>	<u>(786)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ 2,465</u>	<u>\$ 3,518</u>	<u>\$ -</u>	<u>\$ -</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
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	2012 GO Bonds Student Library Fund (SB66) 27107	New Mexico Reads to Lead K-3 Reading Initiative 27114	Technology for Education PED 27117	Truancy Prevention/ Intervention 27139	Truancy Initiative PED 27141
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	-	85,388	-	-	-
Federal grants	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment Income	-	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>85,388</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>					
<i>Current:</i>					
Instruction	-	-	-	-	-
Support services					
Students	-	-	-	-	-
Instruction	30,226	84,961	-	-	-
General administration	-	-	-	-	-
School administration	-	-	-	-	-
Central services	-	-	-	-	-
Operation & maintenance of plant	-	-	-	-	-
Student transportation	-	-	-	-	-
Other support services	-	-	-	-	-
Food services operations	-	-	-	-	-
Community service	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>30,226</u>	<u>84,961</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(30,226)</u>	<u>427</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>					
Operating transfers	-	-	-	-	-
Proceeds from bond issues	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>(30,226)</u>	<u>427</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	-	-	1,314	(612)	-
<i>Prior period adjustment</i>	-	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,314</u>	<u>(612)</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ (30,226)</u>	<u>\$ 427</u>	<u>\$ 1,314</u>	<u>\$ (612)</u>	<u>\$ -</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
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	PreK Initiative 27149	Beginning Teacher Mentoring Program 27154	Breakfast for Elementary Students 27155	Kindergarten - Three Plus 27166	2010 GO Bond Instructional Materials 27171
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	98,220	-	50,882	481,588	5,083
Federal grants	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment Income	-	-	-	-	-
<i>Total revenues</i>	<u>98,220</u>	<u>-</u>	<u>50,882</u>	<u>481,588</u>	<u>5,083</u>
<i>Expenditures:</i>					
Current:					
Instruction	96,792	-	-	428,908	-
Support services					
Students	-	-	-	33,523	-
Instruction	-	-	-	6,481	-
General administration	1,428	-	-	-	-
School administration	-	-	-	-	-
Central services	-	-	-	-	-
Operation & maintenance of plant	-	-	-	-	-
Student transportation	-	-	-	12,676	-
Other support services	-	-	-	-	-
Food services operations	-	-	50,882	-	-
Community service	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>98,220</u>	<u>-</u>	<u>50,882</u>	<u>481,588</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,083</u>
<i>Other financing sources (uses):</i>					
Operating transfers	-	-	-	-	-
Proceeds from bond issues	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,083</u>
<i>Fund balances - beginning of year</i>	-	6,629	64,602	-	(5,083)
<i>Prior period adjustment</i>	-	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>-</u>	<u>6,629</u>	<u>64,602</u>	<u>-</u>	<u>(5,083)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ 6,629</u>	<u>\$ 64,602</u>	<u>\$ -</u>	<u>\$ -</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
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	Science Instructional Materials K-12 27176	2013 School Bus 27178	NM Grown Fresh Fruits and Vegetables 27183	Next Generation Assessments 27185	School Library Material Fund FY 08 27549
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	-	444,352	-	35,034	-
Federal grants	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment Income	-	-	-	-	-
<i>Total revenues</i>	-	444,352	-	35,034	-
<i>Expenditures:</i>					
Current:					
Instruction	-	-	-	-	-
Support services					
Students	-	-	-	-	-
Instruction	-	-	-	35,034	-
General administration	-	-	-	-	-
School administration	-	-	-	-	-
Central services	-	-	-	-	-
Operation & maintenance of plant	-	-	-	-	-
Student transportation	-	444,352	-	-	-
Other support services	-	-	-	-	-
Food services operations	-	-	581	-	-
Community service	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	-	444,352	581	35,034	-
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	-	(581)	-	-
<i>Other financing sources (uses):</i>					
Operating transfers	-	-	-	-	-
Proceeds from bond issues	-	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-	-
<i>Net changes in fund balances</i>	-	-	(581)	-	-
<i>Fund balances - beginning of year</i>	-	-	-	-	6,452
<i>Prior period adjustment</i>	-	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	-	-	-	-	6,452
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (581)	\$ -	\$ 6,452

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO

BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	GEAR-UP CHE 28178	GRADS - Child Care 28189	GRADS - Instruction 28190	GRADS - Plus 28203	School Based Health Center 29130
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	-	3,000	42,322	13,200	-
Federal grants	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment Income	-	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>3,000</u>	<u>42,322</u>	<u>13,200</u>	<u>-</u>
<i>Expenditures:</i>					
Current:					
Instruction	-	3,000	-	9,456	-
Support services					
Students	-	-	21,756	-	-
Instruction	-	-	-	-	-
General administration	-	-	-	-	-
School administration	-	-	-	-	-
Central services	-	-	-	-	-
Operation & maintenance of plant	-	-	-	-	-
Student transportation	-	-	-	-	-
Other support services	-	-	-	-	-
Food services operations	-	-	-	-	-
Community service	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>3,000</u>	<u>21,756</u>	<u>9,456</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>20,566</u>	<u>3,744</u>	<u>-</u>
<i>Other financing sources (uses):</i>					
Operating transfers	-	-	-	-	-
Proceeds from bond issues	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>20,566</u>	<u>3,744</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	5,367	(6,364)	(19,556)	-	162,276
<i>Prior period adjustment</i>	-	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>5,367</u>	<u>(6,364)</u>	<u>(19,556)</u>	<u>-</u>	<u>162,276</u>
<i>Fund balances - end of year</i>	<u>\$ 5,367</u>	<u>\$ (6,364)</u>	<u>\$ 1,010</u>	<u>\$ 3,744</u>	<u>\$ 162,276</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
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Total</u>
<i>Revenues:</i>	
Property taxes	\$ -
State grants	1,443,150
Federal grants	4,204,536
Miscellaneous	-
Charges for services	403,314
Investment Income	311
<i>Total revenues</i>	<u>6,051,311</u>
<i>Expenditures:</i>	
Current:	
Instruction	1,749,886
Support services	
Students	459,488
Instruction	180,445
General administration	145,794
School administration	10,065
Central services	29,587
Operation & maintenance of plant	16,817
Student transportation	466,495
Other support services	-
Food services operations	2,691,329
Community service	-
Capital outlay	7,523
Debt service	
Principal	-
Interest	-
<i>Total expenditures</i>	<u>5,757,429</u>
<i>Excess (deficiency) of revenues</i> <i>over (under) expenditures</i>	<u>293,882</u>
<i>Other financing sources (uses):</i>	
Operating transfers	58,140
Proceeds from bond issues	-
<i>Total other financing sources (uses)</i>	<u>58,140</u>
<i>Net changes in fund balances</i>	<u>352,022</u>
<i>Fund balances - beginning of year</i>	1,283,073
<i>Prior period adjustment</i>	6,221
<i>Adjusted fund balances - beginning of year</i>	<u>1,289,294</u>
<i>Fund balances - end of year</i>	<u>\$ 1,641,316</u>

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
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 FOOD SERVICES SPECIAL REVENUE FUND (21000)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-3

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	161,291	161,291
Federal grants	1,782,776	1,782,776	2,247,409	464,633
Miscellaneous	-	-	-	-
Charges for services	189,000	189,000	199,573	10,573
Interest	-	-	302	302
<i>Total revenues</i>	<u>1,971,776</u>	<u>1,971,776</u>	<u>2,608,575</u>	<u>636,799</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	2,190,916	2,795,750	2,261,019	534,731
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,190,916</u>	<u>2,795,750</u>	<u>2,261,019</u>	<u>534,731</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(219,140)</u>	<u>(823,974)</u>	<u>347,556</u>	<u>1,171,530</u>
<i>Other financing sources (uses):</i>				
Designated cash	219,140	823,974	-	(823,974)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>219,140</u>	<u>823,974</u>	<u>-</u>	<u>(823,974)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>347,556</u>	<u>347,556</u>
<i>Cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>832,330</u>	<u>832,330</u>
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>832,330</u>	<u>832,330</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,179,886</u>	<u>\$ 1,179,886</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ 347,556	
Adjustments to revenues			(32,510)	
Adjustments to expenditures			(257,897)	
Net change in fund balance (GAAP basis)			<u>\$ 57,149</u>	

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
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 ATHLETICS SPECIAL REVENUE FUND (22000)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-4

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	190,000	190,000	203,741	13,741
Interest	-	-	9	9
<i>Total revenues</i>	<u>190,000</u>	<u>190,000</u>	<u>203,750</u>	<u>13,750</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	190,000	190,000	189,980	20
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>190,000</u>	<u>190,000</u>	<u>189,980</u>	<u>20</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>13,770</u>	<u>13,770</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<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>13,770</u>	<u>13,770</u>
<i>Cash or fund balances - beginning of year</i>	-	-	(57,828)	(57,828)
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(57,828)</u>	<u>(57,828)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (44,058)</u>	<u>\$ (44,058)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ 13,770	
Adjustments to revenues			-	
Adjustments to expenditures			12,379	
Net change in fund balance (GAAP basis)			<u>\$ 26,149</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
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 IDEA-B ENTITLEMENT SPECIAL REVENUE FUND (24106)
 FOR THE YEAR ENDING JUNE 30, 2014

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	1,054,728	1,519,954	679,775	(840,179)
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>1,054,728</u>	<u>1,519,954</u>	<u>679,775</u>	<u>(840,179)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	748,297	1,087,523	512,559	574,964
Support services				
Students	105,369	130,369	92,338	38,031
Instruction	40,808	40,808	23,489	17,319
General administration	102,827	157,827	99,384	58,443
School administration	-	-	-	-
Central services	38,215	48,215	29,587	18,628
Operation & maintenance of plant	19,212	23,212	16,817	6,395
Student transportation	-	32,000	1,863	30,137
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,054,728</u>	<u>1,519,954</u>	<u>776,037</u>	<u>743,917</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(96,262)</u>	<u>(96,262)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<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>(96,262)</u>	<u>(96,262)</u>
<i>Cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(143,700)</u>	<u>(143,700)</u>
Prior period adjustments	-	-	(6,773)	(6,773)
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(150,473)</u>	<u>(150,473)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (246,735)</u>	<u>\$ (246,735)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (96,262)	
Adjustments to revenues			105,474	
Adjustments to expenditures			5,651	
Net change in fund balance (GAAP basis)			<u>\$ 14,863</u>	

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
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 IDEA-B DISCRETIONARY SPECIAL REVENUE FUND (24107)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-6

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - beginning of year</i>	-	-	(5,040)	(5,040)
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(5,040)</u>	<u>(5,040)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,040)</u>	<u>\$ (5,040)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 IDEA-B PRESCHOOL SPECIAL REVENUE FUND (24109)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-7

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	18,492	44,498	17,431	(27,067)
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>18,492</u>	<u>44,498</u>	<u>17,431</u>	<u>(27,067)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	17,545	27,848	12,850	14,998
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	947	947	900	47
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	15,703	7,403	8,300
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>18,492</u>	<u>44,498</u>	<u>21,153</u>	<u>23,345</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(3,722)</u>	<u>(3,722)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<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>(3,722)</u>	<u>(3,722)</u>
<i>Cash or fund balances - beginning of year</i>	-	-	(8)	(8)
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(8)</u>	<u>(8)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,730)</u>	<u>\$ (3,730)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (3,722)	
Adjustments to revenues			3,867	
Adjustments to expenditures			(201)	
Net change in fund balance (GAAP basis)			<u>\$ (56)</u>	

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
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 EDUCATION OF THE HOMELESS SPECIAL REVENUE FUND (24113)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-8

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	13,500	15,000	16,659	1,659
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>13,500</u>	<u>15,000</u>	<u>16,659</u>	<u>1,659</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	13,500	15,000	14,925	75
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>13,500</u>	<u>15,000</u>	<u>14,925</u>	<u>75</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>1,734</u>	<u>1,734</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<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>1,734</u>	<u>1,734</u>
<i>Cash or fund balances - beginning of year</i>	-	-	(3,850)	(3,850)
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(3,850)</u>	<u>(3,850)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,116)</u>	<u>\$ (2,116)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ 1,734	
Adjustments to revenues			(1,756)	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ (22)</u>	

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
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 FRESH FRUITS AND VEGETABLES SPECIAL REVENUE FUND (24118)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-9

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	120,950	110,174	(10,776)
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>120,950</u>	<u>110,174</u>	<u>(10,776)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	120,950	120,950	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>120,950</u>	<u>120,950</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(10,776)</u>	<u>(10,776)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<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>(10,776)</u>	<u>(10,776)</u>
<i>Cash or fund balances - beginning of year</i>	-	-	(768)	(768)
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(768)</u>	<u>(768)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,544)</u>	<u>\$ (11,544)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (10,776)	
Adjustments to revenues			438	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ (10,338)</u>	

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
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 IDEA B "RISK POOL" SPECIAL REVENUE FUND (24120)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-10

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	9,492	11,779	2,287
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>9,492</u>	<u>11,779</u>	<u>2,287</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	9,492	9,284	208
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>9,492</u>	<u>9,284</u>	<u>208</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>2,495</u>	<u>2,495</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<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>2,495</u>	<u>2,495</u>
<i>Cash or fund balances - beginning of year</i>	-	-	(15,489)	(15,489)
Prior period adjustments	-	-	12,994	12,994
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(2,495)</u>	<u>(2,495)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ 2,495	
Adjustments to revenues			(2,495)	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 ENGLISH LANGUAGE ACQUISITION SPECIAL REVENUE FUND (24153)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-11

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	16,454	24,360	36,400	12,040
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>16,454</u>	<u>24,360</u>	<u>36,400</u>	<u>12,040</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	16,454	24,360	23,745	615
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	615	(615)
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>16,454</u>	<u>24,360</u>	<u>24,360</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>12,040</u>	<u>12,040</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<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>12,040</u>	<u>12,040</u>
<i>Cash or fund balances - beginning of year</i>	-	-	(43,655)	(43,655)
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(43,655)</u>	<u>(43,655)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (31,615)</u>	<u>\$ (31,615)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ 12,040	
Adjustments to revenues			(12,189)	
Adjustments to expenditures			1,053	
Net change in fund balance (GAAP basis)			<u>\$ 904</u>	

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
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
TEACHER/PRINCIPAL TRAINING & RECRUITING SPECIAL REVENUE FUND (24154)
FOR THE YEAR ENDING JUNE 30, 2014

Statement B-12

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	309,179	683,297	528,821	(154,476)
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>309,179</u>	<u>683,297</u>	<u>528,821</u>	<u>(154,476)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	299,179	516,197	361,981	154,216
Support services				
Students	-	1,000	58	942
Instruction	-	99,358	254	99,104
General administration	5,000	19,000	19,000	-
School administration	5,000	47,742	10,065	37,677
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>309,179</u>	<u>683,297</u>	<u>391,358</u>	<u>291,939</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>137,463</u>	<u>137,463</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<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>137,463</u>	<u>137,463</u>
<i>Cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(247,964)</u>	<u>(247,964)</u>
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(247,964)</u>	<u>(247,964)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (110,501)</u>	<u>\$ (110,501)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ 137,463	
Adjustments to revenues			(160,135)	
Adjustments to expenditures			(11,807)	
Net change in fund balance (GAAP basis)			<u>\$ (34,479)</u>	

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

BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL

SAFE & DRUG FREE SCHOOLS & COMMUNITY SPECIAL REVENUE FUND (24157)

FOR THE YEAR ENDING JUNE 30, 2014

Statement B-13

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - beginning of year</i>	-	-	205	205
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>205</u>	<u>205</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 205</u>	<u>\$ 205</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 TITLE I SCHOOL IMPROVEMENT SPECIAL REVENUE FUND (24162)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-14

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	57,480	56,438	75,895	19,457
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>57,480</u>	<u>56,438</u>	<u>75,895</u>	<u>19,457</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	8,500	13,758	12,770	988
Support services				
Students	48,980	42,680	22,297	20,383
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>57,480</u>	<u>56,438</u>	<u>35,067</u>	<u>21,371</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>40,828</u>	<u>40,828</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<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>40,828</u>	<u>40,828</u>
<i>Cash or fund balances - beginning of year</i>	-	-	(105,072)	(105,072)
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(105,072)</u>	<u>(105,072)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (64,244)</u>	<u>\$ (64,244)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ 40,828	
Adjustments to revenues			(40,840)	
Adjustments to expenditures			12	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 READING FIRST SPECIAL REVENUE FUND (24167)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-15

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - beginning of year</i>	-	-	12,138	12,138
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>12,138</u>	<u>12,138</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,138</u>	<u>\$ 12,138</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 CARL D PERKINS SECONDARY-CURRENT SPECIAL REVENUE FUND (24174)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-16

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	51,953	52,513	55,772	3,259
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>51,953</u>	<u>52,513</u>	<u>55,772</u>	<u>3,259</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	49,591	50,151	50,133	18
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	2,362	2,362	2,211	151
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>51,953</u>	<u>52,513</u>	<u>52,344</u>	<u>169</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>3,428</u>	<u>3,428</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<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>3,428</u>	<u>3,428</u>
<i>Cash or fund balances - beginning of year</i>	-	-	(16,701)	(16,701)
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(16,701)</u>	<u>(16,701)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (13,273)</u>	<u>\$ (13,273)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ 3,428	
Adjustments to revenues			12,724	
Adjustments to expenditures			11,342	
Net change in fund balance (GAAP basis)			<u>\$ 27,494</u>	

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
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 CARL D PERKINS PY UNLIQUIDATED OBLIGATIONS SPECIAL REVENUE FUND (24175)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-17

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	18,571	17,984	(587)
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>18,571</u>	<u>17,984</u>	<u>(587)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	16,578	16,463	115
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	1,993	1,993	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>18,571</u>	<u>18,456</u>	<u>115</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(472)</u>	<u>(472)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<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>(472)</u>	<u>(472)</u>
<i>Cash or fund balances - beginning of year</i>	-	-	-	-
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (472)</u>	<u>\$ (472)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (472)	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ (472)</u>	

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
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 CARL D PERKINS SECONDARY-REDISTRIBUTION SPECIAL REVENUE FUND (24176)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-18

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	20,228	7,065	(13,163)
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>20,228</u>	<u>7,065</u>	<u>(13,163)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	19,337	16,023	3,314
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	891	725	166
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>20,228</u>	<u>16,748</u>	<u>3,480</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(9,683)</u>	<u>(9,683)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(9,683)</u>	<u>(9,683)</u>
<i>Cash or fund balances - beginning of year</i>	-	-	2,218	2,218
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>2,218</u>	<u>2,218</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,465)</u>	<u>\$ (7,465)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (9,683)	
Adjustments to revenues			10,096	
Adjustments to expenditures			525	
Net change in fund balance (GAAP basis)			<u>\$ 938</u>	

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
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 TITLE I - IASA-FEDERAL STIMULUS SPECIAL REVENUE FUND (24201)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-19

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	142	142
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>142</u>	<u>142</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>142</u>	<u>142</u>
<i>Cash or fund balances - beginning of year</i>	-	-	(142)	(142)
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(142)</u>	<u>(142)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ 142	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ 142</u>	

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
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 IDEA-B ENTITLEMENT STIMULUS SPECIAL REVENUE FUND (24206)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-20

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - beginning of year</i>	-	-	-	-
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 IDEA-B PRESCHOOL FEDERAL STIMULUS SPECIAL REVENUE FUND (24209)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-21

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - beginning of year</i>	-	-	-	-
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 EDUCATION FOR HOMELESS - ARRA - SPECIAL REVENUE FUND (24213)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-22

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	(454)	(454)
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(454)</u>	<u>(454)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(454)</u>	<u>(454)</u>
<i>Cash or fund balances - beginning of year</i>	-	-	454	454
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>454</u>	<u>454</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (454)	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ (454)</u>	

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
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 TITLE I SCHOOL IMPROVEMENT ARRA SPECIAL REVENUE FUND (24262)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-23

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - beginning of year</i>	-	-	-	-
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 DEFERRED SICK LEAVE SPECIAL REVENUE FUND (24999)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-24

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	58,452	58,452
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>58,452</u>	<u>58,452</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>58,452</u>	<u>58,452</u>
<i>Cash or fund balances - beginning of year</i>	-	-	(58,452)	(58,452)
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(58,452)</u>	<u>(58,452)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ 58,452	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ 58,452</u>	

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
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 GRADS CHILD CARE CYFD SPECIAL REVENUE FUND (25149)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-25

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - beginning of year</i>	-	-	3,000	3,000
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>3,000</u>	<u>3,000</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,000</u>	<u>\$ 3,000</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 TITLE XIX MEDICAID 0/2 YEARS SPECIAL REVENUE FUND (25152)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-26

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	216,000	216,000	484,277	268,277
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>216,000</u>	<u>216,000</u>	<u>484,277</u>	<u>268,277</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	2,300	7,723	(5,423)
Support services				
Students	316,432	304,132	280,703	23,429
Instruction	-	-	-	-
General administration	17,243	27,243	19,538	7,705
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>333,675</u>	<u>333,675</u>	<u>307,964</u>	<u>25,711</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(117,675)</u>	<u>(117,675)</u>	<u>176,313</u>	<u>293,988</u>
<i>Other financing sources (uses):</i>				
Designated cash	117,675	117,675	-	(117,675)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>117,675</u>	<u>117,675</u>	<u>-</u>	<u>(117,675)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>176,313</u>	<u>176,313</u>
<i>Cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>126,100</u>	<u>126,100</u>
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>126,100</u>	<u>126,100</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 302,413</u>	<u>\$ 302,413</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ 176,313	
Adjustments to revenues			9,832	
Adjustments to expenditures			(3,341)	
Net change in fund balance (GAAP basis)			<u>\$ 182,804</u>	

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
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 CHILD CARE BLOCK GRANT SPECIAL REVENUE FUND (25157)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-27

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	20,101	25,849	5,748
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>20,101</u>	<u>25,849</u>	<u>5,748</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	20,101	-	20,101
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>20,101</u>	<u>-</u>	<u>20,101</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>25,849</u>	<u>25,849</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<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>25,849</u>	<u>25,849</u>
<i>Cash or fund balances - beginning of year</i>	-	-	96,098	96,098
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>96,098</u>	<u>96,098</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 121,947</u>	<u>\$ 121,947</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ 25,849	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ 25,849</u>	

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
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 TANF/GRADS HSD SPECIAL REVENUE FUND (25162)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-28

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - beginning of year</i>	-	-	5,666	5,666
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>5,666</u>	<u>5,666</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,666</u>	<u>\$ 5,666</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ -	
Adjustments to revenues			3,300	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ 3,300</u>	

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
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 NEW MEXICO COMMUNITY FOUNDATION SPECIAL REVENUE FUND (26176)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-29

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - beginning of year</i>	-	-	2,465	2,465
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>2,465</u>	<u>2,465</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,465</u>	<u>\$ 2,465</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 DUAL CREDIT INSTRUCTIONAL MATERIALS SPECIAL REVENUE FUND (27103)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-30

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	7,921	-	(7,921)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>7,921</u>	<u>-</u>	<u>(7,921)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	7,921	7,921	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>7,921</u>	<u>7,921</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(7,921)</u>	<u>(7,921)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<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>(7,921)</u>	<u>(7,921)</u>
<i>Cash or fund balances - beginning of year</i>	-	-	3,518	3,518
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>3,518</u>	<u>3,518</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,403)</u>	<u>\$ (4,403)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (7,921)	
Adjustments to revenues			7,921	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 2008 GO BOND STUDENT LIBRARY SPECIAL REVENUE FUND (27105)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-31

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - beginning of year</i>	-	-	-	-
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND

BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL

2010 GO BONDS STUDENT LIBRARY FUND (SB1) SPECIAL REVENUE FUND (27106)

FOR THE YEAR ENDING JUNE 30, 2014

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	8,308	4,796	(3,512)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>8,308</u>	<u>4,796</u>	<u>(3,512)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	8,308	8,308	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>8,308</u>	<u>8,308</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(3,512)</u>	<u>(3,512)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<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>(3,512)</u>	<u>(3,512)</u>
<i>Cash or fund balances - beginning of year</i>	-	-	(4,797)	(4,797)
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(4,797)</u>	<u>(4,797)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8,309)</u>	<u>\$ (8,309)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (3,512)	
Adjustments to revenues			3,513	
Adjustments to expenditures			785	
Net change in fund balance (GAAP basis)			<u>\$ 786</u>	

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO

Statement B-33

BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND

BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL

2012 GO BONDS STUDENT LIBRARY FUND (SB66) SPECIAL REVENUE FUND (27107)

FOR THE YEAR ENDING JUNE 30, 2014

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	38,444	38,444	-	(38,444)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>38,444</u>	<u>38,444</u>	<u>-</u>	<u>(38,444)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	38,444	38,444	30,226	8,218
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>38,444</u>	<u>38,444</u>	<u>30,226</u>	<u>8,218</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(30,226)</u>	<u>(30,226)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<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>(30,226)</u>	<u>(30,226)</u>
<i>Cash or fund balances - beginning of year</i>				
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (30,226)</u>	<u>\$ (30,226)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (30,226)	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ (30,226)</u>	

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

BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL

NEW MEXICO READS TO LEAD K-3 READING INITIATIVE SPECIAL REVENUE FUND (27114)

FOR THE YEAR ENDING JUNE 30, 2014

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	85,388	240,643	155,255
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>85,388</u>	<u>240,643</u>	<u>155,255</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	85,388	80,014	5,374
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>85,388</u>	<u>80,014</u>	<u>5,374</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>160,629</u>	<u>160,629</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<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>160,629</u>	<u>160,629</u>
<i>Cash or fund balances - beginning of year</i>	-	-	(167,642)	(167,642)
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(167,642)</u>	<u>(167,642)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,013)</u>	<u>\$ (7,013)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ 160,629	
Adjustments to revenues			(155,255)	
Adjustments to expenditures			(4,947)	
Net change in fund balance (GAAP basis)			<u>\$ 427</u>	

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
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 TECHNOLOGY FOR EDUCATION PED SPECIAL REVENUE FUND (27117)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-35

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - beginning of year</i>	-	-	1,314	1,314
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,314</u>	<u>1,314</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,314</u>	<u>\$ 1,314</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL

TRUANCY PREVENTION/INTERVENTION SPECIAL REVENUE FUND (27139)

FOR THE YEAR ENDING JUNE 30, 2014

Statement B-36

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - beginning of year</i>	-	-	-	-
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 TRUANCY INITIATIVE PED SPECIAL REVENUE FUND (27141)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-37

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - beginning of year</i>	-	-	(612)	(612)
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(612)</u>	<u>(612)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (612)</u>	<u>\$ (612)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 PRE-K INITIATIVE SPECIAL REVENUE FUND (27149)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-38

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	120,000	120,000	76,318	(43,682)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>120,000</u>	<u>120,000</u>	<u>76,318</u>	<u>(43,682)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	118,840	118,840	93,327	25,513
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	1,160	1,160	1,428	(268)
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>120,000</u>	<u>120,000</u>	<u>94,755</u>	<u>25,245</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(18,437)</u>	<u>(18,437)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<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>(18,437)</u>	<u>(18,437)</u>
<i>Cash or fund balances - beginning of year</i>				
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (18,437)</u>	<u>\$ (18,437)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (18,437)	
Adjustments to revenues			21,902	
Adjustments to expenditures			(3,465)	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 BEGINNING TEACHER MENTORING PROGRAM SPECIAL REVENUE FUND (27154)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-39

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - beginning of year</i>	-	-	6,629	6,629
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>6,629</u>	<u>6,629</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,629</u>	<u>\$ 6,629</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 BREAKFAST FOR ELEMENTARY STUDENTS SPECIAL REVENUE FUND (27155)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-40

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	50,883	72,993	22,110
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>50,883</u>	<u>72,993</u>	<u>22,110</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	50,883	50,882	1
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>50,883</u>	<u>50,882</u>	<u>1</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>22,111</u>	<u>22,111</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<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>22,111</u>	<u>22,111</u>
<i>Cash or fund balances - beginning of year</i>	-	-	24,055	24,055
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>24,055</u>	<u>24,055</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,166</u>	<u>\$ 46,166</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ 22,111	
Adjustments to revenues			(22,111)	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 KINDERGARTEN THREE PLUS SPECIAL REVENUE FUND (27166)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-41

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	719,739	482,724	457,412	(25,312)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>719,739</u>	<u>482,724</u>	<u>457,412</u>	<u>(25,312)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	719,739	429,164	428,908	256
Support services				
Students	-	33,588	33,523	65
Instruction	-	6,517	6,481	36
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	13,455	12,676	779
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>719,739</u>	<u>482,724</u>	<u>481,588</u>	<u>1,136</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(24,176)</u>	<u>(24,176)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<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>(24,176)</u>	<u>(24,176)</u>
<i>Cash or fund balances - beginning of year</i>	-	-	-	-
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (24,176)</u>	<u>\$ (24,176)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (24,176)	
Adjustments to revenues			24,176	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND

BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL

2010 GO BOND INSTRUCTIONAL MATERIALS SPECIAL REVENUE FUND (27171)

FOR THE YEAR ENDING JUNE 30, 2014

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	5,083	5,083
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>5,083</u>	<u>5,083</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>5,083</u>	<u>5,083</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<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>5,083</u>	<u>5,083</u>
<i>Cash or fund balances - beginning of year</i>	-	-	(5,083)	(5,083)
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(5,083)</u>	<u>(5,083)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ 5,083	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ 5,083</u>	

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
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 SCIENCE INSTRUCTIONAL MATERIALS K-12 SPECIAL REVENUE FUND (27176)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-43

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	4,130	4,130
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>4,130</u>	<u>4,130</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>4,130</u>	<u>4,130</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<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>4,130</u>	<u>4,130</u>
<i>Cash or fund balances - beginning of year</i>	-	-	(4,130)	(4,130)
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(4,130)</u>	<u>(4,130)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ 4,130	
Adjustments to revenues			(4,130)	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 2013 SCHOOL BUS SPECIAL REVENUE FUND (27178)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-44

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	444,352	444,352	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>444,352</u>	<u>444,352</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	444,352	444,352	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>444,352</u>	<u>444,352</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - beginning of year</i>	-	-	-	-
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 NM GROWN FRESH FRUITS AND VEGETABLES SPECIAL REVENUE FUND (27183)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-45

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	591	-	(591)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>591</u>	<u>-</u>	<u>(591)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	591	581	10
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>591</u>	<u>581</u>	<u>10</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(581)</u>	<u>(581)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<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>(581)</u>	<u>(581)</u>
<i>Cash or fund balances - beginning of year</i>	-	-	-	-
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (581)</u>	<u>\$ (581)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (581)	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ (581)</u>	

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
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 NEXT GENERATION ASSESSEMENTS SPECIAL REVENUE FUND (27185)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-46

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	35,371	-	(35,371)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>35,371</u>	<u>-</u>	<u>(35,371)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	35,371	35,034	337
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>35,371</u>	<u>35,034</u>	<u>337</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(35,034)</u>	<u>(35,034)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<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>(35,034)</u>	<u>(35,034)</u>
<i>Cash or fund balances - beginning of year</i>	-	-	-	-
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (35,034)</u>	<u>\$ (35,034)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (35,034)	
Adjustments to revenues			35,034	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 SCHOOL LIBRARY MATERIAL FUND FY 08 SPECIAL REVENUE FUND (27549)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-47

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - beginning of year</i>	-	-	6,452	6,452
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>6,452</u>	<u>6,452</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,452</u>	<u>\$ 6,452</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 GEAR-UP CHE SPECIAL REVENUE FUND (28178)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-48

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - beginning of year</i>	-	-	5,367	5,367
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>5,367</u>	<u>5,367</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,367</u>	<u>\$ 5,367</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 GRADS - CHILD CARE SPECIAL REVENUE FUND (28189)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-49

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	3,000	3,000	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	3,000	3,000	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - beginning of year</i>	-	-	(6,364)	(6,364)
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(6,364)</u>	<u>(6,364)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,364)</u>	<u>\$ (6,364)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 GRADS INSTRUCTION SPECIAL REVENUE FUND (28190)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-50

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	48,603	42,322	(6,281)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>48,603</u>	<u>42,322</u>	<u>(6,281)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	48,603	25,204	23,399
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>48,603</u>	<u>25,204</u>	<u>23,399</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>17,118</u>	<u>17,118</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<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>17,118</u>	<u>17,118</u>
<i>Cash or fund balances - beginning of year</i>	-	-	(16,108)	(16,108)
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(16,108)</u>	<u>(16,108)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,010</u>	<u>\$ 1,010</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ 17,118	
Adjustments to revenues			-	
Adjustments to expenditures			3,448	
Net change in fund balance (GAAP basis)			<u>\$ 20,566</u>	

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
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 GRADS PLUS SPECIAL REVENUE FUND (28203)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-51

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	13,200	13,200	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>13,200</u>	<u>13,200</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	13,200	9,456	3,744
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>13,200</u>	<u>9,456</u>	<u>3,744</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>3,744</u>	<u>3,744</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<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>3,744</u>	<u>3,744</u>
<i>Cash or fund balances - beginning of year</i>	-	-	-	-
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,744</u>	<u>\$ 3,744</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ 3,744	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ 3,744</u>	

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
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 SCHOOL BASED HEALTH CENTER SPECIAL REVENUE FUND (29130)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement B-52

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - beginning of year</i>	-	-	162,276	162,276
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>162,276</u>	<u>162,276</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 162,276</u>	<u>\$ 162,276</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements.

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CAPITAL PROJECTS FUNDS

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Special Capital Outlay – Local (31300) – The fund provides financing from local revenues for the construction and improvements to District buildings and facilities.

Special Capital Outlay – State (31400) – To account for special appropriations monies received from the State of New Mexico under Chapter 4, Laws of 1996.

Capital Improvements SB-9 (31700) – To account for erecting, remodeling, making additions to and furnishing of school buildings, or purchasing or improving school grounds or any combination thereof as identified by the local school board. Financing is provided by the State of New Mexico's State Equalization Matching and a special tax levy as authorized by the Public School District Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978).

STATE OF NEW MEXICO
 BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECT FUNDS
 JUNE 30, 2014

	Special Capital Outlay - Local 31300	Special Capital Outlay - State 31400	Capital Improvements SB-9 31700	Total
ASSETS				
<i>Current assets:</i>				
Cash and temporary investments	\$ 2,675	\$ -	\$ 297,408	\$ 300,083
Accounts receivable				
Taxes	-	-	425,161	425,161
Due from other governments	-	-	-	-
Interfund receivables	-	-	-	-
Inventory	-	-	-	-
<i>Total assets</i>	<u>2,675</u>	<u>-</u>	<u>722,569</u>	<u>725,244</u>
LIABILITIES				
<i>Current liabilities:</i>				
Accounts payable	-	-	43,994	43,994
Accrued payroll liabilities	-	-	-	-
Interfund payables	-	-	-	-
Unearned revenue	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>43,994</u>	<u>43,994</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - property taxes	-	-	380,967	380,967
Unavailable revenues - other	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>380,967</u>	<u>380,967</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted for:				
Grant mandates	-	-	-	-
Capital projects	2,675	-	297,608	300,283
Debt service	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<i>Total fund balances</i>	<u>2,675</u>	<u>-</u>	<u>297,608</u>	<u>300,283</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 2,675</u>	<u>\$ -</u>	<u>\$ 722,569</u>	<u>\$ 725,244</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO

Statement C-2

BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECT FUNDS
 FOR THE YEAR ENDING JUNE 30, 2014

	Special Capital Outlay - Local 31300	Special Capital Outlay - State 31400	Capital Improvements SB-9 31700	Total
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ 1,094,649	\$ 1,094,649
State grants	-	88,345	93,237	181,582
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Investment Income	-	-	151	151
<i>Total revenues</i>	<u>-</u>	<u>88,345</u>	<u>1,188,037</u>	<u>1,276,382</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	13,333	13,333
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community service	-	-	-	-
Capital outlay	-	88,345	1,339,368	1,427,713
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>88,345</u>	<u>1,352,701</u>	<u>1,441,046</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(164,664)</u>	<u>(164,664)</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(164,664)</u>	<u>(164,664)</u>
<i>Fund balances - beginning of year</i>	2,675	-	462,272	464,947
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>2,675</u>	<u>-</u>	<u>462,272</u>	<u>464,947</u>
<i>Fund balances - end of year</i>	<u>\$ 2,675</u>	<u>\$ -</u>	<u>\$ 297,608</u>	<u>\$ 300,283</u>

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
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 BOND BUILDING CAPITAL PROJECT FUND (31100)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement C-3

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	3,901	3,901
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>3,901</u>	<u>3,901</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	253,109	13,503,109	3,050,317	10,452,792
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>253,109</u>	<u>13,503,109</u>	<u>3,050,317</u>	<u>10,452,792</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(253,109)</u>	<u>(13,503,109)</u>	<u>(3,046,416)</u>	<u>10,456,693</u>
<i>Other financing sources (uses):</i>				
Designated cash	253,109	253,109	-	(253,109)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	13,250,000	13,310,988	60,988
<i>Total other financing sources (uses)</i>	<u>253,109</u>	<u>13,503,109</u>	<u>13,310,988</u>	<u>(192,121)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>10,264,572</u>	<u>10,264,572</u>
<i>Cash or fund balances - beginning of year</i>	-	-	(3,601)	(3,601)
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(3,601)</u>	<u>(3,601)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,260,971</u>	<u>\$ 10,260,971</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ 10,264,572	
Adjustments to revenues			-	
Adjustments to expenditures			(1,292,224)	
Net change in fund balance (GAAP basis)			<u>\$ 8,972,348</u>	

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
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 SPECIAL CAPITAL OUTLAY - LOCAL CAPITAL PROJECT FUND (31300)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement C-4

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - beginning of year</i>	-	-	2,675	2,675
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>2,675</u>	<u>2,675</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,675</u>	<u>\$ 2,675</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 SPECIAL CAPITAL OUTLAY - STATE CAPITAL PROJECT FUND (31400)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement C-5

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	88,345	88,345	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>88,345</u>	<u>88,345</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	88,345	88,345	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>88,345</u>	<u>88,345</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - beginning of year</i>	-	-	-	-
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 CAPITAL IMPROVEMENTS SB-9 CAPITAL PROJECT FUND (31700)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement C-6

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ 1,099,503	\$ 1,099,503	\$ 1,338,460	\$ 238,957
State grants	-	93,237	203,702	110,465
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	151	151
<i>Total revenues</i>	<u>1,099,503</u>	<u>1,192,740</u>	<u>1,542,313</u>	<u>349,573</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	10,995	10,995	13,333	(2,338)
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	1,893,577	1,986,814	1,558,317	428,497
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,904,572</u>	<u>1,997,809</u>	<u>1,571,650</u>	<u>426,159</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(805,069)</u>	<u>(805,069)</u>	<u>(29,337)</u>	<u>775,732</u>
<i>Other financing sources (uses):</i>				
Designated cash	805,069	805,069	-	(805,069)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>805,069</u>	<u>805,069</u>	<u>-</u>	<u>(805,069)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(29,337)</u>	<u>(29,337)</u>
<i>Cash or fund balances - beginning of year</i>	-	-	326,745	326,745
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>326,745</u>	<u>326,745</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 297,408</u>	<u>\$ 297,408</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (29,337)	
Adjustments to revenues			(354,276)	
Adjustments to expenditures			218,949	
Net change in fund balance (GAAP basis)			<u>\$ (164,664)</u>	

The accompanying notes are an integral part of these financial statements.

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DEBT SERVICE FUNDS

STATE OF NEW MEXICO
 BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 DEBT SERVICE FUND (41000)
 FOR THE YEAR ENDING JUNE 30, 2014

Statement D-3

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ 2,549,425	\$ 2,549,425	\$ 5,140,298	\$ 2,590,873
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	10,568	10,568
<i>Total revenues</i>	<u>2,549,425</u>	<u>2,549,425</u>	<u>5,150,866</u>	<u>2,601,441</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	25,494	25,494	25,494	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Reserve	4,283,685	4,283,685	25,711	4,257,974
Principal	1,830,000	1,830,000	1,830,000	-
Interest	719,425	719,425	865,499	(146,074)
<i>Total expenditures</i>	<u>6,858,604</u>	<u>6,858,604</u>	<u>2,746,704</u>	<u>4,111,900</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(4,309,179)</u>	<u>(4,309,179)</u>	<u>2,404,162</u>	<u>6,713,341</u>
<i>Other financing sources (uses):</i>				
Designated cash	4,309,179	4,309,179	-	(4,309,179)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>4,309,179</u>	<u>4,309,179</u>	<u>-</u>	<u>(4,309,179)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>2,404,162</u>	<u>2,404,162</u>
<i>Cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>5,931,828</u>	<u>5,931,828</u>
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>5,931,828</u>	<u>5,931,828</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,335,990</u>	<u>\$ 8,335,990</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ 2,404,162	
Adjustments to revenues			(935,809)	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ 1,468,353</u>	

The accompanying notes are an integral part of these financial statements.

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OTHER SUPPLEMENTAL INFORMATION

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2014

Schedule I

	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014
Belen High School	\$ 231,893	196,506	207,026	221,373
Belen Middle School	47,224	50,422	60,874	36,772
Central Elementary	10,613	6,401	9,358	7,656
Dennis Chavez Elementary	8,776	20,445	20,123	9,098
Gil Sanchez Elementary	10,827	18,660	26,104	3,383
Jaramillo Elementary	21,626	40,229	37,241	24,614
La Merced Elementary	23,481	28,056	29,915	21,622
La Promesa Elementary	10,794	5,218	10,680	5,332
Rio Grande Elementary	11,876	24,063	20,872	15,067
Infinity High School	1,030	3,125	2,291	1,864
Logsdan Middle School	8,478	9,198	10,098	7,578
Family School	2,116	2,093	1,591	2,618
Administration	30,349	20,661	36,203	14,807
Total	<u>\$ 419,083</u>	<u>\$ 425,077</u>	<u>\$ 472,376</u>	<u>\$ 371,784</u>
Less: Uncollected Checks				<u>(1,887)</u>
Total Fiduciary Fund Cash				<u>\$ 369,897</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
SCHEDULE OF PLEDGED COLLATERAL
FOR THE YEAR ENDED JUNE 30, 2014

Schedule II

<u>Name of Depository</u>	<u>Description of Pledged Collateral</u>	<u>Maturity Date</u>	<u>CUSIP Number</u>	<u>Fair Market Value June 30, 2014</u>
Wells Fargo Bank:				
	FNMA FNMS	9/1/2043	3138X3XX5	\$ 568,907
	FNMA FNMS	1/1/2043	31417EKV2	<u>1,039,198</u>
Total Wells Fargo Bank				<u>1,608,105</u>

The securities are held at The Bank of New York Mellon not in the District's name at the following address:

Broker/Dealer Services
One Wall Street, Fourth Floor
New York, NY 10286

US Bank:

FNMA POOL 890193	8/1/2025	31410K7E8	\$ 19,795,406
FNMA POOL MA3892 25DD	9/1/2021	31418DKE1	<u>5,521,565</u>

Total US Bank 25,316,971

The securities are held at US Bank not in the District's name at the following address:

7914 Jefferson Street, NE
Albuquerque, NM

Total \$ 26,925,076

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
SCHEDULE OF CASH AND TEMPORARY INVESTMENT ACCOUNTS
JUNE 30, 2014

Schedule III

Bank Name/Account Type	Account Type	Bank Balance	Deposits in Transit	Outstanding Checks	Other* Adjustments	Book Balance
Wells Fargo Bank						
Operational 2200607770	Checking	\$ 1,160,885	\$ -	\$ -	\$ -	\$ 1,160,885
Accounts Payable Clearing 1350065561	Checking	108,040	-	108,185	-	(145)
Deferred Sick Leave 2201547009	Checking	-	-	-	-	-
Payroll Clearing 1350065572	Checking	1,937,724	-	1,925,097	1,482,678	1,495,305
Total Wells Fargo Bank		3,206,649	-	2,033,282	1,482,678	2,656,045
US Bank						
Federal Programs 155919209603	Checking	844,958	-	-	-	844,958
Student Nutrition 155919213472	Checking	1,100,598	-	179	-	1,100,419
Capital Projects 155919212151	Checking	10,268,442	991	-	-	10,269,433
Capital Improvements 155919206260	Checking	307,159	521	-	-	307,680
Athletics 155919209520	Checking	9,730	1,552	-	-	11,282
Debt Services 155919202947	Checking	7,684,563	-	-	-	7,684,563
Activity Fund 155919210452	Checking	271,026	123	11	-	271,138
Total US Bank		20,486,476	3,187	190	-	20,489,473
Unreconciled difference in cash						(7,297)
Petty Cash						275
Totals		\$23,693,125	\$ 3,187	\$ 2,033,472	\$ 1,482,678	\$ 23,138,496
Cash per financial statements						
Cash and cash equivalents - Government Activities Exhibit A-1						\$ 22,768,599
Fiduciary funds - Exhibit D-1						369,897
						<u>\$ 23,138,496</u>

* Other adjustments records New Mexico Public Schools Insurance Authority checks written by the District but held at year-end.

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
CASH RECONCILIATION
JUNE 30, 2014

Schedule IV

Primary Government

	Operational Account 11000	Transportation Account 13000	Instructional Materials 14000	Food Services Account 21000
Cash, June 30, 2013	\$ 3,518,774	\$ (81,941)	\$ 168,388	\$ 832,330
Add:				
Current year revenues	30,134,799	1,434,135	278,816	2,608,575
Permanent cash transfers	-	-	-	-
Prior period adjustment	-	-	-	-
Loans from other funds	-	60,845	-	-
Total cash available	33,653,573	1,413,039	447,204	3,440,905
Less:				
Current year expenditures	(30,429,103)	(1,413,039)	(397,588)	(2,261,019)
Permanent cash transfers	(58,140)	-	-	-
Prior period adjustment	(9,548)	-	-	-
Loans to other funds	(1,195,521)	-	-	-
Cash, June 30, 2014	<u>\$ 1,961,261</u>	<u>\$ -</u>	<u>\$ 49,616</u>	<u>\$ 1,179,886</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
CASH RECONCILIATION
JUNE 30, 2014

Schedule IV

Primary Government

	Athletics Account 22000	Federal Flowthrough 24000	Federal Direct 25000	Local Grants 26000	State Flowthrough 27000
Cash, June 30, 2013	\$ (57,828)	\$ (1,496,618)	\$ 230,864	\$ 2,465	\$ (140,296)
Add:					
Current year revenues	203,750	3,445,701	510,126	-	1,305,727
Permanent cash transfers	-	58,140	-	-	-
Prior period adjustment	-	6,221	-	-	-
Loans from other funds	44,058	955,463	-	-	128,791
Total cash available	189,980	2,968,907	740,990	2,465	1,294,222
Less:					
Current year expenditures	(189,980)	(2,956,564)	(307,964)	-	(1,233,661)
Permanent cash transfers	-	-	-	-	-
Prior period adjustment	-	-	-	-	-
Loans to other funds	-	-	-	-	-
Cash, June 30, 2014	<u>\$ -</u>	<u>\$ 12,343</u>	<u>\$ 433,026</u>	<u>\$ 2,465</u>	<u>\$ 60,561</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
CASH RECONCILIATION
JUNE 30, 2014

Schedule IV

Primary Government

	State Direct 28000	Local / State 29000	Bond Building Account 31100	Spec. Capital Outlay 31300	Spec. Capital Outlay-State 31400
Cash, June 30, 2013	\$ (17,105)	\$ 162,276	\$ (3,601)	\$ 2,675	\$ -
Add:					
Current year revenues	58,522	-	13,310,988	-	88,345
Permanent cash transfers	-	-	-	-	-
Prior period adjustment	-	-	-	-	-
Loans from other funds	6,364	-	-	-	-
Total cash available	47,781	162,276	13,307,387	2,675	88,345
Less:					
Current year expenditures	(37,660)	-	(3,046,416)	-	(88,345)
Permanent cash transfers	-	-	-	-	-
Prior period adjustment	-	-	-	-	-
Loans to other funds	-	-	-	-	-
Cash, June 30, 2014	<u>\$ 10,121</u>	<u>\$ 162,276</u>	<u>\$ 10,260,971</u>	<u>\$ 2,675</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
 CASH RECONCILIATION
 JUNE 30, 2014

Schedule IV

Primary Government

	Cap. Improv. SB 9 31700	Debt Service Fund 41000	Total
	<u> </u>	<u> </u>	<u> </u>
Cash, June 30, 2013	\$ 326,745	\$ 5,931,828	\$ 9,378,956
Add:			
Current year revenues	1,542,313	5,150,866	60,072,663
Permanent cash transfers	-	-	58,140
Prior period adjustment	-	-	6,221
Loans from other funds	-	-	1,195,521
	<u>1,869,058</u>	<u>11,082,694</u>	<u>70,711,501</u>
Total cash available			
Less:			
Current year expenditures	(1,571,650)	(2,746,704)	(46,679,693)
Permanent cash transfers	-	-	(58,140)
Prior period adjustment	-	-	(9,548)
Loans to other funds	-	-	(1,195,521)
	<u>(1,571,650)</u>	<u>(2,746,704)</u>	<u>(46,679,693)</u>
Cash, June 30, 2014	<u>\$ 297,408</u>	<u>\$ 8,335,990</u>	<u>\$ 22,768,599</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
SCHEDULE OF JOINT POWERS AGREEMENTS
JUNE 30, 2014

Schedule V

Title:	School Resource Officer (SRO)
Participants:	City of Belen and Belen Consolidated School District
Responsible Party:	City of Belen and Belen Consolidated School District
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.
Dates of Operation:	Fiscal year 2013-2014
Projected Cost:	Not to exceed \$50,000
Audit Responsibility:	City of Belen and Belen Consolidated School District
Fiscal Agent:	All actual costs to the Belen Police Department associated with the SRO were paid by Belen Consolidated School District

The accompanying notes are an integral part of these financial statements.

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COMPLIANCE SECTION



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

Independent Auditor's Report

Hector H. Balderas
New Mexico State Auditor
The Office of Management and Budget
And the Board of Education of
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 revenue funds of the Belen Consolidated School District No. 2 (the District), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and combining and individual funds and related budgetary comparisons of the District presented as supplementary information, and have issued our report thereon dated November 14, 2014.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be a material weakness. (FS 2009-003, FS 2009-004, and FS 2010-001)

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 to be significant deficiencies. (FS 2007-005, FS 2010-004, FS 2010-009, FS 2014-002, FS 2014-003, FS 2014-007, FS 2014-008, and FS 2014-012)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items FS 2014-001, FS 2014-004, FS 2014-005, FS 2014-006, FS 2014-009, FS 2014-010, FS-2014-011 and FS 2014-013.

Belen Consolidated School District No. 2's Response to Findings

The District's response to the findings identified in our audit is 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 results of that testing, and not to provide an opinion on the effectiveness of the entity'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.

Manning Accounting and Consulting Services, LLC

Manning Accounting and Consulting Services, LLC

Kirtland, New Mexico

November 14, 2014

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FEDERAL FINANCIAL ASSISTANCE



**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH CIRCULAR A-133**

Independent Auditor's Report

Hector H. Balderas
New Mexico State Auditor
The Office of Management and Budget
And the Board of Education of
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, 2014. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on the 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 consider 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, 2014.

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 2014-001. 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 on 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 item FA 2014-004 to be material weakness.

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 2014-002 and FA 2014-003 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.

Manning Accounting and Consulting Services, LLC

Manning Accounting and Consulting Services, LLC
Kirtland, New Mexico
November 14, 2014

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule VI

Federal Grantor or Pass-Through Grantor / Program Title	Passthrough Number	Federal CFDA Number	Federal Expenditures
U.S. Department of Education			
<i>Passthrough State of New Mexico Public Education Department</i>			
Title I IASA (1)	24101	84.010	\$ 1,463,606
IDEA B - Entitlement (1)	24106	84.027	770,386
IDEA-B Preschool (1)	24109	84.173	21,354
Education of the Homeless	24113	84.196	14,925
IDEA B - "Risk Pool"	24120	84.027	9,284
English Language Acquisition	24153	84.365	23,307
Teacher / Principal Training & Recruiting (1)	24154	84.367	403,165
Title I School Improvement	24162	84.377	35,055
Carl D. Perkins - Secondary - Current	24174	84.048	41,002
Carl D. Perkins - Secondary - PY Unliq. Obligations	24175	84.048	18,456
Carl D. Perkins - Secondary - Redistribution	24176	84.048	16,223
<i>Subtotal - Passthrough State of New Mexico Public Education Department</i>			<u>2,816,763</u>
Total U.S. Department of Education			<u>2,816,763</u>
U.S. Department of Agriculture			
<i>Direct U.S. Department of Agriculture</i>			
Forest Reserve	11000	10.665	<u>3,385</u>
<i>Subtotal - Direct U.S. Department of Agriculture</i>			<u>3,385</u>
<i>Passthrough State of New Mexico Department of Education</i>			
Fresh Fruit and Vegetables	24118	10.582	120,950
National School Breakfast Program (1)	21000	10.553	718,042
National School Lunch Program (1)	21000	10.555	<u>1,333,507</u>
<i>Subtotal - Passthrough State of New Mexico Department of Education</i>			<u>2,172,499</u>
<i>Passthrough State of New Mexico Department of Health and Human Services</i>			
Food Distribution (Commodities) (1)	21000	10.553/ 10.555	<u>156,790</u>
<i>Subtotal - Passthrough State of New Mexico Department of Health and Human Services</i>			<u>156,790</u>
Total U.S. Department of Agriculture			<u>2,332,674</u>
Total Federal Financial Assistance			<u>\$ 5,149,437</u>

(1) Denotes Major Federal Financial Assistance Program

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule VI

Notes to Schedule of Expenditures of Federal Awards

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of the Belen Consolidated Schools (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. 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.

2. Subrecipients

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

3. 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, 2014 was \$156,790 and is reported in the Schedule of Expenditures of Federal Awards under the Department of Agriculture Commodities program, CFDA numbers 10.553 and 10.555. Commodities are recorded as revenues and expenditures in the food service fund.

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

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 5,149,437
Total expenditures funded by other sources	<u>43,790,220</u>
Total expenditures	<u>\$ 48,939,657</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Section I – Summary of Audit Results

Financial Statements:

- | | |
|--|------------|
| 1. Type of auditors' report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weakness in internal control identified? | Yes |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes |
| c. Noncompliance material to financial statements noted? | No |

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 IASA
84.367	Teacher/Principal Training & Recruiting
84.027 and 84.173	Special Education Cluster (IDEA)
10.553 and 10.555	Child Nutrition Cluster

- | | |
|---|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$300,000 |
| 6. Auditee qualified as low-risk auditee? | Yes |

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule VII

Section II – Financial Statement Findings

FS 2007-005 [07-05] Cash Appropriations in Excess of Available Cash Balances (Significant Deficiency) Repeated and Revised

Criteria: All District funds, with the exception of agency funds, are to be budgeted by the local governing body and submitted to the Public Education Department for approval. Cash balances re-budgeted 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.

Condition: The District re-budgeted “cash balance” in excess of available cash balances in the following funds:

	<u>Designated Cash</u>	<u>Available Cash</u>	<u>Cash Appropriation In Excess of Cash</u>
Bond Building	\$ 253,109	\$ (3,601)	\$ (256,710)
Capital Improvement SB-9	<u>805,069</u>	<u>326,745</u>	<u>(478,324)</u>
Total	<u>\$ 1,058,178</u>	<u>\$ 323,144</u>	<u>\$ (735,034)</u>

Effect: The District has budgeted cash balance that does not exist. If the District expends all budgeted expenditures it could incur debt if the budgeted designated cash does not exist.

Cause: Inadequate monitoring of ending cash balances and budgeting are the cause of this problem.

Auditor’s Recommendation: Budget for future years should be reviewed to insure all funds have adequate budget authority for budgeted expenditures. Greater attention should be given to the budget monitoring process end-of-the-year cash balance estimates. Adjustments should be made to cash balances after actual amounts are determined.

Responsible Official’s View: District management has typically budgeted any extra cash available that is made up between the projected budgeted cash and the final audited cash. The District has not decreased any budgets if there was a negative cash reduction between projected and audited. The district will not overspend any budget as required by law. The district will ensure that in the future any and all cash adjustments from projected to actual will be presented to the District Finance Committee and Board for approvals.

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule VII

Section II – Financial Statement Findings (Continued)

FS-2009-003 [FS09-03]—Capital Assets (Material Weakness) Repeated and Revised

Criteria: Per 6.20.1.8 NMAC 1978:

B. The information to be recorded and maintained on its fixed assets must include at a minimum the following:

- (10) Cost (according to the valuation methods described in section 10 [now 2.20.1.10 NMAC];
- (11) Fund and organization that purchased the asset, or to which it was transferred.

C. The system must be capable of generating lists of fixed assets in sequences useful for managing them. It must track all transactions including acquisitions, depreciation (if needed), betterments and dispositions. It must generate all necessary accounting entries to the agency's general ledger.

6.20.1.13 NMAC 1978, Betterments and Replacements:

A. Betterments to assets should be capitalized. If the asset consists of identifiable and separately valued components, and a component is improved, the old component should be removed from the asset account, and the new component added to the asset account.

6.20.1.16 NMAC 1978, Annual Inventory:

D. The inventory process shall produce a list of the property and the date and cost of acquisition. The annual physical inventory checks against losses not previously revealed and bring to light errors in records of accountability, but more importantly, a systematic physical inventory of fixed assets provides an opportunity for surveying their physical condition, with respect to their need for repairs, maintenance or replacement.

E. The results of the physical inventory shall be recorded in a written inventory report, certified as to correctness and signed by the governing authority of the agency. In the process of conducting their fieldwork, the state auditor or independent public accountant under a contract approved by the state auditor may test the correctness of the inventory by generally accepted auditing procedures.

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

- The capital assets system had not been completely reconciled during the fiscal year though significant improvement had occurred in this area.
- The District failed to have the annual fixed asset detail certified by the local school board.
- Construction-in-progress was overstated by \$979,127.

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. The District also did not provide a detail fixed asset inventory to the Board for certification during the past fiscal year. The construction-in-progress calculation included the estimated costs of projects to complete, not just the costs which had been incurred through year-end on projects included in the total.

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.

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.

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule VII

Section II – Financial Statement Findings (Continued)

FS 2009-004 [FS09-04]—Interfund Activity (Material Weakness) Repeated and Revised

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.

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

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. Subsequent to year end the District has begun to track and identify all interfund balances.

Effect: The District’s interfund balances are misstated at year end and did not balance between due to and due from. In addition, the District was not able to make informed financial decisions as the trial balance does not represent an accurate financial position.

Auditors’ Recommendation: We recommend that the District review and incorporate policies and processes to ensure interfund balances are correctly accounted for and balance between due to and due from. Additionally, we recommend that over the coming year, that these balances be cleaned up and proper balance be stated in the general ledger between funds.

Responsible official’s view: District management agrees with the auditors recommendation and will provide a report to our Board finance committee that all due to and due from amounts are actual, correct, and prior year amounts are cleaned up by end of FY 14-15.

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule VII

Section II – Financial Statement Findings (Continued)

FS 2010-001 [FS10-01]—Entity-Wide Control Deficiency (Material Weakness) Repeated and Revised

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.

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.
- During our review of Federal programs we noted several instances in which internal controls to identify inaccurate or unauthorized charges were not identified in a timely manner.

Cause: While the District is making progress in modifying and implementing control procedures those procedures and controls have not been fully in place in the year under audit. Control issues noted in previous have been identified in the current year.

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.

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

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule VII

Section II – Financial Statement Findings (Continued)

FS 2010-001 [FS 10-01]— Entity-Wide Control Deficiency (Material Weakness) Repeated and Revised (continued)

Responsible official's view: District management will pursue more training and review of the COSO requirements and report back to our Board Finance Committee when this has been accomplished. We will also train all staff to implement the five elements during the 14-15 FY.

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule VII

Section II – Financial Statement Findings (Continued)

FS 2010-004 [FS10-04]— Internal Controls over Bank Reconciliations (Significant Deficiency) Repeated and Revised

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”.

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

- The District did not correctly reconcile their bank accounts consistently throughout the year within 30 days of month-end.
- Variances in cash reconciliations were not quickly identified and corrected through appropriate journal entries.
- Items that were misposted between accounts were not readily identified and posted to the correct accounts.
- These variances resulting in unreconciled cash balance of \$7,297.
- Stale dated checks of \$2,286 have not been removed from the outstanding balances.
- Prior period adjustments have not been addressed.

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 has improved in reconciling their monthly statements, but full and complete reconciliations are not completed in 30 days. Additionally, discrepancies are not always corrected when identified and are added to a list to be completed at a later date.

Effect: Bank accounts were 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.

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 and dating each reconciliation. Items which are identified as errors should be corrected in the month identified.

Responsible official’s view: The District has made substantial progress in this area. The District is currently up to date with all of our bank reconciliations. We have made adjustments in some cases as of June 30th. We will have the Finance Director review these monthly and sign off once completed. The finance director will also provide periodic reports to the Board Finance Committee as to the progress on bank reconciliations.

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Section II – Financial Statement Findings (Continued)

FS 2010-009 [10-09] – Expenditures in Excess of Budget (Significant Deficiency) Repeated and Revised

Criteria: According to 22-8-11 B. NMSA 1978:

B. No School district or state-chartered school or officer or employee of a school district or state-chartered school shall make any expenditure or incur any obligation for the expenditure of public funds unless that expenditure or obligation is made in accordance with an operating budget approved by the department. This prohibition does not prohibit the transfer of funds pursuant to the department’s rules and procedures.

Condition: The District incurred expenditures in excess of budgetary authority in the following funds and functions:

Fund & Function	Amount
24153 English Language Acquisition – General Administration	\$ 615
25152 Title XIX Medicaid 0/2 Years – Support Services	5,423
27149 Pre-K Initiative – General Administration	268
31700 Capital Improvements SB-9	<u>2,338</u>
Total	<u>\$ 8,644</u>

Cause: These items were missed while reviewing for budget adjustments and not included in a maintenance BAR prior to year end.

The remaining items were simply errors in budgeting or not identifying an overage prior to year end.

Effect: The internal controls established by adherence to budgets have been compromised, and excess spending could, and did, result. In addition, New Mexico statutes have been violated.

Auditor’s Recommendation: We recommend that the District adhere to their policy of obtaining budgets and maintaining those budgets during the year as prescribed by State statutes.

Responsible Official’s View: The District management will review monthly with and Board Finance Committee, Finance Director and Accounting Manager for regular review of all budgets to ensure budget maintenance is ongoing each month and to ensure compliance with this law.

STATE OF NEW MEXICO
BELÉN CONSOLIDATED SCHOOL DISTRICT NO. 2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule VII

Section II – Financial Statement Findings (Continued)

FS 2014-001 – Payroll (Non-Compliance)

Criteria: NMAC 6.20.2.18 states the local board shall establish written payroll policies and procedures which comply with state and federal regulations on payroll as well as maintaining strict internal controls, close supervision and financial accounting in accordance with GAAP. School districts shall maintain and have available for inspection the following employee record documentation: employment contracts (including increments), personnel/payroll action forms, certification records, employment eligibility verification (federal form I-9 for citizenship certification), federal and state withholding allowance certificates, pay deduction authorizations, pay or position change notices, Educational Retirement Act plan application, and direct deposit authorizations.

Condition: During our review of payroll we noted the following deficiencies:

- Twelve out of forty I-9's tested had incomplete documentation on file.
- Three out of forty I-9's lacked employee signatures or dates
- Eight out of the forty I-9's were not signed or dated by the District
- In one instance the I-9 was not in the file

Cause: District, State, and Federal policies are not being followed or reviewed to ensure proper execution.

Effect: The District is in a violation of NMAC 6.20.2.18 and the Immigration Reform and Control Act of 1986 and the Belén Consolidated Schools Payroll Policy and Procedure Manual.

Auditor's Recommendation: We recommend that the District follow the corrective action plan set forth in the Immigration Reform and control Act of 1986 and request that the employee complete section 1 of the Form I-9 immediately and submit documentation as required in Section 2. The new form should be dated when completed-never post-dated. When an employee does not provide acceptable documentation, the employer must terminate employment or risk being subject to penalties for "knowingly" continuing to employ an unauthorized worker if the individual is not in fact authorized to work.

Responsible Official's View: District Management has implemented a second review of all I-9's to ensure that employees fill out completely and accurately. We will correct and have existing current employees fill out a new I-9 to make sure all current and future hires are compliant with this requirement.

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule VII

Section II – Financial Statement Findings (Continued)

FS 2014-002 -- Purchase Orders and Payment Authorization (Significant Deficiency)

Criteria: Per New Mexico Manual of Procedures for Public School Accounting and Budgeting, Supplement 13 – Purchasing, “the preparation and execution of a duly authorized purchase order must precede the placement of any order for goods, services or construction.” Additionally, “all verified items or services should be recorded on the receiving document or other recording instrument (i.e., electronic file)”, and “upon verifying and recording the receipt of all the items or services ordered, the receiving document or recording instrument shall be manually or electronically signed by authorized receiving personnel and processed for payment according to procedures established by school District or charter school boards’ of education local procedures.” Relevant statutes include 13-1-157 and 13-1-158 NMSA 1978.

Condition: During our testing of forty items in cash disbursements, we identified multiple instances in which proper procedures were not followed.

- In 11 of 40 items tested the goods and or services were received prior to the creation of a valid purchase order. The value of these goods and or services ranged from \$10.27 to \$35,363.93. Six of these 11 incidents were related to reimbursements of employees.
- In 4 of 40 items tested there was no signature and or date to verify when and by whom goods and services were received. The value of the goods and services received ranged from \$75.00 to \$1,072.70.
- In 1 of 40 items tested the purchase order was not of a sufficient amount to cover the full cost of the goods purchased. The purchase order was for \$135.04 but total cost of goods was \$140.70.

During our review of forty items in individually significant items we identified several instances in which proper procedures were not followed:

- 1 of 40 items did not have a purchase order in place prior to the purchase of goods and or services. There were multiple purchase orders for a single check in the amount of \$176,720.87. Of this amount \$250 did not have a purchase order in place prior to the receiving of goods.
- In 1 of 40 items tested the purchase order was not of a sufficient amount to cover the full cost of the goods purchased, the purchase order was \$74.12 short of the cost of the goods.

Cause: District personnel have not followed state guidelines or internal procedures in the purchase of items. Policy clearly states that the District has a signed purchase order in place prior to order or reception of any goods and services. State guidelines require that goods and services received by a District have appropriate receiving documentation.

Effect: Internal control over expenditures and the ability of responsible parties to appropriately monitor budgets for which they bear responsibility may be compromised. Not being in compliance with these requirements places the District and the Board at risk for fraud or misuse of public funds

Auditor’s Recommendation: We recommend that all personnel be reminded of, or trained in, district and state policy in regards to purchasing of goods, services, or construction. All District personnel need to be aware that a purchase order must be approved prior to committing funds for a purchase. Additionally, when goods and services are received by the District, someone must sign and date when the product or service are received.

Responsible Official’s View: District Management will again provide training and inservice to all staff districtwide that initiate Purchase Requisitions to ensure that all stakeholders will comply with all purchasing rules and regulations. District management will also have business office staff not process any payments until all requirements for purchasing and payables have been met with no exceptions. We have changed our process in how we reimburse staff, and also to ensure compliance when a payment exceeds the purchase order due to shipping costs, or price changes.

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule VII

Section II – Financial Statement Findings (Continued)

FS 2014-003 Timeliness of Deposits (Significant Deficiency)

Criteria: 6.20.2.14 NMAC:

C. Money received and receipted shall be deposited in the bank within twenty-four (24) hours or one banking day. If the distance to the bank is considerable, or the cash collection is limited to small amounts and/or low volume and it is impractical to meet the twenty-four hour/one banking day requirement, the local board may request approval from the department for an alternative plan. The bank deposit slip shall have the numbers from applicable receipts entered on it or attached as a reference.

Condition: During our review of receipts, we noted seven out of forty samples in which monies were not deposited within 24 hours or receipt. The amounts of the deposits are as follows:

- \$13.00 was received on 11/18/2013 and not deposited until 11/20/2013
- \$191.25 was received on 11/15/2013 and not deposited until 11/20/2013
- \$214.58 was received on 3/17/2014 and not deposited until 3/19/2014
- \$240.00 was received on 9/5/2013 and not deposited until 9/10/2013
- \$60.00 was received on 11/22/2013 and not deposited until 12/3/2013
- \$421.00 was received on 12/17/2013 was not deposited until 12/20/2013
- \$855.00 was received on 9/3/2013 and was not deposited until 9/5/2013

We also noted one deposit which was credited to 11000.0000.41701 but a more proper account code is 11000.0000.44107.

During our review of activity receipts we noted several instances in which monies received were not deposited within 24 hours of receipt. The amounts of the deposits are as follows:

- \$373.49 was received between 9/26/2013 and 10/4/2013 but was not deposited until 10/7/2013
- \$93.60 was received on 10/17/2013 and was not deposited until 10/25/2013
- \$414.50 was not deposited within 24 hours of receipt

Cause: The staff of the District did not deposit the funds within 24 hours after receipt. Proper procedures relating to cash receipts were not followed.

Effect: Non-adherence to state statutes places the District in noncompliance and lack of timeliness of deposits could subject the District to a possible occurrence of fraud.

Auditors' Recommendations: We recommend that the District emphasize the importance of timely deposits of receipts, and monitor receipts more closely in order to be compliant with state statutes. The District should cross-train employees so that more than one individual is able to make deposits to ensure timely deposits are possible.

Responsible Official's View: District Management will again train all staff handling deposits to ensure all staff understand and know the regulation. We have provided training on this each year for the last few years. Site Administrators and Central Office Staff who do not follow this will be reported to the Superintendent and Finance Committee for oversight on this requirement.

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule VII

Section II – Financial Statement Findings (Continued)

FS 2014 – 004- Improper Approval of Budget Adjustment (Non-Compliance)

Criteria: 6.20.2.10 NMAC 1978, Budget Maintenance Standards:

A. Budget adjustment requests shall be submitted on the most current form prescribed by the department. The school district shall maintain a log of all budget adjustment requests to account for status, numerical sequence, and timely approval at each level. The log is to be retained for audit purposes.

B. School districts shall submit budget adjustment requests for the operating budget to the department for budget increases, budget decreases, transfers between functional categories, and transfers from the emergency reserve account. The department must take action on budget adjustment requests within 30 calendar days from the date of receipt by the department or such requests will otherwise be considered approved. Expenditures shall not be made by the school district until budget authority has been established and approval received from the department. Budget adjustments shall not be incorporated into the school district's accounting system until approval is received by the department.

22-8-12 NMSA 1978 Operating budgets; amendments:

A. Upon written request of a local school board or governing body of a state-chartered charter school, the secretary may authorize transfer within the budget, or provide for items not included, when the total amount of the budget will not be increased thereby;

B. Upon written request of a local school board or governing body of a state-chartered charter school, the secretary, in conformance with the rules of the department, may authorize an increase in any budget if the increase is necessary because of the receipt of revenue that was not anticipated at the time the budget was fixed and if the increase is directly related to a special project or program for which the additional revenue was received. The secretary shall make a written report to the legislative finance committee of any such budget increase;

C. Upon written request of a local school board or governing body of a state-chartered charter school, the secretary may authorize an increase in a budget of not more than one thousand dollars (\$1,000); or

D. Upon written request of a local school board or governing body of a state-chartered charter school, the secretary, after notice and a public hearing, may authorize an increase in a school budget in an amount exceeding one thousand dollars (\$1,000). The notice of the hearing shall designate the school district that proposes to alter or amend its budget, together with the time, place and date of the hearing. The notice of the hearing shall be published at least once a week for two consecutive weeks in a newspaper of general circulation in the county in which the school district is situated. The last publication of the notice shall be at least three days prior to the date set for the hearing. The charter schools division shall establish how a state-chartered charter school notifies the parents of its students of proposed increases in a charter school budget.

Condition: During our review of budget adjustment requests, we discovered that a budget adjustment was not submitted to the School Board and was not discussed at a public hearing after giving the public proper notice according to the Open Meetings Act, Section 10-15-1. The journal entry for this adjustment is BJE # 92.

Cause: The District has not followed proper guidance for procedures related to budget adjustments.

Effect: The budget adjustment has not been properly authorized according to statute.

Auditor's Recommendation: We recommend that the District ensure that all budget adjustments are presented to the public after giving proper notice according to the Open meetings Act, Section 10-15-1.

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule VII

Section II – Financial Statement Findings (Continued)

FS 2014 – 004- Improper Approval of Budget Adjustment (Non-Compliance) (continued)

Responsible Official's View: District Management has implemented a second review of our BAR's prior to submitting to PED. This one BAR was overlooked because it was attached with other BAR's for that meeting that were approved by the Board. This BAR was a maintenance BAR with a -0- Cost.

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule VII

Section II – Financial Statement Findings (Continued)

FS 2014 – 005 – Improper Withholding of Employee Contributions (Non-Compliance)

Criteria: According to 22-29-10 1978:

A. Group insurance contributions for school districts, charter schools and participating entities in the authority shall be made as follows:

- (1) at least seventy-five percent of the cost of the insurance of an employee whose annual salary is less than fifteen thousand dollars (\$15,000);
- (2) at least seventy percent of the cost of the insurance of an employee whose annual salary is fifteen thousand dollars (\$15,000) or more but less than twenty thousand dollars (\$20,000);
- (3) at least sixty-five percent of the cost of the insurance of an employee whose annual salary is twenty thousand dollars (\$20,000) or more but less than twenty-five thousand dollars (\$25,000); or
- (4) at least sixty percent of the cost of the insurance of an employee whose annual salary is twenty-five thousand dollars (\$25,000) or more.

B. Within available revenue, school districts, charter schools and participating entities in the authority may contribute up to eighty percent of the cost of the insurance of all employees.

Condition: During our review of personnel files we discovered one employee whose withholdings were more than prescribed by statute. The employee's contract is \$21,614.40 and should have had deductions at 35%/65%. The employee deductions should have been \$9.08 and \$1.84 instead of \$10.37 and \$2.09.

Cause: Belen Consolidated Schools have not followed state guidelines in regards to employee contribution limits.

Effect: The School's improper calculation of employee withholdings has resulted in an employee having more withheld from their paycheck than necessary.

Auditor's Recommendation: We recommend that Belen Consolidated Schools review personnel files to ensure that employee contributions are being calculated and withheld properly.

Responsible Official's View: District Management will implement a second review of payroll deduction that are voluntary on a monthly basis. This can occur when at the start of the fiscal year an increase in salary has been granted and NMPSIA doesn't require us to provide updates to them on salaries until December / January, and then we adjust deductions. If anyone was over deducted we would make sure that a reimbursement to the employee(s) would occur.

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule VII

Section II – Financial Statement Findings (Continued)

FS 2014– 006– Improper Cash Controls Outstanding Warrants (Non-Compliance)

Criteria: 6.20.2.14 NMAC 1978:

A. School districts shall establish and maintain a cash management program to safeguard cash and provide prompt and accurate reporting that adheres to cash management requirements of the office of management and budget (OMB) Circular A-102, and applicable state and federal laws and regulations.

I. Vouchers shall be numbered in such a manner as to provide a cross-reference between the voucher, the check, and the check register. All blank checks shall be properly safeguarded and an inventory of unused checks shall be taken periodically. Completed vouchers and supporting documentation is to be placed in numerical sequence, by the month in which they were paid, and filed for future reference and annual audit.

(1) Each warrant or check issued shall have printed on its face the words, "void after one year from date". Whenever any warrant or check is unpaid for one year, the fiscal officer shall cancel it in accordance with Section 6-10-57(A), NMSA 1978.

(2) The fiscal officer shall keep a register of all canceled warrants/checks. The register shall show the number, date and amount, name of payee, fund out of which it was payable, and date of cancellation. The face amount shall revert and be credited to the fund against which the warrant/check was drawn.

Additionally 6-10-57 NMSA 1978 states:

D. Warrants canceled under Subsection A of this section are void and the indebtedness evidenced thereby is extinguished, which is hereby declared to be an express condition of every contract under which state warrants are issued except that:

(1) the department of finance and administration may issue a new warrant on a voucher issued by the commissioner of revenue [director of the revenue division of the taxation and revenue department] if a claim for refund was approved under Section 7-1-26 NMSA 1978, and if a warrant was issued and that warrant canceled under Subsection A of this section on or after January 1, 1970; and

(2) any fiscal officer may issue a new warrant for a canceled payroll warrant upon a voucher issued by the responsible employing authority certifying that the services for which the canceled payroll warrant had been issued were in fact rendered and that payment therefor had not been made, if:

(a) there is sufficient money in the fund from which the original payroll warrant was drawn to cover the new warrant; or

(b) if a suspense fund has been established in accordance with the provisions of Subsection E of this section and there is sufficient money in the suspense fund to cover the new warrant.

E. If any payroll warrant payable from an account which reverts at the end of a fiscal year to a general fund is canceled, the fiscal officer shall create a suspense fund in the amount of the total canceled payroll warrants and withhold that amount from reversion. Canceled payroll warrants shall be paid from the suspense fund.

Condition: During our review of cash we observed the District has outstanding warrants more than one year old in the amount of \$2,318.87.

Cause: The district has not voided warrants which are more than one year old.

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule VII

Section II – Financial Statement Findings (Continued)

FS 2014– 006– Improper Cash Controls Outstanding Warrants (Non-Compliance) (continued)

Effect: The District has not maintained sufficient internal controls to identify warrants more than 1 year old and has not followed proper guidance in the recording and voiding of outstanding warrants.

Auditor’s Recommendation: We recommend that management adequately monitor outstanding warrants and ensure that internal control procedures are in place to remove outstanding warrants from the District’s liabilities.

Responsible Official’s View: District management will ensure that all stale dated checks are voided and written off and funds transferred to the appropriate account by December 2014. The Board Finance Committee will be made aware of the progress and resolution of this matter to ensure compliance.

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule VII

Section II – Financial Statement Findings (Continued)

FS 2014-007 - Payment for Goods and/or Services not Completed Within 30 Days (Significant Deficiency)

Criteria: Per 13-1-158 NMSA 1978:

C. Except as provided in Subsection D of this section, upon certification by the central purchasing office or the using agency that services, construction, or items of tangible personal property have been received and accepted, payment shall be tendered to the contractor within thirty days of the date of certification. If payment is made by mail, the payment shall be deemed tendered on the date it is postmarked. After the thirtieth day from the date that written certification of acceptance is issued, late payment charges shall be paid on the unpaid balance due on the contract to the contractor at the rate of one and one-half percent per month. For purchases funded by state or federal grants to the local public bodies, if the local public body has not received the funds from the federal or state funding agency, payments shall be tendered to the contractor within five working days of receipt of funds from that funding agency.

Condition: During our review of accounts payable we noted several instances in which vendors were not paid within 30 days.

- An invoice for \$8,124.16 was received 5/27 and was not paid until 7/8
- An invoice for \$7,988.62 was received in January and was not paid until 7/8
- An invoice for \$9,771.53 was received in November and was not paid until 7/10
- An invoice for \$4,336.56 was received 12/18 and was not paid until 7/22
- An invoice for \$4,800 was received 5/10 and was not paid until 7/28
- An invoice for \$23,841.94 was due 6/1 and was not paid until 8/5
- An invoice for \$7,706 was received 4/10 and was not paid until 8/19
- An invoice for \$9,289.63 was received in February and was not paid until 8/21. The District was assessed \$944.50 in late fees which were waived by the city of Belen
- An invoice for \$63,520.88 was received on 6/30 and was not paid until 8/21
- An invoice for \$20,380.54 was received in February and was not paid until 8/27
- An invoice for \$6,534.40 was received on 7/15, was due on 8/10 and was not paid until 8/27
- The District received an invoice for water services in the amount \$9,357.16 which included \$915.97 in late fees.
- An invoice for \$4,484.49 was due on 8/15 and was not paid until 8/27

Cause: District personnel have not followed state guidelines or internal procedures for the payment of items. State guidelines clearly state that vendors be paid within 30 days of receipt of goods and or services.

Effect: Internal control over payment and the ability of responsible parties to appropriately monitor budgets for which they bear responsibility may be compromised. Not being in compliance with these requirements places the District and the Board at risk for fraud or misuse of public funds and puts the District at risk of incurring greater expenses as vendors may charge late fees.

Auditor's Recommendation: We recommend that all personnel be reminded of, or trained in, district and state policy in regards to payment of goods, services, or construction. All District personnel need to be aware that payments for goods, services, and construction are to be paid within 30 days of receipt on a valid invoice.

Responsible official's view: District management will assign additional help in contacting vendors for invoices that are not received, utilizing our aging report from our vision enterprise software to track and stay within the 30 day requirement. The finance director and accounting manager will report the progress to the finance committee regularly.

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule VII

Section II – Financial Statement Findings (Continued)

FS 2014-008 – Improper Procedures for Bid/RFP’s and Assigning Statutory Preferences (Significant Deficiency)

Criteria: 1.4.1.15 NMAC 1978:

All procurement shall be achieved by competitive sealed bids except procurement achieved pursuant to the following methods:

- A. competitive sealed proposals;
- B. small purchases;
- C. sole source procurement;
- D. emergency procurement;
- E. procurement under existing contracts; and
- F. purchases from anti-poverty program businesses.

1.4.1.17 NMAC 1978:

Publication. The IFB or notice thereof shall be published not less than ten calendar days prior to the date set for the opening of bids. The IFB or notice must be published once in at least three newspapers of general circulation in this state.

- A. These requirements of publication are in addition to any other procedures that may be adopted by the state purchasing agent to notify prospective bidders that bids will be received, including but not limited to publication in trade journals, if available.
- B. Bidder lists. The state purchasing agent shall send copies of the notice or IFB involving the expenditure of more than sixty thousand dollars (\$60,000) to those businesses which have signified in writing an interest in submitting bids for particular categories of items of tangible personal property, construction and services and which have paid any required fees. (13-1-104 NMSA 1978). Reference is also given to 1.4.1.48 NMAC of this rule.
- C. Public availability. A copy of the IFB shall be made available for public inspection at the office of the state purchasing agent.

1.4.1.23 NMAC 1978:

- A. Receipt. Upon its receipt, each bid and modification shall be time-stamped but not opened and shall be stored in a secure place until the time and date set for bid opening.
- B. No bids received. Except as provided in 1.4.1.68 through 1.4.1.72 NMAC of this rule, if no bids are received or if all bids received are rejected in accordance with the provisions of 1.4.1.68 through 1.4.1.72 NMAC of this rule, a new IFB shall be issued. If upon re-bidding with no change in specifications from the first IFB, the bids received are unacceptable, or if no bids are secured, the state purchasing agent may purchase (i.e., as opposed to procure) the items of tangible personal property, construction or services in the open market at the best obtainable price.
- C. Opening and recording. Bids and modifications shall be opened publicly in the presence of one or more witnesses at the time and place designated in the IFB. The name of each bidder, the amount of each bid and each bid item, if appropriate, the names and addresses of the required witnesses, and such other relevant information as may be specified by the state purchasing agent shall be recorded. The record shall be open for public inspection. Each bid, except those portions for which a bidder has made a written request for confidentiality, shall also be open to public inspection. Any data, which a bidder believes should be kept confidential shall accompany the bid and shall be readily separable from the bid in order to facilitate public inspection of the non-confidential portion of the bid. Prices and makes and models or catalogue numbers of the items offered, deliveries, and terms of payment shall be publicly available at the time of bid opening regardless of any designation to the contrary.

Section II – Financial Statement Findings (Continued)

FS 2014-008 – Improper Procedures for Bid/RFP’s and Assigning Statutory Preferences (Significant Deficiency) (continued)

1.4.1.25 NMAC 1978:

Statutory preferences to be applied in determining low bidder or low offeror. New Mexico law provides certain statutory preferences to resident businesses, resident veteran businesses, resident contractors and resident veteran contractors as well as for recycled content goods (13-1-21 and 13-1-22 NMSA 1978). These preferences must be applied in regard to invitations for bids and requests for proposals in accordance with statute in determining the lowest bidder or offeror.

Finally, 1.4.1.67 NMAC 1978: A central purchasing office shall retain for public inspection and for the use of auditors a copy of each state purchasing agent contract or current price agreement relied upon to make purchases without seeking competitive bids.

Condition: During our testing of bid compliance we identified several instances in which proper procedures were not followed;

- In 2 out of 7 items tested there was no documentation that the District put the IFB in a newspaper of general circulation prior to the receipt of bids.
- In 2 out of 7 items tested the District did not award any statutory preference or include it in its scoring of bids.
- In 6 out of 7 items tested the District did not sign and date stamp envelopes as they were received. In one of these instances 3 of the 5 envelopes from bidders were not kept at all.
- 1 item tested in individually significant did not have a copy of the state contract which was used for a no bid award. The District “piggy-backed” on a Valencia County project but did not retain a copy of the contract for review by the auditors.

Cause: The District has not followed proper state statutes in the receiving of bids. The district has not properly documented and maintained bids as they are received and they have not assigned statutory preference as required by law. The district has also failed to maintain adequate copies of state no-bid awards

Effect: The District is not in compliance with State Purchasing Guidelines. This opens the District up to possible incidences of fraud and possible occurrences of disputed awards which could cause additional legal and monetary consequences.

Auditor’s Recommendation: We recommend that the District include statutory preferences and required scoring for all bids and RFP’s, that all personnel responsible for the receipt of bid envelopes are trained in proper receiving procedures, and that statutory preferences are awarded where applicable. Finally the District should ensure that all no-bid awards have proper documentation on file for inspection.

Responsible Official’s View: District management will have the review of all bid and RFP’s performed by the Director of Operations, and / or Finance Director to ensure compliance with these requirements prior to sending them out. Upon bids or responses being received the procurement officer of the district will sign off on each bid / RFP file that ensures completeness as required.

STATE OF NEW MEXICO
BELÉN CONSOLIDATED SCHOOL DISTRICT NO. 2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule VII

Section II – Financial Statement Findings (Continued)

FS 2014-009 - Improper Purchase of High Grade Fuel (Non-Compliance)

Criteria: In accordance with 1.5.4.12 NMAC, State of New Mexico credit cards shall be used only for official business and only to furnish state-owned vehicles with:

- A. regular gasoline;
- B. unleaded gasoline;
- C. diesel fuel;
- D. lubrication;
- E. motor oil;
- F. car wash; and
- G. emergency purchases not exceeding \$100.00 in total.

Condition: During our testing of fuel card usage, we identified a purchase for \$39.68 of unleaded plus fuel.

Cause: On 9/29/2013 the District's credit card was used to purchase \$39.68 of unleaded plus fuel.

Effect: The District is in violation of state statute and is spending funds on products which are considered excessive.

Auditor's Recommendation: We recommend that the District adhere to state law regarding the purchase of fuel with gas cards. All individuals who drive District vehicles and use the gas cards should be instructed in the law as to what is and is not proper regarding fuel purchases. Relevant sections may be found at 1.5.3.19, 1.5.3.20.

Responsible Official's View: District management will train all staff in the allowed expenses under this statute. The finance director and accounting manager will review all payments prior to issuing checks to make sure we do not process any payments that are not allowed by statute.

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule VII

Section II – Financial Statement Findings (Continued)

FS 2014-010 – Credit Cards and Supporting Documentation (Non-Compliance)

Criteria: Laws of 2009, Regular Session, Chapter 28, Section 3, Subsection L states, “Except for gasoline credit cards used solely for operation of official vehicles, telephone credit cards used solely for official business and procurement cards used as authorized by Section 6-5-9(1) NMSA 1978, none of the appropriations contained in the General Appropriations Act of 2013 may be expended for the payment of agency-issued credit card invoices.”

Condition: During our review of credit card compliance we noted that the District has a credit card issued by Wells Fargo which is contrary to state law as it is not an approved purchasing card.

Cause: The District was unaware that they were not allowed to use a bank issued credit card for purchases when those funds are paid with State appropriations.

Effect: The District is in violation of State statute regarding use of a bank issued credit card.

Auditor’s Recommendation: The District should only utilize procurement cards authorized by Section 6-5-9(1) NMSA 1978. The District should maintain all statements and receipts as documentation for all disbursements.

Responsible Official’s View: District management will train all staff in the allowed expenses under this statute. The finance director and accounting manger will review all payments prior to issuing checks to make sure we do not process any payments that are not allowed by statute.

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule VII

Section II – Financial Statement Findings (Continued)

FS 2014-011 – Federal Reporting Requirements (Non-Compliance)

Criteria: 2.2.2.10 NMAC:

H. Federal compliance audit requirements follow.

(2) IRS employee income tax compliance issues - noncompliance with these IRS requirements requires a current year audit finding:

(b) the auditor should test to ensure that agency personal service contractors (1099 employees) meet the IRS tests to qualify as contract labor and that employees with contractor characteristics are properly classified as employees; the relevant IRS criteria for these tests are available in chapter 2 of the IRS Publication 15-A, employer's summary tax guide; in the event a personal services contractor is in substance an employee, the governmental agency could be liable for the employee's share of FICA and employer FICA match on the contract payments; PERA or ERB could expect excess retirement payments to be refunded in some circumstances; see Sections 10-11-8(C) and 22-11-25 NMSA 1978;

Condition: During our review of W-9 and 1099 we noted the following deficiencies:

- One employee is being paid as a 1099 contractor when she is in fact a current employee. The employee was paid \$1,475.00 as a contractor and should have been paid through payroll.
- In one reviewed 1099 the contractor's social security number was input incorrectly which resulted in it being returned by the IRS.
- One contractor who qualified for a 1099 was not given one. The contractor was an "S" corporation and was paid more than \$600 for services but the District failed to provide a 1099.

Cause: State and Federal reporting requirements are not being followed.

Effect: The District is in a violation of NMAC 2.2.2.10 and IRS regulations.

Auditor's Recommendation: We recommend that the District ensure that proper guidelines be followed in the retention of federally mandated tax forms and ensure that regular employees are paid through payroll and not as 1099 personal service contractors.

Responsible officials view: District management will review the regulations with the staff that perform this duty to make sure that 1099's are properly issued, and anyone that is not a contractor such as an employee will not receive a 1099 but will be processed through payroll. The Finance Director and Accounting manager will be tasked with this responsibility.

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule VII

Section II – Financial Statement Findings (Continued)

FS 2014-012 - Payment for Services not Yet Received (Significant Deficiency)

Criteria: According to 13-1-158 NMSA 1978, “no warrant, check or other negotiable instrument shall be issued in payment for any purchase of services, construction, or items of tangible personal property unless the central purchasing office or the using agency certifies that the services, construction or items of tangible personal property have been received and meet specifications or unless prepayment is permitted under Section 13-1-98 NMSA 1978....”

Condition: During our review of payroll we noted that the District is issuing payroll warrants prior to the District receiving the services of the staff. The District is paying employees approximately one week in advance of work being performed. For example the final payment to employees was issued June 20, 2014 for contracts which did not end until June 30, 2014.

Cause: This has been the established pay structure for the District for years, and when the District has considered getting into compliance with state law it has met resistance from the union and employees.

Effect: The District is pre-paying for services not yet rendered which is in violation of state statutes.

Auditor’s Recommendation: We recommend that the District work to modify its payroll schedule over the next year in order to bring the District into compliance with state law and not pay employees prior to performance of services.

Responsible Official’s View: District Management has been working on our payroll schedule for the 14-15FY and will ensure that our payroll schedules will meet compliance as per regulations (law) and our auditors recommendation.

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule VII

Section II – Financial Statement Findings (Continued)

FS 2014-013 – Late Filing of Audit Report (Non-Compliance)

Criteria: Section 12-6-3 NMSA 1978 (Annual and Special Audits) mandates that:

- (1) the financial affairs of every agency be thoroughly examined and audited each year by the state auditor, personnel of his office designated by him, or by independent auditors approved by him;
- (2) the comprehensive annual financial report for the state be thoroughly examined and audited each year by the state auditor, personnel of his office designated by him or by independent auditors approved by him; and
- (3) the audits be conducted in accordance with generally accepted auditing standards and rules issued by the state auditor. Subsection B of Section 12-6-3 NMSA 1978 establishes a tiered system of financial reporting for local public bodies in which the amount of a local public body's annual revenue determines whether the local public body is subject to an agreed upon procedures engagement

Condition: The District did not issue its FY 2013-2014 audit report by November 15, 2014 as required by the Office of the State Auditor.

Cause: The District, nor the auditors, were completely comfortable with the prior year interfund receivables and payables; as such, the auditors needed additional time to complete a review covering the previous four years of amounts included in interfund receivables and payables.

Effect: The audit was not complete by the November 15, 2014 due date.

Auditor's Recommendation: We recommend that the District maintain tighter control on all interfund loans so that the District is aware of which funds have received cash loans from other funds and which funds have provided cash loans to other funds. If those loans are more than the Operational Fund providing temporary loans to other funds while awaiting reimbursement from the State, those loans should be properly recorded in the lending fund and in the receiving fund.

Responsible Official's View: The District's management was unaware that the current auditor was going to go back to prior year audited interfund financials to verify or review until the day the audit was due. Although we are aware now that some of them may needed review we will maintain a tighter control of the interfund receivables and payables to avoid this in the future.

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule VII

Section III – Federal Awards Findings

FA 2014-001 – Improper Maintenance of Personnel Activity Reports (Material Noncompliance)

Federal Program Information:

Funding Agency: U.S. Department of Education
Title: IDEA-B Entitlement and IDEA-B Preschool
CFDA Number: 84.027 and 84.173
Passthrough: New Mexico Department of Education
Award Year: 2014

Criteria: According to OMB Circular-87:

3) Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared **at least semi-annually** and will be signed by the employee or supervisory official having firsthand knowledge of the work performed by the employee.

4) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (see subsection (6)) or other substitute system has been approved by the cognizant Federal agency. Such documentary support will be required where employees work on:

- a) **More than one Federal award,**
- b) **A Federal award and a non-Federal award,**
- c) An indirect cost activity and a direct cost activity,
- d) Two or more indirect activities which are allocated using different allocation bases, or
- e) An unallowable activity and a direct or indirect cost activity.

5) Personnel activity reports or equivalent documentation must meet the following standards:

- a) They must reflect an after-the-fact distribution of the actual activity of each employee,
- b) They must account for the total activity for which each employee is compensated,
- c) **They must be prepared at least monthly and must coincide with one or more pay periods, and**
- d) They must be signed by the employee.

Condition: During our review of payroll and related documentation, we identified two employees who worked on the IDEA-B Entitlement program and at least one additional program. The District did not keep any certifications to verify time and effort related to these federal programs.

Questioned Costs: Undeterminable

Cause: District personnel were unaware that activity reports need to be completed monthly for employees who work on a Federal program and non-Federal program. Guidelines require monthly certifications for employees who work on other Federal or non-Federal programs as well as the IDEA-B Entitlement program.

Effect: The District is not in compliance with Federal regulations related to the grant and could put funding in jeopardy or require the District to reimburse the program for undocumented payroll distributions.

Auditor's Recommendation: We recommend that all individuals who manage Federal programs and those individuals who process payroll be trained on the requirements of personnel activity reports as they relate to payments using Federal funds.

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule VII

Section III – Federal Awards Findings (Continued)

FA 2014-001 – Improper Maintenance of Personnel Activity Reports (Material Noncompliance) (continued)

Responsible official's view: District Management was aware of this requirement but one program did not have this in place. Since then training has been provided and forms distributed to staff to complete to ensure compliance with this law.

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule VII

Section III – Federal Awards Findings (Continued)

FA 2014-002– Improper Recording of Revenues (Significant Deficiency)

Federal Program Information:

Funding Agency: U.S. Department of Education

Title: IDEA-B Entitlement and IDEA-B Preschool

CFDA Number: 84.027 and 84.173

Passthrough: New Mexico Department of Education

Award Year: 2014

Criteria: According to 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

Condition: During our review of revenue and related documentation, we identified one instance in which funds were deposited into one Federal award account (24109) when they were actually funds intended for a different Federal fund (24106). The funds were received on 11/7/2013 in the amount of \$42,722.87 and were not moved to the proper fund until after year end 6/30/2014.

Questioned Costs: None

Cause: District personnel were unaware that they had recorded the revenues to the incorrect fund in the general ledger for over eight months. The request for reimbursement had been filled out with the correct fund; however the revenue was recorded to the wrong fund. Internal controls did not identify this oversight

Effect: The District is not in compliance with Federal regulations related to the grant and could put funding in jeopardy or require the District to reimburse the program.

Auditor's 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.

Responsible official's view: District will ensure compliance with this regulation by implementing the finance director review all revenue postings prior to finalization. Also in the multiple reviews of bank reconciliations we will be able to detect this as another way of preventing this from happening.

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule VII

Section III – Federal Awards Findings (Continued)

FA 2014-003– Disallowed Expenses Not Moved to Operational Fund (Significant Deficiency)

Federal Program Information:

Funding Agency: U.S. Department of Education

Title: Title I and Teacher/Principal Training & Recruiting

CFDA Number: 84.010 and 84.367A

Passthrough: New Mexico Department of Education

Award Year: 2014

Criteria: According to 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

Condition: During our review of revenue and related documentation, we identified three instances in which disallowed expenditures reimbursements were not recorded to the Operational Fund. For fund 24154 Teacher/Principal Training & Recruiting there were two instances in the amount of \$401.12 and \$75.00. For fund 24101 Title I there was one instance for \$250.00.

Questioned Costs: Undeterminable

Cause: District personnel did not record disallowed expenditures properly. They have kept the expenditures as a cost to the respective Federal fund instead of moving these expenses to the Operational Fund.

Effect: The District is not in compliance with Federal regulations related to the grant and could put funding in jeopardy or require the District to reimburse the program.

Auditor's 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.

Responsible official's view: District management will provide a review with the accounting manager and finance director to ensure proper postings (reclassifications) will be signed off on prior to finalization.

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule VII

Section III – Federal Awards Findings (Continued)

FA 2014-004– Indirect Costs Charges Exceeded Allowable Rate (Material Weakness)

Federal Program Information:

Funding Agency: U.S. Department of Education

Title: Title I, IDEA-B Entitlement, and Teacher/Principal Training & Recruiting

CFDA Number: 84.010, 84.027, and 84.367A

Passthrough: New Mexico Department of Education

Award Year: 2014

Criteria: According to 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. Additionally, OMB Circular A-87 Cost Principle for State, Local and Indian Tribal Governments establishes principles and standards for determining allowable direct and indirect costs for Federal Awards.

Condition: During our review of indirect costs and related documentation, we identified three funds which had exceeded their allowed indirect costs. The allowable indirect cost percentage for the District calculated by PED for FY 13-14 is 4.41%. Fund 24101, Title I IASA, had indirect costs of 7.66%; fund 24106, IDEA-B Entitlement, had indirect costs of 7.11%; and fund 24154, Teacher/Principal Training & Recruiting, had indirect costs of 5.01%. The District exceeded the indirect cost rate resulting in an overcharge of \$41,361.63, \$18,332.30, and \$2,876.99, respectively.

In addition the District charged \$336.61 to 24106 for FY 13-14 when those costs were actually related to Fund 24120, IDEA-B Risk Pool, in FY 12-13.

Questioned Costs: \$62,907.53

Cause: District personnel did not ensure that the correct indirect cost percentages were applied to Federal funds. Some funds had proper indirect costs while others were over charged.

Effect: The District is not in compliance with Federal regulations related to the grants and could put funding in jeopardy or require the District to reimburse the program.

Auditor's 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.

Responsible official's view: District management will make sure that indirect cost are reviewed with both the finance director and accounting manager for accuracy and completeness with comparison to budget and regulations.

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Schedule VII

Section IV – Prior Year Audit Finding

FS 2007-003 [07-03] — Inventory Discrepancies – Resolved
FS 2007-005 [07-05] — Cash Appropriations in Excess of Available Cash Balances- Repeated and Revised
FS 2007-006 [07-06] — Preparation of Financial Statements- Resolved
FS 2008-008 [08-02] — Internal Controls – Lack of Segregation of Duties (Receipts and Disbursements Cycle)
Resolved
FS 2009-003 [09-03] — Capital Assets- Repeated and Revised
FS 2009-004 [09-04] — Interfund Activity- Repeated and Revised
FS 2010-001 [10-01] — Entity-Wide Control Deficiency- Repeated and Revised
FS 2010-003 [10-03] — Travel and Per Diem Compliance- Resolved
FS 2010-004 [10-04] — Internal Controls over Bank Reconciliations- Repeated and Revised
FS 2010-00- [10-09] — Expenditures in Excess of Budget- Repeated and Revised
FS 2010-010 [10-10] — Incomplete Trial Balance and Inadequate Closing Cycle- Resolved
FS 2013-001 – Personal Use of District Vehicle – Resolved
FS 2013-002 – Inadequate Pledged Collateral – Resolved
FA 2010-003 [10-03] — Deficiencies in Internal Control Structure Design, Operation and Oversight – Documented
Procedures for Preparing and Filing Financial Reports – Resolved
FA 2010-004 [10-04] — Deficiencies in Internal Control Structure Design, Operation and Oversight – Mechanisms
to Identify Risks of Inaccurate Financial Reporting – Resolved
FA 2010-005 [10-05] — Schedule of Federal Expenditures- Resolved
FA 2011-005 [11-05] — Inadequate Controls over Program Income – Resolved
FA 2012-001 [12-01] – Inadequate Controls over Eligibility Determinations – Resolved
FA 2013-001 – Inaccurate Special Reporting – Resolved
FA 2013-002 – Unallowable Cost – Resolved

STATE OF NEW MEXICO
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2
OTHER DISCLOSURES
FOR THE YEAR ENDED JUNE 30, 2014

Auditor Prepared Financial Statements

Manning Accounting and Consulting Services, LLC prepared the GAAP-basis financial statements and footnotes of Belen Consolidated School District No. 2 from the original books and records provided to them by the management of the District. The District's management has reviewed and approved the financial statements and related notes and they believe that their records adequately support the financial statements. The responsibility for the financial statements remains with the District.

Exit Conference

The contents of this report were discussed November 14, 2014. The following individuals were in attendance.

Belen Consolidated School District No. 2

Ron Marquez, Superintendent
George Perea, Director of Finance
Dolores Quintana, Board Secretary
Larry Garley, Board Member

Manning Accounting and Consulting Services, LLC

Byron R. Manning, CPA, Partner