

**STATE OF NEW MEXICO**

**BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2**

**ANNUAL FINANCIAL REPORT**

**JUNE 30, 2016**



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## **INTRODUCTORY SECTION**

**STATE OF NEW MEXICO**  
**BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**FOR THE YEAR ENDED JUNE 30, 2016**  
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**BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2**  
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**STATE OF NEW MEXICO**  
**BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**OFFICIAL ROSTER**  
**FOR THE YEAR ENDED JUNE 30, 2016**

<u><b>Name</b></u>		<u><b>Title</b></u>
	<u><b>School Board</b></u>	
Larry Lindberg		President
Tom Wisneski		Vice-President
Dolores "Lola" Quintana		Secretary
Larry B. Garley		Member
Max Cordova		Member
	<u><b>District Officials</b></u>	
Max Perez		Superintendent
Diane Vallejos		Assistant Superintendent
George Perea		Director of Finance & Business
Yvonne Tabet		Director of Human Resources

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**FINANCIAL SECTION**



# Manning Accounting and Consulting Services, LLC

## INDEPENDENT AUDITOR'S REPORT

Timothy Keller, New Mexico State Auditor  
And the Governing Council of  
Belen Consolidated School District No. 2  
Belen, NM

### Report on the 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 of Belen Consolidated School District No. 2 (the "District") as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of the District's nonmajor governmental funds and the budgetary comparison for the major capital projects fund, debt service fund, and all nonmajor funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2016, 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 and each major fund and the aggregate remaining fund information of Belen Consolidated School District No. 2 as of June 30, 2016 and the respective changes in financial position and the respective budgetary comparisons for the general 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 the nonmajor governmental funds of the District as of June 30, 2016, and the respective changes in financial position thereof and the respective budgetary comparisons for the major capital projects 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.

Accounting principles generally accepted in the United States of America requires the Schedules I and II and the notes to the Required Supplementary Information on pages 43 through 45 be presented to supplement the basic financial statements. Such 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the District's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and other supplemental information required by 2.2.2 NMAC, Schedules III through VIII, are presented for the purposes of additional analysis and are not a required part of the financial statements.

The Schedule of Expenditures of Federal Awards and Schedules III through VI on pages 122 through 128, 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 Schedules III through VI 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 on pages i through iv and Schedules VII through VIII on pages 129 through 130 have 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 them.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 09, 2016 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 09, 2016

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**BASIC FINANCIAL STATEMENTS**

STATE OF NEW MEXICO  
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2  
STATEMENT OF NET POSITION  
JUNE 30, 2016

Exhibit A-1

	<u>Governmental Activities</u>
<b>ASSETS</b>	
<i>Current Assets</i>	
Cash and cash equivalents	\$ 9,936,087
Receivables (net of allowance for uncollectibles)	4,327,638
Inventory	212,329
<i>Total current assets</i>	<u>14,476,054</u>
<i>Noncurrent assets</i>	
Restricted Cash	5,505,021
Bond discounts, net of amortization of \$49,212	4,741
Capital assets (net of accumulated depreciation):	
Land and land improvements	11,323,515
Buildings and building improvements	97,950,737
Furniture, fixtures and equipment	2,319,350
Vehicles	5,345,038
Less: accumulated depreciation	(52,001,081)
<i>Total noncurrent assets</i>	<u>70,447,321</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension - change in assumptions	1,690,714
Pension - employer contributions after measurement date	2,990,306
<i>Total deferred outflows</i>	<u>4,681,020</u>
<i>Total assets and deferred outflows of resources</i>	<u>\$ 89,604,395</u>
<b>LIABILITIES</b>	
<i>Current liabilities</i>	
Accounts payable	\$ 837,683
Accrued payroll liabilities	1,388,343
Due to agency funds	250,000
Accrued interest payable	407,748
Unearned revenue	24,110
Current maturities of:	
Bonds payable	3,540,000
Compensated absences	276,701
<i>Total current liabilities</i>	<u>6,724,585</u>
<i>Noncurrent liabilities:</i>	
Bond premiums, net of amortization of \$387,397	577,168
Bonds payable	27,730,000
Compensated absences	33,045
Net pension liability	49,155,326
<i>Total noncurrent liabilities</i>	<u>77,495,539</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred gain on debt refunding	416,972
Pension - change in actuarial experiences	911,294
Pension - change in investment experience	221,260
Pension - change in proportion	1,812,601
<i>Total deferred inflows</i>	<u>3,362,127</u>
<b>NET POSITION</b>	
Invested in capital assets	33,095,132
Restricted for:	
Debt service	6,840,976
Capital projects	7,959,222
Other purposes - special revenue	1,811,160
Unrestricted	(47,684,346)
<i>Total net position</i>	<u>2,022,144</u>
<i>Total liabilities, deferred inflows of resources, and net position</i>	<u>\$ 89,604,395</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, 2016

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>	
<b>Primary Government</b>					
Governmental activities:					
Instruction	\$ 18,687,059	\$ 301,503	\$ 4,255,025	\$ -	\$ (14,130,531)
Support services:					
Students	3,956,314	-	294,729	-	(3,661,585)
Instruction	1,007,844	-	147,164	-	(860,680)
General administration	1,417,373	-	-	-	(1,417,373)
School administration	1,829,778	-	-	-	(1,829,778)
Other	5,098	-	-	-	(5,098)
Central services	1,154,098	145,147	-	-	(1,008,951)
Operation & maintenance of plant	5,971,968	5,407	-	91,742	(5,874,819)
Student transportation	2,043,689	-	1,560,578	-	(483,111)
Food services operations	2,718,000	93,597	2,782,319	-	157,916
Community services	250,332	-	-	-	(250,332)
Interest on long-term debt	1,509,962	-	-	-	(1,509,962)
Facilities materials, supplies, & other services	7,305,239	-	-	442,680	(6,862,559)
Total Primary Government	<u>\$ 47,856,754</u>	<u>\$ 545,654</u>	<u>\$ 9,039,815</u>	<u>\$ 534,422</u>	<u>(37,736,863)</u>
<b>General Revenues:</b>					
Property taxes:					
Levied for general purposes 207,788					
Levied for debt service 4,932,078					
Levied for capital projects 1,153,598					
State Equalization Guarantee 30,093,612					
Unrestricted investment earnings 5,134					
Gain on disposal of fixed assets 1,045					
Miscellaneous 402,098					
Total general revenues <u>36,795,353</u>					
Change in net position <u>(941,510)</u>					
Net position - beginning of year 3,605,779					
Prior period adjustment <u>(642,125)</u>					
Net position - beginning of year, restated <u>2,963,654</u>					
Net position - end of year <u>\$ 2,022,144</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, 2016

	General Fund		
	Operational 11000	Transportation 13000	Instructional Materials 14000
<b>ASSETS</b>			
<i>Current assets:</i>			
Cash and temporary investments	\$ -	\$ -	\$ 169,750
Accounts receivable			
Taxes	93,537	-	-
Due from other governments	14,293	-	-
Interfund receivables	2,134,995	-	-
Other	12,042	-	-
Inventory	125,336	-	-
<i>Total assets</i>	<u>2,380,203</u>	<u>-</u>	<u>169,750</u>
<b>LIABILITIES</b>			
<i>Current liabilities:</i>			
Accounts payable	350,193	9,800	-
Accrued payroll liabilities	1,101,946	58,802	-
Interfund payables	538,351	36,639	-
Unearned revenue	-	-	-
<i>Total liabilities</i>	<u>1,990,490</u>	<u>105,241</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenues - property taxes	88,404	-	-
Unavailable revenues - other	-	-	-
<i>Total deferred inflows of resources</i>	<u>88,404</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>			
Nonspendable	125,336	-	-
Restricted for:			
Transportation	-	-	-
Instructional materials	-	-	169,750
Grant mandates	-	-	-
Capital projects	-	-	-
Debt service	-	-	-
Assigned	175,973	-	-
Unassigned	-	(105,241)	-
<i>Total fund balances</i>	<u>301,309</u>	<u>(105,241)</u>	<u>169,750</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 2,380,203</u>	<u>\$ -</u>	<u>\$ 169,750</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, 2016

	Bond Building 31100	Debt Service 41000	Other Governmental Funds	Total Primary Government
<b>ASSETS</b>				
<i>Current assets:</i>				
Cash and temporary investments	\$ 6,774,025	\$ 5,505,021	\$ 2,992,312	\$ 15,441,108
Accounts receivable				
Taxes	-	1,752,927	455,554	2,302,018
Due from other governments	-	-	1,999,285	2,013,578
Interfund receivables	100,000	-	222,465	2,457,460
Other	-	-	-	12,042
Inventory	-	-	86,993	212,329
<i>Total assets</i>	<u>6,874,025</u>	<u>7,257,948</u>	<u>5,756,609</u>	<u>22,438,535</u>
<b>LIABILITIES</b>				
<i>Current liabilities:</i>				
Accounts payable	308,085	-	169,605	837,683
Accrued payroll liabilities	-	-	227,595	1,388,343
Interfund payables	-	-	2,132,470	2,707,460
Unearned revenue	-	-	24,110	24,110
<i>Total liabilities</i>	<u>308,085</u>	<u>-</u>	<u>2,553,780</u>	<u>4,957,596</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues - property taxes	-	1,630,825	423,567	2,142,796
Unavailable revenues - other	-	-	9,094	9,094
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>1,630,825</u>	<u>432,661</u>	<u>2,151,890</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	86,993	212,329
Restricted for:				
Transportation	-	-		-
Instructional materials	-	-		169,750
Grant mandates	-	-	1,244,628	1,244,628
Capital projects	3,613,933	-	491,845	4,105,778
Debt service	-	245,474	-	245,474
Assigned	2,952,007	5,381,649	1,561,732	10,071,361
Unassigned	-	-	(615,030)	(720,271)
<i>Total fund balances</i>	<u>6,565,940</u>	<u>5,627,123</u>	<u>2,770,168</u>	<u>15,329,049</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 6,874,025</u>	<u>\$ 7,257,948</u>	<u>\$ 5,756,609</u>	<u>\$ 22,438,535</u>

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

STATE OF NEW MEXICO  
 BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2  
 GOVERNMENTAL FUNDS  
 RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION  
 JUNE 30, 2016

Exhibit B-2

	<u>Governmental Funds</u>
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Total fund balances - governmental funds	\$ 15,329,049
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
The cost of capital assets is	116,938,640
Accumulated depreciation is	(52,001,081)
Contributions to the pension plan are expensed in the governmental funds but are deferred outflows for government-wide statements.	2,990,306
Revenues not collected within sixty days after year-end are considered "available" revenues and are shown as deferred revenues on the balance sheet.	
Delinquent property taxes	2,142,796
State revenues	9,094
Deferred outflows and inflows of resources related to bond refunding and pensions are applicable to future periods and therefore, are not reported in governmental funds.	
Deferred outflows of resources related to change in assumptions	1,690,714
Deferred inflows of resources related to deferred gains on refunding	(416,972)
Deferred inflows of resources related to actuarial experience	(911,294)
Deferred inflows of resources related to investment experience	(221,260)
Deferred inflows of resources related to change in proportion	(1,812,601)
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	4,741
Bond premiums net of accumulated amortization	(577,168)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in governmental funds. Long-term and other liabilities at year-end consist of:	
Accrued interest payable	(407,748)
Bonds payable	(31,270,000)
Accrued compensated absences	(309,746)
Net pension liability	(49,155,326)
Total net position - governmental activities	<u>\$ 2,022,144</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, 2016**

Exhibit B-3

	General Fund		
	Operational 11000	Transportation 13000	Instructional Materials 14000
<i>Revenues:</i>			
Property taxes	\$ 197,960	\$ -	\$ -
State grants	30,093,612	1,473,782	286,443
Federal grants	3,470	-	-
Miscellaneous	399,673	-	-
Charges for services	254,579	-	-
Investment Income	52	-	-
<i>Total revenues</i>	<u>30,949,346</u>	<u>1,473,782</u>	<u>286,443</u>
<i>Expenditures:</i>			
Current:			
Instruction	17,123,958	-	226,859
Support services			
Students	2,983,712	-	-
Instruction	585,107	-	-
General administration	1,073,065	-	-
School administration	1,830,753	-	-
Central services	1,155,532	-	-
Operation & maintenance of plant	6,012,054	-	-
Student transportation	259,680	1,437,620	-
Other support services	5,098	-	-
Food services operations	368	-	-
Community services	250,453	-	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
Bond issuance costs	-	-	-
<i>Total expenditures</i>	<u>31,279,780</u>	<u>1,437,620</u>	<u>226,859</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(330,434)</u>	<u>36,162</u>	<u>59,584</u>
<i>Other financing sources (uses):</i>			
Proceeds from bond issues	-	-	-
Payment to refunded bond escrow agent	-	-	-
Bond underwriter premium	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>(330,434)</u>	<u>36,162</u>	<u>59,584</u>
<i>Fund balances - beginning of year</i>	631,743	(141,403)	110,166
<i>Prior period adjustment</i>	-	-	-
<i>Adjusted fund balance - beginning of year</i>	<u>631,743</u>	<u>(141,403)</u>	<u>110,166</u>
<i>Fund balances - end of year</i>	<u>\$ 301,309</u>	<u>\$ (105,241)</u>	<u>\$ 169,750</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, 2016**

Exhibit B-3

	Bond Building 31100	Debt Service 41000	Other Governmental Funds	Total Primary Government
<i>Revenues:</i>				
Property taxes	\$ -	\$ 4,318,546	\$ 1,120,589	\$ 5,637,095
State grants	-	-	2,354,458	34,208,295
Federal grants	-	-	5,450,460	5,453,930
Miscellaneous	-	-	-	399,673
Charges for services	-	-	291,075	545,654
Investment Income	838	258	3,986	5,134
<i>Total revenues</i>	<u>838</u>	<u>4,318,804</u>	<u>9,220,568</u>	<u>46,249,781</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	2,730,902	20,081,719
Support services				
Students	-	-	968,754	3,952,466
Instruction	-	-	423,044	1,008,151
General administration	-	43,343	302,388	1,418,796
School administration	-	-	-	1,830,753
Central services	-	-	-	1,155,532
Operation & maintenance of plant	-	-	1,809	6,013,863
Student transportation	-	-	319,733	2,017,033
Other support services	-	-	-	5,098
Food services operations	-	-	2,705,852	2,706,220
Community services	-	-	-	250,453
Capital outlay	3,941,705	-	886,840	4,828,545
Debt service				
Principal	-	3,095,000	-	3,095,000
Interest	-	978,915	-	978,915
Bond issuance costs	-	117,539	-	117,539
<i>Total expenditures</i>	<u>3,941,705</u>	<u>4,234,797</u>	<u>8,339,322</u>	<u>49,460,083</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(3,940,867)</u>	<u>84,007</u>	<u>881,246</u>	<u>(3,210,302)</u>
<i>Other financing sources (uses):</i>				
Proceeds from bond issues	-	6,195,000	-	6,195,000
Payment to refunded bond escrow agent	-	(6,263,840)	-	(6,263,840)
Bond underwriter premium	-	187,496	-	187,496
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>118,656</u>	<u>-</u>	<u>118,656</u>
<i>Net changes in fund balances</i>	<u>(3,940,867)</u>	<u>202,663</u>	<u>881,246</u>	<u>(3,091,646)</u>
<i>Fund balances - beginning of year</i>	10,506,807	5,424,460	1,911,573	18,443,346
<i>Prior period adjustment</i>	-	-	(22,651)	(22,651)
<i>Adjusted fund balance - beginning of year</i>	<u>10,506,807</u>	<u>5,424,460</u>	<u>1,888,922</u>	<u>18,420,695</u>
<i>Fund balances - end of year</i>	<u>\$ 6,565,940</u>	<u>\$ 5,627,123</u>	<u>\$ 2,770,168</u>	<u>\$ 15,329,049</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, 2016

	<u>Governmental Funds</u>
Amounts reported for governmental activities in the Statement of Activities are different because:	
Net change in fund balances - total governmental funds	\$ (3,091,646)
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 Position 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	(2,744,094)
Capital outlays	1,663,590
Loss on disposal of capital assets	-
Revenues not collected within 60 days after the fiscal year-end are not considered available revenues in the governmental funds. They are considered revenues in the Statement of Activities. The increase (decrease) in revenues receivable for the year end were:	
Unavailable revenue related to the property taxes receivable	656,369
Other unavailable revenues	9,094
The issuance of long-term debt (e.g. bonds, notes, leases) provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first, whereas these amounts are deferred and amortized in the Statement of Activities:	
Amortization of bond discounts	(4,374)
Amortization of bond premium	81,572
Accrued interest payable	74,207
Accrued compensated absences	23,727
Capitalization of bond refunding interest savings	(416,972)
Bond premium capitalized	(187,496)
Bond proceeds	(6,195,000)
Payment to refunded bond escrow agent for future principle payment	6,050,000
Bond principle payments	3,095,000
Governmental funds report district pension contributions as expenditures. However, in the Statement of Activities, the pension benefits earned net of employee contributions is reported as pension expense.	
Difference between prior year pension contributions per entity and amount reported in the pension report	1,238
Pension contributions - current year	2,990,306
Pension expense	<u>(2,947,031)</u>
Change in net position - total governmental activities	<u>\$ (941,510)</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, 2016

Exhibit C-1

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ 203,446	\$ 203,446	\$ 198,611	\$ (4,835)
State grants	30,002,306	30,002,306	30,093,612	91,306
Federal grants	-	-	3,470	3,470
Miscellaneous	453,820	453,820	373,338	(80,482)
Charges for services	168,465	168,465	254,579	86,114
Interest	350	350	52	(298)
<i>Total revenues</i>	<u>30,828,387</u>	<u>30,828,387</u>	<u>30,923,662</u>	<u>95,275</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	17,685,314	17,685,314	17,191,132	494,182
Support services				
Students	3,311,476	3,311,476	2,882,637	428,839
Instruction	543,806	543,806	602,198	(58,392)
General administration	1,141,138	1,141,138	1,097,671	43,467
School administration	1,780,226	1,780,226	1,835,931	(55,705)
Central services	1,316,016	1,316,016	1,160,473	155,543
Operation & maintenance of plant	6,104,935	6,104,935	6,004,683	100,252
Student transportation	238,876	238,876	259,680	(20,804)
Other support services	90,680	90,680	29,765	60,915
Food services operations	-	-	368	(368)
Community services	539,653	539,653	250,453	289,200
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>32,752,120</u>	<u>32,752,120</u>	<u>31,314,991</u>	<u>1,437,129</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(1,923,733)</u>	<u>(1,923,733)</u>	<u>(391,329)</u>	<u>1,532,404</u>
<i>Other financing sources (uses):</i>				
Designated cash	1,923,733	1,923,733	-	(1,923,733)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,923,733</u>	<u>1,923,733</u>	<u>-</u>	<u>(1,923,733)</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>(391,329)</u>	<u>(391,329)</u>
<i>Cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,987,973</u>	<u>1,987,973</u>
Prior period adjustments	-	-	0	-
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,987,973</u>	<u>1,987,973</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,596,644</u>	<u>\$ 1,596,644</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance (cash basis)			\$ (391,329)	
Adjustments to revenues			25,684	
Adjustments to expenditures			35,211	
Net change in fund balance (GAAP basis)			<u>\$ (330,434)</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  
 TRANSPORTATION FUND (13000)  
 FOR THE YEAR ENDING JUNE 30, 2016

Exhibit C-2

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	1,345,879	1,473,782	1,473,782	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>1,345,879</u>	<u>1,473,782</u>	<u>1,473,782</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	1,345,879	1,473,782	1,442,880	30,902
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,345,879</u>	<u>1,473,782</u>	<u>1,442,880</u>	<u>30,902</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>30,902</u>	<u>30,902</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 balance</i>	<u>-</u>	<u>-</u>	<u>30,902</u>	<u>30,902</u>
<i>Cash or fund balance - beginning of year</i>	-	-	(67,541)	(67,541)
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(67,541)</u>	<u>(67,541)</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (36,639)</u>	<u>\$ (36,639)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ 30,902	
Adjustments to revenues			-	
Adjustments to expenditures			5,260	
Net change in fund balance (GAAP basis)			<u>\$ 36,162</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, 2016

Exhibit C-3

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	226,491	249,015	286,443	37,428
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>226,491</u>	<u>249,015</u>	<u>286,443</u>	<u>37,428</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	226,491	249,015	226,859	22,156
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>226,491</u>	<u>249,015</u>	<u>226,859</u>	<u>22,156</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>59,584</u>	<u>59,584</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 balance</i>	<u>-</u>	<u>-</u>	<u>59,584</u>	<u>59,584</u>
<i>Cash or fund balance - beginning of year</i>	-	-	110,166	110,166
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>110,166</u>	<u>110,166</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 169,750</u>	<u>\$ 169,750</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ 59,584	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ 59,584</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, 2016**

Exhibit D-1

	Agency Funds
<b>ASSETS</b>	
<i>Current Assets</i>	
Cash	\$ 138,451
Due from District	250,000
<i>Total assets</i>	388,451
 <b>LIABILITIES</b>	
<i>Current Liabilities</i>	
Current payables	28,382
Deposits held in trust for others	360,069
<i>Total liabilities</i>	\$ 388,451

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**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, 2016, the District adopted GASB Statement No. 71 *Fair Value Measurement and Application*, GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, and GASB Statement No. 79 *Certain External Investment Pools and Pool Participants*. The provisions of GASB No. 71 provide guidance for determining a fair value measurement for financial reporting purposes to enhance comparability of financial statements among governments. The provisions of GASB No. 76 identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP) which supersedes Statement No. 55. The Provisions of GASB No. 79 address accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes.

These pronouncement are not expected to have a material effect on the District.

*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, 2016

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, 2016**

**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:

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**BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**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 *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.

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.

D.            *Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, 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.

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**JUNE 30, 2016**

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

D.            *Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)*

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 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 2016 is considered 'measurable and available' and, accordingly, is recorded as revenue during the year ended June 30, 2016.

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.

**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 Food Services 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. 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 New Mexico 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.

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BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

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

*D.      Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)*

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, 2016.

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

Land Improvements	10-25 years
Buildings/building improvements	10-50 years
Furniture and equipment	5-20 years
Vehicles	8-10 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. At June 30, 2016, the District’s unearned revenues were \$24,110.

**Deferred Outflows of Resources –Pensions:** The government-wide financial statements report pension related expenses and liabilities for the cost-sharing plan one year in arrears, i.e. expenses and liabilities as of June 30, 2016. Contributions of \$2,990,306 made by the District in the current fiscal year are thus applicable to a future reporting period where they will then be expensed. As such, they are presented in the Statement of Net Position as a deferred outflow of resources in the current period. The District may also have three other deferred outflows which arise due to the implementation of GASB 68; change in assumptions \$1,690,714; change in proportion; and change in investment experience (netted with deferred inflows).

**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. Total compensated absences were \$309,746 at June 30, 2016.

Classified employees who work full time are entitled to a 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 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.

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BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

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

D.      *Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)*

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 of \$27,342,603 at June 30, 2016 are reported net of the applicable bond premium or discount. Bond insurance 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 Pension Liability:** The District records its proportionate share of the difference between the value of total pension liabilities and plan assets for the State of New Mexico's Employee Retirement Board pension plan. For the year ended June 30, 2016 net pension liability \$49,155,326.

**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 the corresponding unavailable revenue is recorded as well. Total unavailable revenues of \$2,142,796 for property tax and \$9,094 for grants were recorded at June 30, 2016.

**Deferred Inflows of Resources – Deferred Gains on Refunding:** Refunding of debt may result in a net reduction of debt payments for the District when considering total principal and interest payments of the original debt compared to the new debt. The net present value of that gain is deferred and amortized over the life of the original debt or the new debt, whichever is shorter.

**Deferred Inflows of Resources – Pensions:** Changes in actuarial experience \$911,294, investment experience \$221,260 (netted with deferred outflows), and change in proportion \$1,812,601 for the District are applicable to a future reporting period and will be expensed over a five-year period beginning in the next fiscal year. As such, these amounts are presented in the Statement of Net Position as deferred inflows of resources in the current period.



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**BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

D.                    *Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)*

**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 10.

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

*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. The "net in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

*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.

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**JUNE 30, 2016**

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

D.                      *Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)*

**Pensions:** For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Educational Retirement Board (ERB) and additions to/deductions from ERB’s fiduciary net position have been determined on the same basis as they are reported by ERB, on the economic resources measurement focus and accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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.

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 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 \$30,093,612 in state equalization guarantee distributions during the year ended June 30, 2016.

**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 1<sup>st</sup> of each year and are payable in two equal installments, on November 10<sup>th</sup> of the year in which the tax bill is prepared and April 10<sup>th</sup> 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.

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**JUNE 30, 2016**

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

*E. Revenues - (Continued)*

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, 2016 were \$5,637,095. 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 \$1,473,782 in transportation distributions during the year ended June 30, 2016.

**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, 2016 totaled \$286,443.

**SB-9 State Match:** The Director shall distribute to any school district that has imposed a tax under the Public School Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978) an amount from the public school capital improvements fund that is equal to the amount by which the revenue estimated to be received from the imposed tax as specified in Subsection B of Section 22-25-3 NMSA 1978, assuming a one hundred percent collection rate, is less than an amount calculated by multiplying the product obtained by the rate imposed in the District under the Public School Capital Improvements Act. The distribution shall be made by December 1, of each year that the tax is imposed in accordance with Section 22-25-3 NMSA 1978. 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 \$91,742 in state SB-9 matching during the year ended June 30, 2016.

**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, 2016, the District received \$104,176 in public school capital outlay funds and \$338,504 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.

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**JUNE 30, 2016**

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

*E.        Revenues - (Continued)*

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.

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 are submitted to the State of New Mexico Public Education Department.
2.        In May or June of each year, the proposed "operating" budget will be reviewed and approved by the DBPU and certified and approved by the local school board at a public hearing of which notice has been published by the local school board which fixes the estimated budget for the school district for the ensuing fiscal year.
3.        The school board meeting, 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.

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

*Budgetary Information – (Continued)*

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 funds 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.

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, 2016, is presented on each fund's 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, 2016.

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.

**STATE OF NEW MEXICO  
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 3 Cash and Cash Equivalents (Continued)**

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**

New Mexico 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.

	US Bank	Wells Fargo	Total
Total amounts of deposits	\$ 13,755,666	\$ 3,269,882	\$ 17,025,548
FDIC coverage	250,000	250,000	\$ 500,000
Total uninsured public funds	13,505,666	3,019,882	16,525,548
Collateral requirement (50% of uninsured public funds)	6,752,833	1,509,941	8,262,774
Pledged security	15,000,000	1,503,465	\$ 16,503,465
Total over (under) collateralized	\$ 8,247,167	\$ (6,476)	\$ 8,240,691

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, 2016, \$16,525,548 of the District's bank balance of \$17,025,548 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's collateral is held by itself in Cincinnati. The funds with Wells Fargo are under collateralized by \$6,476.

**STATE OF NEW MEXICO  
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JUNE 30, 2016**

**NOTE 3      Cash and Cash Equivalents (Continued)**

**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:

Reconciliation to Statement of Net Position

Governmental Funds - Balance Sheet

Cash and cash equivalents per Exhibit A-1	\$ 15,441,108
Statement of Fiduciary Net Position - Cash per Exhibit D-1	<u>138,451</u>
Total per financial statements	15,579,559
Add outstanding checks and other reconciling items	1,449,504
Less: cash on hand	<u>(3,515)</u>
Bank balance of deposits	<u><u>\$ 17,025,548</u></u>

**STATE OF NEW MEXICO  
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NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 3 Cash and Cash Equivalents (Continued)**

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, 2016. The 24000 funds are federal funds, and 13000, 22000, and 27000 through 31400 funds are non-federal funds. The following individual funds had negative cash balances as of June 30, 2016:

<b>Fund #</b>	<b>Major Funds:</b>		
13000	Transportation	\$	36,639
<b>Fund #</b>	<b>Special Revenue Funds:</b>		
22000	Athletics		145,494
24106	IDEA-B Entitlement		328,623
24107	IDEA-B Discretionary		5,040
24109	IDEA-B Preschool		13,053
24113	Education of the Homeless		4,656
24118	Fresh Fruits and Vegetables		46,386
24120	IDEA-B "Risk Pool"		288
24132	IDEA-B Results Plan		91,072
24153	English Language Acquisition		33,341
24154	Teacher/Principal Training & Recruiting		55,160
24162	Title I School Improvement		68,445
24174	Carl D. Perkins Secondary - Current		20,468
24175	Carl D. Perkins Secondary - PY Unliq. Obligations		472
27107	2012 Go Bonds Student Library Fund (SB66)		79,453
27114	New Mexico Reads to Lead K-3 Reading Initiative		8,967
27139	Truancy Prevention/Intervention		612
27141	Truancy Initiative		15,344
27149	PreK Initiative		28,719
27166	Kindergarten Three Plus		145,932
27168	After School and Summer Enrichment Program		42,038
27178	2013 School Bus		262,527
27183	NM Grown Fresh Fruits and Vegetables		3,915
28189	GRADS - Child Care		8,364
28190	GRADS - Instruction		17,147
	<b>Capital Projects Fund:</b>		
31400	Special Capital Outlay - State		203,558
	Total	<u>\$</u>	<u>1,665,713</u>



**STATE OF NEW MEXICO  
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 4      Receivables**

Receivables as of June 30, 2016 are as follows:

	Major Funds			Total Governmental Funds
	Operational 11000	Debt Service 41000	Other Governmental Funds	
	\$	\$	\$	
Property taxes	\$ 93,537	\$ 1,752,927	\$ 455,554	\$ 2,302,018
Due from other governments	14,293	-	1,999,285	2,013,578
Total receivables	\$ 119,872	\$ 1,752,927	\$ 2,454,839	\$ 4,315,596

The above receivables are deemed 100% collectible. In accordance with GASB No. 33, property tax revenues in the amount of \$2,142,796 and \$9,094 in intergovernmental revenues were not collected within the period of availability and have been reclassified as unavailable revenue in the governmental fund financial statements.

**STATE OF NEW MEXICO  
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NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**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, 2016 is as follows:

<b>Governmental Activities</b>	Interfund Receivables	Interfund Payables
<b>Major Funds:</b>		
Operational (11000)	\$ 2,134,995	\$ 538,351
Transportation (13000)	-	36,639
Bond Building (31100)	100,000	-
<b>Non-major Funds:</b>		
Food Service (22000)	-	145,494
Title IIASA (24101)	-	503,396
IDEA-B Entitlement (24106)	-	328,623
IDEA-B Discretionary (24107)	-	5,040
IDEA-B Preschool (24109)	-	13,053
Education of the Homeless (24113)	-	4,656
Fresh Fruits and Vegetables (24118)	-	46,386
IDEA-B "Risk Pool" (24120)	-	288
IDEA-B Results Plan (24132)	-	91,072
English Language Acquisition (24153)	-	33,341
Teacher/Principal Training & Recruiting (24154)	-	55,160
Title I School Improvement (24162)	-	68,445
Carl D. Perkins Secondary - Current (24174)	-	20,468
Carl D. Perkins Secondary - PY Unliq. Obligations (24175)	-	472
2012 Go Bonds Student Library Fund (SB66) (27107)	-	79,453
New Mexico Reads to Lead K-3 Reading Initiative (27114)	-	8,967
Truancy Prevention/Intervention (27139)	-	612
Truancy Initiative (27141)	-	15,344
PreK Initiative (27149)	-	28,719
2013 PreK Classrooms (27166)	-	145,932
After School and Summer Enrichment Program (27168)	-	42,038
2013 School Bus (27178)	-	262,527
NM Grown Fresh Fruits and Vegetables (27183)	-	3,915
GRADS - Child Care	-	8,364
GRADS - Instruction (28190)	-	17,147
Special Capital Outlay - State (31400)	-	203,558
Capital Improvements SB-9 (31700)	222,465	-
Totals	\$ 2,457,460	\$ 2,707,460

All interfund balances are expected to be repaid within one year. The difference between interfund payables and receivables of \$250,000 is the amount loaned to the Operational Fund from the Agency Funds.

**STATE OF NEW MEXICO**  
**BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 6 Capital Assets**

A summary of capital assets and changes occurring during the year ended June 30, 2016 follows. Land and construction in progress is not subject to depreciation.

	Balance June 30, 2015	Additions	Deletions	Adjustments	Balance June 30, 2016
Capital assets used in governmental activities:					
Capital assets not being depreciated:					
Land	\$ 2,634,999	\$ -	\$ -	\$ -	\$ 2,634,999
Construction in progress	2,410,795	552,329	(2,963,124)	-	-
Total capital assets not being depreciated	<u>5,045,794</u>	<u>552,329</u>	<u>(2,963,124)</u>	<u>-</u>	<u>2,634,999</u>
Capital assets being depreciated:					
Land improvements	-	287,355	-	8,401,161	8,688,516
Buildings and building improvements	103,299,656	3,052,264	-	(8,401,183)	97,950,737
Furniture, fixtures, and equipment	2,175,069	189,388	(65,403)	20,296	2,319,350
Vehicles	5,053,551	545,378	(170,713)	(83,178)	5,345,038
Total capital assets being depreciated	<u>110,528,276</u>	<u>4,074,385</u>	<u>(236,116)</u>	<u>(62,904)</u>	<u>114,303,641</u>
Less accumulated depreciation:					
Land improvements	-	381,263	-	4,269,969	4,651,232
Buildings and building improvements	43,483,251	2,036,539	-	(3,644,482)	41,875,308
Furniture, fixtures, and equipment	1,442,737	122,225	(65,403)	9,483	1,509,042
Vehicles	4,010,545	204,067	(170,713)	(78,400)	3,965,499
Total accumulated depreciation	<u>48,936,533</u>	<u>2,744,094</u>	<u>(236,116)</u>	<u>556,570</u>	<u>52,001,081</u>
Total capital assets, net of depreciation	<u>\$ 66,637,537</u>	<u>\$ 1,882,620</u>	<u>\$ (2,963,124)</u>	<u>\$ (619,474)</u>	<u>\$ 64,937,559</u>

Depreciation expense for the year ended June 30, 2016 was charged to governmental activities as follows:

Governmental activities:	
Instruction	\$ 2,375,907
Support services - students	6,133
Support services - instruction	997
School administration	1,662
Operation and maintenance of plant	46,736
Student transportation	299,266
Food services	13,393
Total depreciation	<u>\$ 2,744,094</u>

At June 30, 2016, the District had no construction agreements in place.

The Schedule of Capital Assets Used by Source, and the Schedule of Changes in Capital Assets by Function and Activity have not been prepared because the detailed information is unavailable.

**STATE OF NEW MEXICO**  
**BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 7 Long-Term Debt**

During the year ended June 30, 2016 the following changes occurred in the liabilities reported in the government-wide statement of net position:

	Balance at 06/30/15	Additions	Deletions	Balance at 06/30/16	Due Within One Year
General Obligation Bonds	\$ 34,220,000	\$6,195,000	\$ 9,145,000	\$ 31,270,000	\$ 3,540,000
Compensated Absences	333,473	252,974	276,701	309,746	276,701
<b>Total</b>	<b>\$ 34,553,473</b>	<b>\$6,447,974</b>	<b>\$ 9,421,701</b>	<b>\$ 31,579,746</b>	<b>\$ 3,816,701</b>

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, 2016, compensated absences decreased \$23,727 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, 2016, all general obligation bonds are for governmental activities.

The District issued a refunding bond to advance refund \$6,050,000 of the series 2007 bond with an interest rate of 3.65% to 5.00%. The remaining portion of the 2007 series bond in the amount of \$200,000 was paid by the District in August 2016.

The advance refunding reduced total debt service payments over the next 7 years by \$497,135. This results in an economic gain of \$416,972 and a 6.892% savings on the refunded debt.

Bonds outstanding at June 30, 2016 are comprised of the following:

The annual requirements to amortize the General Obligation Bonds as of June 30, 2016, including interest payments are as follows:

	Series 2005 GO Bonds 3/29/2005	Series 2007 GO Bonds 11/27/2007	Series 2008 GO Bonds 12/2/2008
Original Issue	\$9,620,000	\$8,000,000	\$5,000,000
Maturity Date	8/1/2017	8/1/2022	8/1/2022
Principal	1-Aug	1-Aug	1-Aug
Interest Rate	3.25% - 5.00%	3.65% - 5.00%	4.00% - 5.00%
Principal/Interest	1-Aug	1-Aug	1-Aug
Interest	1-Feb	1-Feb	1-Feb

**STATE OF NEW MEXICO  
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 7 Long-Term Debt – (Continued)**

	Series 2009 GO Bonds	Series 2013 GO Bonds	Series 2014 GO Bonds
Issue Date	11/24/2009	9/17/2013	12/30/2014
Original Issue	\$4,605,000	\$13,250,000	\$9,500,000
Maturity Date	8/1/2019	8/1/2027	8/1/2026
Principal	1-Aug	1-Aug	1-Aug
Interest Rate	2.00% - 4.00%	2.00%-4.00%	2.00%-3.00%
Principal/Interest	1-Aug	1-Aug	1-Aug
Interest	1-Feb	1-Feb	1-Feb

	Series 2015 GO Bonds
Issue Date	12/15/2015
Original Issue	\$6,195,000
Maturity Date	8/1/2022
Principal	1-Aug
Interest Rate	2.00%
Principal/Interest	1-Aug
Interest	1-Feb

Fiscal Year Ending June 30,	Total General Obligation Bonds		Total Debt Service
	Principal	Interest	
2017	\$ 3,540,000	\$ 907,178	\$ 4,447,178
2018	2,655,000	805,738	3,460,738
2019	2,800,000	729,888	3,529,888
2020	2,900,000	646,138	3,546,138
2021	2,525,000	564,463	3,089,463
2022-2026	13,000,000	1,509,456	14,509,456
2027-2031	3,850,000	302,750	4,152,750
Totals	<u>\$ 31,270,000</u>	<u>\$ 5,465,608</u>	<u>\$ 36,735,608</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.

**STATE OF NEW MEXICO**  
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**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, 2016:

<b>Fund#</b>	<b>Special Revenue Funds:</b>	<b>Amount</b>
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><u>\$   24,110</u></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.

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, 2016, there have been no claims that have exceeded insurance coverage.

**STATE OF NEW MEXICO  
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2  
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JUNE 30, 2016**

**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, 2016:

<b>Fund #</b>	<b>Fund Description</b>	<b>Amount</b>
13000	Transportation	\$ 105,241
22000	Athletics	151,854
24101	Title I-IASA	146,077
24106	IDEA-B Entitlement	11,485
24107	IDEA-B Discretionary	5,040
24109	IDEA-B Preschool	63
24113	Education of the Homeless	2,999
24118	Fresh Fruits and Vegetables	26,023
24120	IDEA-B "Risk Pool"	288
24132	IDEA-B Results Plan	26,299
24153	English Language Acquisition	32,952
24154	Teacher/Principal Training & Recruiting	10,644
24162	Title I School Improvement	68,445
24174	Carl D Perkins Secondary - Current	4,295
24175	Carl D Perkins Secondary - PY Unliq. Obligation	472
27107	2012 GO Bonds Student Library Fund (SB66)	79,453
27139	Truancy Prevention/Intervention	612
27141	Truancy Initiative	419
27166	Kindergarten - Three Plus	7,095
27183	NM Grown Fresh Fruits and Vegetables	581
28189	GRADS - Child Care	8,364
28190	GRADS - Instruction	17,147
31400	Special Capital Outlay - State	14,423
	<b>Total</b>	<b><u>\$ 720,271</u></b>

**STATE OF NEW MEXICO  
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

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

B. Excess of expenditures over appropriations: The District had the following funds which reported expenditures over appropriations.

<b>Fund #</b>	<b>Fund and Function</b>	<b>Amount</b>
<b>Major Funds:</b>		
11000	Operational - Instruction	\$ 58,392
11000	Operational - School Administration	55,705
11000	Operational - Student Transportation	20,804
11000	Operational - Food Service Operations	368
<b>Non-Major Funds:</b>		
22000	Athletics - Instruction	85,206
24101	Title I IASA - Instruction	15,431
24106	IDEA-B Entitlement - Operation & Maintenance of Plant	1,127
24109	IDEA-B Preschool - General Administration	1,036
24113	Education of the Homeless - Instruction	14,585
24113	Education of the Homeless - General Administration	633
24118	Fresh Fruits and Vegetables - Food Service Operations	838
24132	IDEA B Results Plan - Instruction	17
24153	English Language Acquisition - General Administration	16
24162	Title I School Improvement - Instruction	165
24174	Carl D. Perkins Secondary - Current - General Administration	929
25152	Title XIX Medicaid 0/2 - Instruction	92
25152	Title XIX Medicaid 0/2 - Operation & Maintenance of Plant	1,389
25152	Title XIX Medicaid 0/2 - Student Transportation	2,595
25152	Title XIX Medicaid 0/2 - Food Services Operations	92
27107	2012 GO Bonds Student Library Fund SB66 - Instruction	1,716
27149	Pre-K Initiative - Student Transportation	938
	Total	<u>\$ 262,074</u>

C. One fund had designated cash appropriations in excess of available balances for the year ended June 30, 2016. The Athletics Fund had designated cash of \$2,851 and available cash of (\$31,823).

**NOTE 11. General Information on the Pension Plan – Educational Retirement Board**

**Plan Description.** ERB was created by the state’s Educational Retirement Act, Section 22-11-1 through 22-11-52, NMSA 1978, as amended, to administer the New Mexico Educational Employees’ Retirement Plan (Plan). The Plan is a cost-sharing, multiple employer plan established to provide retirement and disability benefits for certified teachers and other employees of the state’s public schools, institutions of higher learning, and agencies providing educational programs. The Plan is a pension trust fund of the State of New Mexico. The New Mexico legislature has the authority to set or amend contribution rates. ERB issues a publicly available financial report and a comprehensive annual financial report that can be obtained at [www.nmerb.org](http://www.nmerb.org).

**Benefits Provided.** A member’s retirement benefit is determined by a formula which includes three component parts: the member’s final average salary (FAS), the number of years of service credit, and a 0.0235 multiplier. The FAS is the average of the member’s salaries for the last five years of service or any other consecutive five-year period, whichever is greater. A brief summary of Plan coverage provisions follows:

For members employed before July 1, 2010, a member is eligible to retire when one of the following events occurs: the member’s age and earned service credit add up to the sum of 75 or more; the member is at least sixty-five years of age and has five or more years of earned service credit; or the member has service credit totaling 25 years or more.



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**JUNE 30, 2016**

**NOTE 11**      **General Information on the Pension Plan – Educational Retirement Board (Continued)**

Chapter 288, Laws of 2009 changed the eligibility requirements for new members first employed on or after July 1, 2010. The eligibility for a member who either becomes a new member on or after July 1, 2010, or at any time prior to that date refunded all member contributions and then became, or becomes, reemployed after that date is as follows: the member's age and earned service credit add up to the sum of 80 or more; the member is at least sixty-seven years of age and has five or more years of earned service credit; or the member has service credit totaling 30 years or more.

The benefit is paid as a monthly life annuity with a guarantee that, if the payments made do not exceed the member's accumulated contributions plus accumulated interest, determined as of the date of retirement, the balance will be paid in a lump sum to the member's surviving beneficiary. There are three benefit options available: single life annuity; single life annuity monthly benefit reduced to provide for a 100% survivor's benefit; or single life annuity monthly benefit is reduced to provide for a 50% survivor's benefit.

Retired members and surviving beneficiaries receiving benefits receive an automatic cost of living adjustment (COLA) to their benefit each July 1, beginning in the year the member attains or would have attained age 65 or on July 1 of the year following the member's retirement date, whichever is later. Prior to June 30, 2013 the COLA adjustment was equal to one-half the change in the Consumer Price Index (CPI), except that the COLA shall not exceed 4% nor be less than 2%, unless the change in CPI is less than 2%, in which case, the COLA would equal the change in the CPI, but never less than zero. As of July 1, 2013, for current and future retirees the COLA was immediately reduced until the plan is 100% funded. The COLA reduction was based on the median retirement benefit of all retirees excluding disability retirements. Retirees with benefits at or below the median and with 25 or more years of service credit will have a 10% COLA reduction; their average COLA will be 1.8%. All other retirees will have a 20% COLA reduction; their average COLA will be 1.6%. Once the funding is greater than 90%, the COLA reductions will decrease. The retirees with benefits at or below the median and with 25 or more years of service credit will have a 5% COLA reduction; their average COLA will be 1.9%. All other retirees will have a 10% COLA reduction; their average will be 1.8%. Members on disability retirement are entitled to a COLA commencing on July 1 of the third full year following disability retirement. A member on regular retirement who can prove retirement because of a disability may qualify for a COLA beginning July 1 in the third full year of retirement.

A member is eligible for a disability benefit provided (a) he or she has credit for at least 10 years of service, and (b) the disability is approved by ERB. The monthly benefit is equal to 2% of FAS times years of service, but not less than the smaller of (a) one-third of FAS or (b) 2% of FAS times year of service projected to age 60. The disability benefit commences immediately upon the member's retirement. Disability benefits are payable as a monthly life annuity, with a guarantee that, if the payments made do not exceed the member's accumulated contributions, determined as of the date of retirement, the balance will be paid in a lump sum to the member's surviving beneficiary. If the disabled member survives to age 60, the regular optional forms of payment are then applied.

A member with five or more years of earned service credit on deferred status may retire on disability retirement when eligible under the Rule of 75 or when the member attains age 65.

**Contributions.** The contribution requirements of defined benefit plan members and the Belen Consolidated School District No. 2 are established in state statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. For the fiscal year ended June 30, 2015 employers contributed 13.15% of employees' gross annual salary to the Plan. Employees earning \$20,000 or less contributed 7.90% and employees earning more than \$20,000 contributed 10.10% of their gross annual salary. For fiscal year ended June 30, 2016 employers contributed 13.90%, and employees earning \$20,000 or less continued to contribute 7.90% and employees earning more than \$20,000 contributed an increased amount of 10.70% of their gross annual salary. Contributions to the pension plan from the District were \$2,990,306 for the year ended June 30, 2016.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:** The total ERB pension liability, net pension liability, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2014. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2015, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2015. At June 30, 2016, the District's reported a liability of \$49,155,326 for its proportionate share of the net pension

**STATE OF NEW MEXICO  
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 11 General Information on the Pension Plan – Educational Retirement Board (Continued)**

liability. The District's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2015. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2015, the District's proportion was 0.77807%, which was a decrease of 0.02940% from its proportion measured as June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$2,947,031. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Net (Inflows) Outflows</b>
Differences between expected and actuarial experience	\$ -	\$ (911,294)	\$ (911,294)
Changes of assumptions	1,690,714.00	-	1,690,714
Net difference between projected and actual earnings on pension plan investments	2,730,883	(2,952,143)	(221,260)
Changes in proportion and differences between Belen Consolidated Schools' contributions and proportionate share of contributions	-	(1,812,601)	(1,812,601)
Belen Consolidated Schools' contributions subsequent to the measurement date	<u>2,990,306</u>	<u>-</u>	<u>2,990,306</u>
Total	<u>\$ 7,411,903</u>	<u>\$ (5,676,038)</u>	<u>\$ 1,735,865</u>

Deferred outflows of resources of related to pensions resulting from the District's contributions subsequent to the measurement date of June 30, 2015 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30,</b>	
<b>2017</b>	\$ (904,323)
<b>2018</b>	(820,374)
<b>2019</b>	(212,465)
<b>2020</b>	682,721
<b>Thereafter</b>	<u>-</u>
<b>Total</b>	<u>\$ (1,254,441)</u>

**Actuarial Assumptions.** As described above, the total ERB pension liability and net pension liability are based on an actuarial valuation performed as of June 30, 2014. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2015 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2015. Specifically, the liabilities measured as of June 30, 2015 incorporate the following assumptions:

**STATE OF NEW MEXICO  
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 11      General Information on the Pension Plan – Educational Retirement Board (Continued)**

1. All members with an annual salary of more than \$20,000 will contribute 10.10% during the fiscal year ending June 30, 2014 and 10.7% thereafter.
2. Members hired after June 30, 2013 will have an actuarially reduced retirement benefit if they retire before age 55 and their COLA will be deferred until age 67.
3. COLAs for most retirees are reduced until ERB attains a 100% funded status.
4. These assumptions were adopted by ERB on April 26, 2013 in conjunction with the six-year experience study period ending June 30, 2012.

For the purposes of projecting future benefits, it is assumed that the full COLA is paid in all future years. The actuarial methods and assumptions used to determine contribution rates included in the measurement are as follows:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll
Remaining Period	Amortized – closed 30 years from June 30, 2012 to June 30, 2042
Asset Valuation Method	5 year smoothed market for funding valuation (fair value for financial valuation)
Inflation	3.00%
Salary Increases	Composition: 3% inflation, plus 1.25% productivity increase rate, plus step rate promotional increases for members with less than 10 years of service
Investment Rate of Return	7.75%
Retirement Age	Experience based table of age and service rates
Mortality	90% of RP-2000 Combined Mortality Table with White Collar Adjustment projected to 2014 using Scale AA (one year setback for females)

The long-term expected rate of return on pension plan investments is determined annually using a building-block approach that includes the following: 1) rate of return projections are the sum of current yield plus projected changes in price (valuation, defaults, etc.), 2) application of key economic projections (inflation, real growth, dividends, etc.), and 3) structural themes (supply and demand imbalances, capital flows, etc.). These items are developed for each major asset class. Best estimates of geometric real rates of return for each major asset class included in the Plan's target asset allocation for 2015 and 2014 for 30- year return assumptions are summarized in the following table:

<b>Asset Class</b>	<b>2015 Long-Term Expected Real Rate of Return</b>	<b>2014 Long-Term Expected Real Rate of Return</b>
Cash	3.25%	1.50%
Treasuries	3.50%	2.00%
IG Corp Credit	4.75%	3.50%
MBS	3.75%	2.25%
Core Bonds	3.98%	2.53%
TIPS	4.00%	2.50%
High Yield Bonds	5.75%	4.50%
Bank Loans	6.00%	5.00%
Global Bonds (Unhedged)	2.25%	1.25%

**STATE OF NEW MEXICO  
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 11      General Information on the Pension Plan – Educational Retirement Board (Continued)**

Asset Class	2015 Long-Term Expected Real Rate of Return	2014 Long-Term Expected Real Rate of Return
Global Bonds (Hedged)	2.41%	1.38%
EMD External	6.00%	5.00%
EMD Local Currency	6.75%	5.75%
Large Cap Equities	7.50%	6.25%
Small/Mid Cap	7.75%	6.25%
International Equities (Unhedged)	8.00%	7.25%
International Equities (Hedged)	8.47%	7.50%
Emerging International Equities	9.25%	9.50%
Private Equity	9.50%	8.75%
Private Debt	8.00%	8.00%
Private Real Assets	7.75%	7.75%
Real Estate	6.50%	6.25%
Commodities	5.75%	5.00%
Hedge Funds	6.75%	5.50%

*Discount rate:* A single discount rate of 7.75% was used to measure the total ERB pension liability as of June 30, 2015 and June 30, 2014. This single discount rate was based on the expected rate of return on pension plan investments of 7.75%. Based on the stated assumptions and the projection of cash flows, the Plan’s fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current pension plan members. Therefore the long term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The projection of cash flows used to determine this single discount rate assumed that Plan contributions will be made at the current statutory levels. Additionally, contributions received through the Alternative Retirement Plan (ARP), ERB’s defined contribution plan, are included in the projection of cash flows. ARP contributions are assumed to remain at a level percentage of ERB payroll, where the percentage of payroll is based on the most recent five year contribution history.

*Sensitivity of Belen Consolidated School District No. 2’s proportionate share of the net pension liability to changes in the discount rate.* The following table shows the sensitivity of the net pension liability to changes in the discount rate as of the fiscal year end 2015. In particular, the table presents the (employer’s) net pension liability under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.75%) or one percentage point higher (8.75%) than the single discount rate.

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Belen Consolidated School District No. 2’s proportionate share of the net pension liability	\$ 66,141,775	\$ 49,155,326	\$ 34,884,941

**Pension Plan Fiduciary Net Position.** Detailed information about the ERB’s fiduciary net position is available in the separately issued audited financial statements as of and for June 30, 2015 and 2014 which are publicly available at [www.nmerb.org](http://www.nmerb.org).

**Payables to the Pension Plan.** Belen Consolidated School District No. 2 had an outstanding liability to the pension plan at June 30, 2016 of \$859,803 which it paid on July 13, 2016.

**STATE OF NEW MEXICO**  
**BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**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.

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

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

*Funding Policy.* The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars if the eligible participant retired prior to the employer's RHCA effective date or is a former legislator or former governing authority member.

Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at [www.nmrhca.state.nm.us](http://www.nmrhca.state.nm.us).

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2016, 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, 2016 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, 2016, June 30, 2015, and June 30, 2014 are \$432,796, \$433,673 and \$430,473 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, 2016**

**NOTE 13      Unavailable Revenues**

The District received \$9,094 from Fresh Fruits and Vegetables, 24118, subsequent to year end. However, these funds were received more than 60 days after year-end. The District had \$2,142,796 in unavailable revenues from uncollected taxes. As such, the amounts are recorded as a receivable and a deferred inflows of resources in the funds statements; however, for the government-wide statements the amounts are recorded as a receivable and a revenue June 30, 2016.

**NOTE 14      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 15      Concentrations**

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

**NOTE 16      Subsequent Accounting Standard Pronouncements**

In June 2015, GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, was issued. Effective Date: The provisions of this Statement established requirements for defined benefit pensions that are not within the scope of Statement No. 68 in financial reporting periods beginning after June 15, 2016, and the requirements of this Statement that address financial reporting for assets accumulated for purposes of providing those pensions are effective for fiscal years beginning after June 15, 2015. Earlier application is encouraged. The District is still evaluating how this standard will affect the District.

In June 2015, GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, was issued. Effective Date: The provisions of this Statement are effective for postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for fiscal years beginning after June 15, 2016. Earlier application is encouraged. The District is still evaluating how this standard will affect the District.

In June 2015, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, was issued. Effective Date: The provisions of this Statement are effective for addressing accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers for fiscal years beginning after June 15, 2017. Earlier application is encouraged. The District is still evaluating how this standard will affect the District.

In August 2015, GASB Statement No. 77, *Tax Abatement Disclosures*, was issued. Effective Date: The provisions of this Statement require governments that enter into tax abatement agreements to disclose relevant information about those agreements and is effective for fiscal years beginning after December 15, 2015. Earlier application is encouraged. The District is still evaluating how this standard will affect the District.

In December 2015, GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, was issued. Effective Date: The provisions of this Statement amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plans and is effective for fiscal years beginning after December 15, 2015. The District is still evaluating how this standard will affect the District.

**STATE OF NEW MEXICO**  
**BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 16**      **Subsequent Accounting Standard Pronouncements (Continued)**

In January 2016, GASB Statement No. 80, Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14, was issued. Effective Date: The provisions of this Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether*

*Certain Organizations Are Component Units* and is effective for reporting periods beginning after June 15, 2016. The District is still evaluating how this standard will affect the District.

In March 2016, GASB Statement No. 81, Irrevocable Split-Interest Agreements, was issued. Effective Date: The provisions of this Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period and is effective for reporting periods beginning after December 15, 2016. The District is still evaluating how this standard will affect the District.

In March 2016, GASB Statement No. 82, Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73, was issued. Effective Date: The provisions of this Statement clarifies that payments that are made by an employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements should be classified as plan member contributions for purposes of Statement 67 and as employee contributions for purposes of Statement 68. It also requires that an employer's expense and expenditures for those amounts be recognized in the period for which the contribution is assessed and classified in the same manner as the employer classifies similar compensation other than pensions and is effective for reporting periods after June 15, 2016. The District is still evaluating how this standard will affect the District.

**NOTE 17**      **Restatement – Prior Period Adjustment**

During the year ended June 30, 2016 there was a prior period adjustment which resulted in the reduction of net position in the amount of \$642,125. This reduction is made up of two primary issues.

The District had been carrying stale dated deposits and checks which were removed but related to prior years and minor adjustments to the amount of unearned revenues were made. These adjustments combined for a reduction of \$22,651.

Additionally, the District made adjustments to its fixed assets and accumulated depreciation to correct some prior period mistakes, particularly to the accumulated depreciation. This resulted in a net reduction of \$619,474.

**NOTE 18**      **Subsequent Events**

A review of subsequent events through November 09, 2016, the date the financial statements were available to be issued, indicated nothing of audit significance other than those disclosed below:

The Board of Education approved the advanced refunding of its 2008 series bonds and the issuance of new debt. This debt was issued on August 2, 2016, and the issues will be known as the Series 2016A for the new issue and Series 2016B for the advance refunding. The par value of the new issue is \$5,200,000 with a premium of \$145,591. Interest will vary between 2.00% and 2.75%. The refunding is for \$3,560,000 with a premium of \$108,555. Interest will be 2.00%. The net present value of future savings is \$202,476.

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**REQUIRED SUPPLEMENTARY INFORMATION**

**STATE OF NEW MEXICO**  
**BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**EDUCATIONAL RETIREMENT BOARD (ERB) PLAN**  
**LAST 10 FISCAL YEARS\***  
**JUNE 30, 2016**

Schedule I

	<u>2016</u>	<u>2015</u>
Belen Consolidated School District No. 2's proportion of the net pension liability	0.75889%	0.77807%
Belen Consolidated School District No. 2's proportionate share of the net pension liability	\$ 49,155,326	44,394,571
Belen Consolidated School District No. 2's covered-employee payroll	\$ 20,720,128	\$ 21,446,446
Belen Consolidated School District No. 2's proportionate share of the net pension liability as a percentage of covered-employee payroll	237.23%	207.00%
Plan fiduciary net position as a percentage of total pension liability	63.97%	66.54%

\* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Belen Consolidated Schools will present information for those years for which information is available.

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

**STATE OF NEW MEXICO**  
**BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**SCHEDULE OF PENSION CONTRIBUTIONS**  
**EDUCATIONAL RETIREMENT BOARD (ERB) PLAN**  
**LAST 10 FISCAL YEARS\***  
**JUNE 30, 2016**

Schedule II

	2016	2015
Contractually required contribution	\$ 2,990,306	\$ 2,997,372
Contributions in relation to the contractually required contribution	2,990,306	2,997,372
Contribution deficiency (excess)	\$ -	\$ -
Belen Consolidated School District No. 2's covered-employee payroll	\$ 21,484,867	\$ 21,417,573
Contributions as a percentage of covered-employee payroll	13.92%	13.99%

\* This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the Belen Consolidated Schools will present information for those years for which information is available.

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

**STATE OF NEW MEXICO**  
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
EDUCATIONAL RETIREMENT BOARD (ERB) PLAN  
JUNE 30, 2016

**Changes of benefit terms .** The COLA and retirement eligibility benefits changes in recent years are described in the **Benefits Provided** subsection of the financial statement note disclosure **Pension Plan - Educational Retirement Board .**

**Changes of assumptions.**

ERB conducts an actuarial experience study for the Plan on a biennial basis. Based on the six-year actuarial experience study presented to the Board of Trustees on June 12, 2015, ERB implemented the following changes in assumptions for fiscal year 2015:

1. Fiscal year 2015 valuation assumptions that changed based on this study:
  - a. Lower wage inflation from 4.25% to 3.75%
  - b. Update mortality tables to incorporate generational improvements
  - c. Update demographic assumptions to use currently published tables which may result in minor calculation changes
  - e. Remove population growth assumption for projections
  - f. Lower population growth from 0.50% to zero. (No impact on valuation results.)
  
2. Assumptions that were not changed:
  - a. Investment return will remain at 7.75%
  - b. Inflation will remain at 3.00%
  - c. Real net return will remain at 4.75%
  - d. COLA will remain at 2.00% per year
  - e. Payroll growth will remain at 3.50%
  - f. Maintain experience-based rates for members who joined by June 30, 2010

See also the **Actuarial Assumptions** subsection of the financial statement note disclosure **General Information on the Pension Plan - Educational Retirement Board, General Information on the Pension Plan**

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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, 2016

Statement A-1

	Special Revenue	Capital Projects	Debt Service	Total
<b>ASSETS</b>				
<i>Current assets:</i>				
Cash and temporary investments	\$ 2,241,603	\$ 750,709	\$ -	\$ 2,992,312
Accounts receivable				
Taxes	-	455,554	-	455,554
Due from other governments	1,810,150	189,135	-	1,999,285
Interfund receivables	-	222,465	-	222,465
Other	-	-	-	-
Inventory	86,993	-	-	86,993
<i>Total assets</i>	<u>4,138,746</u>	<u>1,617,863</u>	<u>-</u>	<u>5,756,609</u>
<b>LIABILITIES</b>				
<i>Current liabilities:</i>				
Accounts payable	148,582	21,023	-	169,605
Accrued payroll liabilities	227,595	-	-	227,595
Interfund payables	1,928,912	203,558	-	2,132,470
Unearned revenue	24,110	-	-	24,110
<i>Total liabilities</i>	<u>2,329,199</u>	<u>224,581</u>	<u>-</u>	<u>2,553,780</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues - property taxes	-	423,567	-	423,567
Unavailable revenues - other	9,094	-	-	9,094
<i>Total deferred inflows of resources</i>	<u>9,094</u>	<u>423,567</u>	<u>-</u>	<u>432,661</u>
<b>FUND BALANCES</b>				
Nonspendable	86,993	-	-	86,993
Restricted for:				
Grant mandates	1,244,628	-	-	1,244,628
Capital projects	-	491,845	-	491,845
Debt service	-	-	-	-
Assigned	1,069,439	492,293	-	1,561,732
Unassigned	(600,607)	(14,423)	-	(615,030)
<i>Total fund balances</i>	<u>1,800,453</u>	<u>969,715</u>	<u>-</u>	<u>2,770,168</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 4,138,746</u>	<u>\$ 1,617,863</u>	<u>\$ -</u>	<u>\$ 5,756,609</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 GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

Statement A-2

	Special Revenue	Capital Projects	Debt Service	Total
<i>Revenues:</i>				
Property taxes	\$ -	\$ 1,120,589	\$ -	\$ 1,120,589
State grants	1,820,036	534,422	-	2,354,458
Federal grants	5,450,460	-	-	5,450,460
Miscellaneous	-	-	-	-
Charges for services	291,075	-	-	291,075
Investment Income	132	3,854	-	3,986
<i>Total revenues</i>	<u>7,561,703</u>	<u>1,658,865</u>	<u>-</u>	<u>9,220,568</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	2,730,902	-	-	2,730,902
Support services				
Students	968,754	-	-	968,754
Instruction	423,044	-	-	423,044
General administration	291,100	11,288	-	302,388
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	1,809	-	-	1,809
Student transportation	319,733	-	-	319,733
Other support services	-	-	-	-
Food services operations	2,705,852	-	-	2,705,852
Community service	-	-	-	-
Capital outlay	-	886,840	-	886,840
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>7,441,194</u>	<u>898,128</u>	<u>-</u>	<u>8,339,322</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>120,509</u>	<u>760,737</u>	<u>-</u>	<u>881,246</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>120,509</u>	<u>760,737</u>	<u>-</u>	<u>881,246</u>
<i>Fund balances - beginning of year</i>	1,701,084	210,489	-	1,911,573
<i>Prior period adjustment</i>	(21,140)	(1,511)	-	(22,651)
<i>Adjusted fund balances - beginning of year</i>	<u>1,679,944</u>	<u>208,978</u>	<u>-</u>	<u>1,888,922</u>
<i>Fund balances - end of year</i>	<u>\$ 1,800,453</u>	<u>\$ 969,715</u>	<u>\$ -</u>	<u>\$ 2,770,168</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. No minimum balance required according to legislation.

**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. No minimum balance required according to legislation.

**Title I IASA (24101)** This fund is used to account for 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. No minimum balance required according to legislation.

**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. No minimum balance required according to legislation.

**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. No minimum balance required according to legislation.

**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. No minimum balance required according to legislation.

**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. No minimum balance required according to legislation.

**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. No minimum balance required according to legislation.

**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. No minimum balance required according to legislation.

**IDEA-B Results Plan (24132)** – This account is to support the individual school site’s Education Plan for Student Success, or areas in need of improvement as identified through an instructional audit. This is a pilot program for the New Mexico Real Results program required by US Dept. of Education of Special Education Programs. Authority for creation of this fund is the NMPED. No minimum balance required according to legislation.

**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. No minimum balance required according to legislation.

**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. No minimum balance required according to legislation.

**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. No minimum balance required according to legislation.

**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) No minimum balance required according to legislation.

**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) No minimum balance required according to legislation.

**Carl D Perkins Secondary – Current (24174)** – To account for federal funds to provide vocational and technical education for secondary education. (Authority: P.L. 105-332). No minimum balance required according to legislation.

**Carl D 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). No minimum balance required according to legislation.

**Carl D Perkins Secondary – Redistribution (24176)** – Redistribution for the program as described above in (24174). (Authority: P.L. 105-332). No minimum balance required according to legislation.

**Carl D Perkins Secondary – Redistribution 2 (24183)** – Redistribution for the program as described above in (24174 and 24176). (Authority: P.L. 105-332). No minimum balance required according to legislation.

**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. No minimum balance required according to legislation.

**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) No minimum balance required according to legislation.

**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. No minimum balance required according to legislation.

**TANF/GRADS HSD (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. No minimum balance required according to legislation.

**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. No minimum balance required according to legislation.

**Dual Credit Instructional Materials (27103)** – To purchase college textbooks for students who dual enroll in college credited courses while still attending high school. No minimum balance required according to legislation.

**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. No minimum balance required according to legislation.

**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. No minimum balance required according to legislation.

**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. No minimum balance required according to legislation.

**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. No minimum balance required according to legislation.

**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. No minimum balance required according to legislation. No minimum balance required according to legislation.

**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. No minimum balance required according to legislation.

**Beginning Teacher Mentoring Program (27154)** – The objective of this program is to provide beginning teachers an effective transition into the teaching profession, retain capable teachers, improve the achievement of students and improve the overall success of the school. Funding is provided by the New Mexico Board of Education. Authority for creation of this fund is NMSA 22-2-8-10. No minimum balance required according to legislation.

**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. No minimum balance required according to legislation.

**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. No minimum balance required according to legislation.

**After School and Summer Enrichment Program (27168)** The purpose of this award is to create learning centers that will provide students with a broad range of exceptional, school-linked learning and developmental opportunities, designed to complement the students' regular academic program. Funding for this program is provided through the New Mexico Public Education Department, Special Appropriation Fund. No minimum balance required according to legislation.

**2013 School Bus (27178)** – To account for funds provided by New Mexico Public Education Department to purchase school buses. No minimum balance required according to legislation.

**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. No minimum balance required according to legislation.

**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. No minimum balance required according to legislation.

**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. No minimum balance required according to legislation.

**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. No minimum balance required according to legislation.

**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. No minimum balance required according to legislation.

**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. No minimum balance required according to legislation.

**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. No minimum balance required according to legislation.

**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. No minimum balance required according to legislation.



STATE OF NEW MEXICO  
 BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2016

Statement B-1

	Food Services 21000	Athletics 22000	Title I IASA 24101	IDEA-B Entitlement 24106	IDEA-B Discretionary 24107
<b>ASSETS</b>					
<i>Current assets:</i>					
Cash and temporary investments	\$ 1,519,156	\$ -	\$ -	\$ -	\$ -
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	-	-	519,914	366,013	-
Interfund receivables	-	-	-	-	-
Inventory	86,993	-	-	-	-
<i>Total assets</i>	<u>1,606,149</u>	<u>-</u>	<u>519,914</u>	<u>366,013</u>	<u>-</u>
<b>LIABILITIES</b>					
<i>Current liabilities:</i>					
Accounts payable	298	6,334	110,566	12,673	-
Accrued payroll liabilities	56,315	26	52,029	36,202	-
Interfund payables	-	145,494	503,396	328,623	5,040
Unearned revenue	-	-	-	-	-
<i>Total liabilities</i>	<u>56,613</u>	<u>151,854</u>	<u>665,991</u>	<u>377,498</u>	<u>5,040</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenues - property taxes	-	-	-	-	-
Unavailable revenues - other	-	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Nonspendable	86,993	-	-	-	-
Restricted for:					
Grant mandates	662,543	-	-	-	-
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned	800,000	-	-	-	-
Unassigned	-	(151,854)	(146,077)	(11,485)	(5,040)
<i>Total fund balances</i>	<u>1,549,536</u>	<u>(151,854)</u>	<u>(146,077)</u>	<u>(11,485)</u>	<u>(5,040)</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 1,606,149</u>	<u>\$ -</u>	<u>\$ 519,914</u>	<u>\$ 366,013</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, 2016

Statement B-1

	IDEA-B Preschool 24109	Education of the Homeless 24113	Fresh Fruits and Vegetables 24118	IDEA-B "Risk Pool" 24120	IDEA-B Results Plan 24132
<b>ASSETS</b>					
<i>Current assets:</i>					
Cash and temporary investments	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	12,990	5,539	29,457	-	64,773
Interfund receivables	-	-	-	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>12,990</u>	<u>5,539</u>	<u>29,457</u>	<u>-</u>	<u>64,773</u>
<b>LIABILITIES</b>					
<i>Current liabilities:</i>					
Accounts payable	-	2,999	-	-	-
Accrued payroll liabilities	-	-	-	-	-
Interfund payables	13,053	4,656	46,386	288	91,072
Unearned revenue	-	883	-	-	-
<i>Total liabilities</i>	<u>13,053</u>	<u>8,538</u>	<u>46,386</u>	<u>288</u>	<u>91,072</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenues - property taxes	-	-	-	-	-
Unavailable revenues - other	-	-	9,094	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>9,094</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted for:					
Grant mandates	-	-	-	-	-
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	(63)	(2,999)	(26,023)	(288)	(26,299)
<i>Total fund balances</i>	<u>(63)</u>	<u>(2,999)</u>	<u>(26,023)</u>	<u>(288)</u>	<u>(26,299)</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 12,990</u>	<u>\$ 5,539</u>	<u>\$ 29,457</u>	<u>\$ -</u>	<u>\$ 64,773</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, 2016

Statement B-1

	English Language Acquisition 24153	Teacher/Principal Training & Recruiting 24154	Safe & Drug Free Schools & Community 24157	Title I School Improvement 24162	Reading First 24167
<b>ASSETS</b>					
<i>Current assets:</i>					
Cash and temporary investments	\$ -	\$ -	\$ 205	\$ -	\$ 12,138
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	389	52,100	-	-	-
Interfund receivables	-	-	-	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>389</u>	<u>52,100</u>	<u>205</u>	<u>-</u>	<u>12,138</u>
<b>LIABILITIES</b>					
<i>Current liabilities:</i>					
Accounts payable	-	-	-	-	-
Accrued payroll liabilities	-	7,584	-	-	-
Interfund payables	33,341	55,160	-	68,445	-
Unearned revenue	-	-	205	-	12,138
<i>Total liabilities</i>	<u>33,341</u>	<u>62,744</u>	<u>205</u>	<u>68,445</u>	<u>12,138</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenues - property taxes	-	-	-	-	-
Unavailable revenues - other	-	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted for:					
Grant mandates	-	-	-	-	-
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	(32,952)	(10,644)	-	(68,445)	-
<i>Total fund balances</i>	<u>(32,952)</u>	<u>(10,644)</u>	<u>-</u>	<u>(68,445)</u>	<u>-</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 389</u>	<u>\$ 52,100</u>	<u>\$ 205</u>	<u>\$ -</u>	<u>\$ 12,138</u>

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

STATE OF NEW MEXICO  
 BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2  
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 NONMAJOR SPECIAL REVENUE FUNDS  
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Statement B-1

	Carl D Perkins Secondary - Current 24174	Carl D Perkins Secondary - PY Unliq. Obligations 24175	Carl D Perkins Secondary - Redistribution 24176	Carl D Perkins Secondary - Redistribution 2 24183	GRADS Child Care CYFD 25149
<b>ASSETS</b>					
<i>Current assets:</i>					
Cash and temporary investments	\$ -	\$ -	\$ 2,218	\$ -	\$ 3,000
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	19,920	-	-	-	-
Interfund receivables	-	-	-	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>19,920</u>	<u>-</u>	<u>2,218</u>	<u>-</u>	<u>3,000</u>
<b>LIABILITIES</b>					
<i>Current liabilities:</i>					
Accounts payable	3,747	-	-	-	-
Accrued payroll liabilities	-	-	-	-	-
Interfund payables	20,468	472	-	-	-
Unearned revenue	-	-	2,218	-	3,000
<i>Total liabilities</i>	<u>24,215</u>	<u>472</u>	<u>2,218</u>	<u>-</u>	<u>3,000</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenues - property taxes	-	-	-	-	-
Unavailable revenues - other	-	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted for:					
Grant mandates	-	-	-	-	-
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	(4,295)	(472)	-	-	-
<i>Total fund balances</i>	<u>(4,295)</u>	<u>(472)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 19,920</u>	<u>\$ -</u>	<u>\$ 2,218</u>	<u>\$ -</u>	<u>\$ 3,000</u>

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

STATE OF NEW MEXICO  
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 JUNE 30, 2016

Statement B-1

	Title XIX Medicaid 0/2 Years 25152	Child Care Block Grant 25157	TANF/GRADS HSD 25162	New Mexico Community Foundation 26176	Dual Credit Instructional Materials 27103
<b>ASSETS</b>					
<i>Current assets:</i>					
Cash and temporary investments	\$ 284,953	\$ 161,740	\$ 5,666	\$ 2,465	\$ 2,283
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	2,147	-	-	-	1,235
Interfund receivables	-	-	-	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>287,100</u>	<u>161,740</u>	<u>5,666</u>	<u>2,465</u>	<u>3,518</u>
<b>LIABILITIES</b>					
<i>Current liabilities:</i>					
Accounts payable	1,508	-	-	-	233
Accrued payroll liabilities	16,153	-	-	-	-
Interfund payables	-	-	-	-	-
Unearned revenue	-	-	5,666	-	-
<i>Total liabilities</i>	<u>17,661</u>	<u>-</u>	<u>5,666</u>	<u>-</u>	<u>233</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenues - property taxes	-	-	-	-	-
Unavailable revenues - other	-	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted for:					
Grant mandates	-	161,740	-	2,465	3,285
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned	269,439	-	-	-	-
Unassigned	-	-	-	-	-
<i>Total fund balances</i>	<u>269,439</u>	<u>161,740</u>	<u>-</u>	<u>2,465</u>	<u>3,285</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 287,100</u>	<u>\$ 161,740</u>	<u>\$ 5,666</u>	<u>\$ 2,465</u>	<u>\$ 3,518</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, 2016

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
<b>ASSETS</b>					
<i>Current assets:</i>					
Cash and temporary investments	\$ -	\$ -	\$ 1,314	\$ -	\$ -
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	-	13,744	-	-	20,238
Interfund receivables	-	-	-	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>-</u>	<u>13,744</u>	<u>1,314</u>	<u>-</u>	<u>20,238</u>
<b>LIABILITIES</b>					
<i>Current liabilities:</i>					
Accounts payable	-	-	-	-	-
Accrued payroll liabilities	-	3,722	-	-	5,313
Interfund payables	79,453	8,967	-	612	15,344
Unearned revenue	-	-	-	-	-
<i>Total liabilities</i>	<u>79,453</u>	<u>12,689</u>	<u>-</u>	<u>612</u>	<u>20,657</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenues - property taxes	-	-	-	-	-
Unavailable revenues - other	-	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted for:					
Grant mandates	-	1,055	1,314	-	-
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	(79,453)	-	-	(612)	(419)
<i>Total fund balances</i>	<u>(79,453)</u>	<u>1,055</u>	<u>1,314</u>	<u>(612)</u>	<u>(419)</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ -</u>	<u>\$ 13,744</u>	<u>\$ 1,314</u>	<u>\$ -</u>	<u>\$ 20,238</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, 2016

Statement B-1

	PreK Initiative 27149	Beginning Teacher Mentoring Program 27154	Breakfast for Elementary Students 27155	Kindergarten - Three Plus 27166	After School and Summer Enrichment Program 27168
<b>ASSETS</b>					
<i>Current assets:</i>					
Cash and temporary investments	\$ -	\$ 6,629	\$ 57,504	\$ -	\$ -
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	33,494	-	7,098	195,175	200,063
Interfund receivables	-	-	-	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>33,494</u>	<u>6,629</u>	<u>64,602</u>	<u>195,175</u>	<u>200,063</u>
<b>LIABILITIES</b>					
<i>Current liabilities:</i>					
Accounts payable	-	-	-	10,224	-
Accrued payroll liabilities	4,137	-	-	46,114	-
Interfund payables	28,719	-	-	145,932	42,038
Unearned revenue	-	-	-	-	-
<i>Total liabilities</i>	<u>32,856</u>	<u>-</u>	<u>-</u>	<u>202,270</u>	<u>42,038</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenues - property taxes	-	-	-	-	-
Unavailable revenues - other	-	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted for:					
Grant mandates	638	6,629	64,602	-	158,025
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	(7,095)	-
<i>Total fund balances</i>	<u>638</u>	<u>6,629</u>	<u>64,602</u>	<u>(7,095)</u>	<u>158,025</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 33,494</u>	<u>\$ 6,629</u>	<u>\$ 64,602</u>	<u>\$ 195,175</u>	<u>\$ 200,063</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, 2016

Statement B-1

	2013 School Bus 27178	NM Grown Fresh Fruits and Vegetables 27183	Next Generation Assessments 27185	School Library Material Fund FY 08 27549	GEAR-UP CHE 28178
<b>ASSETS</b>					
<i>Current assets:</i>					
Cash and temporary investments	\$ -	\$ -	\$ -	\$ 6,452	\$ 5,367
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	262,527	3,334	-	-	-
Interfund receivables	-	-	-	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>262,527</u>	<u>3,334</u>	<u>-</u>	<u>6,452</u>	<u>5,367</u>
<b>LIABILITIES</b>					
<i>Current liabilities:</i>					
Accounts payable	-	-	-	-	-
Accrued payroll liabilities	-	-	-	-	-
Interfund payables	262,527	3,915	-	-	-
Unearned revenue	-	-	-	-	-
<i>Total liabilities</i>	<u>262,527</u>	<u>3,915</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenues - property taxes	-	-	-	-	-
Unavailable revenues - other	-	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted for:					
Grant mandates	-	-	-	6,452	5,367
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	(581)	-	-	-
<i>Total fund balances</i>	<u>-</u>	<u>(581)</u>	<u>-</u>	<u>6,452</u>	<u>5,367</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 262,527</u>	<u>\$ 3,334</u>	<u>\$ -</u>	<u>\$ 6,452</u>	<u>\$ 5,367</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, 2016

Statement B-1

	GRADS - Child Care 28189	GRADS - Instruction 28190	GRADS Plus 28203	School Based Health Center 29130	Total
<b>ASSETS</b>					
<i>Current assets:</i>					
Cash and temporary investments	\$ -	\$ -	\$ 8,237	\$ 162,276	\$ 2,241,603
Accounts receivable					-
Taxes	-	-	-	-	-
Due from other governments	-	-	-	-	1,810,150
Interfund receivables	-	-	-	-	-
Inventory	-	-	-	-	86,993
<i>Total assets</i>	<u>-</u>	<u>-</u>	<u>8,237</u>	<u>162,276</u>	<u>4,138,746</u>
<b>LIABILITIES</b>					
<i>Current liabilities:</i>					
Accounts payable	-	-	-	-	148,582
Accrued payroll liabilities	-	-	-	-	227,595
Interfund payables	8,364	17,147	-	-	1,928,912
Unearned revenue	-	-	-	-	24,110
<i>Total liabilities</i>	<u>8,364</u>	<u>17,147</u>	<u>-</u>	<u>-</u>	<u>2,329,199</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenues - property taxes	-	-	-	-	-
Unavailable revenues - other	-	-	-	-	9,094
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,094</u>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	86,993
Restricted for:					
Grant mandates	-	-	8,237	162,276	1,244,628
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned	-	-	-	-	1,069,439
Unassigned	(8,364)	(17,147)	-	-	(600,607)
<i>Total fund balances</i>	<u>(8,364)</u>	<u>(17,147)</u>	<u>8,237</u>	<u>162,276</u>	<u>1,800,453</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,237</u>	<u>\$ 162,276</u>	<u>\$ 4,138,746</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, 2016

	Food Services 21000	Athletics 22000	Title I IASA 24101	IDEA-B Entitlement 24106	IDEA-B Discretionary 24107
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	255,266	-	-	-	-
Federal grants	2,407,716	-	1,294,985	908,903	-
Miscellaneous	-	-	-	-	-
Charges for services	93,597	197,478	-	-	-
Investment Income	128	4	-	-	-
<i>Total revenues</i>	<u>2,756,707</u>	<u>197,482</u>	<u>1,294,985</u>	<u>908,903</u>	<u>-</u>
<i>Expenditures:</i>					
Current:					
Instruction	-	315,946	650,126	632,929	-
Support services					
Students	-	-	492,889	128,072	-
Instruction	-	-	75,431	32,528	-
General administration	-	-	154,000	92,662	-
School administration	-	-	-	-	-
Central services	-	-	-	-	-
Operation & maintenance of plant	-	-	-	420	-
Student transportation	-	-	-	21,779	-
Other support services	-	-	-	-	-
Food services operations	2,494,315	-	-	-	-
Community service	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>2,494,315</u>	<u>315,946</u>	<u>1,372,446</u>	<u>908,390</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>262,392</u>	<u>(118,464)</u>	<u>(77,461)</u>	<u>513</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>262,392</u>	<u>(118,464)</u>	<u>(77,461)</u>	<u>513</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	1,310,510	(31,849)	(68,616)	(11,998)	(5,040)
<i>Prior period adjustment</i>	(23,366)	(1,541)	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>1,287,144</u>	<u>(33,390)</u>	<u>(68,616)</u>	<u>(11,998)</u>	<u>(5,040)</u>
<i>Fund balances - end of year</i>	<u>\$ 1,549,536</u>	<u>\$ (151,854)</u>	<u>\$ (146,077)</u>	<u>\$ (11,485)</u>	<u>\$ (5,040)</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, 2016

	IDEA-B Preschool 24109	Education of the Homeless 24113	Fresh Fruits and Vegetables 24118	IDEA-B "Risk Pool" 24120	IDEA-B Results Plan 24132
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-	-
Federal grants	26,131	15,218	105,949	-	64,773
Miscellaneous	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment Income	-	-	-	-	-
<i>Total revenues</i>	<u>26,131</u>	<u>15,218</u>	<u>105,949</u>	<u>-</u>	<u>64,773</u>
<i>Expenditures:</i>					
Current:					
Instruction	23,867	17,584	-	288	91,055
Support services					
Students	-	-	-	-	-
Instruction	-	-	-	-	17
General administration	1,036	633	-	-	-
School administration	-	-	-	-	-
Central services	-	-	-	-	-
Operation & maintenance of plant	-	-	-	-	-
Student transportation	-	-	-	-	-
Other support services	-	-	-	-	-
Food services operations	-	-	120,355	-	-
Community service	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>24,903</u>	<u>18,217</u>	<u>120,355</u>	<u>288</u>	<u>91,072</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>1,228</u>	<u>(2,999)</u>	<u>(14,406)</u>	<u>(288)</u>	<u>(26,299)</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>1,228</u>	<u>(2,999)</u>	<u>(14,406)</u>	<u>(288)</u>	<u>(26,299)</u>
<i>Fund balances - beginning of year</i>	(1,291)	(29)	(12,055)	-	-
<i>Prior period adjustment</i>	-	29	438	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>(1,291)</u>	<u>-</u>	<u>(11,617)</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ (63)</u>	<u>\$ (2,999)</u>	<u>\$ (26,023)</u>	<u>\$ (288)</u>	<u>\$ (26,299)</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, 2016**

	English Language Acquisition 24153	Teacher/Principal Training & Recruiting 24154	Safe & Drug Free Schools & Community 24157	Title I School Improvement 24162	Reading First 24167
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-	-
Federal grants	7,668	245,069	-	-	-
Miscellaneous	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment Income	-	-	-	-	-
<i>Total revenues</i>	<u>7,668</u>	<u>245,069</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>					
Current:					
Instruction	8,966	144,422	-	15,297	-
Support services					
Students	-	-	-	-	-
Instruction	-	68,976	-	-	-
General administration	389	10,300	-	-	-
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>9,355</u>	<u>223,698</u>	<u>-</u>	<u>15,297</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(1,687)</u>	<u>21,371</u>	<u>-</u>	<u>(15,297)</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>(1,687)</u>	<u>21,371</u>	<u>-</u>	<u>(15,297)</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	(31,265)	(32,015)	-	(53,148)	-
<i>Prior period adjustment</i>	-	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>(31,265)</u>	<u>(32,015)</u>	<u>-</u>	<u>(53,148)</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ (32,952)</u>	<u>\$ (10,644)</u>	<u>\$ -</u>	<u>\$ (68,445)</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, 2016

	Carl D Perkins Secondary - Current 24174	Carl D Perkins Secondary - PY Unliq. Obligations 24175	Carl D Perkins Secondary - Redistribution 24176	Carl D Perkins Secondary - Redistribution 2 24183	GRADS Child Care CYFD 25149
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-	-
Federal grants	54,548	2,796	-	-	-
Miscellaneous	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment Income	-	-	-	-	-
<i>Total revenues</i>	<u>54,548</u>	<u>2,796</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>					
Current:					
Instruction	56,026	2,796	-	-	-
Support services					
Students	-	-	-	-	-
Instruction	-	-	-	-	-
General administration	2,269	-	-	-	-
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>58,295</u>	<u>2,796</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(3,747)</u>	<u>-</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>(3,747)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	(548)	(472)	-	-	-
<i>Prior period adjustment</i>	-	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>(548)</u>	<u>(472)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ (4,295)</u>	<u>\$ (472)</u>	<u>\$ -</u>	<u>\$ -</u>	<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, 2016

	Title XIX Medicaid 0/2 Years 25152	Child Care Block Grant 25157	TANF/GRADS HSD 25162	New Mexico Community Foundation 26176	Dual Credit Instructional Materials 27103
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-	6,816
Federal grants	289,540	27,164	-	-	-
Miscellaneous	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment Income	-	-	-	-	-
<i>Total revenues</i>	<u>289,540</u>	<u>27,164</u>	<u>-</u>	<u>-</u>	<u>6,816</u>
<i>Expenditures:</i>					
Current:					
Instruction	4,727	1,994	-	-	7,049
Support services					
Students	339,461	-	-	-	-
Instruction	92	-	-	-	-
General administration	15,060	-	-	-	-
School administration	-	-	-	-	-
Central services	-	-	-	-	-
Operation & maintenance of plant	1,389	-	-	-	-
Student transportation	2,595	-	-	-	-
Other support services	-	-	-	-	-
Food services operations	92	-	-	-	-
Community service	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>363,416</u>	<u>1,994</u>	<u>-</u>	<u>-</u>	<u>7,049</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(73,876)</u>	<u>25,170</u>	<u>-</u>	<u>-</u>	<u>(233)</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>(73,876)</u>	<u>25,170</u>	<u>-</u>	<u>-</u>	<u>(233)</u>
<i>Fund balances - beginning of year</i>	343,315	136,570	(3,300)	2,465	3,518
<i>Prior period adjustment</i>	-	-	3,300	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>343,315</u>	<u>136,570</u>	<u>-</u>	<u>2,465</u>	<u>3,518</u>
<i>Fund balances - end of year</i>	<u>\$ 269,439</u>	<u>\$ 161,740</u>	<u>\$ -</u>	<u>\$ 2,465</u>	<u>\$ 3,285</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, 2016

	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	-	117,266	-	-	120,000
Federal grants	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment Income	-	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>117,266</u>	<u>-</u>	<u>-</u>	<u>120,000</u>
<i>Expenditures:</i>					
Current:					
Instruction	-	-	-	-	-
Support services					
Students	-	-	-	-	-
Instruction	45,827	79,754	-	-	120,419
General administration	-	1,623	-	-	-
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>45,827</u>	<u>81,377</u>	<u>-</u>	<u>-</u>	<u>120,419</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(45,827)</u>	<u>35,889</u>	<u>-</u>	<u>-</u>	<u>(419)</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>(45,827)</u>	<u>35,889</u>	<u>-</u>	<u>-</u>	<u>(419)</u>
<i>Fund balances - beginning of year</i>	(33,626)	(34,834)	1,314	(612)	-
<i>Prior period adjustment</i>	-	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>(33,626)</u>	<u>(34,834)</u>	<u>1,314</u>	<u>(612)</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ (79,453)</u>	<u>\$ 1,055</u>	<u>\$ 1,314</u>	<u>\$ (612)</u>	<u>\$ (419)</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, 2016

	PreK Initiative 27149	Beginning Teacher Mentoring Program 27154	Breakfast for Elementary Students 27155	Kindergarten - Three Plus 27166	After School and Summer Enrichment Program 27168
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	91,094	-	86,796	548,557	306,450
Federal grants	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment Income	-	-	-	-	-
<i>Total revenues</i>	<u>91,094</u>	<u>-</u>	<u>86,796</u>	<u>548,557</u>	<u>306,450</u>
<i>Expenditures:</i>					
Current:					
Instruction	85,771	-	-	502,392	148,425
Support services					
Students	-	-	-	8,332	-
Instruction	-	-	-	-	-
General administration	547	-	-	12,581	-
School administration	-	-	-	-	-
Central services	-	-	-	-	-
Operation & maintenance of plant	-	-	-	-	-
Student transportation	4,138	-	-	28,694	-
Other support services	-	-	-	-	-
Food services operations	-	-	86,796	-	-
Community service	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>90,456</u>	<u>-</u>	<u>86,796</u>	<u>551,999</u>	<u>148,425</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>638</u>	<u>-</u>	<u>-</u>	<u>(3,442)</u>	<u>158,025</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>638</u>	<u>-</u>	<u>-</u>	<u>(3,442)</u>	<u>158,025</u>
<i>Fund balances - beginning of year</i>	-	6,629	64,602	(3,653)	-
<i>Prior period adjustment</i>	-	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>-</u>	<u>6,629</u>	<u>64,602</u>	<u>(3,653)</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ 638</u>	<u>\$ 6,629</u>	<u>\$ 64,602</u>	<u>\$ (7,095)</u>	<u>\$ 158,025</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, 2016

	2013 School Bus 27178	NM Grown Fresh Fruits and Vegetables 27183	Next Generation Assessments 27185	School Library Material Fund FY 08 27549	GEAR-UP CHE 28178
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	262,527	4,294	-	-	-
Federal grants	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment Income	-	-	-	-	-
<i>Total revenues</i>	<u>262,527</u>	<u>4,294</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	262,527	-	-	-	-
Other support services	-	-	-	-	-
Food services operations	-	4,294	-	-	-
Community service	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>262,527</u>	<u>4,294</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</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>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	-	(581)	-	6,452	5,367
<i>Prior period adjustment</i>	-	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>-</u>	<u>(581)</u>	<u>-</u>	<u>6,452</u>	<u>5,367</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ (581)</u>	<u>\$ -</u>	<u>\$ 6,452</u>	<u>\$ 5,367</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, 2016

	GRADS - Child Care 28189	GRADS - Instruction 28190	GRADS Plus 28203	School Based Health Center 29130	Total
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	-	5,189	15,781	-	1,820,036
Federal grants	-	-	-	-	5,450,460
Miscellaneous	-	-	-	-	-
Charges for services	-	-	-	-	291,075
Investment Income	-	-	-	-	132
<i>Total revenues</i>	<u>-</u>	<u>5,189</u>	<u>15,781</u>	<u>-</u>	<u>7,561,703</u>
<i>Expenditures:</i>					
Current:					
Instruction	2,000	6,154	13,088	-	2,730,902
Support services	-	-	-	-	968,754
Students	-	-	-	-	423,044
Instruction	-	-	-	-	291,100
General administration	-	-	-	-	-
School administration	-	-	-	-	-
Central services	-	-	-	-	-
Operation & maintenance of plant	-	-	-	-	1,809
Student transportation	-	-	-	-	319,733
Other support services	-	-	-	-	-
Food services operations	-	-	-	-	2,705,852
Community service	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service	-	-	-	-	-
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>2,000</u>	<u>6,154</u>	<u>13,088</u>	<u>-</u>	<u>7,441,194</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(2,000)</u>	<u>(965)</u>	<u>2,693</u>	<u>-</u>	<u>120,509</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>(2,000)</u>	<u>(965)</u>	<u>2,693</u>	<u>-</u>	<u>120,509</u>
<i>Fund balances - beginning of year</i>	(6,364)	(16,182)	5,544	162,276	1,701,084
<i>Prior period adjustment</i>	-	-	-	-	(21,140)
<i>Adjusted fund balances - beginning of year</i>	<u>(6,364)</u>	<u>(16,182)</u>	<u>5,544</u>	<u>162,276</u>	<u>1,679,944</u>
<i>Fund balances - end of year</i>	<u>\$ (8,364)</u>	<u>\$ (17,147)</u>	<u>\$ 8,237</u>	<u>\$ 162,276</u>	<u>\$ 1,800,453</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, 2016**

Statement B-3

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	255,266	255,266
Federal grants	2,000,000	2,000,000	2,225,198	225,198
Miscellaneous	-	-	-	-
Charges for services	174,500	174,500	93,597	(80,903)
Interest	-	-	128	128
<i>Total revenues</i>	<u>2,174,500</u>	<u>2,174,500</u>	<u>2,574,189</u>	<u>399,689</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	2,974,500	2,974,500	2,316,487	658,013
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,974,500</u>	<u>2,974,500</u>	<u>2,316,487</u>	<u>658,013</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(800,000)</u>	<u>(800,000)</u>	<u>257,702</u>	<u>1,057,702</u>
<i>Other financing sources (uses):</i>				
Designated cash	800,000	800,000	-	(800,000)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>800,000</u>	<u>800,000</u>	<u>-</u>	<u>(800,000)</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>257,702</u>	<u>257,702</u>
<i>Cash or fund balance - beginning of year</i>	-	-	1,284,820	1,284,820
Prior period adjustments	-	-	(23,366)	(23,366)
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,261,454</u>	<u>1,261,454</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,519,156</u>	<u>\$ 1,519,156</u>
<i>Reconciliation to GAAP basis:</i>				
Net changes in fund balance (cash basis)			\$ 257,702	
Adjustments to revenues			182,518	
Adjustments to expenditures			(177,828)	
Net change in fund balance (GAAP basis)			<u>\$ 262,392</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, 2016

Statement B-4

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	222,005	222,005	197,478	(24,527)
Interest	-	-	4	4
<i>Total revenues</i>	<u>222,005</u>	<u>222,005</u>	<u>197,482</u>	<u>(24,523)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	224,856	224,856	309,612	(84,756)
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>224,856</u>	<u>224,856</u>	<u>309,612</u>	<u>(84,756)</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(2,851)</u>	<u>(2,851)</u>	<u>(112,130)</u>	<u>(109,279)</u>
<i>Other financing sources (uses):</i>				
Designated cash	2,851	2,851	-	(2,851)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>2,851</u>	<u>2,851</u>	<u>-</u>	<u>(2,851)</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>(112,130)</u>	<u>(112,130)</u>
<i>Cash or fund balance - beginning of year</i>	-	-	(31,823)	(31,823)
Prior period adjustments	-	-	(1,541)	(1,541)
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(33,364)</u>	<u>(33,364)</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (145,494)</u>	<u>\$ (145,494)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (112,130)	
Adjustments to revenues			-	
Adjustments to expenditures			(6,334)	
Net change in fund balance (GAAP basis)			<u>\$ (118,464)</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, 2016

Statement B-5

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	1,607,150	2,085,534	1,366,381	(719,153)
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>1,607,150</u>	<u>2,085,534</u>	<u>1,366,381</u>	<u>(719,153)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	884,763	1,229,763	564,803	664,960
Support services				
Students	491,548	499,548	492,889	6,659
Instruction	-	60,000	75,431	(15,431)
General administration	230,839	296,223	154,000	142,223
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>1,607,150</u>	<u>2,085,534</u>	<u>1,287,123</u>	<u>798,411</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>79,258</u>	<u>79,258</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 balance</i>	<u>-</u>	<u>-</u>	<u>79,258</u>	<u>79,258</u>
<i>Cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(582,654)</u>	<u>(582,654)</u>
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(582,654)</u>	<u>(582,654)</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (503,396)</u>	<u>\$ (503,396)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ 79,258	
Adjustments to revenues			(71,396)	
Adjustments to expenditures			(85,323)	
Net change in fund balance (GAAP basis)			<u>\$ (77,461)</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 SPECIAL REVENUE FUND (24106)**  
**FOR THE YEAR ENDING JUNE 30, 2016**

Statement B-6

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	1,028,249	1,986,837	1,109,089	(877,748)
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>1,028,249</u>	<u>1,986,837</u>	<u>1,109,089</u>	<u>(877,748)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	786,439	1,474,787	642,355	832,432
Support services				
Students	197,374	189,962	131,954	58,008
Instruction	44,436	57,000	32,528	24,472
General administration	-	243,436	92,662	150,774
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	1,000	420	580
Student transportation	-	20,652	21,779	(1,127)
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,028,249</u>	<u>1,986,837</u>	<u>921,698</u>	<u>1,065,139</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>187,391</u>	<u>187,391</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 balance</i>	<u>-</u>	<u>-</u>	<u>187,391</u>	<u>187,391</u>
<i>Cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(516,014)</u>	<u>(516,014)</u>
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(516,014)</u>	<u>(516,014)</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (328,623)</u>	<u>\$ (328,623)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ 187,391	
Adjustments to revenues			(200,186)	
Adjustments to expenditures			13,308	
Net change in fund balance (GAAP basis)			<u>\$ 513</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, 2016

Statement B-7

	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 balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balance - beginning of year</i>	-	-	(5,040)	(5,040)
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(5,040)</u>	<u>(5,040)</u>
<i>Cash or fund balance - 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, 2016

Statement B-8

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	19,117	38,243	13,141	(25,102)
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>19,117</u>	<u>38,243</u>	<u>13,141</u>	<u>(25,102)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	17,293	36,419	23,867	12,552
Support services				
Students	1,824	1,824	-	1,824
Instruction	-	-	-	-
General administration	-	-	1,036	(1,036)
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>19,117</u>	<u>38,243</u>	<u>24,903</u>	<u>13,340</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(11,762)</u>	<u>(11,762)</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 balance</i>	<u>-</u>	<u>-</u>	<u>(11,762)</u>	<u>(11,762)</u>
<i>Cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(1,291)</u>	<u>(1,291)</u>
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(1,291)</u>	<u>(1,291)</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (13,053)</u>	<u>\$ (13,053)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (11,762)	
Adjustments to revenues			12,990	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ 1,228</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, 2016

Statement B-9

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	23,007	25,808	19,771	(6,037)
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>23,007</u>	<u>25,808</u>	<u>19,771</u>	<u>(6,037)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	14,585	(14,585)
Support services				
Students	23,007	25,808	-	25,808
Instruction	-	-	-	-
General administration	-	-	633	(633)
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>23,007</u>	<u>25,808</u>	<u>15,218</u>	<u>10,590</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>4,553</u>	<u>4,553</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 balance</i>	<u>-</u>	<u>-</u>	<u>4,553</u>	<u>4,553</u>
<i>Cash or fund balance - beginning of year</i>	-	-	(9,238)	(9,238)
Prior period adjustments	-	-	29	29
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(9,209)</u>	<u>(9,209)</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,656)</u>	<u>\$ (4,656)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ 4,553	
Adjustments to revenues			(4,553)	
Adjustments to expenditures			(2,999)	
Net change in fund balance (GAAP basis)			<u>\$ (2,999)</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, 2016

Statement B-10

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	119,517	92,774	(26,743)
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>119,517</u>	<u>92,774</u>	<u>(26,743)</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	-	119,517	120,355	(838)
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>119,517</u>	<u>120,355</u>	<u>(838)</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(27,581)</u>	<u>(27,581)</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 balance</i>	<u>-</u>	<u>-</u>	<u>(27,581)</u>	<u>(27,581)</u>
<i>Cash or fund balance - beginning of year</i>	-	-	(19,243)	(19,243)
Prior period adjustments	-	-	438	438
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(18,805)</u>	<u>(18,805)</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (46,386)</u>	<u>\$ (46,386)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (27,581)	
Adjustments to revenues			13,175	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ (14,406)</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, 2016

Statement B-11

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	872	872	587	(285)
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>872</u>	<u>872</u>	<u>587</u>	<u>(285)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	872	872	288	584
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>872</u>	<u>872</u>	<u>288</u>	<u>584</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>299</u>	<u>299</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 balance</i>	<u>-</u>	<u>-</u>	<u>299</u>	<u>299</u>
<i>Cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(587)</u>	<u>(587)</u>
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(587)</u>	<u>(587)</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (288)</u>	<u>\$ (288)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ 299	
Adjustments to revenues			(587)	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ (288)</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 RESULTS PLAN SPECIAL REVENUE FUND (24132)  
 FOR THE YEAR ENDING JUNE 30, 2016

Statement B-12

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	100,000	100,000	-	(100,000)
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>(100,000)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	100,000	100,000	91,055	8,945
Support services				
Students	-	-	-	-
Instruction	-	-	17	(17)
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>100,000</u>	<u>100,000</u>	<u>91,072</u>	<u>8,928</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(91,072)</u>	<u>(91,072)</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 balance</i>	<u>-</u>	<u>-</u>	<u>(91,072)</u>	<u>(91,072)</u>
<i>Cash or fund balance - beginning of year</i>	-	-	-	-
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (91,072)</u>	<u>\$ (91,072)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (91,072)	
Adjustments to revenues			64,773	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ (26,299)</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, 2016

Statement B-13

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	19,040	37,000	8,273	(28,727)
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>19,040</u>	<u>37,000</u>	<u>8,273</u>	<u>(28,727)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	18,667	36,627	8,966	27,661
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	373	373	389	(16)
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>19,040</u>	<u>37,000</u>	<u>9,355</u>	<u>27,645</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(1,082)</u>	<u>(1,082)</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 balance</i>	<u>-</u>	<u>-</u>	<u>(1,082)</u>	<u>(1,082)</u>
<i>Cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(32,259)</u>	<u>(32,259)</u>
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(32,259)</u>	<u>(32,259)</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (33,341)</u>	<u>\$ (33,341)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (1,082)	
Adjustments to revenues			(605)	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ (1,687)</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, 2016

Statement B-14

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	263,154	597,179	259,800	(337,379)
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>263,154</u>	<u>597,179</u>	<u>259,800</u>	<u>(337,379)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	247,812	447,487	168,410	279,077
Support services				
Students	4,000	4,000	-	4,000
Instruction	-	134,350	68,976	65,374
General administration	11,342	11,342	10,300	1,042
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>263,154</u>	<u>597,179</u>	<u>247,686</u>	<u>349,493</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>12,114</u>	<u>12,114</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 balance</i>	<u>-</u>	<u>-</u>	<u>12,114</u>	<u>12,114</u>
<i>Cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(67,274)</u>	<u>(67,274)</u>
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(67,274)</u>	<u>(67,274)</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (55,160)</u>	<u>\$ (55,160)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ 12,114	
Adjustments to revenues			(14,731)	
Adjustments to expenditures			23,988	
Net change in fund balance (GAAP basis)			<u>\$ 21,371</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, 2016

Statement B-15

	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 balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balance - beginning of year</i>	-	-	205	205
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>205</u>	<u>205</u>
<i>Cash or fund balance - 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, 2016

Statement B-16

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	15,818	-	(15,818)
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>15,818</u>	<u>-</u>	<u>(15,818)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	15,132	15,297	(165)
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	686	-	686
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>15,818</u>	<u>15,297</u>	<u>521</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(15,297)</u>	<u>(15,297)</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 balance</i>	<u>-</u>	<u>-</u>	<u>(15,297)</u>	<u>(15,297)</u>
<i>Cash or fund balance - beginning of year</i>	-	-	(53,148)	(53,148)
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(53,148)</u>	<u>(53,148)</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (68,445)</u>	<u>\$ (68,445)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (15,297)	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ (15,297)</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, 2016

Statement B-17

	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 balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balance - beginning of year</i>	-	-	12,138	12,138
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>12,138</u>	<u>12,138</u>
<i>Cash or fund balance - 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, 2016

Statement B-18

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	57,247	61,674	65,522	3,848
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>57,247</u>	<u>61,674</u>	<u>65,522</u>	<u>3,848</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	55,907	60,334	52,279	8,055
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	1,340	1,340	2,269	(929)
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>57,247</u>	<u>61,674</u>	<u>54,548</u>	<u>7,126</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>10,974</u>	<u>10,974</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 balance</i>	<u>-</u>	<u>-</u>	<u>10,974</u>	<u>10,974</u>
<i>Cash or fund balance - beginning of year</i>	-	-	(31,442)	(31,442)
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(31,442)</u>	<u>(31,442)</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (20,468)</u>	<u>\$ (20,468)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ 10,974	
Adjustments to revenues			(10,974)	
Adjustments to expenditures			(3,747)	
Net change in fund balance (GAAP basis)			<u>\$ (3,747)</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

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

CARL D PERKINS SECONDARY PY UNLIQUIDATED OBLIGATIONS SPECIAL REVENUE FUND (24175)

FOR THE YEAR ENDING JUNE 30, 2016

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	2,803	2,796	(7)
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>2,803</u>	<u>2,796</u>	<u>(7)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	2,803	2,796	7
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>2,803</u>	<u>2,796</u>	<u>7</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 balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balance - beginning of year</i>	-	-	(472)	(472)
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(472)</u>	<u>(472)</u>
<i>Cash or fund balance - 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			\$ -	
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-20

## 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, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	11,179	-	(11,179)
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>11,179</u>	<u>-</u>	<u>(11,179)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	10,647	-	10,647
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	532	-	532
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>11,179</u>	<u>-</u>	<u>11,179</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 balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balance - beginning of year</i>	-	-	2,218	2,218
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>2,218</u>	<u>2,218</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,218</u>	<u>\$ 2,218</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-REDISTRIBUTION 2 SPECIAL REVENUE FUND (24183)  
 FOR THE YEAR ENDING JUNE 30, 2016

Statement B-21

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	8,043	8,043
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>8,043</u>	<u>8,043</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>8,043</u>	<u>8,043</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 balance</i>	<u>-</u>	<u>-</u>	<u>8,043</u>	<u>8,043</u>
<i>Cash or fund balance - beginning of year</i>	-	-	(8,043)	(8,043)
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(8,043)</u>	<u>(8,043)</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ 8,043	
Adjustments to revenues			(8,043)	
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 CYFD SPECIAL REVENUE FUND (25149)  
 FOR THE YEAR ENDING JUNE 30, 2016

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	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balance - beginning of year</i>	-	-	3,000	3,000
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>3,000</u>	<u>3,000</u>
<i>Cash or fund balance - 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, 2016

Statement B-23

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	377,311	377,311	333,630	(43,681)
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>377,311</u>	<u>377,311</u>	<u>333,630</u>	<u>(43,681)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	16,025	24,025	7,351	16,674
Support services				
Students	400,109	633,221	338,250	294,971
Instruction	-	-	92	(92)
General administration	26,217	36,217	15,060	21,157
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	1,389	(1,389)
Student transportation	-	-	2,595	(2,595)
Other support services	-	-	-	-
Food services operations	-	-	92	(92)
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>442,351</u>	<u>693,463</u>	<u>364,829</u>	<u>328,634</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(65,040)</u>	<u>(316,152)</u>	<u>(31,199)</u>	<u>284,953</u>
<i>Other financing sources (uses):</i>				
Designated cash	65,040	316,152	-	(316,152)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>65,040</u>	<u>316,152</u>	<u>-</u>	<u>(316,152)</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>(31,199)</u>	<u>(31,199)</u>
<i>Cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>316,152</u>	<u>316,152</u>
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>316,152</u>	<u>316,152</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 284,953</u>	<u>\$ 284,953</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (31,199)	
Adjustments to revenues			(44,090)	
Adjustments to expenditures			1,413	
Net change in fund balance (GAAP basis)			<u>\$ (73,876)</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, 2016

Statement B-24

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	17,678	27,164	9,486
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>17,678</u>	<u>27,164</u>	<u>9,486</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	17,678	1,994	15,684
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>17,678</u>	<u>1,994</u>	<u>15,684</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>25,170</u>	<u>25,170</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 balance</i>	<u>-</u>	<u>-</u>	<u>25,170</u>	<u>25,170</u>
<i>Cash or fund balance - beginning of year</i>	-	-	136,570	136,570
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>136,570</u>	<u>136,570</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 161,740</u>	<u>\$ 161,740</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ 25,170	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ 25,170</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, 2016

Statement B-25

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	(3,300)	(3,300)
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>(3,300)</u>	<u>(3,300)</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>(3,300)</u>	<u>(3,300)</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 balance</i>	<u>-</u>	<u>-</u>	<u>(3,300)</u>	<u>(3,300)</u>
<i>Cash or fund balance - beginning of year</i>	-	-	5,666	5,666
Prior period adjustments	-	-	3,300	3,300
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>8,966</u>	<u>8,966</u>
<i>Cash or fund balance - 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			\$ (3,300)	
Adjustments to revenues			3,300	
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  
 NEW MEXICO COMMUNITY FOUNDATION SPECIAL REVENUE FUND (26176)  
 FOR THE YEAR ENDING JUNE 30, 2016

Statement B-26

	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 balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balance - beginning of year</i>	-	-	2,465	2,465
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>2,465</u>	<u>2,465</u>
<i>Cash or fund balance - 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

Statement B-27

## 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, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	6,845	5,581	(1,264)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>6,845</u>	<u>5,581</u>	<u>(1,264)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	6,845	6,816	29
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>6,845</u>	<u>6,816</u>	<u>29</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(1,235)</u>	<u>(1,235)</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 balance</i>	<u>-</u>	<u>-</u>	<u>(1,235)</u>	<u>(1,235)</u>
<i>Cash or fund balance - beginning of year</i>	-	-	3,518	3,518
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>3,518</u>	<u>3,518</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,283</u>	<u>\$ 2,283</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (1,235)	
Adjustments to revenues			1,235	
Adjustments to expenditures			(233)	
Net change in fund balance (GAAP basis)			<u>\$ (233)</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  
 2012 GO BONDS STUDENT LIBRARY FUND (SB66) SPECIAL REVENUE FUND (27107)  
 FOR THE YEAR ENDING JUNE 30, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	44,111	44,111	-	(44,111)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>44,111</u>	<u>44,111</u>	<u>-</u>	<u>(44,111)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students				
Instruction	44,111	44,111	45,827	(1,716)
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>44,111</u>	<u>44,111</u>	<u>45,827</u>	<u>(1,716)</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(45,827)</u>	<u>(45,827)</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 balance</i>	<u>-</u>	<u>-</u>	<u>(45,827)</u>	<u>(45,827)</u>
<i>Cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(33,626)</u>	<u>(33,626)</u>
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(33,626)</u>	<u>(33,626)</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (79,453)</u>	<u>\$ (79,453)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (45,827)	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ (45,827)</u>	

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

STATE OF NEW MEXICO

Statement B-29

BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2

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, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	130,000	130,000	103,522	(26,478)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>130,000</u>	<u>130,000</u>	<u>103,522</u>	<u>(26,478)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	127,889	127,889	83,410	44,479
General administration	2,111	2,111	1,623	488
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>130,000</u>	<u>130,000</u>	<u>85,033</u>	<u>44,967</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>18,489</u>	<u>18,489</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 balance</i>	<u>-</u>	<u>-</u>	<u>18,489</u>	<u>18,489</u>
<i>Cash or fund balance - beginning of year</i>	-	-	(27,456)	(27,456)
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(27,456)</u>	<u>(27,456)</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8,967)</u>	<u>\$ (8,967)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ 18,489	
Adjustments to revenues			13,744	
Adjustments to expenditures			3,656	
Net change in fund balance (GAAP basis)			<u>\$ 35,889</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, 2016

	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 balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balance - beginning of year</i>	-	-	1,314	1,314
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,314</u>	<u>1,314</u>
<i>Cash or fund balance - 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, 2016

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>				
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 balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balance - beginning of year</i>	-	-	(612)	(612)
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(612)</u>	<u>(612)</u>
<i>Cash or fund balance - 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  
 TRUANCY INITIATIVE PED SPECIAL REVENUE FUND (27141)  
 FOR THE YEAR ENDING JUNE 30, 2016

Statement B-32

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	120,000	99,762	(20,238)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>120,000</u>	<u>99,762</u>	<u>(20,238)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	120,000	115,106	4,894
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>120,000</u>	<u>115,106</u>	<u>4,894</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(15,344)</u>	<u>(15,344)</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 balance</i>	<u>-</u>	<u>-</u>	<u>(15,344)</u>	<u>(15,344)</u>
<i>Cash or fund balance - beginning of year</i>	-	-	-	-
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (15,344)</u>	<u>\$ (15,344)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (15,344)	
Adjustments to revenues			20,238	
Adjustments to expenditures			(5,313)	
Net change in fund balance (GAAP basis)			<u>\$ (419)</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, 2016

Statement B-33

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	103,386	103,386	77,491	(25,895)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>103,386</u>	<u>103,386</u>	<u>77,491</u>	<u>(25,895)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	102,466	99,266	85,884	13,382
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	920	920	547	373
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	3,200	4,138	(938)
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>103,386</u>	<u>103,386</u>	<u>90,569</u>	<u>12,817</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(13,078)</u>	<u>(13,078)</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 balance</i>	<u>-</u>	<u>-</u>	<u>(13,078)</u>	<u>(13,078)</u>
<i>Cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(15,641)</u>	<u>(15,641)</u>
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(15,641)</u>	<u>(15,641)</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (28,719)</u>	<u>\$ (28,719)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (13,078)	
Adjustments to revenues			13,603	
Adjustments to expenditures			113	
Net change in fund balance (GAAP basis)			<u>\$ 638</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, 2016

Statement B-34

	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 balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balance - beginning of year</i>	-	-	6,629	6,629
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>6,629</u>	<u>6,629</u>
<i>Cash or fund balance - 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, 2016

Statement B-35

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	89,569	84,528	(5,041)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>89,569</u>	<u>84,528</u>	<u>(5,041)</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	-	89,569	86,796	2,773
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>89,569</u>	<u>86,796</u>	<u>2,773</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(2,268)</u>	<u>(2,268)</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 balance</i>	<u>-</u>	<u>-</u>	<u>(2,268)</u>	<u>(2,268)</u>
<i>Cash or fund balance - beginning of year</i>	-	-	59,772	59,772
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>59,772</u>	<u>59,772</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,504</u>	<u>\$ 57,504</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (2,268)	
Adjustments to revenues			2,268	
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, 2016**

Statement B-36

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	553,227	607,721	353,382	(254,339)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>553,227</u>	<u>607,721</u>	<u>353,382</u>	<u>(254,339)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	529,217	533,184	446,054	87,130
Support services				
Students	-	13,126	8,332	4,794
Instruction	-	-	-	-
General administration	24,010	24,010	12,581	11,429
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	37,401	28,694	8,707
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>553,227</u>	<u>607,721</u>	<u>495,661</u>	<u>112,060</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(142,279)</u>	<u>(142,279)</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 balance</i>	<u>-</u>	<u>-</u>	<u>(142,279)</u>	<u>(142,279)</u>
<i>Cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(3,653)</u>	<u>(3,653)</u>
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(3,653)</u>	<u>(3,653)</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (145,932)</u>	<u>\$ (145,932)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (142,279)	
Adjustments to revenues			195,175	
Adjustments to expenditures			(56,338)	
Net change in fund balance (GAAP basis)			<u>\$ (3,442)</u>	

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

STATE OF NEW MEXICO

Statement B-37

BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND

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

AFTER SCHOOL AND SUMMER ENRICHMENT PROGRAM SPECIAL REVENUE FUND (27168)

FOR THE YEAR ENDING JUNE 30, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	255,000	106,387	(148,613)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>255,000</u>	<u>106,387</u>	<u>(148,613)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	249,995	148,425	101,570
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	5,005	-	5,005
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>255,000</u>	<u>148,425</u>	<u>106,575</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(42,038)</u>	<u>(42,038)</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 balance</i>	<u>-</u>	<u>-</u>	<u>(42,038)</u>	<u>(42,038)</u>
<i>Cash or fund balance - beginning of year</i>	-	-	-	-
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (42,038)</u>	<u>\$ (42,038)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (42,038)	
Adjustments to revenues			200,063	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ 158,025</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, 2016

Statement B-38

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	262,527	-	(262,527)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>262,527</u>	<u>-</u>	<u>(262,527)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	262,527	262,527	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>262,527</u>	<u>262,527</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(262,527)</u>	<u>(262,527)</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 balance</i>	<u>-</u>	<u>-</u>	<u>(262,527)</u>	<u>(262,527)</u>
<i>Cash or fund balance - beginning of year</i>	-	-	-	-
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (262,527)</u>	<u>\$ (262,527)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (262,527)	
Adjustments to revenues			262,527	
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, 2016

Statement B-39

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	4,411	7,170	2,759
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>4,411</u>	<u>7,170</u>	<u>2,759</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	-	4,411	4,294	117
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>4,411</u>	<u>4,294</u>	<u>117</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>2,876</u>	<u>2,876</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 balance</i>	<u>-</u>	<u>-</u>	<u>2,876</u>	<u>2,876</u>
<i>Cash or fund balance - beginning of year</i>	-	-	(6,791)	(6,791)
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(6,791)</u>	<u>(6,791)</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,915)</u>	<u>\$ (3,915)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ 2,876	
Adjustments to revenues			(2,876)	
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, 2016

Statement B-40

	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 balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balance - beginning of year</i>	-	-	6,452	6,452
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>6,452</u>	<u>6,452</u>
<i>Cash or fund balance - 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, 2016

Statement B-41

	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 balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balance - beginning of year</i>	-	-	5,367	5,367
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>5,367</u>	<u>5,367</u>
<i>Cash or fund balance - 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, 2016

Statement B-42

	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>-</u>	<u>(3,000)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	3,000	2,000	1,000
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>2,000</u>	<u>1,000</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(2,000)</u>	<u>(2,000)</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 balance</i>	<u>-</u>	<u>-</u>	<u>(2,000)</u>	<u>(2,000)</u>
<i>Cash or fund balance - beginning of year</i>	-	-	(6,364)	(6,364)
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(6,364)</u>	<u>(6,364)</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8,364)</u>	<u>\$ (8,364)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (2,000)	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ (2,000)</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, 2016

Statement B-43

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	6,500	5,189	(1,311)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>6,500</u>	<u>5,189</u>	<u>(1,311)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	6,500	6,154	346
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>6,500</u>	<u>6,154</u>	<u>346</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(965)</u>	<u>(965)</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 balance</i>	<u>-</u>	<u>-</u>	<u>(965)</u>	<u>(965)</u>
<i>Cash or fund balance - beginning of year</i>	-	-	(16,182)	(16,182)
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(16,182)</u>	<u>(16,182)</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (17,147)</u>	<u>\$ (17,147)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (965)	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ (965)</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, 2016

Statement B-44

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	13,500	15,781	2,281
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>13,500</u>	<u>15,781</u>	<u>2,281</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	13,500	13,088	412
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>13,500</u>	<u>13,088</u>	<u>412</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>2,693</u>	<u>2,693</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 balance</i>	<u>-</u>	<u>-</u>	<u>2,693</u>	<u>2,693</u>
<i>Cash or fund balance - beginning of year</i>	-	-	5,544	5,544
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>5,544</u>	<u>5,544</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,237</u>	<u>\$ 8,237</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ 2,693	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ 2,693</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, 2016

Statement B-45

	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 balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balance - beginning of year</i>	-	-	162,276	162,276
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>162,276</u>	<u>162,276</u>
<i>Cash or fund balance - 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.

**Public School Capital Outlay (31200)** – The purpose of this fund is to account for funds received from the local ad valorem tax levy for use in remodeling and equipping classroom facilities. Funding authority is the New Mexico Public Education Department. No minimum balance required according to legislation.

**Special Capital Outlay – Local (31300)** – The purpose of this fund is to account for financing from local revenues for the construction and improvements to District buildings and facilities. No minimum balance required according to legislation.

**Special Capital Outlay – State (31400)** – The purpose of this fund is to account for special appropriations monies received from the State of New Mexico under Chapter 4, Laws of 1996. No minimum balance required according to legislation.

**Capital Improvements SB-9 (31700)** – The purpose of this fund is 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). No minimum balance required according to legislation.



STATE OF NEW MEXICO  
 BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2  
 COMBINING BALANCE SHEET  
 NONMAJOR CAPITAL PROJECT FUNDS  
 JUNE 30, 2016

	Public School Capital Outlay 31200	Special Capital Outlay - Local 31300	Special Capital Outlay - State 31400	Capital Improvements SB-9 31700	Total
<b>ASSETS</b>					
<i>Current assets:</i>					
Cash and temporary investments	\$ -	\$ 2,675	\$ -	\$ 748,034	\$ 750,709
Accounts receivable					
Taxes	-	-	-	455,554	455,554
Due from other governments	-	-	189,135	-	189,135
Interfund receivables	-	-	-	222,465	222,465
Other	-	-	-	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>-</u>	<u>2,675</u>	<u>189,135</u>	<u>1,426,053</u>	<u>1,617,863</u>
<b>LIABILITIES</b>					
<i>Current liabilities:</i>					
Accounts payable	-	-	-	21,023	21,023
Accrued payroll liabilities	-	-	-	-	-
Interfund payables	-	-	203,558	-	203,558
Unearned revenue	-	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>203,558</u>	<u>21,023</u>	<u>224,581</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenues - property taxes	-	-	-	423,567	423,567
Unavailable revenues - other	-	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>423,567</u>	<u>423,567</u>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted for:					
Grant mandates	-	-	-	-	-
Capital projects	-	2,675	-	489,170	491,845
Debt service	-	-	-	-	-
Assigned	-	-	-	492,293	492,293
Unassigned	-	-	(14,423)	-	(14,423)
<i>Total fund balances</i>	<u>-</u>	<u>2,675</u>	<u>(14,423)</u>	<u>981,463</u>	<u>969,715</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ -</u>	<u>\$ 2,675</u>	<u>\$ 189,135</u>	<u>\$ 1,426,053</u>	<u>\$ 1,617,863</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, 2016

	Public School Capital Outlay 31200	Special Capital Outlay - Local 31300	Special Capital Outlay - State 31400	Capital Improvements SB-9 31700	Total
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ 1,120,589	\$ 1,120,589
State grants	104,176	-	338,504	91,742	534,422
Federal grants	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment Income	-	-	-	3,854	3,854
<i>Total revenues</i>	<u>104,176</u>	<u>-</u>	<u>338,504</u>	<u>1,216,185</u>	<u>1,658,865</u>
<i>Expenditures:</i>					
Current:					
Instruction	-	-	-	-	-
Support services					
Students	-	-	-	-	-
Instruction	-	-	-	-	-
General administration	-	-	-	11,288	11,288
School administration	-	-	-	-	-
Central services	-	-	-	-	-
Operation & maintenance of plant	-	-	-	-	-
Student transportation	-	-	-	-	-
Other support services	-	-	-	-	-
Food services operations	-	-	-	-	-
Community service	-	-	-	-	-
Capital outlay	104,176	-	351,936	430,728	886,840
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>104,176</u>	<u>-</u>	<u>351,936</u>	<u>442,016</u>	<u>898,128</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(13,432)</u>	<u>774,169</u>	<u>760,737</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>(13,432)</u>	<u>774,169</u>	<u>760,737</u>
<i>Fund balances - beginning of year</i>	-	2,675	-	207,814	210,489
<i>Prior period adjustment</i>	-	-	(991)	(520)	(1,511)
<i>Adjusted fund balances - beginning of year</i>	<u>-</u>	<u>2,675</u>	<u>(991)</u>	<u>207,294</u>	<u>208,978</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ 2,675</u>	<u>\$ (14,423)</u>	<u>\$ 981,463</u>	<u>\$ 969,715</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 PROJECTS FUND (31100)  
 FOR THE YEAR ENDING JUNE 30, 2016

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	2,500	2,500	838	(1,662)
<i>Total revenues</i>	<u>2,500</u>	<u>2,500</u>	<u>838</u>	<u>(1,662)</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	10,385,098	10,385,098	3,962,874	6,422,224
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>10,385,098</u>	<u>10,385,098</u>	<u>3,962,874</u>	<u>6,422,224</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(10,382,598)</u>	<u>(10,382,598)</u>	<u>(3,962,036)</u>	<u>6,420,562</u>
<i>Other financing sources (uses):</i>				
Designated cash	10,382,598	10,382,598	-	(10,382,598)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>10,382,598</u>	<u>10,382,598</u>	<u>-</u>	<u>(10,382,598)</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>(3,962,036)</u>	<u>(3,962,036)</u>
<i>Cash or fund balance - beginning of year</i>	-	-	10,836,061	10,836,061
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>10,836,061</u>	<u>10,836,061</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,874,025</u>	<u>\$ 6,874,025</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (3,962,036)	
Adjustments to revenues			-	
Adjustments to expenditures			21,169	
Net change in fund balance (GAAP basis)			<u>\$ (3,940,867)</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  
 PUBLIC SCHOOL CAPITAL OUTLAY CAPITAL PROJECTS FUND (31200)  
 FOR THE YEAR ENDING JUNE 30, 2016

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 balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balance - beginning of year</i>	-	-	-	-
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balance - 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			104,176	
Adjustments to expenditures			(104,176)	
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 - LOCAL CAPITAL PROJECTS FUND (31300)  
 FOR THE YEAR ENDING JUNE 30, 2016

Statement C-5

	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	2,675	2,675	-	2,675
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,675</u>	<u>2,675</u>	<u>-</u>	<u>2,675</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(2,675)</u>	<u>(2,675)</u>	<u>-</u>	<u>2,675</u>
<i>Other financing sources (uses):</i>				
Designated cash	2,675	2,675	-	(2,675)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>2,675</u>	<u>2,675</u>	<u>-</u>	<u>(2,675)</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balance - beginning of year</i>	-	-	2,675	2,675
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>2,675</u>	<u>2,675</u>
<i>Cash or fund balance - 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 PROJECTS FUND (31400)  
 FOR THE YEAR ENDING JUNE 30, 2016

Statement C-6

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	300,000	360,231	149,369	(210,862)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>300,000</u>	<u>360,231</u>	<u>149,369</u>	<u>(210,862)</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	300,000	360,231	351,936	8,295
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>300,000</u>	<u>360,231</u>	<u>351,936</u>	<u>8,295</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(202,567)</u>	<u>(202,567)</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 balance</i>	<u>-</u>	<u>-</u>	<u>(202,567)</u>	<u>(202,567)</u>
<i>Cash or fund balance - beginning of year</i>	-	-	-	-
Prior period adjustments	-	-	(991)	(991)
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(991)</u>	<u>(991)</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (203,558)</u>	<u>\$ (202,567)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ (202,567)	
Adjustments to revenues			189,135	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ (13,432)</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 PROJECTS FUND (31700)  
 FOR THE YEAR ENDING JUNE 30, 2016

Statement C-7

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ 1,139,847	\$ 1,139,847	\$ 1,124,502	\$ (15,345)
State grants	330,473	424,885	91,742	(333,143)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	3,854	3,854
<i>Total revenues</i>	<u>1,470,320</u>	<u>1,564,732</u>	<u>1,220,098</u>	<u>(344,634)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	12,500	12,500	11,288	1,212
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	1,548,148	1,642,560	409,705	1,232,855
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,560,648</u>	<u>1,655,060</u>	<u>420,993</u>	<u>1,234,067</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(90,328)</u>	<u>(90,328)</u>	<u>799,105</u>	<u>889,433</u>
<i>Other financing sources (uses):</i>				
Designated cash	90,328	90,328	-	(90,328)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>90,328</u>	<u>90,328</u>	<u>-</u>	<u>(90,328)</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>799,105</u>	<u>799,105</u>
<i>Cash or fund balance - beginning of year</i>	-	-	171,914	171,914
Prior period adjustments	-	-	(520)	(520)
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>171,394</u>	<u>171,394</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 970,499</u>	<u>\$ 971,019</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance			\$ 799,105	
Adjustments to revenues			(3,913)	
Adjustments to expenditures			(21,023)	
Net change in fund balance (GAAP basis)			<u>\$ 774,169</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, 2016

Statement D-3

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ 4,187,990	\$ 4,187,990	\$ 4,334,275	\$ 146,285
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	799	799	258	(541)
<i>Total revenues</i>	<u>4,188,789</u>	<u>4,188,789</u>	<u>4,334,533</u>	<u>145,744</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	54,000	54,000	43,343	10,657
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Reserve	2,728,414	2,728,414	-	2,728,414
Principal	3,095,000	3,095,000	3,095,000	-
Interest	1,092,990	1,092,990	978,915	114,075
<i>Total expenditures</i>	<u>6,970,404</u>	<u>6,970,404</u>	<u>4,117,258</u>	<u>2,853,146</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(2,781,615)</u>	<u>(2,781,615)</u>	<u>217,275</u>	<u>2,998,890</u>
<i>Other financing sources (uses):</i>				
Designated cash	2,781,615	2,781,615	-	(2,781,615)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	118,656	118,656
Bond issuance costs	-	-	(117,539)	(117,539)
<i>Total other financing sources (uses)</i>	<u>2,781,615</u>	<u>2,781,615</u>	<u>1,117</u>	<u>(2,780,498)</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>218,392</u>	<u>218,392</u>
<i>Cash or fund balance - beginning of year</i>	-	-	5,286,629	5,286,629
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>5,286,629</u>	<u>5,286,629</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,505,021</u>	<u>\$ 5,505,021</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance (cash basis)			\$ 218,392	
Adjustments to revenues			6,248,111	
Adjustments to expenditures			(6,263,840)	
Net change in fund balance (GAAP basis)			<u>\$ 202,663</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, 2016**

Schedule III

	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016
Belen High School	\$ 220,327	\$ 161,919	\$ 146,857	\$ 235,389
Belen Middle School	42,014	36,879	35,830	43,063
Central Elementary	7,584	16,892	14,908	9,568
Dennis Chavez Elementary	4,301	29,567	32,800	1,068
Gil Sanchez Elementary	1,141	26,509	22,140	5,510
Jaramillo Elementary	27,206	35,151	32,699	29,658
La Merced Elementary	24,263	58,870	54,069	29,064
La Promesa Elementary	6,013	15,045	24,350	(3,292)
Rio Grande Elementary	3,702	28,464	23,530	8,636
Infinity High School	1,810	4,617	1,439	4,988
Logsdan Middle School	5,390	5,632	7,309	3,713
Family School	2,851	2,603	1,760	3,694
Administration	17,941	32,167	30,829	19,279
<b>Total</b>	<b>\$ 364,543</b>	<b>\$ 454,315</b>	<b>\$ 428,520</b>	<b>\$ 390,338</b>
Less: Uncollected Checks	(1,887)	-	-	(1,887)
Less: Cash Loaned to Operational	-	-	250,000	(250,000)
<b>Total Fiduciary Fund Cash</b>	<b>\$ 362,656</b>			<b>\$ 138,451</b>

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, 2016**

Schedule IV

<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, 2016</u>
<b>US Bank:</b>				
	Letter of Credit - FHLB	7/1/2016		\$ 15,000,000
Total US Bank				<u>\$ 15,000,000</u>
The securities are held, not in the District's name, at:				
FHLB Cincinnati 221 East Fourth Street Suite 600 Cincinnati, OH 45202				
<b>Wells Fargo Bank</b>				
	FNMA	10/1/2026	3138ASZT2	\$ 1,300,485
	FNMA	2/1/2043	3138NY4S1	156,355
	FNMA	4/1/2043	3138WSQ92	46,625
Total Wells Fargo Bank				<u>\$ 1,503,465</u>

The securities are held, not in the District's name, at:  
 BNY Mellon  
 Broker/Dealer Services  
 One Wall Street, Fourth Floor  
 New ork, NY 10286

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, 2016**

Schedule V

Bank Name/Account Type	Account Type	Bank Balance	Deposits in Transit	Outstanding Checks	Other Adjustments	Book Balance
<b>US Bank</b>						
Federal Programs	Checking	\$ 22,446	\$ -	\$ -	\$ -	\$ 22,446
Student Nutrition	Checking	1,471,320	-	-	-	1,471,320
Capital Projects	Checking	6,580,100	-	-	-	6,580,100
Capital Improvement	Checking	792,420	-	-	-	792,420
Athletics	Checking	2,905	-	-	-	2,905
Debt Service	Checking	4,852,477	-	-	-	4,852,477
Activity Fund	Checking	33,998	443	(41)	-	34,400
Total Wells Fargo Bank		<u>\$13,755,666</u>	<u>\$ 443</u>	<u>\$ (41)</u>	<u>\$ -</u>	<u>\$ 13,756,068</u>

Bank Name/Account Type	Account Type	Bank Balance	Deposits in Transit	Outstanding Checks	Other Adjustments	Book Balance
<b>Wells Fargo Bank N.A.</b>						
Operational	Checking	\$ 398,030	\$ 52,129	\$ -	\$ -	\$ 450,159
Accounts Payable Clearing	Checking	961,132	-	(1,003,072)	-	(41,940)
Payroll Clearing	Checking	1,910,720	-	(1,887,280)	1,388,317	1,411,757
Total Bank of Albuquerque		<u>\$ 3,269,882</u>	<u>\$ 52,129</u>	<u>\$(2,890,352)</u>	<u>\$ 1,388,317</u>	<u>\$ 1,819,976</u>
Total		<u>\$17,025,548</u>	<u>\$ 52,572</u>	<u>\$(2,890,393)</u>	<u>\$ 1,388,317</u>	<u>\$ 15,576,044</u>

Cash per financial statements

Cash and cash equivalents - Government Activities Exhibit A-1	15,441,108
Fiduciary funds - Exhibit D-1	138,451
Less: cash on hand	(3,515)
Total	<u>\$ 15,576,044</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, 2016

Schedule VI  
 (Page 1 of 4)

**Primary Government**

	Operational 11000	Transportation 13000	Instructional Materials 14000	Food Services 21000	Athletics 22000
Cash, June 30, 2015	\$ 1,987,973	\$ (67,541)	\$ 110,166	\$ 1,284,820	\$ (31,823)
Add:					
Current year revenues	30,923,662	1,473,782	286,443	2,574,189	197,482
Permanent cash transfers	-	-	-	-	-
Prior period adjustment	-	-	-	-	-
Loans from other funds	538,351	36,639	-	-	145,494
Total cash available	33,449,986	1,442,880	396,609	3,859,009	311,153
Less:					
Current year expenditures	(31,314,991)	(1,442,880)	(226,859)	(2,316,487)	(309,612)
Permanent cash transfers	-	-	-	-	-
Prior period adjustment	-	-	-	(23,366)	(1,541)
Loans to other funds	(2,134,995)	-	-	-	-
Cash, June 30, 2016	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 169,750</u>	<u>\$ 1,519,156</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, 2016

Schedule VI  
 (Page 2 of 4)

**Primary Government**

	Federal Flowthrough 24000	Federal Direct 25000	Local Grants 26000	State Flowthrough 27000	State Direct 28000
Cash, June 30, 2015	\$ (1,312,144)	\$ 461,388	\$ 2,465	\$ (10,094)	\$ (11,635)
Add:					
Current year revenues	2,946,177	357,494	-	837,823	20,970
Permanent cash transfers	-	-	-	-	-
Prior period adjustment	467	3,300	-	-	-
Loans from other funds	1,170,400	-	-	587,507	25,511
Total cash available	2,804,900	822,182	2,465	1,415,236	34,846
Less:					
Current year expenditures	(2,790,339)	(366,823)	-	(1,341,054)	(21,242)
Permanent cash transfers	-	-	-	-	-
Prior period adjustment	-	-	-	-	-
Loans to other funds	-	-	-	-	-
Cash, June 30, 2016	<u>\$ 14,561</u>	<u>\$ 455,359</u>	<u>\$ 2,465</u>	<u>\$ 74,182</u>	<u>\$ 13,604</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, 2016

Schedule VI  
 (Page 3 of 4)

**Primary Government**

	Local / State 29000	Bond Building 31100	Public School Capital Outlay 31200	Spec. Capital Outlay - Local 31300
Cash, June 30, 2015	\$ 162,276	\$ 10,836,061	\$ -	\$ 2,675
Add:				
Current year revenues	-	838	-	-
Permanent cash transfers	-	-	-	-
Prior period adjustment	-	-	-	-
Loans from other funds	-	-	-	-
Total cash available	162,276	10,836,899	-	2,675
Less:				
Current year expenditures	-	(3,962,874)	-	-
Permanent cash transfers	-	-	-	-
Prior period adjustment	-	-	-	-
Loans to other funds	-	(100,000)	-	-
Cash, June 30, 2016	<u>\$ 162,276</u>	<u>\$ 6,774,025</u>	<u>\$ -</u>	<u>\$ 2,675</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, 2016

Schedule VI  
 (Page 4 of 4)

**Primary Government**

	Spec. Capital Outlay-State 31400	Capital Improvements SB-9 31700	Debt Service 41000	Total
Cash, June 30, 2015	\$ -	\$ 171,914	\$ 5,286,629	\$ 18,873,130
Add:				
Current year revenues	149,369	1,220,098	4,453,189	45,441,516
Permanent cash transfers	-	-	-	-
Prior period adjustment	-	-	-	3,767
Loans from other funds	203,558	-	-	2,707,460
Total cash available	352,927	1,392,012	9,739,818	67,025,873
Less:				
Current year expenditures	(351,936)	(420,993)	(4,234,797)	(49,100,887)
Permanent cash transfers	-	-	-	-
Prior period adjustment	(991)	(520)	-	(26,418)
Loans to other funds	-	(222,465)	-	(2,457,460)
Cash, June 30, 2016	<u>\$ -</u>	<u>\$ 748,034</u>	<u>\$ 5,505,021</u>	<u>\$ 15,441,108</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, 2016

Schedule VII

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 2015-2016
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.

STATE OF NEW MEXICO  
 BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2  
 SCHEDULE OF VENDOR INFORMATION  
 FOR THE YEAR ENDED JUNE 30, 2016

Agency Number	Agency Name	Agency Type	RFB#/RFP# (if applicable)	Type of Procurement	Vendor Name	Did Vendor Win Contract?	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Physical address of vendor (City, State)	Did the Vendor provide documentation of eligibility for in-state preference?	Did the Vendor provide documentation of eligibility for veterans' preference?	Brief Description of the Scope of Work	If the procurement is attributable to a Component Unit, Name of Component Unit
7006	Belen Consolidated Schools		July2015 ITB	Competitive (RFP or RFB)	Creamland	Winner	\$300,000.00		Albuquerque NM	Yes	No	Provide food, non-food, milk, produce on demand	
7006	Belen Consolidated Schools		July2015 ITB	Competitive (RFP or RFB)	Labatt	Winner	\$300,000.00		Albuquerque NM	Yes	No	Provide food, non-food, milk, produce on demand	
7006	Belen Consolidated Schools		July2015 ITB	Competitive (RFP or RFB)	Sysco	Winner	\$300,000.00		Albuquerque NM	Yes	No	Provide food, non-food, milk, produce on demand	
7006	Belen Consolidated Schools		July2015 ITB	Competitive (RFP or RFB)	Shamrock	Winner	\$300,000.00		Albuquerque NM	Yes	No	Provide food, non-food, milk, produce on demand	
7006	Belen Consolidated Schools		July2015 ITB	Competitive (RFP or RFB)	Dees	Winner	\$300,000.00		Albuquerque NM	Yes	No	Provide food, non-food, milk, produce on demand	
7006	Belen Consolidated Schools		July2015 ITB	Competitive (RFP or RFB)	Ben E. Keith	Winner	\$300,000.00		Albuquerque NM	Yes	No	Provide food, non-food, milk, produce on demand	
7006	Belen Consolidated Schools		Anc. Services #05042106	Competitive (RFP or RFB)	Mario Marquez	Winner	\$414,840.00		Albuquerque NM	Yes	No	Ancillary services for students of the District	
7006	Belen Consolidated Schools		Anc. Services #05042106	Competitive (RFP or RFB)	EASI Diagnostics	Winner	\$414,840.00		Albuquerque NM	Yes	No	Ancillary services for students of the District	
7006	Belen Consolidated Schools		Anc. Services #05042106	Competitive (RFP or RFB)	Ardor Health Solutions	Loser	\$414,840.00		Coral Springs FL	No	No	Ancillary services for students of the District	
7006	Belen Consolidated Schools		Anc. Services #05042106	Competitive (RFP or RFB)	Bilingual Multicultural Services	Winner	\$414,840.00		Albuquerque NM	Yes	No	Ancillary services for students of the District	
7006	Belen Consolidated Schools		Anc. Services #05042106	Competitive (RFP or RFB)	AmAble Therapies Inc.	Loser	\$414,840.00		Albuquerque NM	No	No	Ancillary services for students of the District	
7006	Belen Consolidated Schools		Anc. Services #05042106	Competitive (RFP or RFB)	LSG & Associates	Loser	\$414,840.00		Albuquerque NM	No	No	Ancillary services for students of the District	
7006	Belen Consolidated Schools		RG ELEM #04212016	Competitive (RFP or RFB)	Baker Architecture & Design	Loser	\$259,230.00		Albuquerque NM	Yes	No	Architecture services for new Rio Grande Elementary School	
7006	Belen Consolidated Schools		RG ELEM #04212016	Competitive (RFP or RFB)	Cherry See Reams Architects	Loser	\$259,230.00		Albuquerque NM	Yes	No	Architecture services for new Rio Grande Elementary School	
7006	Belen Consolidated Schools		RG ELEM #04212016	Competitive (RFP or RFB)	Dekker-Perich-Sabatini	Loser	\$259,230.00		Albuquerque NM	Yes	No	Architecture services for new Rio Grande Elementary School	
7006	Belen Consolidated Schools		RG ELEM #04212016	Competitive (RFP or RFB)	FBT Architects	Loser	\$259,230.00		Albuquerque NM	Yes	No	Architecture services for new Rio Grande Elementary School	
7006	Belen Consolidated Schools		RG ELEM #04212016	Competitive (RFP or RFB)	Hartman & Majewski Design Group	Loser	\$259,230.00		Albuquerque NM	Yes	No	Architecture services for new Rio Grande Elementary School	
7006	Belen Consolidated Schools		RG ELEM #04212016	Competitive (RFP or RFB)	NCA Architects	Winner	\$259,230.00		Albuquerque NM	Yes	No	Architecture services for new Rio Grande Elementary School	
7006	Belen Consolidated Schools		RG ELEM #04212016	Competitive (RFP or RFB)	Vigil & Associates	Loser	\$259,230.00		Albuquerque NM	No	No	Architecture services for new Rio Grande Elementary School	
7006	Belen Consolidated Schools		RG ELEM #04212016	Competitive (RFP or RFB)	Greer Stafford SJCF	Loser	\$259,230.00		Albuquerque NM	Yes	No	Architecture services for new Rio Grande Elementary School	
7006	Belen Consolidated Schools		RG ELEM #04212016	Competitive (RFP or RFB)	Suina Mead Architects	Loser	\$259,230.00		Albuquerque NM	Yes	No	Architecture services for new Rio Grande Elementary School	
7006	Belen Consolidated Schools		RG ELEM #04212016	Competitive (RFP or RFB)	Van H. Gilbert Architect PC	Loser	\$259,230.00		Albuquerque NM	No	Yes	Architecture services for new Rio Grande Elementary School	
7006	Belen Consolidated Schools		RG ELEM #04212016	Competitive (RFP or RFB)	Dyron Murphy Architects	Loser	\$259,230.00		Albuquerque NM	Yes	No	Architecture services for new Rio Grande Elementary School	
7006	Belen Consolidated Schools		RG ELEM #04212016	Competitive (RFP or RFB)	ASA Architects	Loser	\$259,230.00		Las Cruces NM	Yes	No	Architecture services for new Rio Grande Elementary School	
7006	Belen Consolidated Schools		RG ELEM #04212016	Competitive (RFP or RFB)	Suitt-Zollars	Loser	\$259,230.00		Albuquerque NM	Yes	No	Architecture services for new Rio Grande Elementary School	
7006	Belen Consolidated Schools		SN Food	Competitive (RFP or RFB)	Creamland	Winner	\$300,000.00		Albuquerque NM	Yes	No	Provide food, non-food, milk, produce on demand	
7006	Belen Consolidated Schools		SN Food	Competitive (RFP or RFB)	Sysco	Winner	\$300,000.00		Albuquerque NM	Yes	No	Provide food, non-food, milk, produce on demand	
7006	Belen Consolidated Schools		SN Food	Competitive (RFP or RFB)	Labatt	Winner	\$300,000.00		Albuquerque NM	Yes	No	Provide food, non-food, milk, produce on demand	
7006	Belen Consolidated Schools		SN Food	Competitive (RFP or RFB)	Shamrock	Winner	\$300,000.00		Albuquerque NM	Yes	No	Provide food, non-food, milk, produce on demand	
7006	Belen Consolidated Schools		SN Food	Competitive (RFP or RFB)	Ben E. Keith	Winner	\$300,000.00		Albuquerque NM	Yes	No	Provide food, non-food, milk, produce on demand	

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**COMPLIANCE SECTION**



# Manning Accounting and Consulting Services, LLC

## 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 AUDITORS REPORT

Timothy Keller  
New Mexico State Auditor  
The Office of Management and Budget  
And the Board of Education of  
Belen Consolidated School District No. 2  
Belen, NM

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, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and the combining and individual funds and related budgetary comparisons of the District presented as supplementary information, and have issued our report thereon dated November 09, 2016.

#### **Internal Control Over Financial Reporting**

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Responses, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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 material weaknesses. (FS 2010-004 and FS 2016-005)

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 2010-009, FS 2014-003, and FS 2014-008)



## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items FS 2007-005, FS 2014-002, FS 2014-007, FS 2014-010, FS 2016-001, FS 2016-002, FS 2016-003, and FS 2016-004.

### **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 09, 2016

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**FEDERAL FINANCIAL ASSISTANCE**



# Manning Accounting and Consulting Services, LLC

## REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

### INDEPENDENT AUDITOR'S REPORT

Timothy Keller, New Mexico State Auditor  
The Office of Management and Budget  
And the Board of Education of  
Belen Consolidated School District No. 2  
Belen, NM

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

We have audited the Belen Consolidated School District No. 2's (the "District") compliance with the types of compliance requirements described in the *OMB 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, 2016. The District's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

#### Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance 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, 2016.

## 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 Uniform Guidance, 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.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item FA 2015-002 that we consider to be a significant deficiency.

The District's response 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 response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 Uniform Guidance. 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 09, 2016

STATE OF NEW MEXICO  
BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2016

Schedule IX  
(Page 1 of 2)

Federal Grantor or Pass-Through Grantor / Program Title	Passthrough Number	Federal CFDA Number	Federal Expenditures
<b>U.S. Department of Education</b>			
<i>Passthrough State of New Mexico Public Education Department</i>			
<b>Special Education Cluster (IDEA)</b>			
IDEA B - Entitlement	24106	84.027	\$ 908,390
IDEA-B Results Plan	24132	84.027	91,072
IDEA-B "Risk Pool"	24120	84.027	288
Subtotal CFDA # 84.027			<u>999,750</u>
IDEA-B Preschool	24109	84.173	24,903
<b>Total Special Education Cluster (IDEA)</b>			<u>1,024,653</u>
<b>Other Programs (Treated individually for major program determination)</b>			
Carl D Perkins Secondary - Current	24174	84.048	58,295
Carl D Perkins Secondary - PY Unliquidated Obligations	24175	84.048	2,796
Subtotal CFDA # 84.048			<u>61,091</u>
Title I IASA	24101	84.010	1,372,446
Education of the Homeless	24113	84.196	18,217
English Language Acquisition	24153	84.365A	9,355
Teacher / Principal Training & Recruiting	24154	84.367	223,698
Title I School Improvement	24162	84.377A	15,297
<b>Total Other Programs</b>			<u>1,700,104</u>
<i>Subtotal - Passthrough State of New Mexico Public Education Department</i>			
			<u>2,724,757</u>
<b>Total U.S. Department of Education</b>			
			<u>2,724,757</u>
<b>U.S. Health and Human Services</b>			
<i>Direct U. S. Health and Human Services</i>			
Child Care Block Grant	25157	93.575	1,994
<b>Total U.S. Health and Human Services</b>			<u>1,994</u>
<b>U.S. Department of Agriculture</b>			
<i>Direct U.S. Department of Agriculture</i>			
<b>Other Programs (Treated individually for major program determination)</b>			
Forest Reserve	11000	10.672	3,470
<i>Subtotal - Direct U.S. Department of Agriculture</i>			<u>3,470</u>
<i>Passthrough State of New Mexico Public Education Department</i>			
<b>Other Programs (Treated individually for major program determination)</b>			
Fresh Fruit and Vegetables	24118	10.582	120,355
<b>Child Nutrition Cluster</b>			
USDA School Breakfast Program (1)	21000	10.553	764,846
National School Lunch Program (1)	21000	10.555	1,546,951
<i>Passthrough State of New Mexico Department of Health and Human Services</i>			
Food Distribution (Commodities) (1)	21000	10.553/10.555	182,518
<b>Total Child Nutrition Cluster</b>			<u>2,494,315</u>
<i>Subtotal - Passthrough State of New Mexico Public Education Department</i>			
			<u>2,432,152</u>
<i>Subtotal - Passthrough State of Department of Health and Human Services</i>			
			<u>182,518</u>
<b>Total U.S. Department of Agriculture</b>			
			<u>2,618,140</u>
<b>Total Federal Financial Assistance</b>			<u>\$ 5,344,891</u>

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, 2016

Schedule IX  
 (Page 2 of 2)

**Notes to Schedule of Expenditures of Federal Awards**

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards presents the activity of federal award programs administered by the District, which is described in Note 1 to the District's accompanying financial statements, using the modified accrual basis of accounting. federal awards that are included in the schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). 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, 2016 was \$182,518 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.

4. Indirect Cost Rate

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented. Certain of the District's federal award programs have been charged with indirect costs, based upon a rate established by the State of New Mexico, and the District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance applied to overall expenditures. The District's indirect cost rate for the year was 4.34%

5. Matching Costs

Matching costs (the District's share of certain program costs) are not included in the reported expenditures. The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program. The amounts reported as federal expenditures were obtained from the federal financial reports for the applicable program and periods. The amounts reported in these reports are prepared from records maintained for each program, which are reconciled with the District's financial reporting system.

6. Insurance

No insurance is carried specifically to cover equipment purchased with federal funds. Any equipment purchased with federal funds has only a nominal value, and is covered by the District's casualty insurance policies.

7. Loan or Loan Guarantees

There were no loans or loan guarantees outstanding at year-end.

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

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 5,344,891
Total expenditures funded by other sources	<u>50,379,032</u>
Total expenditures	<u><u>\$ 55,723,923</u></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 FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

Schedule X

**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?                         | None Noted |

*Federal Awards:*

- |  |            |
|--|------------|
| 1. Internal control over major programs:   |            |
| a. Material weaknesses identified?   | None Noted |
| 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 2 CFR-200.5169(a)? | Yes        |
| 4. Identification of major programs:   |            |

CFDA Number	Federal Program
10.553 and 10.555	Child Nutrition Cluster

- |   |           |
|---|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$750,000 |
| 6. Auditee qualified as low-risk auditee?                                   | No        |



**STATE OF NEW MEXICO**  
**BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2**  
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Schedule X

**Section II – Financial Statement Findings**

**FS 2007-005 [07-05] – Cash Appropriations in Excess of Available Cash Balances (Non-Compliance) 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:

	Designated Cash	Available Cash	Cash Appropriation In Excess of Cash
Athletics	\$ 2,851	\$ (31,823)	\$ 2,851

In the prior year the District had one fund – Bond Building – in which cash balances in excess of available cash was included in the final budget.

*Effect:* The District has budgeted a 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 Plan:***

- Specific corrective action plan for finding:  
**The district due to personnel changes has implemented and trained staff to review cash projected vs actual cash in each of the respective funds in order to prepare the necessary budget adjustment documents to be reviewed by the Board Finance Committee and approval by the Board of Education regularly.**
- Timeline for completion of corrective action plan:  
**This will be resolved for the 16-17 FY once the audit has been finalized and compared to our projection by the end of January 2017.**
- Employee position(s) responsible for meeting the timeline:  
**Executive Director of Finance, Superintendent, and Board of Education**

**Section II – Financial Statement Findings (Continued)**

**FS 2010-004 [FS10-04] – Internal Controls over Cash and Bank Reconciliations (Material Weakness) 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”.

**6.20.2.23 OTHER SERVICES:**

C. Federal/state grants:

(1) Flowthrough funds: For grant money that flows through the department, school districts shall utilize the funding for the purpose in which it was awarded. **School districts shall submit complete and accurate reports required by the grant and the department within the prescribed time.** This funding shall be accounted for in accordance with GAAP, applicable federal regulations, and procedures set forth in the grant award.

(2) Direct funds: For grant money that is sent direct, school districts shall utilize the funding for the purpose in which it was awarded. School districts shall submit complete and accurate reports required by the grant within the prescribed time. This funding shall be accounted for in accordance with GAAP, applicable federal regulations, and procedures set forth in the grant award. These direct funds shall be incorporated into the school district operating budget without prior approval provided that a budget adjustment request is submitted to the department.

**Also PSAB Supplement 4 – Federal and State Grants:**

As soon as expenditures begin accumulating, districts need to establish a frequency for submitting Requests for Reimbursement (RfRs) through PED’s Operating and Budget Management System (OBMS). **In order to minimize loans needed from the Operational fund, it is suggested that districts submit requests as often as is allowed to minimize the amount required from loans.** Districts will need to obtain the list of grants not serviced by the RfR system from the PED Flowthrough Bureau’s website. If the fund is distributed in advance, districts or charter schools need to submit a paper transfer request.

**Condition:** During our walkthrough and review of cash and 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.
- Interfund amount were out of balance from the beginning and incurred additional variances during the year which were never balanced.
- Prior audit adjustment to cash had not been booked to the cash accounts.
- During our review of cash, we noted that the PED report submitted to the New Mexico Public Education Department was not reconciled properly to the general ledger report as the general ledger report did not include all adjustments.

There is little to no change in the reconciliation process or the timeliness of the reconciliations from the prior year up through year-end. However, when the audit team returned for final field work, the District had worked at getting many of the reconciliations completed except for prior year stale dated checks and deposits and interfund issues.

During review of Federal and State requests for reimbursement (RfR) which are made on a reimbursement basis we would expect receipts for RfRs received during the year and outstanding at year-end to equal expenditures for the year. However, we noted that many funds do not walk accordingly.

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**Section II – Financial Statement Findings (Continued)**

**FS 2010-004 [FS10-04] – Internal Controls over Cash and Bank Reconciliations (Material Weakness)**  
**Repeated and Revised (Continued)**

Federal funds that had a negative change in cash after adjusting for outstanding receivables included the following funds:

• Fund 24101 – Title I IASA	\$ 473
• Fund 24106 – IDEA-B Entitlements	274
• Fund 24118 – Fresh Fruits & Vegetables	5,312
• Fund 24120 – IDEA-B “Risk Pool”	288
• Fund 24132 – IDEA-B Results Plan	26,299
• Fund 24153 – English Language Acquisition	1,687
• Fund 24154 – Teacher/Principal Training & Recruiting	10,201
• Fund 24162 – Title I School Improvement	<u>15,297</u>
Total	<u>\$ 59,831</u>

On several of these funds, no request for reimbursement was ever done for the total expenditures incurred during the past fiscal year.

State grants had the following funds which had a negative change in cash for the year after adjusting for outstanding receivables:

• Fund 27107 – 2012 GO Bonds Student Library Fund (SB66)	\$ 45,827
• Fund 27141 – Truancy Initiative PED	419
• Fund 28189 – GRADS – Child Care	2,000
• Fund 28190 – GRADS – Instruction	<u>965</u>
Total	<u>\$ 49,211</u>

State grants did have several grants which had increases in their net ending cash balances as well during the year. These grants included the following funds:

• Fund 27114 – New Mexico Reads to Lead K-3 Reading Initiative	\$ 35,889
• Fund 27149 – PreK Initiative	638
• Fund 27166 – Kindergarten – Three Plus	6,782
• Fund 27168 – After School and Summer Enrichment Program	158,025
• Fund 28203 – GRADS Plus	<u>2,693</u>
Total	<u>\$204,027</u>

**Cause:** Due to the loss of one staff member within the Business Office which wasn’t replaced, not all reconciliation functions are being completed timely as this individual’s tasks have had to be taken on by the remaining staff in the Business Office. Full and complete reconciliations are not completed in 30 days due to time constraint issues. Additionally, discrepancies are not always corrected when identified and are added to a list to be completed at a later date.

The request for reimbursement process has been taken over by a staff member who has not done these duties previously. There appears to have been certain funds that this individual was unaware of the need for creating requests for reimbursement. Additionally, these funds have not been tracked properly to make sure that all expenditures are included in the requests for reimbursement and that those requests are promptly and accurately reimbursed to the District. No organized process has been implemented to make sure the District receives all funds that it is entitled to.

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Schedule X

**Section II – Financial Statement Findings (Continued)**

**FS 2010-004 [FS10-04] – Internal Controls over Cash and Bank Reconciliations (Material Weakness)  
Repeated and Revised (continued)**

*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.

The slow process of completing bank reconciliations and the current request for reimbursement process make obtaining a true picture of the cash position of the District difficult on a month-to-month basis as reports are not accurate when these processes take months to complete.

Additionally, the District has lost out on tens of thousands of dollars in reimbursements this current year which will have to be covered by the Operational Fund, which itself is becoming severely depleted.

*Auditors' Recommendation:* We recommend that the District's bank reconciliations be completed in a timely and accurate manner (within 30 days of month-end), 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.

Additionally, we recommend that the District implement a process whereby all reimbursement funds are tracked weekly to identify if all reimbursements have been properly completed and requested, that all reimbursements are coming from the state on a timely basis, and that any discrepancies between expenditures and reimbursements be quickly investigated and corrected.

***Responsible Official's Plan:***

- Specific corrective action plan for finding:  
**The district has some personnel changes that attributed to this finding, and have since resolved and rectified the matter to satisfy the ongoing requirement of this particular area and finding. The bank reconciliations are being done monthly and RFR's are done monthly as well as monitored weekly per our log and viewing OBMS daily. The Executive Director of Finance and Finance Committee of the Board and Superintendent will ensure this is being done.**
- Timeline for completion of corrective action plan:  
**This will be done on a daily, weekly, and monthly basis. Review of RFR's status daily, bank reconciliations are monthly.**
- Employee position(s) responsible for meeting the timeline  
**The Executive Director of Finance and Superintendent will be ensuring compliance with these tasks and reported to Board Finance Committee.**

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**Section II – Financial Statement Findings (Continued)**

**FS 2010-009 [10-09] – Budgetary Controls (Significant Deficiency) Repeated and Revised**

*Criteria:* According to 22-8-11 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:

<b>Fund #</b>	<b>Fund and Function</b>	<b>Amount</b>
<b>Major Funds:</b>		
11000	Operational - Instruction	\$ 58,392
11000	Operational - School Administration	55,705
11000	Operational - Student Transportation	20,804
11000	Operational - Food Service Operations	368
<b>Non-Major Funds:</b>		
22000	Athletics - Instruction	85,206
24101	Title I IASA - Instruction	15,431
24106	IDEA-B Entitlement - Operation & Maintenance of Plant	1,127
24109	IDEA-B Preschool - General Administration	1,036
24113	Education of the Homeless - Instruction	14,585
24113	Education of the Homeless - General Administration	633
24118	Fresh Fruits and Vegetables - Food Service Operations	838
24132	IDEA B Results Plan - Instruction	17
24153	English Language Acquisition - General Administration	16
24162	Title I School Improvement - Instruction	165
24174	Carl D. Perkins Secondary - Current - General Administration	929
25152	Title XIX Medicaid 0/2 - Instruction	92
25152	Title XIX Medicaid 0/2 - Operation & Maintenance of Plant	1,389
25152	Title XIX Medicaid 0/2 - Student Transportation	2,595
25152	Title XIX Medicaid 0/2 - Food Services Operations	92
27107	2012 GO Bonds Student Library Fund SB66 - Instruction	1,716
27149	Pre-K Initiative - Student Transportation	938
	Total	<u>\$ 262,074</u>

During the prior year’s audit we identified seven funds which had over expended budgets in one function each.

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

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Schedule X

**Section II – Financial Statement Findings (Continued)**

**FS 2010-009 [10-09] – Budgetary Controls (Significant Deficiency) Repeated and Revised (continued)**

***Responsible Official's Plan:***

- Specific corrective action plan for finding:  
**The District will monitor this on a more regular basis (monthly vs quarterly) to ensure compliance with budgets that are within the categories functions allowed. This currently was done on our 1<sup>st</sup> quarter report and will be done monthly and reported on to Board Finance Committee monthly.**
  
- Timeline for completion of corrective action plan:  
**This is currently being done and in place to be done on a monthly basis.**
  
- Employee position(s) responsible for meeting the timeline:  
**Executive Director of Finance, Superintendent, and Board Finance Committee**

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Schedule X

**Section II – Financial Statement Findings (Continued)**

**FS 2014-002 – Purchase Orders and Payment Authorization (Non-Compliance) Repeated and Revised**

**Criteria:** Per Belen Consolidated Schools Purchasing Procedures and the 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 statues include 13-1-157 and 13-1-158 NMSA 1978.

**Condition:** During our testing of cash disbursements, we identified the following instances in which proper procedures were not followed.

- In 1 of 25 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 was \$156.00. The invoice was dated 11/19/15 and the purchase order was created and approved on 12/8/15.

In the prior year’s audit we identified 4 instances in which a valid purchase order was created after the goods and or services were received.

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

- In 1 of 41 items tested the goods and or services were received prior to the creation of a valid purchase order. The services were received in June, a valid invoice was received on August 31, 2015 and the purchase order was created on September 14, 2015. The value of these goods and or services was \$178,434.48.

In the prior year’s audit we identified 3 instances in which a valid purchase order was created after the goods and or services were received.

Additionally, in the prior year during review of credit card payments we identified 4 of 9 items tested where purchase orders were entered after the commitment of District funds. None were identified in the current year.

**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 payment is authorized.

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Schedule X

**Section II – Financial Statement Findings (Continued)**

**FS 2014-002 – Purchase Orders and Payment Authorization (Non-Compliance) Repeated and Revised (continued)**

*Responsible Official's View:*

- Specific corrective action plan for finding:  
**The District will continue our training and awareness to all staff that generate requisitions for purchase orders, that purchasing before approval of a purchase order is not allowed and can be subject to consequences by the Superintendent.**
  
- Timeline for completion of corrective action plan:  
**This process will be ongoing as the district reviews daily the purchase orders submitted by sites and departments. This area has improved but will be completed by June 2017.**
  
- Employee position(s) responsible for meeting the timeline:  
**Executive Director of Finance, Superintendent, Business Office Staff**



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Schedule X

**Section II – Financial Statement Findings (Continued)**

**FS 2014-003 – Timeliness of Deposits (Significant Deficiency) Repeated and Revised**

**Criteria:** 6.20.2.14 NMAC 1978: CASH CONTROL STANDARDS:

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 cash receipts, we noted the following instances in which proper procedures were not followed:

- In 2 of 26 items tested cash received by the District was not deposited within 24 hours.
  - On 5/16/16 the District received a check in the amount of \$203,646.56, this payment was not deposited until 5/20/16.
  - On 10/14/15 the District received \$648.00, deposit was made on 10/16/15

In the previous year's audit we noted 4 instances in which deposits were not made within 24 hours of receipt.

During our review of activity cash receipts we noted the following instances in which proper procedures were not followed:

- In 4 of 27 items tested cash received by the schools was not deposited within 24 hours.
  - On 11/12/15 \$20.00 was received and was not deposited until 11/16/15
  - On 12/7/15 \$435.22 was received and was not deposited until 1/22/16
  - On 2/16/16 \$100.00 was received and was not deposited until 2/22/16
  - On 2/24/16 \$36.00 was received and was not deposited until 2/26/16
- In 1 of 27 items tested the date of the receipt was after the deposit was made.
  - On 10/26/15 the school deposited \$57.87 in the bank but the receipt is dated 10/27/15

In the previous year's audit there were no instances in which cash receipts were deposited more than 24 hours after being received by the schools.

**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:**

- Specific corrective action plan for finding:  
**The district due to some personnel changes incurred this finding with staff doing other duties that did not get to the deposits as timely as required. The positions have been filled and staff trained in order to prevent this from happening again in the future. We will also train site and departments to make sure deposits are timely.**
- Timeline for completion of corrective action plan:  
**This has been accomplished and resolved currently and will be adhered to ongoing.**
- Employee position(s) responsible for meeting the timeline:  
**Executive Director of Finance and Superintendent**

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Schedule X

**Section II – Financial Statement Findings (Continued)**

**FS 2014– 007 – Improper Cash Controls Outstanding Warrants (Non-Compliance) Repeated and Revised**

*Criteria:* 6.20.2.14 NMAC 1978: **CASH CONTROL STANDARDS:**

- 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 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.

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**Section II – Financial Statement Findings (Continued)**

**FS 2014– 007 – Improper Cash Controls Outstanding Warrants (Non-Compliance) Repeated and Revised (continued)**

**Condition:** During our review of cash we observed the following issues:

- The Capital Projects cash account has stale dated deposits in transit of \$990.73
- The Capital Improvements cash account has stale dated deposits in transit of \$520.52
- The Athletics cash account has stale dated deposits in transit of \$1,552.15
- The Activities cash account has stale dated deposits in transit of \$79.00
- The Student Nutrition cash account has stale dated checks and deposits in transit of \$23,366.44
- The Payroll Clearing cash account has stale dated checks of \$3,168.18
- The Accounts Payable cash account has stale dated checks of \$10,347.19

These items were not removed from the accounts until October 2016.

The same issues existed in the prior year with the only change being a few more staled dated checks had arisen in the past year.

**Cause:** The district has not voided warrants or outstanding deposits which are more than one year old. Once one of these items enters the reconciliation they are not cleared from the reconciliation when identified.

**Effect:** The District has not maintained sufficient internal controls to identify warrants and deposits in transit of more than one year old and has not followed proper guidance in the recording and voiding of outstanding warrants and deposits in transit. This results in cash not being recorded at the proper amount.

**Auditor’s Recommendation:** We recommend that management adequately monitor outstanding warrants and deposits in transit and ensure that internal control procedures are in place to remove outstanding warrants and deposits in transit from the District’s assets and liabilities. The District has taken care of this in October for the old outstanding items, but we recommend that this be a monthly process in the normal reconciliation procedures of the District.

**Responsible Official’s Plan:**

- Specific corrective action plan for finding:  
**The District has already removed all of these stale dated items from our bank reconciliations while the auditors were on site. This will be reviewed at the end of each fiscal year and once reaching the requirements for being considered stale dated will be removed prior to closing books at the end of each fiscal year.**
- Timeline for completion of corrective action plan:  
**This has been completed for FY 15-16 therefor considered resolved.**
- Employee position(s) responsible for meeting the timeline:  
**Executive Director of Finance, Superintendent, and Board Finance Committee**

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Schedule X

**Section II – Financial Statement Findings (Continued)**

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

**Criteria:** 1.4.1.15 NMAC 1978: **COMPETITIVE SEALED BIDS REQUIRED:**

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: **PUBLIC NOTICE INVITATION FOR BID:**

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: **MISTAKES IN BIDS:**

- 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.

1.4.1.25 NMAC 1978: **STATUTORY PREFERENCES:**

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.

**Section II – Financial Statement Findings (Continued)**

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

Finally, 1.4.1.67 NMAC 1978: **COPIES OF CONTRACTS AND PRICE AGREEMENTS:**

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 bids and requests for proposals we identified an instance in which proper procedures were not followed;

- Two of the bids received by the District did not have time stamps to verify they were received prior to the deadline.
- In the RFP for the facilities master plan the bid document did not contain statutory preferences as part of the scoring. However, when the bids were scored by the District preference points were awarded to both vendors even though neither vendor sent certification that they were resident businesses.

During our testing of individually significant disbursements we identified the purchase of a pre-engineered metal building costing \$86,151.52 for which no bid process had been performed by the District.

In the previous year’s audit there was 1 instance in which there was no statutory preference given to the vendors.

**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.

**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 that all personnel responsible for the receipt of bid envelopes are trained in proper receiving procedures.

**Responsible official’s view:**

- Specific corrective action plan for finding:  
**The district due to some change in personnel had missed the above items, but we are in the process of getting staff trained for the CPO requirement and also having the Executive Director of Finance oversee a more direct role in reviewing all purchasing daily, regularly in particular bids and proposals. The district will advise the Superintendent by no later than March 2017 of the trained individuals that will be overseeing compliance in this area ongoing.**
- Timeline for completion of corrective action plan:  
**This will be resolved by June 2017 and have staff trained in the CPO requirement in February, the next available date for this type of certification.**
- Employee position(s) responsible for meeting the timeline:  
**Executive Director of Finance, Superintendent, Board Finance Committee**

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**Section II – Financial Statement Findings (Continued)**

**FS 2014-010 – Improper Usage of Credit Cards (Non-Compliance) Repeated and Revised**

**Criteria:** Laws of 2015, Regular Session, Chapter 28, Section 3, Subsection J 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(l) NMSA 1978, none of the appropriations contained in the General Appropriations Act of 2014 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.

This condition is the same as existed in the previous year.

**Cause:** The District had originally been unaware that they were not allowed to use a bank issued credit card for purchases when those funds are paid with State appropriations. Since being brought to the District’s attention they have been looking into the requirements of obtaining a state compliant purchasing card to replace their Wells Fargo credit cards. However, that process has not been completed at this time.

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

**Auditor’s Recommendation:** The District should only utilize procurement cards authorized by Section 6-5-9(l) NMSA 1978. The District should complete the process it has initiated in obtaining a state authorized procurement card and replace its Wells Fargo credit card with that approved purchasing card.

**Responsible Official’s Plan:**

- Specific corrective action plan for finding:  
**The District is in the process of working with the correct authorized bank to open an account and close our existing account. This has been presented to our Superintendent and Board Finance Committee for review and approval, but has not been finalized as of yet.**
  
- Timeline for completion of corrective action plan:  
**This finding will be resolved by December 31, 2016.**
  
- Employee position(s) responsible for meeting the timeline:  
**Executive Director of Finance, Superintendent, and Board of Education**

**Section II – Financial Statement Findings (Continued)**

**FS 2016-001 – Improper Reimbursement of Travel Expense (Non-Compliance)**

**Criteria:** According to 2.42.2.9 NMAC 1978: **REIMBURSEMENT OF ACTUAL EXPENSES IN LIEU OF PER DIEM RATES:**

A. **Applicability:** Upon written request of a public officer or an employee, agency heads may grant written approval for a public officer or employee of that agency or local public body to be reimbursed actual expenses in lieu of the per diem rate where overnight travel is required.

B. **Overnight travel:** For overnight travel for state officers and employees where overnight lodging is required, the public officer or employee will be reimbursed as follows:

**Actual reimbursement for lodging:** A public officer or an employee may elect to be reimbursed actual expenses for lodging not exceeding the single occupancy room charge (including tax) in lieu of the per diem rate set forth in this Section. Whenever possible, public officers and employees should stay in hotels which offer government rates. Agencies, public officers or employees who incur lodging expenses in excess of \$215.00 per night must obtain the signature of the agency head or chairperson of the governing board on the travel voucher prior to requesting reimbursement and on the encumbering document at the time of encumbering the expenditure.

**Actual reimbursement for meals: Actual expenses for meals are limited by Section 10-8-4(K)(2) NMSA 1978 (1995 Repl. Pamp.) to a maximum of \$30.00 for in-state travel and \$45.00 for out-of-state travel for a 24-hour period.**

**Receipts required:** The public officer or employee must submit receipts for the actual meal and lodging expenses incurred. Under circumstances where the loss of receipts would create a hardship, an affidavit from the officer or employee attesting to the expenses may be substituted for actual receipts. The affidavit must accompany the travel voucher and include the signature of the agency head or governing board. See Appendix B for a sample affidavit.

**Condition:** During our testing of travel and per-diem expenses we noted the following instances in which proper procedures were not followed:

- In 3 of 9 items tested the District did not reimburse the taxes the employee paid for meals.

**Cause:** The District incorrectly believed that since the District is a tax-exempt entity they were not required to pay taxes for meal and travel reimbursements incurred by the employees.

**Effect:** The District did not fully reimburse employees for qualified travel expenses. Employees were not reimbursed at a consistent basis as in some instances tested the District did pay the tax incurred by the employees.

**Auditor's Recommendation:** We recommend that management ensure that they are reimbursing employees properly for qualified expenses and ensure that policies are consistent for all employees.

**Responsible Official's View:**

- Specific corrective action plan for finding:  
**The district was unaware of the regulation allowing individuals to be reimbursed the tax on travel items such as food. The district has trained staff and made sure that this is now the practice in place allowing the reimbursement of taxes for travel.**
- Timeline for completion of corrective action plan:  
**This has been resolved as of FY 16-17.**
- Employee position(s) responsible for meeting the timeline:  
**Executive Director of Finance, Superintendent, Board Finance Committee**

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**Section II – Financial Statement Findings (Continued)**

**FS 2016-002 – Background Checks (Non-Compliance)**

**Criteria:** According to 22-10A-5 NMSA 1978 Background checks; known convictions; alleged ethical misconduct; reporting required; limited immunity; penalty for failure to report.

C. Local school boards and regional education cooperatives shall develop policies and procedure to **require background checks on an applicant who has been offered employment, a contractor or a contractor's employee with unsupervised access to students at a public school.**

D. An applicant for employment who has been initially licensed within twenty-four months of applying for employment with a local school board, regional education cooperative or a charter school shall not be required to submit to another background check **if the department has copies of the applicant's federal bureau of investigation records on file.** An applicant who has been offered employment, a contractor or a contractor's employee with unsupervised access to students at a public school shall provide two fingerprint cards or the equivalent electronic fingerprints to the local school board, regional education cooperative or charter school to obtain the applicant's federal bureau of investigation record. The applicant, contractor or contractor's employee who has been offered employment by a regional education cooperative or at a public school may be required to pay for the cost of obtaining a background check. **At the request of a local school board, regional education cooperative or charter school, the department is authorized to release copies of federal bureau of investigation records that are on file with the department and that are not more than twenty-four months old.** Convictions of felonies or misdemeanors contained in the federal bureau of investigation record shall be used in accordance with the Criminal Offender Employment Act; provided that other information contained in the federal bureau of investigation record, if supported by independent evidence, may form the basis for the employment decisions for good and just cause. Records and related information shall be privileged and shall not be disclosed to a person not directly involved in the employment decision affecting the specific applicant who has been offered employment, contractor or contractor's employee with unsupervised access to students at a public school.

**Condition:** During our review of personnel files we noted several instances where required documentation was not found in the employees personnel file.

- In 3 of the 25 files reviewed there was no copy of the FBI background check in the file. The District had a printout from the licensure bureau indicating that the license was clear, and this had been accepted as a background check.
- In 1 of the 25 files reviewed, no FBI background check documentation could be found even though the human resource department was positive a FBI background check had been done on the employee.

**Cause:** Belen Public Schools have not followed state guidelines in regards to documentation of licensure and background checks.

**Effect:** The School's failure to maintain a background check report in the employee file is a violation of state statute and puts the District and School at additional risk of liability for any actions that may arise regarding employees.

**Auditor's Recommendation:** We recommend that Belen Public Schools adhere to its policy regarding FBI background checks and ensure they are properly maintained within the employee personnel files.



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**Section II – Financial Statement Findings (Continued)**

**FS 2016-002 – Background Checks (Non-Compliance) (continued)**

*Responsible Official's View:*

- Specific corrective action plan for finding:  
**The district has since for FY 16-17 done an internal audit of our records and made sure that this finding has been resolved completely.**
  
- Timeline for completion of corrective action plan:  
**This has currently been resolved for FY 16-17.**
  
- Employee position(s) responsible for meeting the timeline:  
**Director of Human Resources, Superintendent**

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**Section II – Financial Statement Findings (Continued)**

**FS 2016- 003 – Insufficient Pledged Collateral (Non-compliance)**

**Criteria:** According to 6-10-16 NMSA 1978 **Security for deposits of public money:**

- A. Deposits of public money shall be secured by
- 1) securities of the United States, its agencies or instrumentalities
  - 2) securities of the state of New Mexico, its agencies, instrumentalities, counties, municipalities or other subdivisions
  - 3) securities, including student loans, that are guaranteed by the United State or the State of New Mexico
  - 4) revenue bonds that are underwritten by a member of the financial industry regulatory authority, known as FINRA, and are rated “BAA” or above by a nationally recognized bond rating services; or
  - 5) letters of credit issued by a federal home loan bank”.

Also 6-10-17 NSMA 1978 **Amount of security to be deposited:**

Any bank or savings and loan association designated as a depository of public money shall deliver securities of the kind specified in Section 6-10-16 NMSA 1978 to a custodial bank described in Section 6-10-21 NMSA 1978 and shall then deliver a joint safekeeping receipt issued by the custodial bank to the public official from whom or the public board from which the public money is received for deposit. The securities delivered shall have an aggregate value equal to one-half the amount of public money to be received in accordance with Subsection B of Section 6-10-16 NMSA 1978. However, any such bank or savings and loan association may deliver a depository bond executed by a surety company as provided in Section 6-10-15 NMSA 1978 as security for any portion of a deposit of public money.”

**Condition:** During our review of cash and pledged collateral requirements we noted that the deposits held at Wells Fargo Bank did not have the required 50% pledged collateral. The District had a balance of \$3,269,882; FDIC coverage is \$250,000 leaving \$1,509,941 needing to be secured with pledged collateral. Wells Fargo only had \$1,503,465 in pledged collateral leaving the District \$6,476 short.

**Cause:** Wells Fargo has not provided sufficient collateralization as required by banking institutions which hold public monies and the District had not recognized the insufficient collateralization.

**Effect:** The District’s deposits of public monies were not sufficiently collateralized according to state statute in the event of the bank’s failure which could cause the loss of assets.

**Auditor’s Recommendation:** We recommend that management adequately monitor the collateralization of its deposits. Management should require written confirmation from the bank regarding the type and fair value of the increased collateralization.

**Responsible Official’s View:**

- Specific corrective action plan for finding:  
**The District will review monthly the pledged collateral for all banks in accordance with the law. We have notified the one bank that did not collateralize the required amount to make sure that they also are within the legal requirements.**
- Timeline for completion of corrective action plan:  
**This has been resolved currently and will be reviewed monthly ongoing.**
- Employee position(s) responsible for meeting the timeline:  
**Executive Director of Finance, Superintendent, and Board Finance Committee**

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**Section II – Financial Statement Findings (Continued)**

**FS 2016- 004 – Deficit Cash in Activity Funds (Non-compliance)**

**Criteria:** According to PSAB Supplement 18 – Student Activity and Athletic Funds:

**No activity fund account shall ever be permitted to incur a deficit.** Financial records of student activity funds must be in accordance with generally accepted accounting principles and an adequate internal control structure established and maintained, as well as audit trails, in the same manner as the school district’s regular funds.

Under good accounting policies and practices the District should not be loaning agency funds to the operational activities of the District as they have in the past year.

**Condition:** During our review of activity accounts we identified one of the schools had a negative cash balance in its activity fund. La Promesa Elementary had a negative cash balance of \$3,306. Additionally, the District had loaned \$250,000 of activity funds for use in the operational activities of the District.

**Cause:** The School spent more from its activity funds than it had available which resulted in a deficit fund balance at year-end. The school and the Business Office did not properly monitor activity funds to ensure that the school did not overdraw its available activity funds. With regards to the loans from the activity funds, the District does not have sufficient cash reserves in the Operational Fund to cover all deficit balances within its Federal and State reimbursement funds. As a result of the slow reimbursement process that can occur from the State, Federal and State grants may have deficit balances in excess of one million dollars. This issue plus the fact that the District has many existing deficit balances in many of these funds has put a strain on the District cash flow resulting in the borrowing of agency funds to meet these cash flow issues.

**Effect:** The District is not in compliance with state guidelines with regards to deficit balances in student activity funds. Additionally, good accounting practices do condone the use of agency funds for District operational needs.

**Auditor’s Recommendation:** We recommend that the individual schools and the District Business Office track student activity funds more closely to make sure schools do not overdraw their actual funds. We also recommend that the District refrain from using student activity accounts for loans as these are trust accounts, and the students of the schools are the owners of these funds, not the District.

**Responsible Official’s View:**

- Specific corrective action plan for finding:  
**The District through some staff changes had some difficulty bringing balances forward and we now have reconciled those with prior year balance forward. The amounts due back to the funds are in process of being refunded and will have that done by end of calendar year 2016. This was due to Federal funds that were not distributed to the district on a regular and consistent manner throughout the year and in particular in June and July of 2016.**
- Timeline for completion of corrective action plan:  
**This is in process and ongoing to be completed by end of 2016.**
- Employee position(s) responsible for meeting the timeline:  
**Executive Director of Finance, Superintendent, Board Finance Committee**

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**Section II – Financial Statement Findings (Continued)**

**FS 2016-005 – Improper Maintenance of Fixed Assets and Fixed Asset Certification (Material Weakness)**

**Criteria: 2.20.1.8 NMAC 1978 FIXED ASSET ACCOUNTING SYSTEM:**

- A. Agencies should implement systematic and well-documented methods for accounting for their fixed assets. A computerized system is recommended, with appropriate controls on access and authorization of transactions.
- B. The information to be recorded and maintained on its fixed assets, must include at a minimum the following:
  - 1. agency name or commonly used initials used to identify the agency;
  - 2. fixed asset number or fixed asset number plus component number;
  - 3. a description using words meaningful for identification;
  - 4. location, specifically a building and room number. If the asset is movable, the name and location of the fixed asset coordinator should be used;
  - 5. manufacturer name (NOT the vendor's name, unless vendor is the manufacturer);
  - 6. model number or model name;
  - 7. serial number, or vehicle identification number (VIN) for vehicles in agency's use & possession. If the fixed asset has no serial number, e.g., a custom-built asset, absence should be acknowledged by coding this as "none";
  - 8. estimated useful life or units expected to be produced;
  - 9. date acquired (month and year)
  - 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.

**Additionally 2.20.1.16 NMAC 1978 ANNUAL INVENTORY:**

- A. At the end of the fiscal year, each agency shall conduct a physical inventory of its fixed assets consisting of those with a historical cost of one thousand dollars (\$1,000) or more, under the control of the governing authority.
- B. This inventory shall include all property procured through the capital projects fund which are assigned to the agency designated by the director of the property control division as the user agency.
- C. All passenger vehicles must be included in the inventory process. This includes all vehicles leased from the transportation services division of the general services department as required by the "Auditor's Rule" 2 NMAC 2.2.11.1.L [now Paragraph (8) or Subsection A of 2.2.2.12 NMAC].
- 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 brings 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 (Laws 1999, Chapter 230).**

**Section II – Financial Statement Findings (Continued)**

**FS 2016-005 – Improper Maintenance of Fixed Assets and Fixed Asset Certification (Material Weakness)**  
**(continued)**

**Finally 12-6-10 NMSA 1978 Annual inventory.**

- A. The governing authority of each agency shall, at the end of each fiscal year, conduct a physical inventory of movable chattels and equipment costing more than five thousand dollars (\$5,000) and under the control of the governing authority. This inventory shall include all movable chattels and equipment procured through the capital program fund under Section 15-3B-16 NMSA 1978, which are assigned to the agency designated by the director of the property control division of the general services department as the user agency. The inventory shall list the chattels and equipment and the date and cost of acquisition. No agency shall be required to list any item costing five thousand dollars (\$5,000) or less. **Upon completion, the inventory shall be certified by the governing authority as to correctness. Each agency shall maintain one copy in its files. At the time of the annual audit, the state auditor shall satisfy himself as to the correctness of the inventory by generally accepted auditing procedures.**

*Condition:* The fixed asset detail and the depreciation detail provided to us in the current year were missing significant values as not all items which were moved out of construction-in-progress to buildings at the end of the 2015 fiscal year were included in this listing. Additionally, the detail for vehicles and furniture, fixtures, and equipment did not correlate to the depreciation listing as some items were on one listing but not on the other listing. This depreciation detail also didn't correlate to previous financial statement amounts.

The District has made corrections to its fixed asset and depreciation listings to correct these errors. The errors in the various fixed asset details and depreciation details resulted in a prior period adjustment which decreased Net Position by \$688,391.

Additionally, the District did not have its Board certify its fixed asset inventory in a duly authorized board meeting as required by statute.

*Cause:* The District had not been using the same information provided during the audits and reviewed by its auditors to complete its internal detail for items related to construction-in-progress. This resulted in significant additions being left off the detail provided to the auditors for the current audit. The District had also not been correlating its detail for vehicles and for furniture, fixtures, and equipment to its depreciation detail to make sure all assets were being depreciated correctly.

*Effect:* The net value of fixed assets was over reported in previous audits. Also, the District was not in compliance with State statutes regarding the certification of its annual physical inventory.

*Auditors' Recommendations:* We recommend that the District emphasize the importance of accurately maintaining their fixed asset and depreciation listings. These listings should be periodically compared to one another to verify that the two listings include the same assets. We also recommend that the District set a standard date to take their fixed asset inventory to the Board for certification so that it is included each year at that time to avoid missing this statutory requirement in the future.

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**Section II – Financial Statement Findings (Continued)**

**FS 2016-005 – Improper Maintenance of Fixed Assets and Fixed Asset Certification (Material Weakness)**  
**(continued)**

*Responsible Official's Response:*

- Specific corrective action plan for finding:  
**The district in previous years as stated in audit reports maintains a fixed assets listing, but on two systems, one on excel and the other on Visions software. Some of the prior year audit adjustments were not done and we have since posted those and reconciled those for this year's audit. We will also make sure the Board of Education certify all fixed assets for the 16-17 FY.**
  
- Timeline for completion of corrective action plan:  
**The reconciliation of assets has been done and resolved. The District will provide the Board of Education the assets for certification now in December 2016 for FY 15-16 and again in July 2017 for FY16-17.**
  
- Employee position(s) responsible for meeting the timeline:  
**Executive Director of Finance and Superintendent and Board of Education**

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**Section III – Federal Awards Findings (Continued)**

**FA 2015-002 – Procurement and Suspension and Debarment (Significant Deficiency)**

**Federal Program Information:**

Funding Agency: U.S. Department of Agriculture  
Title: USDA School Breakfast Program and National School Lunch Program  
CFDA Number: 10.553 and 10.555  
Passthrough: New Mexico Public Education Department  
Award Year: 2016

**Criteria:** Uniform Grant Guidance and 2 CFR Part 200 Subpart C and D:

**§200.213 Suspension and debarment.**

Non-federal entities are subject to the non-procurement debarment and suspension regulations implementing Executive Orders 12549 and 12689, 2 CFR part 180. These regulations restrict awards, subawards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs or activities.

**§200.317 Procurements by states.**

When procuring property and services under a Federal award, a state must follow the same policies and procedures it uses for procurements from its non-Federal funds. The state will comply with §200.322 Procurement of recovered *materials* and ensure that every purchase order or other contract includes any clauses required by section §200.326 Contract provisions. All other non-Federal entities, including subrecipients of a state, will follow §§200.318 General procurement standards through 200.326 Contract provisions.

**§200.318 General procurement standards.**

(a) The non-Federal entity must use its own documented procurement procedures which reflect applicable State, local, and tribal laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this part.

(b) Non-Federal entities must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

**APPENDIX II TO PART 200—CONTRACT PROVISIONS FOR NON-FEDERAL ENTITY CONTRACTS UNDER FEDERAL AWARDS**

In addition to other provisions required by the Federal agency or non-Federal entity, all contracts made by the non-Federal entity under the Federal award must contain provisions covering the following, as applicable.

(H) Debarment and Suspension (Executive Orders 12549 and 12689)—A contract award (see 2 CFR 180.220) must not be made to parties listed on the government-wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), “Debarment and Suspension.” <https://www.sam.gov/portal/public/SAM/> SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

**Condition:** During our testing of cash disbursements, we identified nine vendors which would meet the requirement of verifying that the vendors were not suspended or debarred or otherwise excluded from receiving the contract which was funded through Federal dollars. These vendors received more than \$25,000 in payments from the District from Federal grant sources. These vendors are not currently suspended or debarred from receiving Federal contracts.

**Questioned Costs:** None

**Cause:** Belen District personnel did not verify that vendors which meet the \$25,000 thresholds are not suspended, debarred, or otherwise excluded from participating in contracts funded through Federal awards due to a lack of staffing.

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**Section III – Federal Awards Findings (Continued)**

**FA 2015-002 – Procurement and Suspension and Debarment (Significant Deficiency) (continued)**

***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 improper grant distributions.

***Auditor's Recommendation:*** We recommend that the District establish a policy and implement procedures regarding large purchases related to Federal grants to insure that no vendors who are suspended, debarred, or otherwise excluded from participating in transactions funded through Federal grants is used. As identified above, there are several methods in which the District can verify vendors are not suspended or debarred. The District may have the vendor provide an annual certification that it is not currently suspended, debarred, or otherwise prevented from receiving Federal dollars. In other occasions in which a single purchase is going to be made, the purchasing procedures should include looking up the vendor on the GSA website, printing a copy of the verification, and placing it in the file with the purchase order. The District has options, and it should establish what method is the least intrusive but also effective in complying with the requirements of the Uniform Grant Guidance.

***Responsible Official's Plan:***

- Specific corrective action plan for finding:  
**The district has been checking the web site for debarment information but need to formalize with documentation and verification of debarment through other entities / agencies. The district has started this process this fiscal year and is documenting this in our files.**
- Timeline for completion of corrective action plan:  
**This has been implemented currently and ongoing.**
- Employee position(s) responsible for meeting the timeline:  
**Executive Director of Finance and Purchasing Specialist in Business Office**



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**Section IV – Prior Year Audit Finding**

**Financial Statement Findings**

FS 2007-005 [07-05] — Cash Appropriations in Excess of Available Cash Balances- Repeated and Revised  
FS 2010-001 [10-01] — Entity-Wide Control Deficiency- Resolved  
FS 2010-004 [10-04] — Internal Controls over Bank Reconciliations- Repeated and Revised  
FS 2010-009 [10-09] — Expenditures in Excess of Budget- Repeated and Revised  
FS 2014-001 Incomplete I-9 Information – Resolved  
FS 2014-002 Improper Purchase Order and Payment Authorization – Repeat and Revised  
FS 2014-003 Deposits Not Made In a Timely Manner – Repeated and Revised  
FS 2014-007 Improper Cash Controls Outstanding Warrants – Repeated and Revised  
FS 2014-008 Improper Procedures for Bids RFPs – Repeated and Revised  
FS 2014-010 Credit Cards and Supporting Documentation – Repeated and Revised  
FS 2015-001 Improper Mileage Reimbursement – Resolved  
FS 2015-002 Segregation of Duties - Resolved

**Federal Awards Findings**

FA 2014-001 Improper Maintenance of Personnel Activity Reports – Resolved  
FA 2014-004 Indirect Costs Charges Exceeded Allowable Rate – Resolved  
FA 2015-001 Purchase Orders and Travel Reimbursement – Resolved  
FA 2015-002 Procurement and Suspension and Debarment – Repeated and Revised

**STATE OF NEW MEXICO**  
**BELEN CONSOLIDATED SCHOOL DISTRICT NO. 2**  
**OTHER DISCLOSURES**  
**FOR THE YEAR ENDED JUNE 30, 2016**

**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 on November 09, 2016 the following individuals were in attendance.

**Belen Consolidated School District No. 2**

Max Perez, Superintendent  
George Perea, Director of Finance  
Dolores Quintana, Board Secretary  
Max Cordova, Board Member

**Manning Accounting and Consulting Services, LLC**

Byron R. Manning, CPA, Managing Partner