

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
STATE OF NEW MEXICO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended June 30, 2013

Prepared by
Randall Bondow, Assistant Superintendent of Finance
and
The Business Office

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INTRODUCTORY SECTION

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STATE OF NEW MEXICO
FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
LIST OF PRINCIPAL OFFICIALS
June 30, 2013

PRIMARY GOVERNMENT

Sandy Schumacher Board President

Mike Isaacson..... Board Vice President

Bill Young..... Board Secretary

Kyle Rhodes Board Deputy Secretary

Robyn Hoffman Board Member

Janel Ryan..... Superintendent

Frank Stimac Assistant Superintendent for Security & Communications

Ted Lasiewicz..... Chief of Operations

Linda Schilz Assistant Superintendent of Human Resources

Robert Emerson Assistant Superintendent for Educational Services & Data Management

Phil Valdez..... Assistant Superintendent for Educational Support Services

Randall Bondow Assistant Superintendent of Business and Finance

COMPONENT UNIT

Lawrence Palmer Board President

DeLea Taylor Board Treasurer

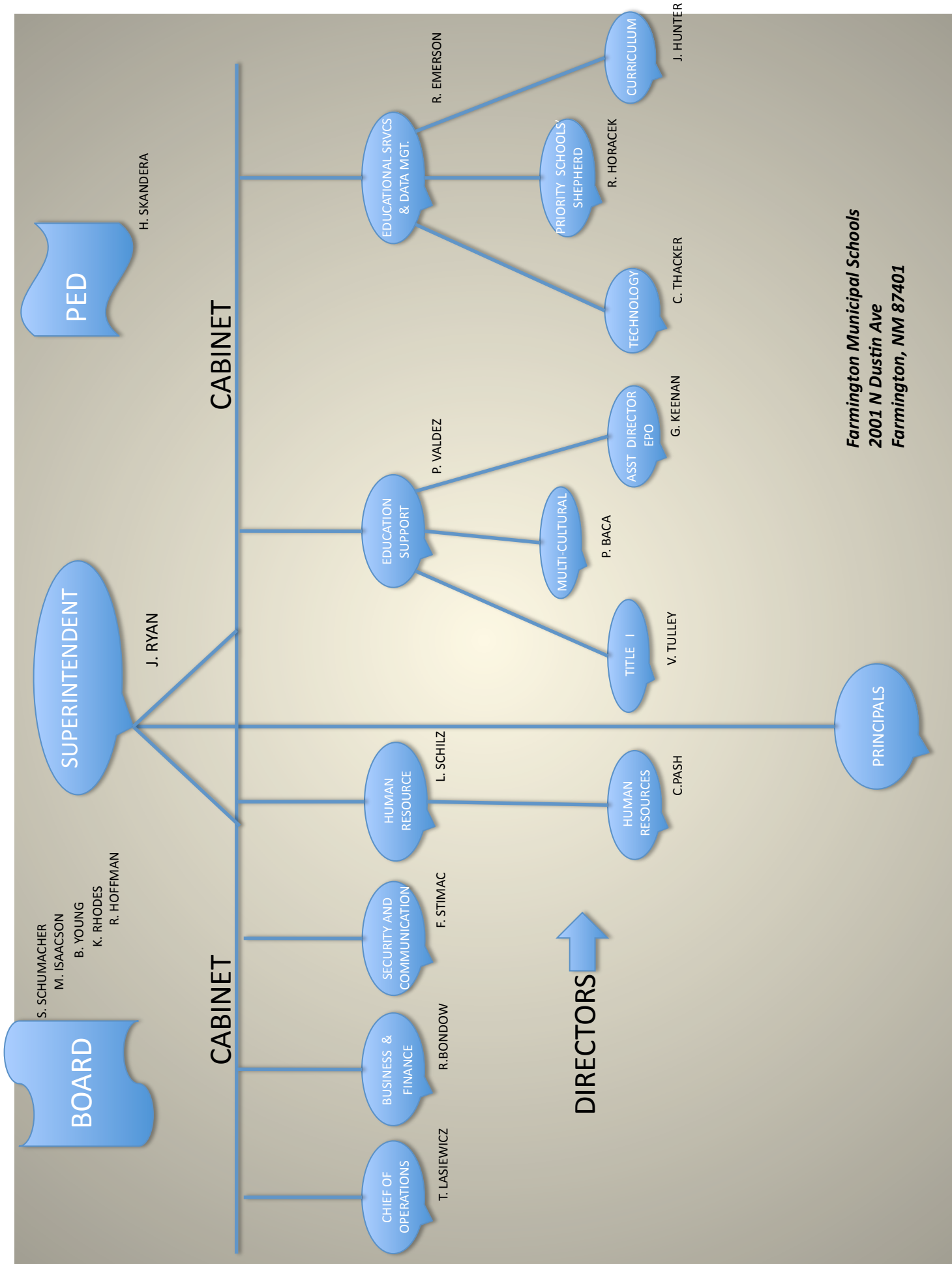
Stephanie Byrom..... Board Secretary

Mike Shirer Board Member

Becky Ferris..... Board Member

Deborah Jackson Head Administrator

Sean Fry Business Manager





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Farmington Municipal
School District No. 5
New Mexico**

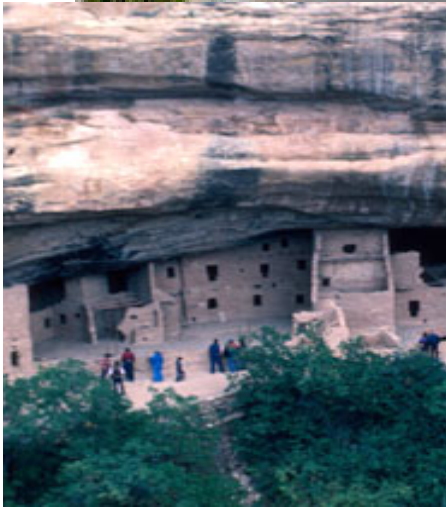
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

FARMINGTON MUNICIPAL SCHOOLS MISSION STATEMENT

The mission of Farmington Municipal Schools is to provide our students with the knowledge and skills necessary to be successful in a changing environment by providing a system of learning focused on high expectations and continuous improvement.





Farmington Municipal Schools

2001 North Dustin Avenue – P.O. Box 5850
Farmington, New Mexico 87401

ADMINISTRATIVE OFFICES

TELEPHONE (505) 324-9840
FAX (505) 599-8806

October 31, 2013

To the Citizens and Board of Education of Farmington Municipal School District

We are pleased to present to you the comprehensive annual financial report of the Farmington Municipal School District for the fiscal year ended June 30, 2013.

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Farmington Municipal School District for the fiscal year ended June 30, 2013.

This report consists of management's representations concerning the finances of the Farmington Municipal School District. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Farmington Municipal School District has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Farmington Municipal School District's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Farmington Municipal School District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Farmington Municipal School District's financial statements have been audited by David Berry, CPA, PC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Farmington Municipal School District for the fiscal year ended June 30, 2013, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Farmington

Municipal School District's financial statements for the fiscal year ended June 30, 2013, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Farmington Municipal School District was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Farmington Municipal School District's separately issued Single Audit Report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Farmington Municipal School District's MD&A can be found immediately following the report of the independent auditors.

Profile of the District

The District is a political subdivision of the State organized for the purpose of operating and maintaining an educational program for school-age children residing within its boundaries. The Farmington Municipal School District No. 5 is the seventh largest district in the State with an enrollment of 10,686 students. There are 10 elementary schools, 4 middle schools, an alternative junior-senior high school, two senior high schools and two pre-schools within the District. The District's educational program also includes vocational, technical and occupational training. The District provides education services for the detainees of the County Juvenile Detention Center, which averages approximately 30 students.

In addition, there are twelve BIA/private schools, which also operate in the District with approximately 900 students and 218 students approved for home schools.

The District's powers are subject to regulations promulgated by the New Mexico Secretary of Public Education. The Public Education Department Secretary is the governing authority of the public school systems in New Mexico and has control, management and direction over all public schools. The Governor appoints the Secretary of Public Education. Generally, the powers of the Secretary include determining policy of operations of all public schools; designating courses of instruction for all public schools in the State; adopting regulations for the administration of all public schools; determining qualifications for teachers, counselors, and their assistants; and prescribing minimum educational standards for all public schools. The Secretary of the Public Education Department may order the creation of new school districts or may require consolidation of school districts.

The District Board (the “Board”), subject to regulations of the Public Education Department, supervises and controls all public schools and property within the District. The Board employs a superintendent of schools, delegates administrative and supervisory functions to the superintendent, fixes the budget, has the capacity to sue and be sued, contracts, leases, purchases and sells for the District, acquires and disposes of all property, and adopts regulations pertaining to the administration of all powers or duties of the Board. Members serve without compensation for four-year terms of office in non-partisan elections held every two years on the first Tuesday in February.

Currently, the District operates and maintains a variety of facilities in meeting its obligations to provide an education program for the school-age children residing within its boundaries. The District operates 19 school sites. The capacity of the school facilities is estimated at 15,000 students (FTE basis).

In addition to the school buildings and their contents, the District owns 290 acres of land upon which school buildings and facilities are located, approximately 579 acres of additional vacant property, the District Administration Building, a maintenance shop and custodial center, bus terminal, an Exceptional Program and Bilingual Education building, an instructional materials warehouse and 40 vehicles. The District owns its bus fleet (75). The District also owns 18-acre feet of water rights.

The Farmington Schools, as a whole, is accredited by the State of New Mexico’s Public Education Department. The most recent accreditation was in December 2003. The results were favorable for the District.

The District is required by State law to submit to the Public Education Department by April 15 of each year, an estimated budget for the District for the ensuing fiscal year. If the District fails to submit a budget, the Public Education Department must prepare an estimated budget for the District for the ensuing fiscal year. Prior to June 20th of each year, the Board must hold a public hearing to establish the estimated budget for the district for the next year.

On or before July 1 of each year, the Public Education Department must approve and certify to the District an approved budget for use by the District based upon the estimated budget fixed by the District. No school board, officer or employee of a school district may make expenditure or incur any obligation for the expenditure of public funds unless such expenditure is made in accordance with an operating budget approved by the Public Education Department, but this does not prohibit the transfer of funds between line items within an object of a budget. Approved budgets may not be altered or amended after approval by the Public Education Department except upon request to the Public Education Department by the District. Instances in which such requests will be approved include a change within the budget, which does not increase the total amount of the budget. Additional budget items may also be approved if the District is to receive unanticipated revenues. Finally, if it becomes necessary to increase the District’s budget by more than

\$1,000 for any reason other than those listed above, the Public Education Department may order a special public hearing to consider the requested increase.

Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Capital Projects and Debt Service Fund with appropriations lapsing at year-end. Total expenditures of any activity category may not exceed categorical appropriations.

To conform to Public Education Department requirements, budgets for all funds of the District are adopted on the cash basis of accounting except for state instructional materials credit, which provides free textbooks from the Public Education Department. Hence, the budgets are not prepared in conformity with generally accepted accounting principles (GAAP) and budgetary comparisons are presented on the (Non-GAAP) basis of accounting.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is found on pages 8-9 as part of the basic financial statements for the government funds. For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, which starts on pages 10-11 and pages 41-111.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which Farmington Municipal School District operates.

Local economy. The Farmington Municipal School District (the “District”) is located in the mineral rich “Four Corners” area in northwestern New Mexico. The economy of the area is dependent upon trade, electric power generation, oil, gas and coal production, government, tourism and agriculture. The State of New Mexico has completed the four-lane Highway 550 from Albuquerque to Farmington, which provides further opportunities for economic growth for the region.

Retail trade. Farmington is the largest city in the Four Corners area of Colorado, Arizona, Utah and New Mexico. It serves as the retail distribution and service center for an estimated population over 225,000, including the Navajo Nation, the largest Indian reservation in the country. Total retail trade gross receipts in the City represents over 79% of the retail trade gross receipts within San Juan County.



Within the past 3 years, Farmington has seen the addition of AT&T Wireless offices, Animas Pediatric Dental Group and Tractor Supply as well as several smaller franchise businesses.

Electrical Generation The economic base of the area was broadened beyond agriculture and oil and gas production in the 1960's with construction of two coal-fired generating plants, the Four Corners Generating Station and the San Juan Generating Station.



Arizona Public Service Company operates Four Corners Power Plant, a five-unit, 2,050-megawatt coal-fired plant. Located 20 miles west of Farmington, the plant employs 573 full-time and part-time men and women, more than 73 percent of who are members of the Navajo Tribe. The plant payroll is about \$42 million annually. BHP Minerals, Navajo Coal Company provides coal under a long-term agreement. Coal usage is approximately 10 million tons per year. The Plant is one of the largest generating stations in the U.S. The plant is equipped with all necessary pollution control equipment and delivers power through its switchyard to utilities in Arizona, California, New Mexico and Texas. The plant ranks among the lowest in the region for power costs and operating economy.

The Public Service Company of New Mexico ("PNM") operates a four-unit, 1800-megawatt coal-fired plant approximately 15 miles west of Farmington. Known as the San Juan Generating Station, the plant employs 418 full-time employees and an annual payroll of \$26 million. The plant is the largest taxpayer in San Juan County. The plant consists of four coal-fired, pressurized units that generate about 1,800 gross megawatts of electricity to serve PNM's customer base and that of eight other owners. It is the seventh-largest coal-fired generating station in the West. San Juan is PNM's primary generation source, serving 58% of the power needs of PNM customers.

Oil and Gas Production The oil and gas industry has been important to the San Juan County economy since the 1920s and between the early 1950s and early 1980s was its mainstay. Large-scale development began in 1951 and continued until 1983 when cheaper foreign crude oil and natural gas supplies dominated the market.

New Mexico oil and natural gas reserves are estimated at 730 million barrels of oil and 19.1 trillion cubic feet of natural gas, according to the State of New Mexico, Department of Energy, Minerals and Natural Resources, Mining and Minerals Division. New Mexico is ranked third nationally in natural gas reserves with approximately 68% located in northwestern New Mexico.

San Juan County has been ranked first in gas production in New Mexico and third in oil production for the past three years and these rankings are not expected to change in the

foreseeable future. Recent exploration for natural gas in coal seams throughout the San Juan Basin has increased potential reserves by as much as 70 trillion cubic feet. Federal tax credits for coal seam gas expired December 31, 1992.

The Oil Conservation Division of the State Energy, Minerals and Natural Resources Department reports 12,915 active oil & gas wells in San Juan County as of October 2013.

The Four Corners as well as the State of New Mexico has been negatively impacted this past year by the low prices of natural gas and oil.

The State of New Mexico is facing budget deficits due to the reduction in revenue from oil and gas taxes. Those state revenues affect the amount the state allocates to public education through the state equalization formula. The reduction in public education funding could be significant as education funding is 47% of the state's budget.

Coal Mining The major coal producer in the area is BHP-Utah International, Inc., which owns two large mines producing coal for the Four Corners and San Juan Generating Stations. The Navajo Mine supplies the Four Corners Plant. The San Juan, estimated to have useful lives in excess of twenty years, supplies the San Juan Plant. The Navajo Mine is located approximately 20 miles southwest of Farmington and the San Juan mine is northwest. Production is estimated at over 20 million tons of coal per year.

Employment is approximately 1,030 at all mines (as of December 2010) and the annual payroll is approximately \$72,000,000.

Navajo Indian Irrigation Project The Navajo Indian Irrigation Project (NIIP), representing a joint federal and tribal investment, is farmed by the Navajo Agricultural Products Industry (NAPI), an enterprise of the Navajo Nation. The 2007 farming season has approximately 60,000 acres under cultivation and an additional 50,000 acres still to be developed, bringing the total area to 110,000 acres. NAPI produces high value crops such as potatoes, onions, beans, alfalfa, pumpkins, barley, corn and wheat. The enterprise also includes a 12,000-head feedlot and an industrial park. NAPI employs 150 full-time and 800 seasonal employees. Most of the employees are Navajo with about 33 percent women. NAPI is also involved in several other joint ventures including a bean processing plant, production of Hrbi sod, an orchard, a pallet mill operation, a fresh pack operation and a potato storage facility.





Medical The San Juan Medical Center, with 145 acute care beds and 15 skilled nursing beds and has recently completed a \$60 million dollar expansion adding an additional 72 private rooms. The hospital is privately held, a not-for-profit corporation devoted exclusively to the medical needs of San Juan County. San Juan County Health Department offers free programs in immunization, well baby and family

planning, also WIC, testing and education services.



Tourism The Four Corners area boasts internationally known tourist attractions including Mesa Verde, Canyon de Chelly, Monument Valley and Lake Powell. Equally worthy attractions within the County include Chaco Cultural National Historic Park (a major Anasazi cultural center during the 12th and 13th centuries), Aztec Ruins National



Monument (500 room Indian community ruin with reconstructed Kiva), white water river rafting and nationally renowned trout fishing on the San Juan River just below Navajo Lake. Tourist visits to Aztec Ruins have increased 38 percent in the past five years. The Connie Mack Baseball World Championship Tournament is held in Farmington each summer. Navajo rugs, Indian jewelry, paintings and sculpture are available at local trading posts and shops.

The Four Corners Regional Airport, is located 1 ½ miles from downtown Farmington, offering daily flights to Denver, Phoenix and Durango.

Long-term financial planning. The Board of Education has established a Career and Technical Education Center in the district to provide students the opportunity to explore different career paths. The center has begun offering auto, welding, and culinary arts. The district has a Master Facility Plan that determines the district’s capital improvements for the next five years and the district’s financial planning for future bond elections.

Financial planning for the district has been driven by state mandates that result from the school grading reform requiring greater accountability for student success.

AWARDS AND ACKNOWLEDGEMENTS

Mrs. Ryan recognized the Finance Department for again receiving the Certificate of Achievement for Excellence in Financial Reporting for its comprehensive annual financial report. The District has received this honor every year since 1993.

CURRENT PROJECTS

On August 24, 2010 voters approved issuing \$50,000,000 in bonds to fund replacement of Tibbetts Middle School and numerous improvement projects.



The District has received Public School Critical Capital Outlay funds in the amount of \$19,000,000 to help with construction of Tibbetts Middle School.

INDEPENDENT AUDIT

As required by New Mexico State law, an annual audit of the financial records, books of account and the transactions of all administrative departments of the Farmington Municipal School District No. 5 have been made by an independent auditor. The independent auditor's opinion as prepared by David Berry, CPA, PC is included within the Financial Section of this report. The 2013 audit was an organization-wide single audit under the provisions of the Single Audit Act Amendments of 1996 and related OMB Circular A-133. The auditor's reports related specifically to the single audit area in the Compliance Section of this report.

CERTIFICATES

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Farmington Municipal Schools for its comprehensive annual financial report for the fiscal year ended June 30, 2012. This was the 20th consecutive year (1993-2012) that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of

Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENT

The preparation of the report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Central Office with special appreciation to the employees working in the business office. We would like to express appreciation to all of the members of the District who assisted in the timely closing of the District's financial records and the preparation of this report.

We would also like to thank President Sandy Schumacher and members of the Board of Education for their continuing interest and support in conducting the financial affairs of this school district for the 2012-2013 fiscal year, thereby advancing the effort toward excellence in education in the Farmington Municipal School District.

In addition, we express our gratitude to Paul Cassidy financial advisor and the staffs with RBC Dain Rauscher, whose dedication, understanding and insight are unsurpassed.

Respectfully submitted,

Randall Bondow
Assistant Superintendent for Business and Finance

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FINANCIAL SECTION

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Independent Auditor's Report

Farmington Municipal School District No. 5, Board of Education and
Hector H. Balderas, New Mexico State Auditor

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, each discretely presented component unit, each major fund, and the aggregate remaining fund information, and the budgetary comparisons of the general fund and the major special revenue funds of Farmington Municipal School District No. 5 (the "District") as of and for the year ended June 30, 2013, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's and discretely presented component units' nonmajor governmental funds and the budgetary comparisons for the major capital project funds, debt service funds, 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, 2013, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each discretely presented component unit, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2013, and the respective changes in financial position where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the District as of June 30, 2013, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the major capital project funds, debt service funds 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

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* on pages xxxi-xxxix 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 the auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we 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 Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, introductory and statistical sections and the other schedules as required by 2.2.2 NMAC are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of federal awards and other schedules 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 statement 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 other schedules as 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 and statistical sections 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 assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2013 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Farmington, New Mexico
October 31, 2013

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Management's Discussion and Analysis

As management of the Farmington Municipal School District, we offer readers of Farmington Municipal School District's financial statements this narrative overview and analysis of the financial activities of the Farmington Municipal School District for the fiscal year ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages xiv – xxiv.

Financial Highlights

- The assets of the Farmington Municipal School District exceeded liabilities at the close of the most recent fiscal year by \$81,016,811 (*net position*). Of this amount, \$24,352,282 (*Unrestricted net position*) may be used to meet the School District's ongoing obligations.
- As of the close of the current fiscal year, Farmington Municipal School District's governmental funds reported combined ending fund balances of \$35,898,287, a decrease of \$12,239,910 in comparison with the prior year. Approximately 32% of this total amount, \$11,584,567 is *available for spending* at the district's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$11,584,567 or 18% of the total general fund expenditures.
- The Farmington Municipal School District's total net debt decreased by \$8,598,102 or 16% during the current fiscal year. The district retired \$8,598,102 of debt while issuing no new debt.

Overview of Financial Statements

This discussion and analysis are intended to serve as an introduction to the Farmington Municipal School District's basic financial statements. The School District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Farmington Municipal School District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Farmington Municipal School District's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Farmington Municipal Schools is improving or deteriorating.

The *statement of activities* presents information showing how Farmington Municipal School District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. (e.g., uncollected taxes and earned but unused vacation leave, etc.)

Both of the government-wide financial statements reflect functions of the Farmington Municipal School District that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the Farmington Municipal School District include general government operations, transportation of students and instructional materials allocations. The government-wide financial statements can be found on pages 5 and 6 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Farmington Municipal School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Farmington Municipal School District are governmental funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Farmington Municipal School District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, special revenue fund, capital projects and the debt service fund, all of which are considered to be major funds. Data from the 47 governmental funds are combined into a single, aggregated presentation. Individual fund data for these non-major governmental funds is provided in the form of *combining statements* following the notes to the financial statements (pages 41-50).

Farmington Municipal School District adopts an annual appropriated budget for each of its funds. Budgetary comparative statements have been provided for these funds to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 3-11 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because of the resources of those funds are *not* available to support the Farmington Municipal Schools' own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on page 12 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 13-32 of this report.

Government-wide Financial Analysis

As noted earlier, over time, net position may serve as a useful indicator of a government's financial position. In the case of Farmington Municipal School District, assets exceeded liabilities by \$81,016,811 at the close of the most recent fiscal year.

A portion (49%) of Farmington Municipal School District's net position is invested in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. Farmington Municipal School District uses these capital assets to provide educational services; consequently, these assets are *not* available for future spending. Although Farmington Municipal School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Farmington Municipal School District's Net Position

	Governmental Activities		Total	
	FY 2013	FY 2012	FY 2013	FY 2012
Current and other assets	\$ 53,649,535	\$ 66,319,925	\$ 53,649,535	\$ 66,319,925
Capital assets	\$ 78,926,206	\$ 74,551,167	\$ 78,926,206	\$ 74,551,167
Total assets	\$ 132,575,741	\$ 140,871,092	\$ 132,575,741	\$ 140,871,092
Current Liabilities	\$ 4,591,160	\$ 5,242,495	\$ 4,591,160	\$ 5,242,495
Noncurrent liabilities:				
Due within one year	\$ 8,597,902	\$ 9,216,630	\$ 8,597,902	\$ 9,216,630
Due in more than one year	\$ 38,369,868	\$ 46,604,599	\$ 38,369,868	\$ 46,604,599
Total liabilities	\$ 51,558,930	\$ 61,063,724	\$ 51,558,930	\$ 61,063,724
Net position:				
Invested in capital assets, net of related debt	\$ 39,483,847	\$ 41,429,758	\$ 39,483,847	\$ 41,429,758
Restricted	\$ 17,180,682	\$ 15,416,710	\$ 17,180,682	\$ 15,416,710
Unrestricted	\$ 24,352,282	\$ 22,960,900	\$ 24,352,282	\$ 22,960,900
Total net position	\$ 81,016,811	\$ 79,807,368	\$ 81,016,811	\$ 79,807,368

Farmington Municipal School District's Net Position

A large portion of Farmington Municipal School District's net position (21%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$24,352,282) may be used to meet the district's ongoing obligations.

At the end of the current fiscal year, Farmington Municipal School District has achieved positive balances in the Governmental Activities category of net position. The same situation held true in the prior fiscal year.

Farmington Municipal School District's net position increased by \$1,209,443 during the current fiscal year. Total assets decreased primarily due to a decrease in cash partially offset by an increase in capital assets caused by the construction of a new middle school. Long-term liabilities decreased due to the retirement of bonds without the issuance of additional debt.

Governmental activities. Governmental activities increased Farmington Municipal School District's net position by \$1,209,443. Key elements of this increase are as follows:

- A 1.9% increase in state equalization revenue as shown in the comparison of grants and contributions not restricted to specific programs.
- Earnings from investments have declined due to the state of the economy and lower interest rates.

- The increase in expenses for the district was primarily due to an increase in the number of teachers from the prior year.

Farmington Municipal School District's Changes in Net Position

	Governmental Activities		Total	
	FY2013	FY2012	FY2013	FY2012
Revenues:				
Program Revenues:				
Charges for services	\$ 1,817,126	\$ 1,681,024	\$ 1,817,126	\$ 1,681,024
Operating grants & contributions	\$ 12,844,998	\$ 12,483,985	\$ 12,844,998	\$ 12,483,985
Capital grants & contributions	\$ 242,271	\$ 16,536	\$ 242,271	\$ 16,536
General Revenues:			\$ -	\$ -
Property taxes-general purpose	\$ 579,898	\$ 571,308	\$ 579,898	\$ 571,308
Property taxes-debt service	\$ 10,762,854	\$ 11,156,818	\$ 10,762,854	\$ 11,156,818
Property taxes-capital projects	\$ 2,892,633	\$ 2,510,503	\$ 2,892,633	\$ 2,510,503
Grants and contributions not restricted to specific programs	\$ 70,013,110	\$ 68,459,802	\$ 70,013,110	\$ 68,459,802
Other:			\$ -	\$ -
Earnings from investments	\$ 23,467	\$ 25,249	\$ 23,467	\$ 25,249
Gain on sale of capital asset	\$ -	\$ -	\$ -	\$ -
Total Revenues	\$ 99,176,357	\$ 96,905,225	\$ 99,176,357	\$ 96,905,225
Expenses:				
Direct instruction	\$ 50,490,205	\$ 48,705,662	\$ 50,490,205	\$ 48,705,662
Support Services:			\$ -	\$ -
Students	\$ 10,256,813	\$ 10,524,749	\$ 10,256,813	\$ 10,524,749
Instruction - support	\$ 2,166,682	\$ 1,733,137	\$ 2,166,682	\$ 1,733,137
General administrative	\$ 1,189,237	\$ 1,181,832	\$ 1,189,237	\$ 1,181,832
School administrative	\$ 6,443,991	\$ 4,463,277	\$ 6,443,991	\$ 4,463,277
Central services	\$ 477,143	\$ 799,198	\$ 477,143	\$ 799,198
Operations and maintenance	\$ 7,627,858	\$ 7,608,853	\$ 7,627,858	\$ 7,608,853
Student transportation	\$ 3,154,396	\$ 3,108,422	\$ 3,154,396	\$ 3,108,422
Other support services	\$ 73,326	\$ 109,193	\$ 73,326	\$ 109,193
Non-instructional services			\$ -	\$ -
Food services	\$ 3,843,284	\$ 3,873,724	\$ 3,843,284	\$ 3,873,724
Community services	\$ 13,502	\$ 134,934	\$ 13,502	\$ 134,934
Facilities, supplies and materials	\$ 9,217,681	\$ 11,950,619	\$ 9,217,681	\$ 11,950,619
Depreciation - unallocated	\$ 1,639,781	\$ 3,171,107	\$ 1,639,781	\$ 3,171,107
Interest on long-term obligations	\$ 1,373,015	\$ 1,194,295	\$ 1,373,015	\$ 1,194,295
Operation of non-instruction services	\$ -	\$ -	\$ -	\$ -
Athletics	\$ -	\$ -	\$ -	\$ -
Other	\$ -	\$ -	\$ -	\$ -
Total Expenses	\$ 97,966,914	\$ 98,559,002	\$ 97,966,914	\$ 98,559,002
Increase/(Decrease) in net position	\$ 1,209,443	\$ (1,653,777)	\$ 1,209,443	\$ (1,653,777)
Net position - Beginning	\$ 79,807,368	\$ 81,461,145	\$ 79,807,368	\$ 81,461,145
Net position - Ending	\$ 81,016,811	\$ 79,807,368	\$ 81,016,811	\$ 79,807,368

Financial Analysis of the Government's Funds

As noted earlier, Farmington Municipal School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of Farmington Municipal School District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing Farmington Municipal School District's financing requirements. In particular, *unrestricted fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Farmington Municipal School District's governmental funds reported combined ending fund balances of \$35,898,287 a decrease in comparison with the prior year. Approximately 32% of this total amount (\$11,584,567) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *restricted* to indicate that it is not available for new spending because it has already been committed 1) to pay debt service (\$12,248,617), 2) for capital projects (\$10,016,368) and 3) a variety of other restricted purposes (\$2,048,735).

The general fund is the chief operating fund of Farmington Municipal School District. At the end of the current fiscal year, unassigned fund balance of the general funds was \$11,584,567, which is also the total fund balance. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned represents 18% percent of the total general fund expenditures, and the total fund balance represents 18% as well since none of the general fund balance was restricted at June 30, 2013.

The fund balance of Farmington Municipal School District's general fund increased by \$1,135,698 during the current fiscal year. Farmington Municipal School District's board and management were committed to increasing the cash balance of the district at the end of the fiscal year in order to meet increasing state mandates while maintaining the district's high bond rating. The revenue reductions from the state did not materialize to the level forecasted by the state. The district reduced expenditures to meet the forecasted reduction and therefore, the district budget reflected a larger portion of the revenues from the state equalization guarantee be set aside in cash reserves. The current fiscal year budget reflects a decrease in the cash balance. The fund balance is expected to decrease this next fiscal year as the district will replace some non-recurring expense items on an opportunistic basis.

The district's debt service fund's total fund balance was \$8,338,215 that is restricted for the payment of debt service. This is a net increase in fund balance of \$1,086,388. The increase during the current year resulted from increased tax collections for the purpose of debt payment.

The educational technical debt service fund balance was \$3,910,402. The total amount is restricted for the payment of debt service. This is a net increase in fund balance of \$250,651. The increase is the result of a decrease in the amount of debt that was retired.

There was a decrease of \$13,044,898 in the fund balance of the bond building capital fund resulting in a fund balance of \$7,123,289. The decrease was the result of spending bond proceeds for construction projects in the current fiscal year. No new debt was issued during the year.

The SB-9 capital improvement fund balance was \$1,190,593 that is used primarily for maintenance and repair of facilities and grounds. This is a net decrease in fund balance of \$74,946. The expenditures in this fund can fluctuate depending on the number, complexity and cost of the maintenance work orders for any given year. This year's revenues increased by 9.1% compared to the prior year due to an increase in oil & gas severance taxes collected. Expenditures decreased due to a decrease in high cost repairs.

General Fund Budgetary Highlights

Differences between the original budgeted revenues and the final amended budgeted revenues were resulted in a budget increase of \$97,918, which can be briefly summarized as follows:

- The difference resulted from a mid-year 0.15% increase in revenue from the state in state equalization funds.
- Expenditures were increased to balance the budget.
- Additional cash from 6/30/12 was carried forward and budgeted in 2012-2013.

Capital Asset and Debt Administration

Capital assets. Farmington Municipal School District's investment in capital assets for its governmental activities as of June 30, 2013 amounts to \$78,926,206 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, improvements, and machinery and equipment. For the governmental activities, a total of \$78,926,206 was determined as the current value of all the capital assets owned by the District.

Major capital asset events during the current fiscal year included the following:

- Student laptops were purchased for high school students as part of the district's technology master plan.
- Construction of a new middle school was near completion.

Additional information on Farmington Municipal School District’s capital assets can be found in note “C” on page 25 of this report.

	Government Activities		Total	
	FY2013	FY2012	FY2011	FY2010
Land	\$ 3,444,131	\$ 3,444,131	\$ 3,444,131	\$ 3,444,131
Construction in progress	\$ 11,215,143	\$ 4,648,597	\$ 11,215,143	\$ 4,648,597
Land improvements	\$ 1,396,976	\$ 1,623,801	\$ 1,396,976	\$ 1,623,801
Buildings and improvements	\$ 60,602,744	\$ 60,787,488	\$ 60,602,744	\$ 60,787,488
Machinery and equipment	\$ 2,267,212	\$ 4,047,150	\$ 2,267,212	\$ 4,047,150
Total	\$ 78,926,206	\$ 74,551,167	\$ 78,926,206	\$ 74,551,167

Long-term debt. At the end of the current fiscal year, Farmington Municipal School District had total bonded debt outstanding of \$44,980,000. The total outstanding debt represents general obligation bonds secured solely by specified revenue sources (i.e., property tax collections).

Farmington Municipal School District's Outstanding Debt

General Obligation Bonds

**Governmental
activities**

Total	Total
FY 2013	FY 2012

General obligation bonds	\$44,980,000	\$53,578,101
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Farmington Municipal School District’s total debt decreased by \$8,598,101 during the current fiscal year. The district retired \$8,598,101 of debt while issuing no new debt.

Farmington Municipal School District maintains an AA2 bond rating from Moody’s Investor Service, Inc.

State statute limits the amount of general obligation debt a governmental entity may issue to 6% of its total assessed valuation. The current debt limitation for Farmington Municipal School District is \$85,645,705 which is significantly in excess of Farmington Municipal School District’s outstanding general obligation debt.

More information of Farmington Municipal School District’s debt can be found in note “D” of this report on pages 26-27.

Economic Factors and Next Year's Budget

Farmington Municipal School District is located in San Juan County. San Juan County, like the rest of New Mexico and the nation, has experienced a declining economy. Due to the economic factors affecting the entire country in 2012-2013 the State of New Mexico and San Juan County have seen a slight decrease in unemployment but a slowdown of the oil and gas economy. The taxes on oil and gas in New Mexico are a vital revenue factor in the state's budget. 98% of Farmington Municipal Schools' operating revenue comes from the state and the district anticipates a slight increase in funding allocated for schools in FY 2014. The board of education is being proactive and considering ways to reduce expenditures and maintain the district's cash balance in preparation for slight increases in revenues.

San Juan County's population continues to increase (14% between 2000 and 2010 census) and Farmington Municipal Schools experienced an increase in enrollment for the current fiscal year. The current enrollment has increased when compared to the same period in the prior year. The projections are that the enrollment will remain relatively flat over the next two to three years pending the impact of the local economy. The new charter school that is under the Farmington Municipal Schools opened for the 2012-2013 school year and we saw no impact to the district's enrollment.

Farmington Municipal School District receives approximately 98% of its annual operating budget from the State of New Mexico through the State Equalization Guaranteed Funding. The objectives of the formula are (1) to equalize educational opportunity statewide (by crediting certain local and federal support and then distributing state support in an objective manner) and (2) to retain local autonomy in actual use of funds by allowing funds to be used in local districts at the discretion of local policy making bodies. The basis for the formula is in the number of students enrolled. Weighting factors are assigned to students that receive special services, i.e., special education and bilingual education services as well as other factors based on the training and experience of the teaching staff and the district's at-risk population.

Farmington Municipal School District has appropriated \$11,584,567 of its unassigned fund balance for spending in the 2014 fiscal year budget. The \$11,584,567 budgeted primarily into direct classroom instruction to fund additional staff needed to meet the state mandated class sizes while accommodating the slight growth in the elementary student population.

Requests for information

This financial report is designed to provide a general overview of Farmington Municipal School District's finances for all those with an interest in the district's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Assistant Superintendent for Business and Finance, 2001 North Dustin, Farmington, New Mexico 87401.

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BASIC FINANCIAL STATEMENTS

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STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 STATEMENT OF NET POSITION
 June 30, 2013

	Primary Government Governmental Activities	Component Unit
<u>ASSETS:</u>		
Cash and cash equivalents	\$ 38,724,074	\$ 423,372
Receivables (net, where applicable, of allowances for uncollectibles):		
Property taxes	13,605,193	-
Due from other governments	1,195,543	169,335
Inventories	124,725	-
Capital assets not being depreciated:		
Land	3,444,131	-
Construction in progress	11,215,143	-
Capital assets (net of accumulated depreciation):		
Buildings and improvements	60,602,744	-
Improvements other than buildings	1,396,976	-
Equipment	2,267,212	-
Total assets	132,575,741	592,707
<u>LIABILITIES:</u>		
Accounts payable	1,156,311	32,330
Accrued payroll, taxes and benefits	2,160,447	95,366
Accrued interest payable	445,105	-
Unearned revenue	829,297	-
Noncurrent liabilities:		
Due within one year	8,597,902	-
Due in more than one year	38,369,868	-
Total liabilities	51,558,930	127,696
<u>NET POSITION:</u>		
Net investment in capital assets	39,483,847	-
Restricted for:		
Transportation	130,115	-
Instructional materials	464,844	37,181
Restricted by grantor	1,005,217	57,954
Athletic program	122,008	-
Student activities	326,551	-
Capital projects funds	2,883,330	-
Debt Service funds	12,248,617	-
Unrestricted	24,352,282	369,876
Total net position	\$ 81,016,811	\$ 465,011

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 STATEMENT OF ACTIVITIES
 Year Ended June 30, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Unit Charter School
Primary Government:						
Governmental activities:						
Instruction	\$ 50,490,205	\$ 264,852	\$ 5,354,477	\$ -	\$(44,870,876)	\$ -
Support services:						
Students	10,256,813	645,623	2,486,699	-	(7,124,491)	-
Instruction - support	2,166,682	-	301,357	-	(1,865,325)	-
General administrative	1,189,237	-	150,416	-	(1,038,821)	-
School administrative	6,443,991	-	1,509,522	-	(4,934,469)	-
Central services	477,143	-	-	-	(477,143)	-
Operations and maintenance	7,627,858	-	771	242,271	(7,384,816)	-
Student transportation	3,154,396	-	6,345	-	(3,148,051)	-
Other support services	73,326	-	-	-	(73,326)	-
Non-instructional services:						
Food services	3,843,284	906,651	3,035,411	-	98,778	-
Community services	13,502	-	-	-	(13,502)	-
Facilities, supplies and materials	9,217,681	-	-	-	(9,217,681)	-
Depreciation - unallocated	1,639,781	-	-	-	(1,639,781)	-
Interest on long-term obligations	1,373,015	-	-	-	(1,373,015)	-
Total governmental activities:	\$ 97,966,914	\$ 1,817,126	\$ 12,844,998	\$ 242,271	(83,062,519)	-
Component Unit Activities:						
Charter school	\$ 2,715,412	\$ -	\$ 523,304	\$ -		(2,192,108)
General revenues:						
Taxes:						
Property taxes, levied for general purposes					579,898	-
Property taxes, levied for debt service					10,762,854	-
Property taxes, levied for capital projects					2,892,633	-
Federal and state grants not restricted for specific programs						
General					70,013,110	2,657,119
Earnings from investments					23,467	-
Total general revenues					84,271,962	2,657,119
Change in net position					1,209,443	465,011
Net position - beginning					79,807,368	-
Net position - ending					\$ 81,016,811	\$ 465,011

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 June 30, 2013

	Operational 11000	Transportation 13000	Instructional Materials 14000	Debt Service 41000	Educational Technical 43000	Bond Building 31100	SB-9 Capital Improvements 31700	Educational Technical Equipment 31900	Other Governmental Funds	Total Governmental Funds
ASSETS										
Pooled cash and investments	\$ 13,825,947	\$ 5,390	\$ 464,844	\$ 8,129,975	\$ 3,819,996	\$ 7,820,730	\$ 1,158,604	\$ 302,593	\$ 3,195,995	\$ 38,724,074
Property taxes receivables	544,320	-	-	7,950,716	2,343,552	-	2,766,605	-	-	13,605,193
Due from other governments	17,571	-	-	208,240	90,406	-	79,995	-	799,331	1,195,543
Due from other funds	-	-	-	-	-	-	-	-	799,331	799,331
Inventories	-	124,725	-	-	-	-	-	-	-	124,725
Total assets	\$ 14,387,838	\$ 130,115	\$ 464,844	\$ 16,288,931	\$ 6,253,954	\$ 7,820,730	\$ 4,005,204	\$ 302,593	\$ 4,794,657	\$ 54,448,866
LIABILITIES AND FUND BALANCES										
Liabilities:										
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 799,331	\$ 799,331
Accounts payable	98,504	-	-	-	-	697,441	48,006	292,844	19,516	1,156,311
Accrued payroll, taxes and benefits	2,160,447	-	-	-	-	-	-	-	-	2,160,447
Deferred revenue	544,320	-	-	7,950,716	2,343,552	-	2,766,605	-	-	13,605,193
Unearned revenue	-	-	-	-	-	-	-	-	829,297	829,297
Total liabilities	2,803,271	-	-	7,950,716	2,343,552	697,441	2,814,611	292,844	1,648,144	18,550,579
Fund balances:										
Restricted:										
Transportation	-	130,115	-	-	-	-	-	-	-	130,115
Instructional materials	-	-	464,844	-	-	-	-	-	-	464,844
Restricted by grantor	-	-	-	-	-	-	-	-	1,005,217	1,005,217
Athletic program	-	-	-	-	-	-	-	-	122,008	122,008
Student activities	-	-	-	-	-	-	-	-	326,551	326,551
Capital projects funds	-	-	-	-	-	7,123,289	1,190,593	9,749	1,692,737	10,016,368
Debt service funds	-	-	-	8,338,215	3,910,402	-	-	-	-	12,248,617
Unassigned:										
General fund	11,584,567	-	-	-	-	-	-	-	-	11,584,567
Total fund balances	11,584,567	130,115	464,844	8,338,215	3,910,402	7,123,289	1,190,593	9,749	3,146,513	35,898,287
Total liabilities and fund balances	\$ 14,387,838	\$ 130,115	\$ 464,844	\$ 16,288,931	\$ 6,253,954	\$ 7,820,730	\$ 4,005,204	\$ 302,593	\$ 4,794,657	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	78,926,206
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	13,605,193
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(47,412,875)</u>
Net position of governmental activities in the statement of net position	<u>\$ 81,016,811</u>

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 Year Ended June 30, 2013

	Operational	Transportation	Instructional Materials	Debt Service	Educational Technical	Bond Building	SB-9 Capital Improvements	Educational Technical Equipment	Other Governmental Funds	Total Governmental Funds
	11000	13000	14000	41000	43000	31100	31700	31900		
Revenues:										
Intergovernmental:										
State equalization guarantee	\$ 66,548,033	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 66,548,033
Transportation	-	2,769,972	-	-	-	-	-	-	-	2,769,972
State instructional material	-	-	695,105	-	-	-	-	-	-	695,105
Grants - federal	-	-	-	-	-	-	-	-	11,116,850	11,116,850
Grants - state and local	804,960	-	-	-	-	-	242,271	-	920,303	1,967,534
Taxes - property	572,185	-	-	7,389,707	3,181,051	-	2,843,818	-	-	13,986,761
Fees and activities	264,195	-	-	-	-	-	-	-	1,552,931	1,817,126
Earnings from investments	10,956	-	-	2,094	940	7,008	619	886	964	23,467
Donations and miscellaneous	-	-	-	-	-	-	2,885	-	-	2,885
Total revenue	68,200,329	2,769,972	695,105	7,391,801	3,181,991	7,008	3,089,593	886	13,591,048	98,927,733
Expenditures:										
Instruction	45,052,526	-	358,364	-	-	-	-	-	5,089,254	50,500,144
Support services:	-	-	-	-	-	-	-	-	2,486,699	10,211,974
Students	7,725,275	-	-	-	-	-	-	-	301,357	2,128,788
Instruction - support	1,827,431	-	-	-	-	-	-	-	147,531	1,404,004
General administrative	1,134,251	-	-	67,355	28,960	-	25,907	-	1,509,522	4,688,741
School administrative	3,179,219	-	-	-	-	-	-	-	-	468,282
Central services	468,282	-	-	-	-	-	-	-	-	771
Operations & maintenance of plant	7,607,111	-	-	-	-	-	-	-	6,345	2,783,702
Student transportation	-	2,777,357	-	-	-	-	-	-	-	57,034
Other support services	57,034	-	-	-	-	-	-	-	-	-
Non-instructional services:	-	-	-	-	-	-	-	-	3,820,888	3,820,888
Food services	-	-	-	-	-	-	-	-	-	13,502
Community services	13,502	-	-	-	-	-	-	-	-	17,539,355
Capital outlay	-	-	-	-	-	12,305,155	3,138,632	2,095,568	-	-
Non-operating emergency reserves	-	-	-	-	-	-	-	-	-	-
Debt service:	-	-	-	-	-	-	-	-	-	8,598,102
Principal retirement	-	-	-	5,920,000	2,678,102	-	-	-	-	1,345,245
Bond interest paid	-	-	-	1,120,967	224,278	-	-	-	-	-
Total expenditures	67,064,631	2,777,357	358,364	7,108,322	2,931,340	12,305,155	3,164,539	2,095,568	13,362,367	111,167,643
Excess (deficiency) of revenues over expenditures	1,135,698	(7,385)	336,741	283,479	250,651	(12,298,147)	(74,946)	(2,094,682)	228,681	(12,239,910)
Other financing sources (uses)										
Transfer in	-	-	-	-	-	56,158	-	-	-	56,158
Transfer out	-	-	-	-	-	-	-	-	(56,158)	(56,158)
Total other financing sources (uses)	-	-	-	-	-	56,158	-	-	(56,158)	-
Net change in fund balances	1,135,698	(7,385)	336,741	283,479	250,651	(12,241,989)	(74,946)	(2,094,682)	172,523	(12,239,910)
Fund balances at beginning (as restated)	10,448,869	137,500	128,103	8,054,736	3,659,751	19,365,278	1,265,539	2,104,431	2,973,990	48,138,197
Fund balances at ending	11,584,567	130,115	464,844	8,338,215	3,910,402	7,123,289	1,190,593	9,749	3,146,513	35,898,287

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 RECONCILIATION OF STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 Year Ended June 30, 2013

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

Net change in fund balances - total governmental funds (page 6)	\$ (12,239,910)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	4,375,039
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	248,625
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	8,818,630
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>7,059</u>
Change in net position of governmental activities (page 4)	<u>\$ 1,209,443</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 OPERATIONAL FUND - 11000
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Public Law 874	\$ 149,496	\$ 149,496	\$ 92,715	\$ (56,781)
Federal flowthrough grants	37,891	37,891	71,028	33,137
Federal direct grants	<u>33,595</u>	<u>33,595</u>	<u>24,570</u>	<u>(9,025)</u>
Total federal revenues	<u>220,982</u>	<u>220,982</u>	<u>188,313</u>	<u>(32,669)</u>
State sources:				
State equalization guarantee	66,408,064	66,505,982	66,548,033	42,051
State flow through grants	<u>114,414</u>	<u>114,414</u>	<u>616,647</u>	<u>502,233</u>
Total state revenues	<u>66,522,478</u>	<u>66,620,396</u>	<u>67,164,680</u>	<u>544,284</u>
Local sources:				
District school tax levy	572,924	572,924	563,449	(9,475)
Fees and activities	71,250	71,250	264,195	192,945
Earnings from investments	12,340	12,340	10,956	(1,384)
Donations and miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total local revenues	<u>656,514</u>	<u>656,514</u>	<u>838,600</u>	<u>182,086</u>
Total revenues	<u>67,399,974</u>	<u>67,497,892</u>	<u>68,191,593</u>	<u>693,701</u>
Expenditures:				
Instruction	50,508,103	50,635,469	45,052,526	5,582,943
Support Services:				
Students	8,854,907	8,593,770	7,725,275	868,495
Instruction - Support	1,726,187	1,979,436	1,827,431	152,005
General Administration	1,269,099	1,269,099	1,134,251	134,848
School Administration	3,181,623	3,182,273	3,179,219	3,054
Central Services	816,879	816,879	468,282	348,597
Operation & Maintenance of Plant	8,666,015	8,643,715	7,617,132	1,026,583
Other Support Services	2,110,793	2,110,793	57,034	2,053,759
Non-Instructional Services:				
Community Services	<u>162,907</u>	<u>162,907</u>	<u>13,502</u>	<u>149,405</u>
Total expenditures	<u>77,296,513</u>	<u>77,394,341</u>	<u>67,074,652</u>	<u>10,319,689</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 OPERATIONAL FUND - 11000
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Excess (deficiency) of revenues over (under) expenditures	(9,896,539)	(9,896,449)	1,116,941	11,013,390
Other financing sources (uses):				
Transfer out	-	-	-	-
Net change in fund balances	(9,896,539)	(9,896,449)	1,116,941	11,013,390
Beginning cash balance budgeted	-	-	-	-
Fund balances at beginning of the year	-	-	10,448,869	10,448,869
Fund balances (deficit) at end of the year	<u>\$ (9,896,539)</u>	<u>\$ (9,896,449)</u>	11,565,810	<u>\$ 21,462,259</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			8,736	
Changes in payables			<u>10,021</u>	
			<u>\$ 11,584,567</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 TRANSPORTATION FUND - 13000
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
Transportation	\$ 2,652,174	\$ 2,769,972	\$ 2,769,972	\$ -
Total state revenues	<u>2,652,174</u>	<u>2,769,972</u>	<u>2,769,972</u>	<u>-</u>
Expenditures:				
Support Services:				
Student Transportation	<u>2,652,174</u>	<u>2,774,537</u>	<u>2,773,713</u>	<u>824</u>
Total expenditures	<u>2,652,174</u>	<u>2,774,537</u>	<u>2,773,713</u>	<u>824</u>
Excess (deficiency) of revenues over (under) expenditures	-	(4,565)	(3,741)	824
Beginning cash balance budgeted	-	4,565	-	(4,565)
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>137,500</u>	<u>137,500</u>
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	133,759	<u>\$ 133,759</u>
RECONCILIATION TO GAAP BASIS:				
Change in Inventories			<u>(3,644)</u>	
			<u>\$ 130,115</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 INSTRUCTIONAL MATERIALS FUND - 14000
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
State sources:				
State instructional material	\$ 695,104	\$ 803,759	\$ 695,105	\$ (108,654)
Total state revenues	<u>695,104</u>	<u>803,759</u>	<u>695,105</u>	<u>(108,654)</u>
Expenditures:				
Instruction	<u>695,104</u>	<u>803,759</u>	<u>358,364</u>	<u>445,395</u>
Total expenditures	<u>695,104</u>	<u>803,759</u>	<u>358,364</u>	<u>445,395</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	336,741	336,741
Beginning cash balance budgeted	-	-	-	-
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>128,103</u>	<u>128,103</u>
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	464,844	<u>\$ 464,844</u>
RECONCILIATION TO GAAP BASIS:				
Changes in payables			<u>-</u>	
			<u>\$ 464,844</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS
June 30, 2013

	<u>Student Activities</u>
<u>ASSETS</u>	
Pooled cash and investments:	<u>\$ 1,907,424</u>
<u>LIABILITIES</u>	
Deposits held in trust for others	<u>1,907,424</u>
Total liabilities:	<u>\$ 1,907,424</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
FARMINGTON MUNICIPAL SCHOOL DISTRICT NO.5
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Farmington Municipal School District No. 5 (District) is a special purpose government corporation governed by an elected five-member Board of Education. The Board of Education is the basic level of government, which has oversight responsibility and control over all activities related to the public school education in the City of Farmington and surrounding area. The District is responsible for all activities related to public elementary and secondary school education within its jurisdiction. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

The accompanying financial statements present the District and its component units, entities for which the District is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the District's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the government.

Blended component units

The District had no blended component units during the fiscal year ended June 30, 2013.

Discretely presented component units

The District had one discrete component unit during the fiscal year ended June 30, 2013. The District's Board of Education approved the New Mexico Virtual Academy for operations in accordance with the criteria listed above. The charter school is deemed to be fiscally dependent upon the District and has been deemed to be a separate legal entity based on state statute and is presented as a discrete component unit. The discretely presented component unit does not have separately issued financial statements.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The District does not have any *business-type activities*.

In the government-wide Statement of Net Position, the governmental activities column is presented on a consolidated basis by column, and is reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts – net investment in capital assets, net of related debt; restricted; assigned; committed; and unrestricted.

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*.

Separate financial statements are provided for governmental funds and fiduciary funds. 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 are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District 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, fees 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; net of estimated refunds and uncollectible amounts for government-wide statements. For fund financial statements these revenues are recognized as revenues when measurable and available. Derived tax revenues are recognized as revenue when the underlying exchange takes place and the revenues are measurable and available. Grants and similar items (which include state equalization and state revenue sharing) are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

The *Operational fund* is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Pupil Transportation Fund* is used to account for the State Equalization, received from the Public Education Department (PED), which is used to pay for the costs associated with transporting school age children. This is considered by PED to be a sub-fund of the Operational Fund.

The *Instructional Materials Fund* is used to account for the monies received from the Public Education Department (PED) 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 Operational Fund.

The *Debt Service* fund accounts for the servicing of general long-term debt except for the Educational Technical Debt.

The *Educational Technical* fund accounts for the servicing of general long-term debt for the Educational Technical Debt.

The *Bond Building Capital Projects* fund accounts for the construction of buildings, the purchase of equipment, and the acquisition and improvement of land.

The *SB-9 Capital Improvements Capital Projects* fund accounts for the financing for the purchase of equipment and capital improvements to District property.

Educational Technical Equipment Capital Projects fund to account for educational technology equipment for learning and administrative use in schools and related facilities, and improving real and personal property to accommodate education technology equipment or any combination thereof.

Additionally, the District reports the following fund type:

The *Student Activity fund* is a fiduciary fund used to account for assets held by the District in a fiduciary capacity for individuals, private organizations, other governments and other funds.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exception to this general rule is payments for interfund services provided and used are not eliminated in the process of consolidation.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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

D. Assets, liabilities and net position or equity

1. *Deposits and investments*

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

State statutes authorize the District to invest in Certificates of Deposit, obligations of the U.S. Government and the Local Government Investment Pool.

Investments for the District are reported at fair value. The Local Government Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool share.

2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds”.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Property taxes are levied and collected by San Juan County. The County remits to the District amounts collected for the applicable portion of the property taxes in the month following the date of receipt. The District recognizes property taxes as revenue on the modified accrual basis. Oil and gas taxes received from the County are recognized as revenue when received by the District.

Property taxes are levied as of January 1st on property values assessed on the same date. The tax levy is payable in two installments, November 10th and April 10th. The property taxes are considered delinquent and subject to lien, penalty and interest, 30 days after the date on which they are due.

3. Inventories and prepaid items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

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

4. Capital assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the District 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. 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. Major outlays for capital assets and improvements are capitalized as projects are constructed. Such assets, have higher limits that must be met before they are capitalized. Computer software costs, whether externally purchased or developed in-house, shall be capitalized if the total cost of the software exceeds \$1,000 and has a estimated useful life in excess of one year. Library books are not capitalized.

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

Improvements other than buildings	20 years
Buildings and improvements	50 years
Equipment	5 - 10 years

5. Accrued Payroll

In the fund financial statements, governmental fund types recognize the accrual of unpaid wages and benefits that employees have earned at the close of each fiscal year. The amount recognized in the fund financial statements represents checks that were held at year end in relation to employee's summer payroll.

6. Compensated absences

It is the District's policy to permit certain employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service with the District. All vacation pay is accrued when incurred in the government-wide statements. A liability for these amounts is reported and paid in the general fund only if they have matured, for example, as a result of employee resignations and retirements. The current portion is estimated based on prior year compensated absences used by employees.

7. Deferred Revenues

Accounting principles generally accepted in the United States of America require that grant revenue be recognized 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 deferred revenues. Amounts receivable from the property taxes levied for the current year that are not considered to be "available" under the current financial resources measurement focus are reported as deferred revenues in the governmental fund financial statements. GASB 63 amended previous guidance on deferred revenues in the Government-Wide Financial Statements to include deferred outflow of resources, which is the consumption of net assets by the government that is applicable to a future reporting period and deferred inflow of resources, which is acquisition of net assets by the government that is applicable to a future reporting period.

8. Long-term obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources.

9. Net position flow assumptions

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. None of the District's net position is restricted as a result of enabling legislation adopted by the District. Net investment in capital assets represents the District's investment in the book value of capital assets, less any outstanding debt that was issued to construct or acquire the capital asset. Sometimes the District will fund outlays for a particular

purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position.

10. Fund equity flow assumptions

In the fund financial statements, governmental funds report restricted and unassigned fund balances. Restricted fund balances represent amounts that are constrained externally by creditors (such as debt covenants), grantors, contributors, or laws of other governments. Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

11. Fund balance policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board of Education is the highest level of decision-making authority for the District that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The governing body (Board of Education) may also assign fund balance. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

12. Estimates

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

E. Revenues

1. State Equalization Guarantee

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

A school district’s program costs are determined through the use of various formulas using “program units” which take into consideration 1) early childhood education; 2) basic education; 3) special education; 4) bilingual-multicultural education, 5) size, etc. Payment is made from the public school fund under the authority of the Director of Public School Finance.

2. Property Taxes

The District receives mill levy and ad-valorem tax revenues primarily for debt service and capital outlay purposes. Property taxes are assessed on January 1st of each year and are payable in two equal installments, on November 10th of the year in which the tax bill is prepared and April 10th of the following year with the levies becoming delinquent 30 days thereafter. The District recognizes tax revenues in the period for which they are levied in the government-wide financial statements. The District records only the portion of the taxes considered “measureable” and “available” in the governmental fund financial statements.

3. Transportation Distribution

Transportation Distribution: School districts in the State of New Mexico received 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.

4. Instructional Materials

The Public Education Department receives federal mineral leasing funds for which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, seventy percent is restricted to the requisition of materials listed in the State Board of Education “State Adopted Instructional Material” list, while thirty percent of each allocation is available for purchases directly from vendors.

5. 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 Schools under the Public School Capital Improvements Act. The distribution shall be made by December 1st of each year that the tax is imposed in accordance with Section 22-25-3 NMSA 1978. However, in the event that sufficient funds are not available in the public school capital improvement funds to make the state distribution provided for in this section, the dollar per program unit figure shall be reduced as necessary.

6. Public School Capital Outlay

The public school capital outlay fund was created under the provisions of Chapter 22, Article 24, NMSA 1978. The money in the fund may be used for: capital expenditures deemed by the public school capital outlay council to be necessary for an adequate education program per Section 22-24-4(B); core administrative function of the public school facilities authority and for project management expense 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.

7. Federal Grants

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

The District also receives reimbursement under the National School Lunch and Breakfast for its food services operations, and the distribution of commodities through the New Mexico Human Services Department. These items are recorded as non-operating revenues. All charges for services are recorded as operating income.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund balance sheet includes a reconciliation between *fund balance-total governmental funds* and *net position - governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$47,412,875 difference are as follows:

Bonds payable	\$ 37,080,000
Plus: Issuance premium (to be amortized as interest expense)	1,595,397
Capital lease	7,900,000
Accrued interest payable	445,105
Compensated absences	<u>392,373</u>
Net adjustment to reduce <i>fund balance-total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u>\$ 47,412,875</u>

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balance-total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is

allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$4,375,039 difference are as follows:

Capital outlay	\$ 8,321,674
Depreciation expense	<u>(3,946,635)</u>
Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 4,375,039</u>

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$8,818,630 difference are as follows:

Bonds principal repayments	\$ 6,950,000
Capital lease repayments	1,648,101
Amortization of issuance premiums	<u>220,529</u>
Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 8,818,630</u>

Another element of that reconciliation states that “some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this \$7,059 difference are as follows:

Compensated absences	\$ 34,829
Accrued interest	<u>(27,770)</u>
Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 7,059</u>

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. 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 Department of Education. Student activity accounts are not budgeted.

These budgets are prepared on a Non-GAAP basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the following year. The budget process in the State of New Mexico requires that the beginning cash balance be appropriated in the budget of the subsequent fiscal year. Such appropriated balance is legally restricted and is therefore presented as a reserved portion of fund balance.

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

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

1. In April or May, the superintendent submits to the Board of Education a proposed operating budget of the fiscal year commencing the following July. The operating budget includes proposed expenditures and the means of financing them, and has approval by the Department of Education.
2. In May or June, the budget is approved by the Board of Education.
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 for.
4. 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 Department of Education.
5. 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.
6. Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are adopted on a basis not consistent with generally accepted accounting principles (GAAP). Encumbrances are treated the same way for GAAP purposes and for Budget purposes.

The Board of Education may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. The appropriated budget for the year end was properly amended by the board through the year. New Mexico state law prohibits a school district to exceed a functional line item.

B. Excess of expenditures over appropriations

For the year ended June 30, 2013, the District's expenditures did not exceed approved budgetary authority.

C. Deficit Fund Equity

As of June 30, 2013, there are no District funds with a deficit fund balance.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and investments

Deposits and investments as of June 30, 2013, are as follows:

Primary Government:

Bank deposits	\$ 37,871,390
Certificates of deposit	1,422,204
State Treasurer's Office Local Government Investment Pool	1,337,904
Total	<u>\$ 40,631,498</u>

Governmental funds	\$ 38,724,074
Fiduciary – Agency Fund	1,907,424
Total	<u>\$ 40,631,498</u>

Deposits

Custodial credit risk. In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. State Statutes require that bank deposits be 50% collateralized and repurchase agreements be 102% collateralized. As of June 30, 2013, the District was in compliance with state statute. As of June 30, 2013, the District's carrying amount of deposits was \$39,293,594 and the bank balance was \$40,868,377. Of the bank balance, \$1,022,204 was covered by federal depository insurance. \$27,307,577 was collateralized with securities held by the pledging financial institution's trust department or agent in the District's name, and \$12,538,596 was uninsured and uncollateralized, and subject to custodial credit risk.

Investments

The District has investments in the State Treasurer's Office Local Government Investment Pool (LGIP). The investments are valued at fair value based on quoted market prices as of June 30, 2013. The LGIP Pool is not SEC registered. Section 6-10-10 I, NMSA 1978, empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment fund in securities that are issued by the United States government or by its departments or agencies and are either direct obligations of the United States or are backed by the full faith and credit of the United States government or are agencies sponsored by the United States government. The LGIP investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments. The pool does not have unit shares. Per Section 6-10-10.1F, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the amounts were invested. Participation in the LGIP is voluntary. The pool has a AAAM rating by Standard & Poor's.

Interest rate risk. Interest rate risk is the risk that interest rate variations may adversely affect the fair value of an investment. An acceptable method for reporting interest rate risk is weighted average maturity (WAM). The State Treasurer's Office uses this method for reporting purposes for the Local Government Investment Pool. The WAM(R) was 59 days and WAM(F) was 90 days, at June 30, 2013. In accordance with its investment policy, the government manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than twelve months.

Credit risk. As directed by Statute 6-10-36,, E and F, excess funds may be invested in securities backed by the full faith and credit of the United States Government, such as treasury notes, bills and bonds; in securities of Agencies that are guaranteed by the United States Government; bonds or negotiable securities of the State of New Mexico or any county, municipality or school district in the State of New Mexico which has a taxable valuation of real property for the last preceding year of at least one million dollars and has not defaulted in the payment of any interest or sinking fund obligation or failed to meet any bonds at maturity at any time within the last five years preceding years. The LGIP is exempt from this reporting requirement.

Custodial credit risk. In the case of investments, this is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The LGIP is exempt from this reporting requirement.

Component Unit:

Deposits

Custodial credit risk. In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. State Statutes require that bank deposits be 50% collateralized and repurchase agreements be 102% collateralized. As of June 30, 2013, the Component Unit was not in compliance with state statute. As of June 30, 2013, the Component Unit's carrying amount of deposits was \$423,372 and the bank balance was \$516,025. Of the bank balance, \$250,000 was covered by federal depository insurance. \$0 was collateralized with securities held by the pledging financial institution's trust department or agent in the District's name, and \$266,025 was uninsured and uncollateralized, and subject to custodial credit risk.

B. Receivables

Receivables at the end of the current fiscal year are as follows:

Primary Government:

<i>Receivables:</i>	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Property taxes Receivable	\$ 544,320	\$ -	\$10,294,268	\$2,766,605	\$13,605,193
Due from other governments	17,571	799,331	298,646	79,995	1,195,543

The District considers the receivables to be fully collectible.

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the various components of *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Unbilled and delinquent property taxes	\$ 13,605,193	\$ -
Grant proceeds not yet earned	-	829,297
Total deferred / unearned revenue for governmental funds	\$ 13,605,193	\$829,297

Due from / to Other Funds

The amounts due from / to other funds occur when nonmajor special revenue funds have negative cash balances in the individual funds and use a pooled cash account.

	<u>Due From</u>	<u>Due To</u>
Nonmajor special revenue funds	\$799,331	\$799,331

Operating Transfer in / out

The District made the following operating transfers during the current fiscal year:

	<u>Transfer In</u>	<u>Transfer Out</u>
Bond building fund (31100)	\$ 56,158	\$ -
Special building state fund (31400)	-	56,158

The transfers were approved by the State Board of Education.

Component Unit:

<i>Receivables:</i>	Special		
	<u>General</u>	<u>Revenue</u>	<u>Total</u>
Due from other governments	\$ 37,181	\$ 132,154	\$ 169,335

The amounts due from / to other funds occur when nonmajor special revenue funds have negative cash balances in the individual funds and use a pooled cash account.

	<u>Due From</u>	<u>Due To</u>
Negative cash balances in special revenue fund	\$73,480	\$73,480

C. Capital assets

Capital asset activity for the year ended June 30, 2013 was as follows:

Primary Government:	Balance			Balance
	<u>July 1, 2012</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2013</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 3,444,131	\$ -	\$ -	\$ 3,444,131
Construction in progress	<u>4,648,597</u>	<u>6,566,546</u>	<u>-</u>	<u>11,215,143</u>
Total capital assets, not being depreciated	<u>8,092,728</u>	<u>6,566,546</u>	<u>-</u>	<u>14,659,274</u>
Capital assets, being depreciated:				
Buildings and improvements	95,610,701	1,507,443	-	97,118,144
Improvements other than buildings	7,973,177	181,372	-	8,154,549
Equipment	<u>18,429,077</u>	<u>66,313</u>	<u>-</u>	<u>18,495,390</u>
Total capital assets being depreciated	<u>122,012,955</u>	<u>1,755,128</u>	<u>-</u>	<u>123,768,083</u>
Less accumulated depreciation for:				
Buildings and improvements	(34,823,213)	(1,692,187)	-	(36,515,400)
Improvements other than buildings	(6,349,376)	(408,197)	-	(6,757,573)
Equipment	<u>(14,381,927)</u>	<u>(1,846,251)</u>	<u>-</u>	<u>(16,228,178)</u>
Total accumulated depreciation	<u>(55,554,516)</u>	<u>(3,946,635)</u>	<u>-</u>	<u>(59,501,151)</u>
Total capital assets, being depreciated, net	<u>66,458,439</u>	<u>(2,191,507)</u>	<u>-</u>	<u>64,266,932</u>
Governmental activities capital assets, net	<u>\$ 74,551,167</u>	<u>\$ 4,375,039</u>	<u>\$ -</u>	<u>\$ 78,926,206</u>

Depreciation expense was charged to functions / programs of the District as follows:

Governmental activities:

Instruction	\$ 24,890
Support services - students	44,839
Support services - instruction	37,894
Support services – general administrative	5,762
Support services – school administrative	1,755,250
Central services	8,861

Operations and maintenance of plant	19,976
Student transportation	370,694
Other support services	16,292
Non-instructional services – food services	22,396
Depreciation - unallocated	1,639,781
Total depreciation expense – governmental activities	<u>\$ 3,946,635</u>

Construction commitments

The District contracts with outside vendors for construction and renovation of various facilities. As of June 30, 2013, commitments and encumbrances outstanding for capital projects totaled \$5,203,248. The amount of \$10,016,368 in the capital projects funds designated for subsequent years expenditures is committed for funding these projects.

D. Long-term debt

Primary Government:

General Obligation bonds

The District issues general obligation bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities. The original amount of general obligation bonds issued was \$61,710,000.

General Obligation Bonds - The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. Bonds are direct obligations and pledge the full faith and credit of the District. The bonds will be paid from taxes levied against property owners living within the School District boundaries. The details of the bonds as of June 30, 2013 are as follows:

	Original Amount	Interest Rates	Balance June 30, 2013
Series 2007 General Obligation Bonds	9,000,000	3.7% to 5.1%	\$ 4,400,000
Series 2009 General Obligation Bonds	16,000,000	3.0% to 5.0%	5,275,000
Series 2010 General Obligation Refunding	4,900,000	2.0% to 3.5%	2,235,000
Series 2010 General Obligation Tech Notes	5,310,000	2.0% to 3.0%	3,270,000
Series 2011 General Obligation Bonds	12,500,000	3.0% to 4.0%	10,400,000
Series 2012 General Obligation Bonds	14,000,000	2.0% to 4.0%	11,500,000
			<u>37,080,000</u>
Add (less) deferred amounts:			
For issuance premiums			<u>1,595,397</u>
Total General Obligation Bonds			<u>\$ 38,675,397</u>

Maturities of long-term debt as of June 30, 2013 are as follows:

<u>General Obligation Bonds</u>			
<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirements</u>
2014	\$ 5,585,000	\$ 1,142,688	\$ 6,727,688
2015	5,150,000	980,119	6,130,119
2016	4,370,000	840,775	5,210,775
2017	2,950,000	730,225	3,680,225
2018	3,000,000	631,600	3,631,600
2019-2023	12,825,000	1,670,213	14,495,213
2024-2025	3,200,000	83,500	3,283,500
Total	<u>\$ 37,080,000</u>	<u>\$ 6,079,120</u>	<u>\$ 43,159,120</u>

Capital Lease Obligation

The District issued General Obligation Educational Technology Lease Purchase Agreement Series 2009 to provide for the acquisition of computer equipment. The original amount of general obligation bonds issued was \$4,500,000. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of their future minimum lease payments as of the inception date.

Also, the District issued General Obligation Educational Technology Lease Purchase Agreement Series 2008, 2009 and 2012 to provide for the acquisition of computer equipment. The original amount of general obligation bonds issued was \$4,750,000, \$4,500,000 and \$6,750,000 during the fiscal years ended June 30, 2008, 2009 and 2012, respectively. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through the capital leases are substantially all individual items costing less than \$5,000 and therefore are not capital assets subject to annual depreciation.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2013, were as follows:

<u>Year Ended</u> <u>June 30,</u>	<u>2009 Issue</u> <u>Payments</u>	<u>2012 Issue</u> <u>Payments</u>	<u>Total</u>
2014	1,171,563	1,309,879	2,481,442
2015	-	1,300,914	1,300,914
2016	-	2,160,717	2,160,717
2017	-	2,137,720	2,137,720
Total	1,171,563	6,909,230	8,080,793
Less:			
interest	<u>(21,563)</u>	<u>(159,230)</u>	<u>(180,793)</u>
Net	<u>\$ 1,150,000</u>	<u>\$ 6,750,000</u>	<u>\$ 7,900,000</u>

Changes in Long-term Liabilities

Changes in Long-term Liabilities - During the year ended June 30, 2013, the following changes occurred in liabilities:

	<u>Balance</u> <u>June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2013</u>	<u>Due Within</u> <u>One Year</u>
Bonds Payable:					
General obligation bonds payable	\$ 44,030,000	\$ -	\$ 6,950,000	\$ 37,080,000	\$ 5,585,000
Add (less) deferred amounts:					
For issuance premiums	<u>1,815,926</u>	<u>-</u>	<u>220,529</u>	<u>1,595,397</u>	<u>220,529</u>
Total bonds payable	<u>45,845,926</u>	<u>-</u>	<u>7,170,529</u>	<u>38,675,397</u>	<u>5,805,529</u>
Capital lease	<u>9,548,101</u>	<u>-</u>	<u>1,648,101</u>	<u>7,900,000</u>	<u>2,400,000</u>
Total	<u>55,394,027</u>	<u>-</u>	<u>8,818,630</u>	<u>46,575,397</u>	<u>8,205,529</u>
Compensated absences	<u>427,202</u>	<u>399,671</u>	<u>434,500</u>	<u>392,373</u>	<u>392,373</u>
Total	<u>\$ 55,821,229</u>	<u>\$ 399,671</u>	<u>\$ 9,253,130</u>	<u>\$ 46,967,770</u>	<u>\$ 8,597,902</u>

Compensated absences are paid from the same fund that the employee is paid.

V. OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injury to employees; and natural disasters. The New Mexico Public Schools Insurance Authority (NMSIA) was formed on April 5, 1985 under the New Mexico Public Schools Insurance Authority Act, Chapter 22, Section 2 of the New Mexico Statutes Annotated (NMSA 1978), as amended, as an insurance fund to provide health, disability and life insurance coverage (benefits coverage), and property, casualty and workers' compensation insurance coverage (risk coverage) to participating public schools, school board members, public school employees, and retirees within the State of New Mexico. The District is one of 91 members that participate in NMPSIA. Participation in NMPSIA is mandatory for all K-12 public schools except those with enrollment exceeding 60,000 students. Participation is voluntary for other public education institutions. The District pays an annual premium to the pool for its general insurance coverage. The agreement for formation of NMPSIA provides that the pool will be self-sustaining through member premiums. NMPSIA establishes self insured retentions by line of coverage and procures insurance or reinsurance, where indicated, in excess of the self insured retention on a per occurrence basis. NMPSIA will publish its own financial report for the year ended June 30, 2013.

B. Contingent liabilities

Amounts received or receivable from grant 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 of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of District counsel that resolution of these matters will not have a material adverse effect on the financial condition of the District.

C. Other Post Employment Benefits

Plan Description. The District contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees 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 the event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; (2) retirees defined by the Act who retired prior to July 1, 1990; (3) former legislators who served at least two years; and (4) former governing authority members who served at least four years.

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

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

The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the employer and employee contributions can be changed by the New Mexico State Legislature. Employers that choose to become participating employers after January 1, 1998, are required to make contributions to the RCHA fund in the amount determined 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 plan 3, 4 or 5; municipal fire member coverage plan 3, 4, or 5; municipal detention office member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2013, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2013, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not

members of an enhanced retirement plan during the fiscal year ended June 30, 2013, the statute required each participating employer to contribute 2.0% of each 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.

Primary Government

The District's contributions to the RHCA for the years ended June 30, 2013, 2012 and 2011 were \$1,007,459, \$925,845 and \$822,336, respectively, which equal the required contributions each year.

Component Unit

The Component Unit's contributions to the RHCA for the years ended June 30, 2013, 2012 and 2011 were \$11,702, \$0 and \$0, respectively, which equal the required contributions each year.

D. Pension Plan – Educational Retirement Board

Plan Description. Substantially all of the District's full-time employees participate in a public employee retirement system authorized under the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978). The Educational Retirement Board (ERB) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members (certified teachers, and other employees of State public school districts, colleges and universities) and beneficiaries. ERB issues a separate, publicly available financial report that includes the financial statements and required supplementary information for the plan. That report may be obtained by writing to ERB, P.O. Box 26129, Santa Fe, New Mexico 87502. The report is also available on ERB's website at www.nmerb.org.

Funding Policy.

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

Employer Contributions - In the fiscal year 2013, the District was required to contribute 12.4% of the gross covered salary for employees whose annual salary is \$20,000 or less, and 10.9% of the gross covered salary for employees whose annual salary is more than \$20,000.

In the future, the District will contribute the following percentages of the gross covered salary of employees: 13.5% of gross covered salary in fiscal year 2014; and 13.9% of gross covered salary in fiscal year 2015.

The contribution requirements of plan members and the District are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by

acts of the legislature.

Primary Government

The District's contribution to ERB for the fiscal years ending June 30, 2013, 2012, and 2011 were \$4,870,519, \$4,761,588 and \$5,486,968, respectively, which equal the amount of the required contributions for each fiscal year.

Component Unit

The Component Unit's contribution to ERB for the fiscal years ending June 30, 2013, 2012, and 2011 were \$63,419, \$0 and \$0, respectively, which equal the amount of the required contributions for each fiscal year.

E. Subsequent Accounting Standard Pronouncements

The GASB issued Statement No. 65, *Financial reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and net Position* which is effective for financial statements for periods beginning after December 15, 2012. Earlier application is encouraged. The objective of this statement is to provide financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined those elements as a consumption of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. Concepts Statement 4 also identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The District is reviewing the effects of the implementation of this statement.

The GASB issued Statement No. 66, which is effective for financial statements for periods beginning after December 15, 2012. Earlier application is encouraged. The objective of this statement is to amend Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, by removing the provision that limits fund-based reporting of a state and local government's risk financing activities to the general fund and the internal service fund type. As a result, government would base their decisions about governmental fund type usage for risk financing activities on the definitions in State No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement also amends Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, by modifying the specific guidance on accounting for (1) operating lease payments that vary from a straight-line basis, (2) the difference between the initial investment (purchase price) and that principal amount of a purchased loan or group of loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a

current (normal) servicing fee. These changes would eliminate any uncertainty regarding the application of Statement No. 13, Accounting for Operating Leases with Schedule Rent Increases, and result in guidance that is consistent with the requirements in Statement No. 48, Sales of Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues, respectively. The District is reviewing the effects of the implementation of this statement.

E. Subsequent Events Review

The District has evaluated subsequent events through October 31, 2013, which is the date the financial statements were available to be issued.

F. Prior Year Correction

During the year ended June 30, 2013, the District discovered that the 2012 bond premium was posted to the Bond Building Fund (31100) instead of the Debt Service Fund (41000) as required by the bond agreement for debt service. The beginning fund balances are corrected as follows:

	<u>As Reported</u>	<u>Adjustments</u>	<u>As Restated</u>
<u>Fund balances:</u>			
Debt service (41000)	\$ 7,251,827	\$ 802,909	\$ 8,054,736
Bond building (31100)	20,168,187	(802,909)	19,365,278

Net position was correctly reported as of June 30, 2012.

SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

All funds are authorized by the State Department of Education.

SPECIAL REVENUE FUNDS

Food Services 21000 - This program provides financing for the school breakfast and lunch program. Funding is provided from fees from patrons and USDA food reimbursements, under the National School Lunch Act of 1946, as amended, Public Law 79-396, Sections 2-12, 60 Stat. 230, 42 U.S.C. 1751 et seq.; 80 stat. 889, as amended; 84 stat. 270; and the Child Nutrition Act of 1966, as amended, Sections 4 and 10. Public Law 89-642, 80 stat. 886, 889, 42 U.S.C. 1773, 1779; Public Law 99-591, 100 stat. 3341; Public Law 100-71, 101 stat. 430.

Athletics 22000 - This fund provides financing for school athletic activities. Funding is provided by fees from patrons.

Activities 23000 - To account for revenue and expenditures associated with the District's non-instructional support activities (primarily after-school activities).

Title I 24101 - The Title I project provides remedial instruction in language arts for educationally deprived students in low-income areas. The project is funded by the Federal Government through the New Mexico State Department of Education, under the Elementary and Secondary Education Act of 1965, Title I, Chapter 1, Part A, 20 U.S.C. 2701 et seq.

Javits – Gifted and Talented 24102 – This grant is for a project targeted at building capacity to improve gifted education services to students.

IDEA-B Entitlement 24106 - The IDEA-B Entitlement/Competitive program is 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, Sections 611-617, and part D, Section 674 as amended, 20 U.S.C. 1711-1417 and 1420.

IDEA-B Discretionary 24107 - The IDEA-B Discretionary program is to provide grants to states, that flow-through to schools, to assist local educational agencies in providing positive behavioral interventions and supports and mental health services for children with disabilities.

IDEA-B Preschool 24109 - The Preschool program is for the purpose of enhancing Special Education for handicapped children from ages 3 to 5. The program is funded by the United States government, under the Individuals with Disabilities Act, Part B, Section 619, as amended, Public Laws 94-142, 99-457, 100-630, 101-497, and 101-476.

Homeless Grant 24113 - To ensure that homeless children enroll in, attend, and achieve in school; to establish or designate an office in each State Educational Agency (SEA) and Outlying Area for the coordination of education for homeless children and youth; to develop and carry out a State plan for the education of homeless children; to develop and implement programs for school personnel to heighten awareness of specific problems of homeless children; and to provide grants to local educational agencies. This project is authorized by the Stewart B. McKinney Homeless Assistance Act of 1987, Title VII Subtitle B, Section 722, as amended.

IDEA-B Private School Share 24115 – To provide grants to States to assist the States in providing a free appropriate public education to all children with disabilities.

Fresh Fruit and Vegetable 24118 – To ensure that students are given the opportunity to try different fruits and vegetables that they might not be exposed to at home which could lead to healthier eating habits.

21st Century Community Living and Learning Centers 24119 – To account for a grant utilized to expand an after school, weekend and summer program. The program is designed to integrate the visual and performing arts with literacy, life skills and physical activity for kindergarten to 12th grade focusing on the neighborhood and the community as a classroom, Public Law 103-382.

IDEA-B Redistribution 24120 – To provide grants to States to assist them in providing special education and related services to all children with disabilities.

English Language Acquisition 24153 – English language acquisition funding is provided by the Federal Government through Title III, Part A, Sections 3101 and 3129.

Title II-A 24154 - The Title II math, science and core academic areas project provides funds to carry out a math skills control system for grades kindergarten through eighth. The project is funded by the Federal Government through the State of New Mexico Department of Education, under the Elementary and Secondary Education Act of 1965, Title II, Part A, Public Law 100-297, as amended, Public Law 101-589.

Carl Perkins 24174 - Basic grants assist State and outlying areas to expand and improve their programs of vocational education and provide equal access in vocational education to special need populations. Authorized by Carl D. Perkins Vocational and Applied Technology Education Amendments of 1998, Title I, Public Law 105-332, 20 U.S.C. 2301, et seq.

Carl Perkins Redistribution 24176 - To develop more fully the academic, career, and technical skills of secondary and postsecondary students who elect to enroll in career and technical education programs.

High Schools that Work 24180 – To support the efforts to raise teacher preparation and effectiveness for career and technical education.

High Schools that Work Carryover 24182 – To participate in District leadership activities, state staff development activities and the annual program staff development conference.

IDEA-B ARRA 24206 – Funds are used by State and local educational agencies, in accordance with the IDEA, to help provide the special education and related services needed to make a free appropriate public education available to all eligible children and, in some cases, early intervening services.

IDEA-B EIS ARRA 24212 – To provide grants to States to assist the States to implement and maintain a statewide, comprehensive, coordinated, multidisciplinary, interagency systems to make available early intervention services to infants and toddlers with disabilities and their families.

Teaching American History 25107 – To support US History and Social Studies Teachers in San Juan County. The funds are used to offset the cost of a master's degree in history from Adam's State College. The program supports staff development for all teachers focused on US History and Government. The funds are also used to fund the community Chautauqua series in collaboration with the New Mexico and Colorado Humanities Councils.

Johnson O'Malley 25131 - The Johnson O'Malley project provides supplemental programs in special education and other special needs for New Mexico public schools where eligible Indian children are enrolled. Funding is provided by the Department of the Interior, Bureau of Indian Affairs, through the Navajo Tribe, under the Johnson O'Malley Act of April 16, 1934; as amended, 25 U.S.C. 452; Public Law 93-638; 25 U.S.C. 455-457.

Federal Impact Aid 25145 and 25147- To provide financial assistance to local educational agencies (LEA's) where enrollments or availability of revenue are adversely affected by Federal activities, i.e. where the tax base of a district is reduced through the Federal acquisition of real property (Section 2), where there are significant number of children who reside on Federal (including Indian) lands and/or children whose parents are employed on Federal property or in the Uniformed Services (Section 3(a) and 3(b); where there is a significant decrease (Section 3(c) or a sudden and substantial increase Section. 4) in school enrollment as the result of Federal activities; to provide disaster assistance for reduced or increased operating costs (Section 7(a)), for replacing or repairing damaged or destroyed supplies, equipment, and books, and for repairing minor damage to facilities. Funding authorized by Public Law 81-874.

Medicaid 25153 - To provide financial assistance from the Federal government which flows-through the State of New Mexico to school districts, for payments of medical assistance on behalf of cash assistance recipients, children, pregnant women and the aged who meet income and resource requirements, and other categorically-eligible groups. The program is funded by the U.S. government under the Social Security Act, Title XIX, as amended; Public Laws 92-223, 92-602, 93-66, 93-233, 96-499, 97-35, 97-2248, 98-369, 99-272, 99-509, 100-93, 100-202, 100-203, 100-360, 100-436, 100-485, 100-647, 101-166, 101-234, 101-239, 101-508, 101-517, 102-234, 102-170, 102-394, 103-66, 103-112, 103-333, 104-91, 104-191, 104-193, 104-208, and 104-134; Balanced Budget Act of 1997, Public Law 105-33.

Indian Education Act (Title IX) 25184 – The program supports projects, which improve educational opportunities of Native American children. Funding is provided by the Federal Government, under the Elementary and Secondary Education Act of 1965, Title IX, Part A, Subpart 1, as amended, Public Law 103-382, 20 U.S.C. 7811-7818; 25 U.S.C. 2001.

Mentoring for Safe Schools 25187 - To provide funding to state, local, community, and national organizations to propose the enhancement or expansion of initiatives that will assist in the development and maturity of community programs to provide mentoring services to high-risk populations that are underserved due to location, shortage of mentors, special physical or mental challenges of the targeted population, or other analogous situations identified by the community in need of mentoring services.

Navajo Medical Center 25209 - To facilitate opportunities for students to develop healthy habits and positive life skills.

Substance Abuse and Mental Health 25238 - To provide priority substance abuse treatment, prevention and mental health needs of regional and national significance through assistance (grants and cooperative agreements) to States, political subdivisions of States, Indian tribes and tribal organizations, and other public or nonprofit private entities.

Safe Schools Healthy Students 25243 – Seeks to build upon existing resources, strengthening partnerships and develop programs, implement curricula, strategies and services to achieve the following outcomes; a) decreased incidences of disruptive and violent behavior in the schools and community; b) decreased use of ATOD among students; c) increase school attendance, core subject test scores and graduation rates; d) increase students participation in mental health services; and e) increased enrollment in early childhood programs.

Bilingual Education Title III 25248 – The goal of the five year grant is to service Native American students and improve their academic performance. The target schools are Esperanza Elementary School and Hermosa Middle School. Funds are available for instructional materials, professional development for staff, and providing opportunities for parental involvement.

Kellogg Foundation 26121 – This grant will expand evidence-based parent education and family support programs targeting vulnerable families in select New Mexico neighborhoods to promote parental knowledge of child development needs and parental advocacy skills.

Parent Reaching Out 26174 – The Parent Reaching Out (PRO) Grant was made available to Parents as Teachers (PAT), who work with students primarily birth-to-three. PRO is an advocacy organization for parents with some affiliation with the PED. The agreement with PRO confirms our willingness to disseminate information regarding PRO and their services to parents at activities and workshops provided by PAT.

Dual Credit HB2 27103 – Instructional materials for a course approved by Higher Education Department and through a college/university for which the district has an approved agreement.

GO Bond 2008 SB333 27105 – To update and expand library collections in order to circulate and provide access of materials to students and teachers.

NM GO Bond Library 27106 – To update and expand library collections in order to circulate and provide access of materials to students and teachers.

Formative Assessments 27111 – The formative assessments are for English language, arts and math in grades 4 through 10. These formative assessments will give teachers essential tools for monitoring student progress and making timely strategic intervention throughout the school year.

Technology Grant 27117 - The technology fund provides financing to purchase computers and software for a district-wide student information system and software licensing for computer labs within the district. Funded through the Office of Technology for the State of New Mexico.

Pre-K Initiative 27149 – To account for funds received to prepare children for success in school, begin to close the achievement gap between students, and help meet the vision of a seamless education system – Pre-Kindergarten through higher education. Authority for the creation of this fund is the New Mexico Public Education Department.

Breakfast for Elementary Students 27155 – To help students develop lifelong healthful eating habits and ensuring they are ready to learn.

Library GO Bonds 27170 – To update and expand library collections in order to circulate and provide access of materials to students and teachers.

Youth Conservation 28133 - Allows for students to participate in conservation programs at National, State and City Parks as well as study time for academic programs.

CATCH Grant 28140 - This grant provides a Coordinated School Health approach to wellness for K-5 Classrooms. This includes classroom teachers as well as Physical Education teachers.

Tutoring 28178 - Funds to provide tutoring for students needing specialized help at the mid-school level.

CAPITAL PROJECTS FUNDS

Special Building Local 31300 - The fund provides financing from local revenues for the construction and improvements to District buildings and facilities.

Special Building State 31400 - This fund provides financing for special appropriation monies received from the State of New Mexico under Chapter 367, Laws of 1993.

Public Schools 20% Capital Outlay 32100 - A capital projects fund to capture the 20% of eligible federal (Forest Reserve and Impact Aid) and local revenue (local taxes) that must be budgeted in Capital Outlay. Provides financing for the construction and improvement of buildings and land, and the purchase of equipment.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2013

	Special Revenue										
	Food Services 21000	Athletics 22000	Student Activities 23000	Title I 24101	Javits - Gifted and Talented 24102	IDEA-B Entitlement 24106	IDEA-B Discretionary 24107	IDEA-B Preschool 24109	Homeless Grant 24113	IDEA-B Private School Share 24115	Fresh Fruit and Vegetable 24118
ASSETS											
Pooled cash and investments	\$ 1,024,733	\$ 122,008	\$ 326,551	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables:											
Property taxes	-	-	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	68,225	5,000	11,907	-	5,365	17,872
Due from other funds	-	-	-	48,216	1,610	-	-	-	18,631	-	-
Total assets	<u>\$ 1,024,733</u>	<u>\$ 122,008</u>	<u>\$ 326,551</u>	<u>\$ 48,216</u>	<u>\$ 1,610</u>	<u>\$ 68,225</u>	<u>\$ 5,000</u>	<u>\$ 11,907</u>	<u>\$ 18,631</u>	<u>\$ 5,365</u>	<u>\$ 17,872</u>
LIABILITIES AND FUND BALANCES											
Liabilities:											
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 68,225	\$ 5,000	\$ 11,907	\$ -	\$ 5,365	\$ 17,872
Accounts payable	19,516	-	-	-	-	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	-	-
Deposits held	-	-	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	48,216	1,610	-	-	-	18,631	-	-
Total liabilities	<u>19,516</u>	<u>-</u>	<u>-</u>	<u>48,216</u>	<u>1,610</u>	<u>68,225</u>	<u>5,000</u>	<u>11,907</u>	<u>18,631</u>	<u>5,365</u>	<u>17,872</u>
Fund balances:											
Restricted:											
Grantor	1,005,217	-	-	-	-	-	-	-	-	-	-
Athletic program	-	122,008	-	-	-	-	-	-	-	-	-
Student activities	-	-	326,551	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-	-	-	-
Total fund balances	<u>1,005,217</u>	<u>122,008</u>	<u>326,551</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 1,024,733</u>	<u>\$ 122,008</u>	<u>\$ 326,551</u>	<u>\$ 48,216</u>	<u>\$ 1,610</u>	<u>\$ 68,225</u>	<u>\$ 5,000</u>	<u>\$ 11,907</u>	<u>\$ 18,631</u>	<u>\$ 5,365</u>	<u>\$ 17,872</u>

(continued)

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2013

	Special Revenue									
	21st Century Community Learning	IDEA-B Redistribution	Eng Language Acquisition	Title II-A	Carl Perkins	Carl Perkins Redistribution	High Schools that Work	High Schools that Work C/O	IDEA-B ARRA	IDEA-B EIS ARRA
	24119	24120	24153	24154	24174	24176	24180	24182	24206	24212
ASSETS										
Pooled cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables:										
Property taxes	-	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Due from other governments	42,683	14,003	-	541,268	2,690	4,060	35,507	2,183	2,581	-
Due from other funds	-	-	31,367	-	-	-	-	-	-	55
Total assets	\$ 42,683	\$ 14,003	\$ 31,367	\$ 541,268	\$ 2,690	\$ 4,060	\$ 35,507	\$ 2,183	\$ 2,581	\$ 55
LIABILITIES AND FUND BALANCES										
Liabilities:										
Due to other funds	\$ 42,683	\$ 14,003	\$ -	\$ 541,268	\$ 2,690	\$ 4,060	\$ 35,507	\$ 2,183	\$ 2,581	\$ -
Accounts payable	-	-	-	-	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	-
Deposits held	-	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	31,367	-	-	-	-	-	-	55
Total liabilities	42,683	14,003	31,367	541,268	2,690	4,060	35,507	2,183	2,581	55
Fund balances:										
Restricted:										
Grantor	-	-	-	-	-	-	-	-	-	-
Athletic program	-	-	-	-	-	-	-	-	-	-
Student activities	-	-	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-	-	-
Total fund balances	-	-	-	-	-	-	-	-	-	-
Total liabilities and fund balances	\$ 42,683	\$ 14,003	\$ 31,367	\$ 541,268	\$ 2,690	\$ 4,060	\$ 35,507	\$ 2,183	\$ 2,581	\$ 55

(continued)

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2013

	Special Revenue									
	Teaching American History 25107	Johnson O'Malley 25131	Federal Impact Aid Special Ed 25145	Federal Impact Aid Indian Ed 25147	Medicaid 25153	Indian Education Act Title IX 25184	Mentoring Safe Schools 25187	Navajo Medical Center 25209	Substance Abuse Mental Health 25238	Safe Schools Students 25243
ASSETS										
Pooled cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables:										
Property taxes	-	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	20,143	-	98	-
Due from other funds	2,985	1,396	46,990	90,087	193,990	5,341	-	24,170	-	-
Total assets	\$ 2,985	\$ 1,396	\$ 46,990	\$ 90,087	\$ 193,990	\$ 5,341	\$ 20,143	\$ 24,170	\$ 98	\$ -
LIABILITIES AND FUND BALANCES										
Liabilities:										
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	20,143	\$ -	98	\$ -
Accounts payable	-	-	-	-	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	-
Deposits held	-	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-
Unearned revenue	2,985	1,396	46,990	90,087	193,990	5,341	-	24,170	-	-
Total liabilities	2,985	1,396	46,990	90,087	193,990	5,341	20,143	24,170	98	-
Fund balances:										
Restricted:										
Grantor	-	-	-	-	-	-	-	-	-	-
Athletic program	-	-	-	-	-	-	-	-	-	-
Student activities	-	-	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-	-	-
Total fund balances	-	-	-	-	-	-	-	-	-	-
Total liabilities and fund balances	\$ 2,985	\$ 1,396	\$ 46,990	\$ 90,087	\$ 193,990	\$ 5,341	\$ 20,143	\$ 24,170	\$ 98	\$ -

(continued)

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2013

	Bilingual Education Title III 25248	Kellogg Foundation 26121	Parent Reaching Out 26174	Dual Credit HB2 27103	GO Bond 2008 SB333 27105	NM GO Bond Library 27106	Formative Assessments 27111	Technology Grant 27117	Pre-K Initiative 27149	Breakfast for Elementary Students 27155
ASSETS										
Pooled cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables:										
Property taxes	-	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	1,046	-	-	24,700	-
Due from other funds	2,275	313,343	7,116	-	-	-	-	6,868	-	245
Total assets	\$ 2,275	\$ 313,343	\$ 7,116	\$ -	\$ -	\$ 1,046	\$ -	\$ 6,868	\$ 24,700	\$ 245
LIABILITIES AND FUND BALANCES										
Liabilities:										
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	1,046	\$ -	\$ -	24,700	\$ -
Accounts payable	-	-	-	-	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	-
Deposits held	-	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-
Unearned revenue	2,275	313,343	7,116	-	-	-	-	6,868	-	245
Total liabilities	2,275	313,343	7,116	-	-	1,046	-	6,868	24,700	245
Fund balances:										
Restricted:										
Grantor	-	-	-	-	-	-	-	-	-	-
Athletic program	-	-	-	-	-	-	-	-	-	-
Student activities	-	-	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-	-	-
Total fund balances	-	-	-	-	-	-	-	-	-	-
Total liabilities and fund balances	\$ 2,275	\$ 313,343	\$ 7,116	\$ -	\$ -	\$ 1,046	\$ -	\$ 6,868	\$ 24,700	\$ 245

(continued)

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2013

	Special Revenue				Capital Projects			Total Nonmajor Governmental Funds	
	Library GO Bonds	Youth Conservation	Tutoring	Total Special Revenue	Special Building Local	Special Building State	Public Schools 20% Outlay		Total Capital Projects
	27170	28133	28178		31300	31400	32100		
ASSETS									
Pooled cash and investments	\$ -	\$ 29,966	\$ -	\$ 1,503,258	\$ 1,544,489	\$ 48,375	\$ 99,873	\$ 1,692,737	\$ 3,195,995
Receivables:									
Property taxes	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	799,331	-	-	-	-	799,331
Due from other funds	2,431	669	1,546	799,331	-	-	-	-	799,331
Total assets	\$ 2,431	\$ 30,635	\$ 1,546	\$ 3,101,920	\$ 1,544,489	\$ 48,375	\$ 99,873	\$ 1,692,737	\$ 4,794,657
LIABILITIES AND FUND BALANCES									
Liabilities:									
Due to other funds	\$ -	\$ -	\$ -	\$ 799,331	\$ -	\$ -	\$ -	\$ -	\$ 799,331
Accounts payable	-	-	-	19,516	-	-	-	-	19,516
Accrued liabilities	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-
Deposits held	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-
Unearned revenue	2,431	30,635	1,546	829,297	-	-	-	-	829,297
Total liabilities	2,431	30,635	1,546	1,648,144	-	-	-	-	1,648,144
Fund balances:									
Restricted:									
Grantor	-	-	-	1,005,217	-	-	-	-	1,005,217
Athletic program	-	-	-	122,008	-	-	-	-	122,008
Student activities	-	-	-	326,551	-	-	-	-	326,551
Capital projects	-	-	-	-	1,544,489	48,375	99,873	1,692,737	1,692,737
Total fund balances	-	-	-	1,453,776	1,544,489	48,375	99,873	1,692,737	3,146,513
Total liabilities and fund balances	\$ 2,431	\$ 30,635	\$ 1,546	\$ 3,101,920	\$ 1,544,489	\$ 48,375	\$ 99,873	\$ 1,692,737	\$ 4,794,657

(continued)

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year Ended June 30, 2013

Special Revenue

	Food Services 21000	Athletics 22000	Student Activities 23000	Title I 24101	Javits - Gifted and Talented 24102	IDEA-B Entitlement 24106	IDEA-B Discretionary 24107	IDEA-B Preschool 24109	Homeless Grant 24113	IDEA-B Private School Share 24115	Fresh Fruit and Vegetable 24118
Revenues:											
Federal	\$ 2,951,936	\$ -	\$ -	\$ 2,519,772	\$ -	\$ 2,077,847	\$ 5,000	\$ 45,739	\$ 21,804	\$ 5,365	\$ 44,784
State	-	-	-	-	-	-	-	-	-	-	-
Local	-	-	-	-	-	-	-	-	-	-	-
Fees and activities	906,651	289,866	355,757	-	-	-	-	-	-	-	-
Earnings from investments	726	33	-	-	-	-	-	-	-	-	-
Total revenues	3,859,313	289,899	355,757	2,519,772	-	2,077,847	5,000	45,739	21,804	5,365	44,784
Expenditures:											
Instruction	-	283,292	256,445	1,853,882	-	817,572	5,000	18,296	21,804	-	-
Support Services:											
Students	-	-	-	325,633	-	739,119	-	27,443	-	5,365	-
Instruction - Support	-	-	-	72,113	-	-	-	-	-	-	-
General Administration	-	-	-	34,397	-	27,202	-	-	-	-	-
School Administration	-	-	-	233,747	-	493,954	-	-	-	-	-
Central Services	-	-	-	-	-	-	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-	-	-	-	-	-	-
Student Transportation	-	-	-	-	-	-	-	-	-	-	-
Other Support Services	-	-	-	-	-	-	-	-	-	-	-
Non-Instructional Services:											
Food Services	3,737,413	-	-	-	-	-	-	-	-	-	44,784
Total expenditures	3,737,413	283,292	256,445	2,519,772	-	2,077,847	5,000	45,739	21,804	5,365	44,784
Excess (deficiency) of revenues over expenditures	121,900	6,607	99,312	-	-	-	-	-	-	-	-
Other financing sources (uses):											
Transfer in	-	-	-	-	-	-	-	-	-	-	-
Transfer out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	121,900	6,607	99,312	-	-	-	-	-	-	-	-
Fund balance at beginning of year	883,317	115,401	227,239	-	-	-	-	-	-	-	-
Fund balance at end of year	\$ 1,005,217	\$ 122,008	\$ 326,551	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(continued)

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year Ended June 30, 2013

	Special Revenue									
	21st Century Community Learning	IDEA-B Redistribution	Eng Language Acquisition	Title II-A	Carl Perkins	Carl Perkins Redistribution	High Schools that Work	High Schools that Work C/O	IDEA-B ARRA	IDEA-B EIS ARRA
	24119	24120	24153	24154	24174	24176	24180	24182	24206	24212
Revenues:										
Federal	\$ 80,667	\$ 14,003	\$ 103,300	\$ 698,850	\$ 60,014	\$ 3,443	\$ 38,393	\$ 2,051	\$ -	\$ -
State	-	-	-	-	-	-	-	-	-	-
Local	-	-	-	-	-	-	-	-	-	-
Fees and activities	-	-	-	-	-	-	-	-	-	-
Earnings from investments	-	-	-	-	-	-	-	-	-	-
Total revenues	80,667	14,003	103,300	698,850	60,014	3,443	38,393	2,051	-	-
Expenditures:										
Instruction	73,279	14,003	101,950	544,682	60,014	3,443	38,393	2,051	-	-
Support Services:										
Students	-	-	-	2,490	-	-	-	-	-	-
Instruction - Support	-	-	-	-	-	-	-	-	-	-
General Administration	1,043	-	1,350	9,037	-	-	-	-	-	-
School Administration	-	-	-	142,641	-	-	-	-	-	-
Central Services	-	-	-	-	-	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-	-	-	-	-	-
Student Transportation	6,345	-	-	-	-	-	-	-	-	-
Other Support Services	-	-	-	-	-	-	-	-	-	-
Non-Instructional Services:										
Food Services	-	-	-	-	-	-	-	-	-	-
Total expenditures	80,667	14,003	103,300	698,850	60,014	3,443	38,393	2,051	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-	-	-	-
Other financing sources (uses):										
Transfer in	-	-	-	-	-	-	-	-	-	-
Transfer out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	-	-	-	-	-	-
Fund balance at beginning of year	-	-	-	-	-	-	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(continued)

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year Ended June 30, 2013

	Special Revenue									
	Teaching American History	Johnson O'Malley	Federal Impact Aid Special Ed	Federal Impact Aid Indian Ed	Medicaid	Indian Education Act Title IX	Mentoring Safe Schools	Navajo Medical Center	Substance Abuse Health	Safe Schools Students
	25107	25131	25145	25147	25153	25184	25187	25209	25238	25243
Revenues:										
Federal	\$ 208,505	\$ 199,208	\$ 71,044	\$ 4,581	\$ 455,564	\$ 574,173	\$ 134,442	\$ -	\$ 100,844	471,996
State	-	-	-	-	-	-	-	-	-	-
Local	-	-	-	-	-	-	-	-	-	-
Fees and activities	-	-	-	-	-	-	-	-	-	-
Earnings from investments	-	-	-	-	-	-	-	-	-	-
Total revenues	208,505	199,208	71,044	4,581	455,564	574,173	134,442	-	100,844	471,996
Expenditures:										
Instruction	-	24,167	-	3,266	-	357,796	-	-	29,793	-
Support Services:										
Students	-	167,787	71,044	1,256	406,707	98,969	95,008	-	69,204	259,184
Instruction - Support	-	-	-	-	30,498	-	17,445	-	-	-
General Administration	2,696	2,576	-	59	18,359	7,424	1,738	-	1,304	6,188
School Administration	205,809	4,678	-	-	-	109,213	20,251	-	543	206,624
Central Services	-	-	-	-	-	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-	771	-	-	-	-
Student Transportation	-	-	-	-	-	-	-	-	-	-
Other Support Services	-	-	-	-	-	-	-	-	-	-
Non-Instructional Services:										
Food Services	-	-	-	-	-	-	-	-	-	-
Total expenditures	208,505	199,208	71,044	4,581	455,564	574,173	134,442	-	100,844	471,996
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-	-	-	-
Other financing sources (uses):										
Transfer in	-	-	-	-	-	-	-	-	-	-
Transfer out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	-	-	-	-	-	-
Fund balance at beginning of year	-	-	-	-	-	-	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(continued)

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year Ended June 30, 2013

	Special Revenue									
	Bilingual Education Title III	Kellogg Foundation	Parent Reaching Out	Dual Credit HB2	GO Bond 2008 SB333	NM GO Bond Library	Formative Assessments	Technology Grant	Pre-K Initiative	Breakfast for Elementary Students
	25248	26121	26174	27103	27105	27106	27111	27117	27149	27155
Revenues:										
Federal	\$ 223,525	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State	-	-	-	29,313	-	19,542	75,715	86,044	288,798	38,691
Local	-	230,612	8,740	-	-	-	-	-	-	-
Fees and activities	-	-	-	-	-	-	-	-	-	-
Earnings from investments	-	-	-	-	-	-	-	-	-	-
Total revenues	223,525	230,612	8,740	29,313	-	19,542	75,715	86,044	288,798	38,691
Expenditures:										
Instruction	128,582	11,158	8,740	-	-	-	-	-	288,798	-
Support Services:										
Students	-	217,490	-	-	-	-	-	-	-	-
Instruction - Support	-	-	-	-	-	19,542	75,715	86,044	-	-
General Administration	2,881	1,964	-	29,313	-	-	-	-	-	-
School Administration	92,062	-	-	-	-	-	-	-	-	-
Central Services	-	-	-	-	-	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-	-	-	-	-	-
Student Transportation	-	-	-	-	-	-	-	-	-	-
Other Support Services	-	-	-	-	-	-	-	-	-	-
Non-Instructional Services:										
Food Services	-	-	-	-	-	-	-	-	-	38,691
Total expenditures	223,525	230,612	8,740	29,313	-	19,542	75,715	86,044	288,798	38,691
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-	-	-	-
Other financing sources (uses):										
Transfer in	-	-	-	-	-	-	-	-	-	-
Transfer out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	-	-	-	-	-	-
Fund balance at beginning of year	-	-	-	-	-	-	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(continued)

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year Ended June 30, 2013

	Special Revenue			Capital Projects				Total Nonmajor Governmental Funds	
	Library GO Bonds	Youth Conservation	Tutoring	Total Special Revenue	Special Building Local	Special Building State	Public Schools 20% Capital Outlay		Total Capital Projects
	27170	28133	28178		31300	31400	32100		
Revenues:									
Federal	\$ -	\$ -	\$ -	\$ 11,116,850	\$ -	\$ -	\$ -	\$ -	\$ 11,116,850
State	-	142,848	-	680,951	-	-	-	-	680,951
Local	-	-	-	239,352	-	-	-	-	239,352
Fees and activities	-	-	-	1,552,274	657	-	-	657	1,552,931
Earnings from investments	-	-	-	759	205	-	-	205	964
				-					
Total revenues	-	142,848	-	13,590,186	862	-	-	862	13,591,048
Expenditures:									
Instruction	-	142,848	-	5,089,254	-	-	-	-	5,089,254
Support Services:									
Students	-	-	-	2,486,699	-	-	-	-	2,486,699
Instruction - Support	-	-	-	301,357	-	-	-	-	301,357
General Administration	-	-	-	147,531	-	-	-	-	147,531
School Administration	-	-	-	1,509,522	-	-	-	-	1,509,522
Central Services	-	-	-	-	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	771	-	-	-	-	771
Student Transportation	-	-	-	6,345	-	-	-	-	6,345
Other Support Services	-	-	-	-	-	-	-	-	-
Non-Instructional Services:									
Food Services	-	-	-	3,820,888	-	-	-	-	3,820,888
Total expenditures	-	142,848	-	13,362,367	-	-	-	-	13,362,367
Excess (deficiency) of revenues over expenditures	-	-	-	227,819	862	-	-	862	228,681
Other financing sources (uses):									
Transfer in	-	-	-	-	-	-	-	-	-
Transfer out	-	-	-	-	-	(56,158)	-	(56,158)	(56,158)
Total other financing sources (uses)	-	-	-	-	-	(56,158)	-	(56,158)	(56,158)
Net change in fund balances	-	-	-	227,819	862	(56,158)	-	(55,296)	172,523
Fund balance at beginning of year	-	-	-	1,225,957	1,543,627	104,533	99,873	1,748,033	2,973,990
Fund balance at end of year	\$ -	\$ -	\$ -	\$ 1,453,776	\$ 1,544,489	\$ 48,375	\$ 99,873	\$ 1,692,737	\$ 3,146,513

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 DEBT SERVICE FUND - 41000
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Local sources:				
District school tax levy	\$ 7,040,967	\$ 7,040,967	\$ 7,277,834	\$ 236,867
Earnings from investments	<u>2,200</u>	<u>2,200</u>	<u>2,094</u>	<u>(106)</u>
Total revenues	<u>7,043,167</u>	<u>7,043,167</u>	<u>7,279,928</u>	<u>236,761</u>
Expenditures:				
Support Services:				
General Administration	60,957	67,957	67,355	602
Debt Service:				
Principal	5,920,000	5,920,000	5,920,000	-
Interest	1,120,967	1,120,967	1,120,967	-
Debt service reserves	<u>6,823,727</u>	<u>6,816,727</u>	<u>-</u>	<u>6,816,727</u>
Total expenditures	<u>13,925,651</u>	<u>13,925,651</u>	<u>7,108,322</u>	<u>6,817,329</u>
Excess (deficiency) of revenues over (under) expenditures	(6,882,484)	(6,882,484)	171,606	7,054,090
Beginning cash balance budgeted	6,882,484	6,882,484	-	(6,882,484)
Fund balances at beginning of the year (as restated)	-	-	8,054,736	8,054,736
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>8,226,342</u>	<u>\$ 8,226,342</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			<u>111,873</u>	
			<u>\$ 8,338,215</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 EDUCATIONAL TECHNICAL DEBT SERVICE FUND - 43000
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Local sources:				
District school tax levy	\$ 2,928,924	\$ 2,928,924	\$ 3,136,871	\$ 207,947
Earnings from investments	<u>1,500</u>	<u>1,500</u>	<u>940</u>	<u>(560)</u>
Total revenues	<u>2,930,424</u>	<u>2,930,424</u>	<u>3,137,811</u>	<u>207,387</u>
Expenditures:				
Support Services:				
General Administration	25,351	31,851	28,960	2,891
Debt Service:				
Principal	2,678,102	2,678,102	2,678,102	-
Interest	250,822	250,822	224,278	26,544
Debt service reserves	<u>2,728,913</u>	<u>2,722,413</u>	<u>-</u>	<u>(2,722,413)</u>
Total expenditures	<u>5,683,188</u>	<u>5,683,188</u>	<u>2,931,340</u>	<u>(2,692,978)</u>
Excess (deficiency) of revenues over (under) expenditures	(2,752,764)	(2,752,764)	206,471	(2,485,591)
Beginning cash balance budgeted	2,752,764	2,752,764	-	(2,752,764)
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>3,659,751</u>	<u>3,659,751</u>
Fund balances (deficit) at end of the year	<u>\$ -</u>	<u>\$ -</u>	3,866,222	<u>\$ (1,578,604)</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			<u>44,180</u>	
			<u>\$ 3,910,402</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 BOND BUILDING CAPITAL PROJECTS FUND - 31100
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Local sources:				
Earnings from investments	<u>3,961</u>	<u>3,961</u>	<u>7,008</u>	<u>3,047</u>
Total revenues	<u>3,961</u>	<u>3,961</u>	<u>7,008</u>	<u>3,047</u>
Expenditures:				
Non-Instructional Services:				
Capital Outlay	<u>32,625,679</u>	<u>32,625,679</u>	<u>12,472,368</u>	<u>20,153,311</u>
Total expenditures	<u>32,625,679</u>	<u>32,625,679</u>	<u>12,472,368</u>	<u>20,153,311</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(32,621,718)</u>	<u>(32,621,718)</u>	<u>(12,465,360)</u>	<u>20,156,358</u>
Other financing sources (uses):				
Bonds issued	12,500,000	12,500,000	-	(12,500,000)
Transfer in	<u>-</u>	<u>-</u>	<u>56,158</u>	<u>56,158</u>
Total other financing sources (uses)	<u>12,500,000</u>	<u>12,500,000</u>	<u>56,158</u>	<u>(12,443,842)</u>
Net change in fund balances	(20,121,718)	(20,121,718)	(12,409,202)	7,712,516
Beginning cash balance budgeted	20,121,718	20,121,718	-	(20,121,718)
Fund balances at beginning of the year (as restated)	<u>-</u>	<u>-</u>	<u>19,365,278</u>	<u>19,365,278</u>
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>6,956,076</u>	<u>\$ 6,956,076</u>
RECONCILIATION TO GAAP BASIS:				
Changes in payables			<u>167,213</u>	
			<u>\$ 7,123,289</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 SB-9 CAPITAL IMPROVEMENTS CAPITAL PROJECTS FUND - 31700
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State flow through grants	-	227,610	242,271	14,661
Total state revenues	-	227,610	242,271	14,661
Local sources:				
District school tax levy	2,735,356	2,735,356	2,801,732	66,376
Earnings from investments	2,000	2,000	619	(1,381)
Miscellaneous	-	-	2,885	2,885
Total local revenues	2,737,356	2,737,356	2,805,236	67,880
Total revenues	2,737,356	2,964,966	3,047,507	82,541
Expenditures:				
Support Services:				
General Administration	24,382	26,382	25,907	475
Non-Instructional Services:				
Capital Outlay	3,666,422	3,892,032	3,098,506	793,526
Total expenditures	3,690,804	3,918,414	3,124,413	794,001
Excess (deficiency) of revenues over (under) expenditures	(953,448)	(953,448)	(76,906)	876,542
Beginning cash balance budgeted	953,448	953,448	-	(953,448)
Fund balances at beginning of the year	-	-	1,265,539	1,265,539
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	1,188,633	<u>\$ 1,188,633</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			42,086	
Changes in payables			(40,126)	
			<u>\$ 1,190,593</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 EDUCATIONAL TECHNICAL EQUIPMENT CAPITAL PROJECTS FUND - 31900
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Local sources:				
Earnings from investments	\$ -	\$ -	\$ 886	\$ 886
Total revenues	<u>-</u>	<u>-</u>	<u>886</u>	<u>886</u>
Expenditures:				
Non-Instructional Services:				
Capital Outlay	<u>5,327,471</u>	<u>2,394,795</u>	<u>2,093,088</u>	<u>301,707</u>
Total expenditures	<u>5,327,471</u>	<u>2,394,795</u>	<u>2,093,088</u>	<u>301,707</u>
Excess (deficiency) of revenues over (under) expenditures	(5,327,471)	(2,394,795)	(2,092,202)	302,593
Beginning cash balance budgeted	5,327,471	2,394,795	-	(2,394,795)
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>2,104,431</u>	<u>2,104,431</u>
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	12,229	<u>\$ 12,229</u>
RECONCILIATION TO GAAP BASIS:				
Changes in payables			<u>(2,480)</u>	
			<u>\$ 9,749</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 FOOD SERVICES SPECIAL REVENUE FUND - 21000
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Food and milk reimbursements	\$ 2,047,370	\$ 2,047,370	\$ 2,837,036	\$ 789,666
Total federal revenues	<u>2,047,370</u>	<u>2,047,370</u>	<u>2,837,036</u>	<u>789,666</u>
Local sources:				
Fees and activities	945,000	945,000	906,651	(38,349)
Earnings from investments	<u>650</u>	<u>650</u>	<u>726</u>	<u>76</u>
Total local revenues	<u>945,650</u>	<u>945,650</u>	<u>907,377</u>	<u>(38,273)</u>
Total revenues	<u>2,993,020</u>	<u>2,993,020</u>	<u>3,744,413</u>	<u>751,393</u>
Expenditures:				
Non-Instructional Services:				
Food Services	<u>3,497,300</u>	<u>4,242,521</u>	<u>3,969,180</u>	<u>273,341</u>
Total expenditures	<u>3,497,300</u>	<u>4,242,521</u>	<u>3,969,180</u>	<u>273,341</u>
Excess (deficiency) of revenues over (under) expenditures	(504,280)	(1,249,501)	(224,767)	1,024,734
Beginning cash balance budgeted	504,280	1,249,501	-	(1,249,501)
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>883,317</u>	<u>883,317</u>
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	658,550	<u>\$ 658,550</u>
RECONCILIATION TO GAAP BASIS:				
Changes in payables			<u>346,667</u>	
			<u>\$ 1,005,217</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 ATHLETICS SPECIAL REVENUE FUND - 22000
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Local sources:				
Fees and activities	\$ 266,215	\$ 266,215	\$ 289,866	\$ 23,651
Earnings from investments	-	-	33	33
Total local revenues	<u>266,215</u>	<u>266,215</u>	<u>289,899</u>	<u>23,684</u>
Expenditures:				
Instruction	<u>347,253</u>	<u>347,253</u>	<u>283,292</u>	<u>63,961</u>
Total expenditures	<u>347,253</u>	<u>347,253</u>	<u>283,292</u>	<u>63,961</u>
Excess (deficiency) of revenues over (under) expenditures	(81,038)	(81,038)	6,607	87,645
Beginning cash balance budgeted	81,038	81,038	-	(81,038)
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>115,401</u>	<u>115,401</u>
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>122,008</u>	<u>\$ 122,008</u>
RECONCILIATION TO GAAP BASIS:				
Change in receivables			<u>-</u>	
			<u>\$ 122,008</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 ACTIVITIES SPECIAL REVENUE FUND - 23000
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Local sources:				
Fees and activities	\$ 373,358	\$ 373,358	\$ 355,757	\$ (17,601)
Total local revenues	<u>373,358</u>	<u>373,358</u>	<u>355,757</u>	<u>(17,601)</u>
Expenditures:				
Instruction	<u>543,282</u>	<u>543,282</u>	<u>256,445</u>	<u>286,837</u>
Total expenditures	<u>543,282</u>	<u>543,282</u>	<u>256,445</u>	<u>286,837</u>
Excess (deficiency) of revenues over (under) expenditures	(169,924)	(169,924)	99,312	269,236
Beginning cash balance budgeted	169,924	169,924	-	(169,924)
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>227,239</u>	<u>227,239</u>
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	326,551	<u>\$ 326,551</u>
RECONCILIATION TO GAAP BASIS:				
Change in receivables			<u>-</u>	
			<u>\$ 326,551</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 TITLE I SPECIAL REVENUE FUND - 24101
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ 1,892,423	\$ 3,589,017	\$ 3,237,696	\$ (351,321)
Total federal revenues	<u>1,892,423</u>	<u>3,589,017</u>	<u>3,237,696</u>	<u>(351,321)</u>
Expenditures:				
Instruction	1,262,176	2,839,245	1,853,882	985,363
Support Services:				
Students	18,670	356,083	325,633	30,450
Instruction - Support	-	72,113	72,113	-
General Administration	26,136	44,481	34,397	10,084
School Administration	585,441	277,095	233,747	43,348
Total expenditures	<u>1,892,423</u>	<u>3,589,017</u>	<u>2,519,772</u>	<u>1,069,245</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	717,924	717,924
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	717,924	<u>\$ 717,924</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			(669,708)	
Change in unearned revenue			<u>(48,216)</u>	
			<u>\$ -</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 JAVITS GIFTED AND TALENTED SPECIAL REVENUE FUND - 24102
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ -
Total federal revenues	-	-	-	-
Expenditures:				
Instruction	-	-	-	-
Support Services:				
Students	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			-	
			<u>\$ -</u>	

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 IDEA-B ENTITLEMENT SPECIAL REVENUE FUND - 24106
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ 2,225,922	\$ 4,555,994	\$ 2,217,569	\$ (2,338,425)
Total federal revenues	<u>2,225,922</u>	<u>4,555,994</u>	<u>2,217,569</u>	<u>(2,338,425)</u>
Expenditures:				
Instruction	1,107,535	1,922,055	817,572	1,104,483
Support Services:				
Students	639,750	1,854,647	739,119	1,115,528
General Administration	27,922	27,922	27,202	720
School Administration	450,715	666,414	493,954	172,460
Central Services	<u>-</u>	<u>84,956</u>	<u>-</u>	<u>84,956</u>
Total expenditures	<u>2,225,922</u>	<u>4,555,994</u>	<u>2,077,847</u>	<u>2,478,147</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	139,722	139,722
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	139,722	<u>\$ 139,722</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			<u>(139,722)</u>	
			<u>\$ -</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 IDEA-B DISCRETIONARY SPECIAL REVENUE FUND - 24107
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 5,000	\$ 5,000	\$ -
Total federal revenues	<u>-</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Expenditures:				
Instruction	<u>-</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
RECONCILIATION TO GAAP BASIS:				
Change in receivables			<u>-</u>	
			<u>\$ -</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 IDEA-B PRESCHOOL SPECIAL REVENUE FUND - 24109
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ 56,340	\$ 96,114	\$ 37,804	\$ (58,310)
Total federal revenues	<u>56,340</u>	<u>96,114</u>	<u>37,804</u>	<u>(58,310)</u>
Expenditures:				
Instruction	56,340	56,340	18,296	38,044
Support Services:				
Students	<u>-</u>	<u>39,774</u>	<u>27,443</u>	<u>12,331</u>
Total expenditures	<u>56,340</u>	<u>96,114</u>	<u>45,739</u>	<u>50,375</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(7,935)	(7,935)
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficit) at end of the year	<u>\$ -</u>	<u>\$ -</u>	(7,935)	<u>\$ (7,935)</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			<u>7,935</u>	
			<u>\$ -</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 HOMELESS GRANT SPECIAL REVENUE FUND - 24113
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ 13,500	\$ 26,226	\$ 20,384	\$ (5,842)
Total federal revenues	<u>13,500</u>	<u>26,226</u>	<u>20,384</u>	<u>(5,842)</u>
Expenditures:				
Instruction	11,500	23,426	21,804	1,622
Support Services:				
Students	<u>2,000</u>	<u>2,800</u>	<u>-</u>	<u>2,800</u>
Total expenditures	<u>13,500</u>	<u>26,226</u>	<u>21,804</u>	<u>4,422</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(1,420)	(1,420)
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficit) at end of the year	<u>\$ -</u>	<u>\$ -</u>	(1,420)	<u>\$ (1,420)</u>
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			<u>1,420</u>	
			<u>\$ -</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 IDEA-B PRIVATE SCHOOL SHARE SPECIAL REVENUE FUND - 24115
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 5,365	\$ -	\$ (5,365)
Total federal revenues	<u>-</u>	<u>5,365</u>	<u>-</u>	<u>(5,365)</u>
Expenditures:				
Support Services:				
Students	<u>-</u>	<u>5,365</u>	<u>5,365</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>5,365</u>	<u>5,365</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(5,365)	(5,365)
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficit) at end of the year	<u>\$ -</u>	<u>\$ -</u>	(5,365)	<u>\$ (5,365)</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			<u>5,365</u>	
			<u>\$ -</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 FRESH FRUIT AND VEGETABLE SPECIAL REVENUE FUND - 24118
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ 45,900	\$ 45,900	\$ 32,147	\$ (13,753)
Total federal revenues	<u>45,900</u>	<u>45,900</u>	<u>32,147</u>	<u>(13,753)</u>
Expenditures:				
Non-Instructional Services:				
Food Services	<u>45,900</u>	<u>45,900</u>	<u>44,784</u>	<u>1,116</u>
Total expenditures	<u>45,900</u>	<u>45,900</u>	<u>44,784</u>	<u>1,116</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(12,637)	(12,637)
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficit) at end of the year	<u>\$ -</u>	<u>\$ -</u>	(12,637)	<u>\$ (12,637)</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			<u>12,637</u>	
			<u>\$ -</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 21st CENTURY COMMUNITY LEARNING CENTER SPECIAL REVENUE FUND - 24119
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 146,876	\$ 37,984	\$ (108,892)
Total federal revenues	<u>-</u>	<u>146,876</u>	<u>37,984</u>	<u>(108,892)</u>
Expenditures:				
Instruction	-	99,231	73,279	25,952
Support Services:				
General Administration	-	10,189	1,043	9,146
Central Services	-	6,000	-	6,000
Student Transportation	-	12,000	6,345	5,655
Non-Instructional Services:				
Community Services	<u>-</u>	<u>19,456</u>	<u>-</u>	<u>19,456</u>
Total expenditures	<u>-</u>	<u>146,876</u>	<u>80,667</u>	<u>66,209</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(42,683)	(42,683)
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficit) at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>(42,683)</u>	<u>\$ (42,683)</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			<u>42,683</u>	
			<u>\$ -</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 IDEA-B REDISTRIBUTION SPECIAL REVENUE FUND - 24120
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 15,242	\$ -	\$ (15,242)
Total federal revenues	-	15,242	-	(15,242)
Expenditures:				
Instruction	-	15,242	14,003	1,239
Total expenditures	-	15,242	14,003	1,239
Excess (deficiency) of revenues over (under) expenditures	-	-	(14,003)	(14,003)
Fund balances at beginning of the year	-	-	-	-
Fund balances (deficit) at end of the year	<u>\$ -</u>	<u>\$ -</u>	(14,003)	<u>\$ (14,003)</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			14,003	
			<u>\$ -</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 ENGLISH LANGUAGE ACQUISITION SPECIAL REVENUE FUND - 24153
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ 83,308	\$ 115,042	\$ 185,034	\$ 69,992
Total federal revenues	<u>83,308</u>	<u>115,042</u>	<u>185,034</u>	<u>69,992</u>
Expenditures:				
Instruction	82,217	113,535	101,950	11,585
Support Services:				
General Administration	<u>1,091</u>	<u>1,507</u>	<u>1,350</u>	<u>157</u>
Total expenditures	<u>83,308</u>	<u>115,042</u>	<u>103,300</u>	<u>11,742</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	81,734	81,734
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	81,734	<u>\$ 81,734</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			(50,367)	
Change in unearned revenue			<u>(31,367)</u>	
			<u>\$ -</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 TITLE II-A SPECIAL REVENUE FUND - 24154
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal flowthrough grants	\$ 380,363	\$ 769,249	\$ 358,444	\$ (410,805)
Total federal revenues	<u>380,363</u>	<u>769,249</u>	<u>358,444</u>	<u>(410,805)</u>
Expenditures:				
Instruction	245,475	556,836	544,682	12,154
Support Services:				
Students	4,716	4,716	2,490	2,226
General Administration	5,500	10,500	9,037	1,463
School Administration	124,672	197,197	142,641	54,556
Total expenditures	<u>380,363</u>	<u>769,249</u>	<u>698,850</u>	<u>70,399</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(340,406)	(340,406)
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficit) at end of the year	<u>\$ -</u>	<u>\$ -</u>	(340,406)	<u>\$ (340,406)</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			<u>340,406</u>	
			<u>\$ -</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 CARL PERKINS SPECIAL REVENUE FUND - 24174
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ 103,865	\$ 115,406	\$ 81,033	\$ (34,373)
Total federal revenues	<u>103,865</u>	<u>115,406</u>	<u>81,033</u>	<u>(34,373)</u>
Expenditures:				
Instruction	103,865	115,406	60,014	55,392
Support Services:				
General Administration	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>103,865</u>	<u>115,406</u>	<u>60,014</u>	<u>55,392</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	21,019	21,019
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	21,019	<u>\$ 21,019</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			<u>(21,019)</u>	
			<u>\$ -</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 CARL PERKINS REDISTRIBUTION - 24176
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 15,102	\$ 6,248	\$ (8,854)
Total federal revenues	-	15,102	6,248	(8,854)
Expenditures:				
Instruction	-	15,102	3,443	11,659
Total expenditures	-	15,102	3,443	11,659
Excess (deficiency) of revenues over (under) expenditures	-	-	2,805	2,805
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	2,805	<u>\$ 2,805</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			<u>(2,805)</u>	
			<u>\$ -</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 HIGH SCHOOLS THAT WORK SPECIAL REVENUE FUND - 24180
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ 47,981	\$ 53,312	\$ 20,196	\$ (33,116)
Total federal revenues	<u>47,981</u>	<u>53,312</u>	<u>20,196</u>	<u>(33,116)</u>
Expenditures:				
Instruction	<u>47,981</u>	<u>53,312</u>	<u>38,393</u>	<u>14,919</u>
Total expenditures	<u>47,981</u>	<u>53,312</u>	<u>38,393</u>	<u>14,919</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(18,197)	(18,197)
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficit) at end of the year	<u>\$ -</u>	<u>\$ -</u>	(18,197)	<u>\$ (18,197)</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			<u>18,197</u>	
			<u>\$ -</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 HIGH SCHOOLS THAT WORK C/O SPECIAL REVENUE FUND - 24182
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 16,606	\$ -	\$ (16,606)
Total federal revenues	-	16,606	-	(16,606)
Expenditures:				
Instruction	-	16,606	2,051	14,555
Total expenditures	-	16,606	2,051	14,555
Excess (deficiency) of revenues over (under) expenditures	-	-	(2,051)	(2,051)
Fund balances at beginning of the year	-	-	-	-
Fund balances (deficit) at end of the year	<u>\$ -</u>	<u>\$ -</u>	(2,051)	<u>\$ (2,051)</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			2,051	
			<u>\$ -</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 IDEA-B ARRA SPECIAL REVENUE FUND - 24206
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ -
Total federal revenues	-	-	-	-
Expenditures:				
Support Services:				
Students	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	-	\$ -
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			-	
			\$ -	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 IDEA-B EIS ARRA SPECIAL REVENUE FUND - 24212
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal direct grants	\$ -	\$ -	\$ -	\$ -
Total federal revenues	-	-	-	-
Expenditures:				
Support Services:				
General Administration	-	-	-	-
School Administration	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			-	
			<u>\$ -</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 TEACHING AMERICAN HISTORY SPECIAL REVENUE FUND - 25107
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal direct grants	\$ -	\$ 542,490	\$ 210,000	\$ (332,490)
Total federal revenues	<u>-</u>	<u>542,490</u>	<u>210,000</u>	<u>(332,490)</u>
Expenditures:				
Support Services:				
General Administration	-	7,016	2,696	4,320
School Administration	-	535,474	205,809	329,665
Total expenditures	<u>-</u>	<u>542,490</u>	<u>208,505</u>	<u>333,985</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	1,495	1,495
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	1,495	<u>\$ 1,495</u>
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			<u>(1,495)</u>	
			<u>\$ -</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 JOHNSON O'MALLEY SPECIAL REVENUE FUND - 25131
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal direct grants	\$ -	\$ 215,700	\$ 252,925	\$ 37,225
Total federal revenues	-	215,700	252,925	37,225
Expenditures:				
Instruction	-	25,914	24,167	1,747
Support Services:				
Students	-	180,185	167,787	12,398
General Administration	-	4,449	2,576	1,873
School Administration	-	5,152	4,678	474
Total expenditures	-	215,700	199,208	16,492
Excess (deficiency) of revenues over (under) expenditures	-	-	53,717	53,717
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	53,717	\$ 53,717
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			(52,321)	
Change in unearned revenue			(1,396)	
			<u>\$ -</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 FEDERAL IMPACT AID SPECIAL REVENUE FUND - 25145
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal direct grants	\$ -	\$ 93,477	\$ 62,648	\$ (30,829)
Total federal revenues	<u>-</u>	<u>93,477</u>	<u>62,648</u>	<u>(30,829)</u>
Expenditures:				
Support Services:				
Students	-	93,477	71,044	22,433
Total expenditures	<u>-</u>	<u>93,477</u>	<u>71,044</u>	<u>22,433</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(8,396)	(8,396)
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficit) at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>(8,396)</u>	<u>\$ (8,396)</u>
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			<u>8,396</u>	
			<u>\$ -</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 FEDERAL IMPACT AID INDIAN ED SPECIAL REVENUE FUND - 25147
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal direct grants	\$ -	\$ 71,489	\$ 23,179	\$ (48,310)
Total federal revenues	<u>-</u>	<u>71,489</u>	<u>23,179</u>	<u>(48,310)</u>
Expenditures:				
Instruction	-	60,000	3,266	56,734
Support Services:				
Students	-	6,565	1,256	5,309
General Administration	-	4,924	59	4,865
Total expenditures	<u>-</u>	<u>71,489</u>	<u>4,581</u>	<u>66,908</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	18,598	18,598
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	18,598	<u>\$ 18,598</u>
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			<u>(18,598)</u>	
			<u>\$ -</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 MEDICAID SPECIAL REVENUE FUND - 25153
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal direct grants	\$ -	\$ 596,509	\$ 293,559	\$ (302,950)
Total federal revenues	<u>-</u>	<u>596,509</u>	<u>293,559</u>	<u>(302,950)</u>
Expenditures:				
Instruction	-	-	-	-
Support Services:				
Students	-	439,925	406,707	33,218
Instruction - Support	-	70,567	30,498	40,069
General Administration	-	86,017	18,359	67,658
Total expenditures	<u>-</u>	<u>596,509</u>	<u>455,564</u>	<u>140,945</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(162,005)	(162,005)
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficit) at end of the year	<u>\$ -</u>	<u>\$ -</u>	(162,005)	<u>\$ (162,005)</u>
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			<u>162,005</u>	
			<u>\$ -</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 INDIAN EDUCATION ACT (TITLE IX) SPECIAL REVENUE FUND - 25184
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal direct grants	\$ -	\$ 926,514	\$ 554,241	\$ (372,273)
Total federal revenues	<u>-</u>	<u>926,514</u>	<u>554,241</u>	<u>(372,273)</u>
Expenditures:				
Instruction	-	584,000	357,796	226,204
Support Services:				
Students	-	186,500	98,969	87,531
General Administration	-	37,314	7,424	29,890
School Administration	-	116,700	109,213	7,487
Operation & Maintenance of Plant	-	2,000	771	1,229
Total expenditures	<u>-</u>	<u>926,514</u>	<u>574,173</u>	<u>352,341</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(19,932)	(19,932)
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficit) at end of the year	<u>\$ -</u>	<u>\$ -</u>	(19,932)	<u>\$ (19,932)</u>
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			<u>19,932</u>	
			<u>\$ -</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 MENTORING SAFE SCHOOLS SPECIAL REVENUE FUND - 25187
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal direct grants	\$ -	\$ 176,629	\$ 115,000	\$ (61,629)
Total federal revenues	-	176,629	115,000	(61,629)
State sources:				
Expenditures:				
Instruction	-	-	-	-
Support Services:				
Students	-	113,777	95,008	18,769
Instruction - Support	-	22,555	17,445	5,110
General Administration	-	2,297	1,738	559
School Administration	-	38,000	20,251	17,749
Total expenditures	-	176,629	134,442	42,187
Excess (deficiency) of revenues over (under) expenditures	-	-	(19,442)	(19,442)
Fund balances at beginning of the year	-	-	-	-
Fund balances (deficit) at end of the year	\$ -	\$ -	(19,442)	\$ (19,442)
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			19,442	
			<u>\$ -</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 NAVAJO MEDICAL CENTER SPECIAL REVENUE FUND - 25209
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal direct grants	\$ -	\$ -	\$ -	\$ -
Total federal revenues	-	-	-	-
Expenditures:				
Instruction	-	-	-	-
Support Services:				
Students	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	-	\$ -
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			-	
			\$ -	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 SUBSTANCE ABUSE & MENTAL HEALTH SPECIAL REVENUE FUND - 25238
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal direct grants	\$ -	\$ 195,607	\$ 94,500	\$ (101,107)
Total federal revenues	-	195,607	94,500	(101,107)
Expenditures:				
Instruction	-	53,800	29,793	24,007
Support Services:				
Students	-	131,258	69,204	62,054
General Administration	-	2,549	1,304	1,245
School Administration	-	8,000	543	7,457
Total expenditures	-	195,607	100,844	94,763
Excess (deficiency) of revenues over (under) expenditures	-	-	(6,344)	(6,344)
Fund balances at beginning of the year	-	-	-	-
Fund balances (deficit) at end of the year	\$ -	\$ -	(6,344)	\$ (6,344)
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			98	
Change in unearned revenue			6,246	
			<u>\$ -</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 SAFE SCHOOLS HEALTHY STUDENTS SPECIAL REVENUE FUND - 25243
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal direct grants	\$ -	\$ 471,996	\$ 380,203	\$ (91,793)
Total federal revenues	<u>-</u>	<u>471,996</u>	<u>380,203</u>	<u>(91,793)</u>
Expenditures:				
Support Services:				
Students	-	259,184	259,184	-
General Administration	-	6,188	6,188	-
School Administration	-	206,624	206,624	-
Total expenditures	<u>-</u>	<u>471,996</u>	<u>471,996</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(91,793)	(91,793)
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficit) at end of the year	<u>\$ -</u>	<u>\$ -</u>	(91,793)	<u>\$ (91,793)</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			-	
Change in unearned revenue			<u>91,793</u>	
			<u>\$ -</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 BILINGUAL EDUCATION TITLE III SPECIAL REVENUE FUND - 25248
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal direct grants	\$ -	\$ 412,775	\$ 200,000	\$ (212,775)
Total federal revenues	<u>-</u>	<u>412,775</u>	<u>200,000</u>	<u>(212,775)</u>
Expenditures:				
Instruction	-	315,502	128,582	186,920
Support Services:				
General Administration	-	5,180	2,881	2,299
School Administration	<u>-</u>	<u>92,093</u>	<u>92,062</u>	<u>31</u>
Total expenditures	<u>-</u>	<u>412,775</u>	<u>223,525</u>	<u>189,250</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(23,525)	(23,525)
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficit) at end of the year	<u>\$ -</u>	<u>\$ -</u>	(23,525)	<u>\$ (23,525)</u>
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			<u>23,525</u>	
			<u>\$ -</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 KELLOGG FOUNDATION SPECIAL REVENUE FUND - 26121
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Local sources:				
Grant	\$ -	\$ 543,955	\$ 312,157	\$ (231,798)
Total local revenues	<u>-</u>	<u>543,955</u>	<u>312,157</u>	<u>(231,798)</u>
Expenditures:				
Instruction	-	190,552	11,158	179,394
Support Services:				
Students	-	351,439	217,490	133,949
General Administration	<u>-</u>	<u>1,964</u>	<u>1,964</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>543,955</u>	<u>230,612</u>	<u>313,343</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	81,545	81,545
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	81,545	<u>\$ 81,545</u>
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			<u>(81,545)</u>	
			<u>\$ -</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 PARENTS REACHING OUT SPECIAL REVENUE FUND - 26174
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Local sources:				
Grant	\$ -	\$ 15,856	\$ -	\$ (15,856)
Total local revenues	-	15,856	-	(15,856)
Expenditures:				
Instruction	-	15,856	8,740	7,116
Support Services:				
Students	-	-	-	-
Total expenditures	-	15,856	8,740	7,116
Excess (deficiency) of revenues over (under) expenditures	-	-	(8,740)	(8,740)
Fund balances at beginning of the year	-	-	-	-
Fund balances (deficit) at end of the year	<u>\$ -</u>	<u>\$ -</u>	(8,740)	<u>\$ (8,740)</u>
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			<u>8,740</u>	
			<u>\$ -</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 DUAL CREDIT HB2 SPECIAL REVENUE FUND - 27103
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State flow through grants	\$ -	\$ 29,313	\$ 34,076	\$ 4,763
Total state revenues	-	29,313	34,076	4,763
Expenditures:				
Support Services:				
General Administration	-	29,313	29,313	-
Total expenditures	-	29,313	29,313	-
Excess (deficiency) of revenues over (under) expenditures	-	-	4,763	4,763
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	4,763	\$ 4,763
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			(4,763)	
			\$ -	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 GO BOND 2008 SB333 SPECIAL REVENUE FUND - 27105
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State flow through grants	\$ -	\$ -	\$ 8,520	\$ 8,520
Total state revenues	-	-	8,520	8,520
Expenditures:				
Support Services:				
Instruction - Support	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	8,520	8,520
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	8,520	<u>\$ 8,520</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			(8,520)	
			<u>\$ -</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 NM GO BOND STUDENT LIBRARY - 27106
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State flow through grants	\$ -	\$ 23,959	\$ 39,764	\$ 15,805
Total state revenues	<u>-</u>	<u>23,959</u>	<u>39,764</u>	<u>15,805</u>
Expenditures:				
Support Services:				
Instruction - Support	-	23,959	19,542	4,417
Total expenditures	<u>-</u>	<u>23,959</u>	<u>19,542</u>	<u>4,417</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	20,222	20,222
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	20,222	<u>\$ 20,222</u>
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			<u>(20,222)</u>	
			<u>\$ -</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 FORMATIVE ASSESSMENTS SPECIAL REVENUE FUND - 27111
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State flow through grants	\$ -	\$ 75,715	\$ 75,715	\$ -
Total state revenues	-	75,715	75,715	-
Expenditures:				
Support Services:				
Instruction - Support	-	75,715	75,715	-
Total expenditures	-	75,715	75,715	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	-	\$ -
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			-	
			\$ -	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 TECHNOLOGY GRANT SPECIAL REVENUE FUND - 27117
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State flow through grants	\$ -	\$ -	\$ -	\$ -
Total state revenues	-	-	-	-
Expenditures:				
Support Services:				
Instruction - Support	-	92,911	86,044	6,867
Total expenditures	-	92,911	86,044	6,867
Excess (deficiency) of revenues over (under) expenditures	-	(92,911)	(86,044)	(6,867)
Fund balances at beginning of the year	-	-	-	-
Fund balances (deficit) at end of the year	\$ -	\$ (92,911)	(86,044)	\$ (6,867)
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			86,044	
			\$ -	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 PRE K INITIATIVE STANDARDS SPECIAL REVENUE FUND - 27149
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State flow through grants	<u>311,400</u>	<u>311,400</u>	<u>264,098</u>	<u>(47,302)</u>
Total state revenues	<u>311,400</u>	<u>311,400</u>	<u>264,098</u>	<u>(47,302)</u>
Expenditures:				
Instruction	311,400	311,400	288,798	22,602
Support Services:				
Students	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>311,400</u>	<u>311,400</u>	<u>288,798</u>	<u>22,602</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(24,700)	22,602
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	(24,700)	<u>\$ 22,602</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			<u>24,700</u>	
			<u>\$ -</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 BREAKFAST FOR ELEMENTARY STUDENTS SPECIAL REVENUE FUND - 27155
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State flow through grants	\$ -	\$ 39,622	\$ 46,400	\$ 6,778
Total state revenues	<u>-</u>	<u>39,622</u>	<u>46,400</u>	<u>6,778</u>
Expenditures:				
Non-Instructional Services:				
Food Services	-	39,622	38,691	931
Total expenditures	<u>-</u>	<u>39,622</u>	<u>38,691</u>	<u>931</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	7,709	7,709
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	7,709	<u>\$ 7,709</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			(7,464)	
Change in unearned revenue			<u>(245)</u>	
			<u>\$ -</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 LIBRARY GO BONDS SPECIAL REVENUE FUND - 27170
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ -	\$ -
Total state revenues	-	-	-	-
Expenditures:				
Instruction	-	-	-	-
Support Services:				
General Administration	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			-	
			<u>\$ -</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 YOUTH CONSERVATION SPECIAL REVENUE FUND - 28133
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State grant	\$ -	\$ 299,992	\$ 143,350	\$ (156,642)
Total state revenues	-	299,992	143,350	(156,642)
Expenditures:				
Instruction	-	296,392	142,848	153,544
Support Services:				
General Administration	-	3,600	-	3,600
Total expenditures	-	299,992	142,848	157,144
Excess (deficiency) of revenues over (under) expenditures	-	-	502	502
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	502	<u>\$ 502</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			(502)	
			<u>\$ -</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 TUTORING SPECIAL REVENUE FUND - 28178
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ 58,860	\$ 58,860
Total state revenues	-	-	58,860	58,860
Expenditures:				
Instruction	-	-	-	-
Support Services:				
Students	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	58,860	58,860
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	58,860	<u>\$ 58,860</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			(57,314)	
Change in unearned revenue			<u>(1,546)</u>	
			<u>\$ -</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 SPECIAL LOCAL CAPITAL PROJECTS FUND - 31300
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Local sources:				
Fees and activities	\$ 1,300	\$ 1,300	\$ 657	\$ (643)
Earnings from investments	<u>1,200</u>	<u>1,200</u>	<u>205</u>	<u>(995)</u>
Total revenues	<u>2,500</u>	<u>2,500</u>	<u>862</u>	<u>(1,638)</u>
Expenditures:				
Non-Instructional Services:				
Capital Outlay	<u>1,546,427</u>	<u>1,546,427</u>	<u>-</u>	<u>1,546,427</u>
Total expenditures	<u>1,546,427</u>	<u>1,546,427</u>	<u>-</u>	<u>1,546,427</u>
Excess (deficiency) of revenues over (under) expenditures	(1,543,927)	(1,543,927)	862	1,544,789
Beginning cash balance budgeted	1,543,927	1,543,927	-	(1,543,927)
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>1,543,627</u>	<u>1,543,627</u>
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	1,544,489	<u>\$ 1,544,489</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			<u>-</u>	
			<u>\$ 1,544,489</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 SPECIAL BUILDING STATE CAPITAL PROJECTS FUND - 31400
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Local sources:				
Earnings from investments	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures:				
Non-Instructional Services:				
Capital Outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Other financing sources (uses):				
Transfer out	-	-	(56,158)	(56,158)
Fund balances at beginning of the year	-	-	104,533	104,533
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	48,375	<u>\$ 48,375</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			-	
			<u>\$ 48,375</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 PUBLIC SCHOOL 20% CAPITAL OUTLAY CAPITAL PROJECTS FUND - 32100
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Total revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Support Services:				
Non-Instructional Services:				
Capital Outlay	99,873	99,873	-	99,873
Total expenditures	99,873	99,873	-	99,873
Excess (deficiency) of revenues over (under) expenditures	(99,873)	(99,873)	-	99,873
Beginning cash balance budgeted	99,873	99,873	-	(99,873)
Fund balances at beginning of the year	-	-	99,873	99,873
Fund balances at end of the year	\$ -	\$ -	99,873	\$ 99,873
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			-	
			<u>\$ 99,873</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 Year Ended June 30, 2013

	Balance June 30, <u>2012</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>2013</u>
<u>ASSETS</u>				
<u>Cash:</u>				
Central office, Junior high, elementary schools	\$ 884,619	\$ 1,581,912	\$ 1,203,472	\$ 1,263,059
Farmington High School	334,619	912,650	914,171	333,098
Farmington High School special activity	15,295	39,689	40,499	14,485
Piedra Vista High School	317,881	702,169	734,182	285,868
Piedra Vista High School special activity	<u>13,253</u>	<u>50,107</u>	<u>52,446</u>	<u>10,914</u>
Total assets	<u>\$ 1,565,667</u>	<u>\$ 3,286,527</u>	<u>\$ 2,944,770</u>	<u>\$ 1,907,424</u>
<u>LIABILITIES</u>				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Deposits held for others	<u>1,565,667</u>	<u>3,286,527</u>	<u>2,944,770</u>	<u>1,907,424</u>
Total liabilities	<u>\$ 1,565,667</u>	<u>\$ 3,286,527</u>	<u>\$ 2,944,770</u>	<u>\$ 1,907,424</u>

The notes to the financial statements are an integral part of this statement.

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NEW MEXICO VIRTUAL ACADEMY – DISTRICT CHARTER SCHOOL

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STATE OF NEW MEXICO
NEW MEXICO VIRTUAL ACADEMY CHARTER
COMBINING BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2013

	Operational	Special Revenue Funds		Total Governmental Funds
		Entitlement IDEA-B	Charter Schools	
<u>ASSETS</u>	11000	24106	24146	
Pooled cash and investments	\$ 423,372	\$ -	\$ -	\$ 423,372
Due from other governments	37,181	-	132,154	169,335
Due from other funds	73,480	-	-	73,480
Total assets	<u>\$ 534,033</u>	<u>\$ -</u>	<u>\$ 132,154</u>	<u>\$ 666,187</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Due to other funds	\$ -	\$ -	\$ 73,480	\$ 73,480
Accounts payable	32,210	-	120	32,330
Accrued payroll, taxes and benefits	94,766	-	600	95,366
Deferred revenue	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	<u>126,976</u>	<u>-</u>	<u>74,200</u>	<u>201,176</u>
Fund balances:				
Restricted:				
Instructional materials	37,181	-	-	37,181
Restricted by grantor	-	-	57,954	57,954
Unassigned:				
General fund	<u>369,876</u>	<u>-</u>	<u>-</u>	<u>369,876</u>
Total fund balances	<u>407,057</u>	<u>-</u>	<u>57,954</u>	<u>465,011</u>
Total liabilities and fund balances	<u>\$ 534,033</u>	<u>\$ -</u>	<u>\$ 132,154</u>	

Amounts reported for governmental activities in the statement of net position are different because:

No reconciling items

-

Net position - component unit

\$ 465,011

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
NEW MEXICO VIRTUAL ACADEMY CHARTER
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2013

	Operational 11000	Special Revenue Funds		Total Governmental Funds
		Entitlement IDEA-B 13000	Charter Schools 14000	
Revenues:				
Intergovernmental:				
State equalization guarantee	\$ 2,657,119	\$ -	\$ -	\$ 2,657,119
Grants	-	-	523,254	523,254
Donations and miscellaneous	50	-	-	50
Total revenue	<u>2,657,169</u>	<u>-</u>	<u>523,254</u>	<u>3,180,423</u>
Expenditures:				
Instruction	1,854,847	-	334,966	2,189,813
Support services:				
Students	100,685	-	2,710	103,395
Instruction - support	5,541	-	356	5,897
General administrative	3,122	-	43,385	46,507
School administrative	154,365	-	16,720	171,085
Central services	53,824	-	48,898	102,722
Operations & maintenance of plant	77,728	-	18,265	95,993
Total expenditures	<u>2,250,112</u>	<u>-</u>	<u>465,300</u>	<u>2,715,412</u>
Excess (deficiency) of revenues over expenditures	<u>407,057</u>	<u>-</u>	<u>57,954</u>	<u>465,011</u>
Fund balances at beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at ending	<u>\$ 407,057</u>	<u>\$ -</u>	<u>\$ 57,954</u>	<u>465,011</u>
Amounts reported for governmental activities in the statement of activities are different in the component unit because: No reconciling items.				<u>-</u>
Change in net position of component unit activities				<u>\$ 465,011</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
NEW MEXICO VIRTUAL ACADEMY CHARTER
OPERATIONAL FUND - 11000
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State equalization guarantee	\$ 2,488,004	\$ 2,619,936	\$ 2,619,938	\$ 2
Local sources:				
Miscellaneous	-	-	50	50
Total revenues	<u>2,488,004</u>	<u>2,619,936</u>	<u>2,619,988</u>	<u>52</u>
Expenditures:				
Instruction	1,904,814	1,984,746	1,823,186	161,560
Support Services:				
Students	177,255	177,255	100,412	76,843
Instruction - Support	50,000	50,000	5,541	44,459
General Administration	41,500	41,500	3,122	38,378
School Administration	155,597	190,597	154,365	36,232
Central Services	80,366	80,366	53,824	26,542
Operation & Maintenance of Plant	<u>78,472</u>	<u>95,472</u>	<u>77,451</u>	<u>18,021</u>
Total expenditures	<u>2,488,004</u>	<u>2,619,936</u>	<u>2,217,901</u>	<u>402,035</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	402,087	402,087
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	402,087	<u>\$ 402,087</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			37,181	
Changes in payables			<u>(32,211)</u>	
			<u>\$ 407,057</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 NEW MEXICO VIRTUAL ACADEMY CHARTER
 ENTITLEMENT IDEA-B SPECIAL REVENUE FUND - 24106
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 84,956	\$ -	\$ (84,956)
Total federal revenues	<u>-</u>	<u>84,956</u>	<u>-</u>	<u>(84,956)</u>
Expenditures:				
Instruction	<u>-</u>	<u>84,956</u>	<u>-</u>	<u>(84,956)</u>
Total expenditures	<u>-</u>	<u>84,956</u>	<u>-</u>	<u>(84,956)</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Beginning cash balance budgeted	-	-	-	-
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			<u>-</u>	
			<u>\$ -</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
NEW MEXICO VIRTUAL ACADEMY CHARTER
CHARTER SCHOOLS SPECIAL REVENUE FUND - 24146
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal direct grants	\$ -	\$ 568,740	\$ 391,100	\$ (177,640)
Total revenues	-	568,740	391,100	(177,640)
Expenditures:				
Instruction	-	397,923	334,966	62,957
Support Services:				
Students	-	2,710	2,710	-
Instruction - Support	-	21,984	356	21,628
General Administration	-	52,605	43,265	9,340
School Administration	-	25,596	16,720	8,876
Central Services	-	49,283	48,898	385
Operation & Maintenance of Plant	-	18,639	18,265	374
Total expenditures	-	568,740	465,180	103,560
Excess (deficiency) of revenues over (under) expenditures	-	-	(74,080)	(74,080)
Beginning cash balance budgeted	-	-	-	-
Fund balances at beginning of the year	-	-	-	-
Fund balances (deficit) at end of the year	<u>\$ -</u>	<u>\$ -</u>	(74,080)	<u>\$ (74,080)</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			132,154	
Changes in payables			<u>(120)</u>	
			<u>\$ 57,954</u>	

The notes to the financial statements are an integral part of this statement.

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CAPITAL ASSETS – GOVERNMENTAL FUNDS

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STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS
 SCHEDULE BY SOURCE
 June 30, 2013

	2013
Governmental funds capital assets:	
Land	\$ 3,444,131
Buildings and improvements	97,118,144
Improvements other than buildings	8,154,549
Equipment	18,495,390
Construction in progress	11,215,143
Total governmental funds capital assets	\$ 138,427,357
Investment in governmental funds capital assets by source:	
General fund	\$ 1,583,154
Special revenue fund	12,546,225
Capital projects fund	124,297,978
Total governmental funds capital assets	\$ 138,427,357

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS
 SCHEDULE BY FUNCTION AND ACTIVITY
 June 30, 2013

	<u>Land</u>	<u>Improvements</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Total</u>
FUNCTION AND ACTIVITY					
Educational services:					
Instruction	\$ 551,062	\$ 1,041,135	\$ 12,702,941	\$ 5,509,674	\$ 19,804,812
Support services	585,502	1,106,205	12,673,361	1,879,976	16,245,044
Operation of non-instructional services	1,687,624	5,169,005	58,437,805	7,749,693	73,044,127
Food services	34,441	65,071	681,505	-	781,017
Athletics	103,324	195,213	2,229,070	512,109	3,039,716
Pupil transportation	<u>482,178</u>	<u>577,920</u>	<u>10,393,462</u>	<u>2,843,938</u>	<u>14,297,498</u>
Total governmental funds					
capital assets	<u>\$ 3,444,131</u>	<u>\$ 8,154,549</u>	<u>\$ 97,118,144</u>	<u>\$ 18,495,390</u>	127,212,214
Construction in Progress					<u>11,215,143</u>
					<u>\$ 138,427,357</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS
 SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
 Year Ended June 30, 2013

	General Capital Assets <u>July 1, 2012</u>	<u>Reclassifications</u>	<u>Additions</u>	<u>Deletions</u>	General Capital Assets <u>June 30, 2013</u>
FUNCTION AND ACTIVITY					
Educational services:					
Instruction	\$ 19,804,812	\$ -	\$ -	\$ -	\$ 19,804,812
Support services	16,245,044	-	-	-	16,245,044
Operation of non-instructional services	71,288,999	-	1,755,128	-	73,044,127
Food services	781,017	-	-	-	781,017
Athletics	3,039,716	-	-	-	3,039,716
Pupil transportation	<u>14,297,498</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,297,498</u>
Total governmental funds capital assets	<u>\$ 125,457,086</u>	<u>\$ -</u>	<u>\$ 1,755,128</u>	<u>\$ -</u>	<u>\$ 127,212,214</u>

The notes to the financial statements are an integral part of this statement.

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NEW MEXICO STATE AUDITOR DISCLOSURES

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STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 SCHEDULE OF PLEDGED COLLATERAL
 June 30, 2013

	Wells Fargo	Bank of America	Citizens Bank of Farmington	Four Corners Community Bank	Bank of the Southwest	Total
Bank Deposits:						
Checking accounts	\$ 24,417,868	\$ -	\$ 12,208,228	\$ -	\$ 1,042,696	\$ 37,668,792
Certificates of deposit	-	22,204	-	1,400,000	-	1,422,204
Money Market Accounts	1,777,381	-	-	-	-	1,777,381
Deposits, at June 30, 2013	26,195,249	22,204	12,208,228	1,400,000	1,042,696	40,868,377
FDIC Insurance	250,000	22,204	250,000	250,000	250,000	1,022,204
Uninsured amount	<u>\$ 25,945,249</u>	<u>\$ -</u>	<u>\$ 11,958,228</u>	<u>\$ 1,150,000</u>	<u>\$ 792,696</u>	<u>\$ 39,846,173</u>
Pledged Collateral Require						
50 percent of uninsured amount	12,972,625	-	5,979,114	575,000	396,348	19,923,087
Pledged collateral at June 30, 2013	<u>13,633,355</u>	<u>-</u>	<u>12,059,762</u>	<u>1,065,993</u>	<u>650,000</u>	<u>27,409,110</u>
Excess (deficiency)	<u>\$ 660,730</u>	<u>\$ -</u>	<u>\$ 6,080,648</u>	<u>\$ 490,993</u>	<u>\$ 253,652</u>	<u>\$ 7,486,023</u>
Pledged collateral location	<u>Wells Fargo, California</u> <u>Sioux Falls, SD</u>		<u>Dallas, TX</u>	<u>Dallas, TX</u>	<u>Dallas, TX</u>	
Pledged collateral (market value) as of June 30, 2013:						
FNAQ9991; #313MSC56; 02/01/43	2,953,738	-	-	-	-	2,953,738
FNAR1196; #3138NXKJ5; 01/01/43	96,231	-	-	-	-	96,231
FNAR9198; #313W7GG3; 03/01/43	1,043,897	-	-	-	-	1,043,897
FNAR9199; #3138W7GH1; 03/01/43	9,719	-	-	-	-	9,719
FNAB6498; #31417DGG2; 10/01/42	368,497	-	-	-	-	368,497
FNAB7507; #31417EKV2; 01/01/43	2,102,455	-	-	-	-	2,102,455
FNAH8825; #3138AAYX3; 03/01/41	390,284	-	-	-	-	390,284
FGA97515; #312946AQ9; 03/01/41	6,668,534	-	-	-	-	6,668,534
FHLB; #51778FBK4; 05/01/15	-	-	500,000	-	-	500,000
FHLB; #31398TMW8; 7/25/40	-	-	8,457,344	-	-	8,457,344
FHLB; #3137A7AS9; 06/15/40	-	-	2,655,573	-	-	2,655,573
FHLB; #31398PYM5; 02/25/2039	-	-	446,845	-	-	446,845
Eunice PSD NO 8 NM UTGO SR ABQ; #52153CH2	-	-	-	150,941	-	150,941
Hobbs NM Mun SCH Dist No 16; #433866DR8	-	-	-	549,545	-	549,545
Mountain Vlg Col San Miguel Cnty GO UT; 624506KB6	-	-	-	365,507	-	365,507
FHLB - Letter of Credit - 12/02/2013	-	-	-	-	100,000	100,000
FHLB - Letter of Credit - 09/20/2013	-	-	-	-	500,000	500,000
Totals	<u>\$ 13,633,355</u>	<u>\$ -</u>	<u>\$ 12,059,762</u>	<u>\$ 1,065,993</u>	<u>\$ 600,000</u>	<u>\$ 27,359,110</u>
Reconciliation to Financial Statements:						
Total per banks	\$ 26,195,249	\$ 22,204	\$ 12,208,228	\$ 1,400,000	\$ 1,042,696	\$ 40,868,377
Reconciling items	(1,554,628)	-	(2,192)	-	(17,963)	(1,574,783)
	<u>\$ 24,640,621</u>	<u>\$ 22,204</u>	<u>\$ 12,206,036</u>	<u>\$ 1,400,000</u>	<u>\$ 1,024,733</u>	<u>39,293,594</u>
Investments						1,337,904
Total cash and investments						<u>\$ 40,631,498</u>
Pooled cash and investments						38,724,074
Fiduciary cash and investments						1,907,424
Cash and investments per financial statement:						<u>\$ 40,631,498</u>

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 SCHEDULE OF CASH ACCOUNTS AND INVESTMENTS
 June 30, 2013

<u>Account Name</u>	<u>Account Type</u>	<u>Bank Name</u>	<u>Bank Amount</u>	<u>Reconciling Items</u>	<u>Reconciled Amount</u>
Operating	Checking	Wells Fargo	\$ 8,595,878	\$ 683,107	\$ 9,278,985
Employee Benefits Plan	Checking	Wells Fargo	2,160,849	(402)	2,160,447
Transportation	Checking	Wells Fargo	5,242	149	5,391
Non-Budgeted Activities	Checking	Wells Fargo	326,589	(38)	326,551
Federal Projects	Checking	Wells Fargo	384,462	(690,935)	(306,473)
State & Local	Checking	Wells Fargo	339,318	(2,881)	336,437
Building Fund	Checking	Wells Fargo	31,159	459	31,618
Accounts Payable	Checking	Wells Fargo	387,639	(387,639)	-
Payroll	Checking	Wells Fargo	1,148,867	(1,148,867)	-
Debt Service	Checking	Wells Fargo	10,385,912	-	10,385,912
Debt Service	Money Market	Wells Fargo	766,686	-	766,686
Investment Account	Checking	Wells Fargo	7	-	7
Operating	Money Market	Wells Fargo	1,010,695	-	1,010,695
FHS Special Activities	Checking	Wells Fargo	18,271	(3,785)	14,486
PVHS Special Activities	Checking	Wells Fargo	14,710	(3,796)	10,914
FHS Merchant Card	Checking	Wells Fargo	590	-	590
PVHS Merchant Card	Checking	Wells Fargo	88	-	88
PVHS Activity Fund	Checking	Wells Fargo	285,780	-	285,780
Scorps Activity Fund	Checking	Wells Fargo	332,507	-	332,507
Total			<u>26,195,249</u>	<u>(1,554,628)</u>	<u>24,640,621</u>
Building Fund	Checking	Citizens	7,758,753	30,359	7,789,112
Special Building Local	Checking	Citizens	1,544,513	(24)	1,544,489
Tech Bonds	Checking	Citizens	333,202	(30,609)	302,593
Capital Imp Mill/Spec Build St	Checking	Citizens	1,206,980	-	1,206,980
Secondary Athletics	Checking	Citizens	99,833	(30)	99,803
Central Office Activity	Checking	Citizens	1,264,947	(1,888)	1,263,059
Total			<u>12,208,228</u>	<u>(2,192)</u>	<u>12,206,036</u>
Operating	Certificate of Deposit	Four Corners Community	1,400,000	-	1,400,000
Cafeteria	Checking	Bank of the Southwest	1,042,696	(17,963)	1,024,733
Scorpions CD	Certificate of Deposit	Bank of America	22,204	-	22,204
Total			<u>\$ 40,868,377</u>	<u>\$ (1,574,783)</u>	<u>\$ 39,293,594</u>
Operating	Investment	NM State Treasurer	\$ 540,531	-	\$ 540,531
Debt service	Investment	NM State Treasurer	797,373	-	797,373
Total			<u>\$ 1,337,904</u>	<u>\$ -</u>	<u>\$ 1,337,904</u>
					<u>\$ 40,631,498</u>
				District	\$ 38,724,074
				Fiduciary	1,907,424
					<u>\$ 40,631,498</u>

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 Schedule of Cash Reconciliation
 June 30, 2013

	Beginning Cash	Receipts	Distributions	Other	Net Cash end of Period	Adjustments to the report	Total Cash on Report
Operational Account	\$ 10,548,562	\$ 68,191,592	\$ (67,074,652)	\$ -	11,665,502	\$ -	\$ 11,665,502
Transportation	9,131	2,769,972	(2,773,713)	-	5,390	-	5,390
Instructional Materials	128,103	695,104	(358,363)	-	464,844	-	464,844
Food Services	1,249,501	3,744,413	(3,969,181)	-	1,024,733	-	1,024,733
Athletics	115,401	289,898	(283,291)	-	122,008	-	122,008
Non-Instructional	227,239	355,756	(256,444)	-	326,551	-	326,551
Federal Flowthrough Grants	(1,171,973)	6,239,539	(5,721,744)	-	(654,178)	-	(654,178)
Federal Direct Grants	604,619	2,186,256	(2,443,169)	-	347,706	-	347,706
Local Grants	247,655	312,157	(239,353)	-	320,459	-	320,459
State Flowthrough Grants	53,327	468,574	(538,104)	-	(16,203)	-	(16,203)
State Direct Grants	(27,180)	202,210	(142,849)	-	32,181	-	32,181
Bond Building	20,229,932	7,008	(12,416,210)	-	7,820,730	-	7,820,730
Special Capital Outlay - Local	1,543,626	862	-	-	1,544,488	-	1,544,488
Special Capital Outlay - State	104,532	-	(56,157)	-	48,375	-	48,375
Capital Improvement SB - 9	1,235,511	3,047,508	(3,124,415)	-	1,158,604	-	1,158,604
Education Technology	2,394,795	886	(2,093,088)	-	302,593	-	302,593
PSCO - 20%	99,873	-	-	-	99,873	-	99,873
Debt Service	7,155,460	8,082,837	(7,108,322)	-	8,129,975	-	8,129,975
Ed Tech Debt Service Agency	3,613,525	3,137,812	(2,931,341)	-	3,819,996	-	3,819,996
	-	-	-	-	-	-	-
Total	48,361,639	\$ 99,732,384	\$ (111,530,396)	\$ -	\$ 36,563,627	\$ -	36,563,627
Non Department of Education Accounts:							
Employee benefits account	2,135,064						2,160,447
Agency	1,565,667						1,907,424
Total	\$ 52,062,370						\$ 40,631,498

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STATISTICAL SECTION

This part of the Farmington Municipal School's comprehensive annual financial report represents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents	Page
Financial Trends <i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	127
Revenue Capacity <i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	132
Dept Capacity <i>These schedules present information to help the reader assess the affordability of the government's current level of outstanding debt and the government's ability to issue additional debt in the future.</i>	136
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	139
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	142

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 NET POSITION BY COMPONENT
 LAST TEN FISCAL YEARS
 (accrual basis of accounting)

	<u>Fiscal Year</u>									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental Activities										
Invested in capital assets, net of related debt	\$ 26,761,005	\$ 22,326,416	\$ 25,733,106	\$ 21,445,446	\$ 30,436,357	\$ 26,012,989	\$ 44,326,970	\$ 44,134,648	\$ 41,429,758	\$ 39,483,847
Restricted	9,298,119	11,363,268	14,453,493	11,222,388	9,745,827	13,551,499	15,247,416	15,877,450	15,416,710	17,180,682
Unrestricted	6,195,967	7,582,686	16,586,943	26,477,373	23,784,295	34,891,564	17,178,375	21,449,047	22,960,900	24,352,282
Total governmental activities net position	\$ 42,255,091	\$ 41,272,370	\$56,773,542	\$ 59,145,207	\$ 63,966,479	\$ 74,456,052	\$ 76,752,761	\$ 81,461,145	\$ 79,807,368	\$ 81,016,811

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
 LAST TEN FISCAL YEARS
 (accrual basis of accounting)

	Fiscal Year									
	2004	2005	2006	2007 ¹	2008	2009	2010	2011	2012	2013
Expenses										
Governmental Activities:										
Instruction	\$ 38,918,969	\$ 40,346,948	\$43,430,362	\$48,281,471	\$50,679,984	\$51,556,881	\$52,940,094	\$50,181,718	\$48,705,662	\$50,490,205
Support services:	24,219,781	23,394,475	24,308,684	25,064,662	25,720,684	27,915,022	19,176,000	22,424,212		
Students									10,524,749	10,256,813
Instruction - support									1,733,137	2,166,682
General Administrative									1,181,832	1,189,237
School Administrative									4,463,277	6,443,991
Central Services									799,198	477,143
Operations & Maintenance of Plant									7,608,853	7,627,858
Student Transportation	3,085,123	2,981,013	2,843,698	3,603,949	3,122,735	3,023,738	3,206,068	2,760,952	3,108,422	3,154,396
Other support services									109,193	73,326
Non-instructional services:										
Food services	2,787,877	2,550,012	2,718,578	2,967,794	2,805,272	3,113,562	3,134,259	3,495,334	3,873,724	3,843,284
Community services									134,934	13,502
Facilities, supplies and materials									11,950,619	9,217,681
Depreciation - unallocated									3,171,107	1,639,781
Operation of non-instructional services	4,266,962	4,530,640	4,510,266	5,250,877	5,589,905	1,852,097	17,149,315	14,373,083		
Athletics	980,466	1,022,332	1,023,958	469,366	553,966	304,874	366,917	280,813		
Interest on long-term obligations	1,417,602	1,205,605	1,329,330	1,216,796	1,105,550	1,099,819	1,320,460	1,001,828	1,194,295	1,373,015
Total governmental activities expenses	\$ 75,676,780	\$ 76,031,025	\$80,164,876	\$86,854,915	\$89,578,096	\$88,865,993	\$97,293,113	\$94,517,940	\$98,559,002	\$97,966,914
Program Revenues										
Governmental Activities:										
Charges for services:										
General government	\$ 795,932	\$ 894,145	\$ 747,161	\$ 882,564	\$ 1,086,221	\$ 874,480	\$ 721,172	\$ 841,094	\$ 740,797	\$ 910,475
Food Services	884,009	902,161	875,592	765,005	806,247	1,118,605	836,626	872,545	940,227	906,651
Operating grants and contributions	10,691,140	11,666,813	12,241,136	10,794,422	11,066,893	11,739,989	18,451,821	16,238,340	12,483,985	12,844,998
Capital grants and contributions	1,585,914	1,258,320	291,136	298,570	434,644	15,789	414,564	226,196	16,536	242,271
Total governmental activities program revenues	\$ 13,956,995	\$ 14,721,439	\$ 14,155,025	\$ 12,740,561	\$13,394,005	\$13,748,863	\$20,424,183	\$18,178,175	\$14,181,545	\$14,904,395
Net (expense)/revenue										
Governmental activities	\$ 61,719,785	\$ 61,309,586	\$ 66,009,851	\$ 74,114,354	\$ 76,184,091	\$ 75,117,130	\$ 76,868,930	\$ 76,339,765	\$ 84,377,457	\$ 83,062,519

Note¹: New Mexico adopted the UCOA for school districts and combined governmental activity functions into Instruction, Support services, Operation of non-instructional services, Food services, Athletics, Pupil Transportation and Interest on long-term debt. Prior years have been adjusted accordingly.

Note - The District began reporting expenditures according to the breakdown by function in 2012.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION
 LAST TEN FISCAL YEARS
 (accrual basis of accounting)

	Fiscal Year									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Net (expense)/revenue										
Governmental activities	\$ 61,719,785	\$ 61,309,586	\$ 66,009,851	\$ 74,114,354	\$ 76,184,091	\$ 75,117,130	\$ 76,868,930	\$ 76,339,765	\$ 84,377,457	\$ 83,062,519
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Property taxes, general purpose	\$ 301,045	\$ 321,151	\$ 478,090	\$ 481,236	\$ 552,995	\$ 606,564	\$ 590,775	\$ 583,549	\$ 571,308	\$ 579,898
Property taxes, debt service	7,146,982	7,335,464	9,891,805	9,941,059	10,039,044	10,858,918	10,554,810	9,983,458	11,156,818	10,762,854
Property taxes, capital projects	1,794,239	2,681,404	2,263,627	2,296,075	2,636,299	2,889,531	2,787,701	3,136,308	2,510,503	2,892,633
Unrestricted grants and contributions	53,046,341	55,335,082	60,820,387	62,759,755	66,897,642	71,133,055	64,409,185	67,228,446	68,459,802	70,013,110
Investment earnings	65,780	324,475	696,176	1,007,894	704,280	118,635	330,227	116,388	25,249	23,467
Gain on sale of capital assets	-	-	-	-	-	-	492,941	-	-	-
Total government activities	\$ 62,354,387	\$ 65,997,576	\$ 74,150,085	\$ 76,486,019	\$ 80,830,260	\$ 85,606,703	\$ 79,165,639	\$ 81,048,149	\$ 82,723,680	\$ 84,271,962
Change in Net Position										
Governmental activities	\$ 634,602	\$ 4,687,990	\$ 8,140,234	\$ 2,371,665	\$ 4,646,169	\$ 10,489,573	\$ 2,296,709	\$ 4,708,384	\$ (1,653,777)	\$ 1,209,443

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (modified accrual basis of accounting)

	Fiscal Year									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Fund										
Unassigned	\$ 4,533,600	\$ 4,774,761	\$ 4,765,834	\$ 3,517,211	\$ 3,990,364	\$ 5,239,278	\$ 5,318,316	\$ 9,384,014	\$ 10,714,472	\$ 12,179,526
Total general fund	<u>4,533,600</u>	<u>4,774,761</u>	<u>4,765,834</u>	<u>3,517,211</u>	<u>3,990,364</u>	<u>5,239,278</u>	<u>5,318,316</u>	<u>9,384,014</u>	<u>10,714,472</u>	<u>12,179,526</u>
All other governmental funds										
Restricted:										
Special revenue funds	\$ 1,740,204	\$ 2,347,132	\$ 2,754,591	\$ 556,080	\$ 527,486	\$ 750,723	\$ 924,709	\$ 1,094,888	\$ 1,225,957	\$ 1,453,776
Capital projects funds	2,372,487	3,417,490	3,506,522	13,418,626	8,750,195	18,385,461	11,157,362	20,427,036	25,286,190	10,016,368
Debt service funds	7,557,915	9,016,136	11,698,902	10,666,308	10,273,313	12,800,776	10,652,904	10,779,975	10,911,578	12,248,617
Total all other governmental funds	<u>11,670,606</u>	<u>14,780,758</u>	<u>17,960,015</u>	<u>24,641,014</u>	<u>19,550,994</u>	<u>31,936,960</u>	<u>22,734,975</u>	<u>32,301,899</u>	<u>37,423,725</u>	<u>23,718,761</u>
Total fund balance	<u>\$ 16,204,206</u>	<u>\$ 19,555,519</u>	<u>\$ 22,725,849</u>	<u>\$ 28,158,225</u>	<u>\$ 23,541,358</u>	<u>\$ 37,176,238</u>	<u>\$ 28,053,291</u>	<u>\$ 41,685,913</u>	<u>\$ 48,138,197</u>	<u>\$ 35,898,287</u>

Note - amounts restated prior to 2011 for implementation of GASB Statement 54 in 2011.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (modified accrual basis of accounting)

	Fiscal Year									
	2004	2005	2006	2007 ¹	2008	2009	2010	2011	2012	2013
Revenues										
Federal Sources:										
Federal grants	\$ 10,440,166	\$ 10,993,164	\$ 10,989,835	\$ 10,217,871	\$ 10,189,633	\$ 10,340,525	\$ 18,117,216	\$ 15,572,955	\$ 11,724,519	\$ 11,305,163
Total federal sources	\$ 10,440,166	\$ 10,993,164	\$ 10,989,835	\$ 10,217,871	\$ 10,189,633	\$ 10,340,525	\$ 18,117,216	\$ 15,572,955	\$ 11,724,519	\$ 11,305,163
State Sources:										
State equalization guarantee	\$ 49,794,973	\$ 52,403,605	\$ 56,281,212	\$ 59,023,094	\$ 62,565,757	\$ 67,158,187	\$ 60,836,533	\$ 64,288,193	\$ 65,310,556	\$ 66,548,033
Transportation	\$ 2,158,327	\$ 2,201,596	\$ 3,592,442	\$ 2,620,544	\$ 3,330,992	\$ 2,766,260	\$ 3,158,507	\$ 2,520,300	\$ 2,698,211	\$ 2,769,972
State instructional materials	\$ 846,447	\$ 840,379	\$ 900,863	\$ 902,771	\$ 1,000,893	\$ 1,208,608	\$ 414,145	\$ 419,953	\$ 451,035	\$ 695,105
State grants	\$ 2,079,175	\$ 1,819,395	\$ 1,582,370	\$ 1,387,104	\$ 1,311,904	\$ 1,410,172	\$ 749,169	\$ 891,581	\$ 542,632	\$ 1,539,869
Total state sources	\$ 54,878,922	\$ 57,264,975	\$ 62,356,887	\$ 63,933,513	\$ 68,209,546	\$ 72,543,227	\$ 65,158,354	\$ 68,120,027	\$ 69,002,434	\$ 71,552,979
Local Sources:										
District school tax levy	\$ 9,324,636	\$ 9,528,421	\$ 10,286,058	\$ 11,469,129	\$ 12,536,566	\$ 13,327,597	\$ 13,357,629	\$ 13,474,931	\$ 13,782,009	\$ 13,986,761
Fees and activities	\$ 943,276	\$ 936,612	\$ 917,801	\$ 1,112,511	\$ 1,882,145	\$ 1,935,504	\$ 1,557,798	\$ 1,713,639	\$ 1,679,873	\$ 1,817,126
Earnings from investments	\$ 46,594	\$ 302,234	\$ 664,118	\$ 953,089	\$ 704,280	\$ 118,635	\$ 330,227	\$ 116,388	\$ 24,150	\$ 23,467
Other revenue	\$ 677,788	\$ 1,693,609	\$ 1,846,793	\$ 475,544	\$ 10,323	\$ 57,581	\$ -	\$ -	\$ 235,620	\$ 242,237
Total local sources	\$ 10,992,294	\$ 12,460,876	\$ 13,714,770	\$ 14,010,273	\$ 15,133,314	\$ 15,439,317	\$ 15,245,654	\$ 15,304,958	\$ 15,721,652	\$ 16,069,591
Total revenues	\$ 76,311,382	\$ 80,719,015	\$ 87,061,492	\$ 88,161,657	\$ 93,532,493	\$ 98,323,069	\$ 98,521,224	\$ 98,997,940	\$ 96,448,605	\$ 98,927,733
Expenditures										
Instruction	\$ 37,720,657	\$ 39,474,013	\$ 42,841,934	\$ 47,072,766	\$ 48,829,221	\$ 50,606,964	\$ 50,753,301	\$ 48,611,814	\$ 48,645,538	\$ 50,500,144
Support services:	\$ 22,263,009	\$ 22,877,894	\$ 24,902,432	\$ 24,387,234	\$ 24,885,397	\$ 27,457,142	\$ 18,854,030	\$ 18,292,277		
Students									\$ 10,484,641	\$ 10,211,974
Instruction - support									\$ 1,692,426	\$ 2,128,788
General Administrative									\$ 1,365,643	\$ 1,404,004
School Administrative									\$ 4,416,577	\$ 4,688,741
Central Services									\$ 789,070	\$ 468,282
Operations & Maintenance of Plant									\$ 7,664,410	\$ 7,607,882
Student Transportation	\$ 1,979,114	\$ 2,155,774	\$ 2,322,595	\$ 2,528,779	\$ 2,616,475	\$ 2,517,478	\$ 2,683,042	\$ 2,679,202	\$ 2,729,501	\$ 2,783,702
Other support services									\$ 97,296	\$ 57,034
Non-instructional services:										
Food services	\$ 2,714,143	\$ 2,494,996	\$ 2,683,838	\$ 2,896,116	\$ 2,771,521	\$ 3,079,811	\$ 3,099,390	\$ 3,490,358	\$ 3,845,948	\$ 3,820,888
Community services									\$ 134,934	\$ 13,502
Operation of non-instructional services	\$ 1,376,772	\$ 1,443,680	\$ 1,603,838	\$ 1,107,827	\$ 2,465,366	\$ 259,590	\$ 10,385,256	\$ 9,855,378		
Athletics	\$ 763,132	\$ 884,793	\$ 937,107	\$ 310,337	\$ 309,539	\$ 220,497	\$ 279,746	\$ 263,334		
Capital outlay	\$ 5,403,730	\$ 6,777,808	\$ 7,951,510	\$ 4,394,012	\$ 10,955,679	\$ 13,604,850	\$ 9,858,461	\$ 10,312,236	\$ 19,420,335	\$ 17,539,355
Debt service:										
Principal	\$ 4,650,000	\$ 4,600,000	\$ 4,875,000	\$ 8,750,000	\$ 8,795,000	\$ 6,815,735	\$ 10,861,286	\$ 14,305,648	\$ 9,044,230	\$ 8,598,102
Interest	\$ 1,507,343	\$ 1,298,838	\$ 1,272,908	\$ 1,142,044	\$ 1,248,718	\$ 998,752	\$ 1,362,600	\$ 1,100,745	\$ 1,218,681	\$ 1,345,245
Capital lease issuance costs					\$ 22,444	\$ 116,716	\$ -	\$ -	\$ 106,313	\$ -
Total expenditures	\$ 78,377,900	\$ 82,007,796	\$ 89,391,162	\$ 92,589,115	\$ 102,899,360	\$ 105,677,535	\$ 108,137,112	\$ 108,910,992	\$ 111,655,543	\$ 111,167,643
Revenues over (under) expenditures	\$ (2,066,518)	\$ (1,288,781)	\$ (2,329,670)	\$ (4,427,458)	\$ (9,366,867)	\$ (7,354,466)	\$ (9,615,888)	\$ (9,913,052)	\$ (15,206,938)	\$ (12,239,910)
Other Financing Sources (Uses)										
Sale of capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 492,941	\$ -	\$ -	\$ -
Bonds issued	\$ 3,827,607	\$ 11,685,000	\$ 5,500,000	\$ 10,100,000		\$ 16,000,000	\$ -	\$ 22,710,000	\$ 14,000,000	\$ -
Premium on bonds issued	\$ -	\$ 234,859	\$ -	\$ 58,471		\$ 314,243	\$ -	\$ 835,674	\$ 909,222	\$ -
Capital lease					\$ 4,750,000	\$ 4,500,000	\$ -	\$ -	\$ 6,750,000	\$ -
Payments to refunded debt escrow	\$ (3,800,000)	\$ (7,279,765)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total other financing sources (uses)	\$ 27,607	\$ 4,640,094	\$ 5,500,000	\$ 10,158,471	\$ 4,750,000	\$ 20,814,243	\$ 492,941	\$ 23,545,674	\$ 21,659,222	\$ -
Net Change in Fund Balances	\$ (2,071,911)	\$ 3,351,313	\$ 3,170,330	\$ 5,731,013	\$ (4,616,867)	\$ 13,459,777	\$ (9,122,947)	\$ 13,632,622	\$ 6,452,284	\$ (12,239,910)
Debt Service as a Percentage of Noncapital Expenditures										
	8.2%	7.6%	7.5%	10.7%	10.6%	8.5%	11.7%	14.6%	9.9%	8.9%

Note 1: New Mexico adopted the UCOA for school districts and combined governmental activity categories into Instruction, Support services, Operation of non-instructional services, Food services, Athletics, Pupil Transportation and Interest on long-term debt. Prior years have been adjusted accordingly.

Note - The District recomputed the percentage using the capitalized expenditures (capital asset additions) and not the capital outlay amount.

Note - The District began reporting expenditures according to the breakdown by function in 2012.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Local Assessed</u>	<u>Central Assessed</u>	<u>Oil & Gas Assessed</u>	<u>Exemptions</u>	<u>Total Taxable Valuation</u>	<u>Estimated Actual Taxable Value</u>	<u>Assessed Value¹</u>	<u>Total Direct Tax Rate</u>
2004	787,667,348	60,531,175	164,236,816	66,868,271	1,012,435,339	945,567,068	315,157,504	\$ 9.943
2005	844,203,928	62,816,997	200,661,997	70,005,454	1,107,682,922	1,037,677,468	345,857,900	\$ 9.961
2006	921,615,616	64,432,508	195,817,073	69,657,902	1,181,865,197	1,112,207,295	370,698,691	\$ 9.934
2007	975,740,712	62,552,707	235,836,931	54,641,688	1,274,130,350	1,219,488,662	406,455,571	\$ 9.953
2008	1,129,490,729	63,999,668	245,628,582	77,572,830	1,439,118,979	1,361,546,149	453,803,331	\$ 9.902
2009	1,230,768,674	82,737,036	238,830,914	98,012,298	1,552,336,624	1,454,324,326	484,726,298	\$ 9.915
2010	1,253,326,754	91,177,960	131,413,661	101,810,388	1,475,918,375	1,374,107,987	457,990,192	\$ 9.921
2011	1,409,817,347	84,283,882	148,590,174	230,196,464	1,642,691,403	1,412,494,939	470,784,563	\$ 9.923
2012	1,449,286,960	83,782,919	162,995,453	242,086,301	1,696,065,332	1,453,979,031	484,611,211	\$ 9.924
2013	1,505,199,475	77,702,285	101,656,804	257,130,153	1,684,558,564	1,427,428,411	475,761,889	\$ 9.926

¹ The assessed values are 33 1/3% of assumed market value, as set by New Mexico statute.

Source: State of New Mexico, Taxation and Revenue Department Property Tax Division, and Office of San Juan County Assessor.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION DEBT
 LAST TEN FISCAL YEARS

Fiscal Year		Farmington Municipal Schools Millage Rates					Overlapping Millage Rates				
		Ed Tech		Total		State					
		Operational	Debt Service	Capital Improvement	Debt Service	Direct Rate	Debt Service	San Juan County	City of Farmington	San Juan College	Total Direct & Overlapping
2013	City of Farmington Residential	0.326	5.760	1.994	1.666	9.746	1.360	6.310	1.426	3.754	22.596
	City of Farmington Commercial/Oil & Gas	0.500	5.760	2.000	1.666	9.926	1.360	8.500	2.225	5.100	27.111
	San Juan County Residential	0.326	5.760	1.994	1.666	9.746	1.360	6.310	0.000	3.754	21.170
	San Juan County Commercial/Oil & Gas	0.500	5.760	2.000	1.666	9.926	1.360	8.500	0.000	5.100	24.886
2012	City of Farmington Residential	0.327	5.199	2.000	2.225	9.751	1.360	6.326	1.431	3.582	22.450
	City of Farmington Commercial/Oil & Gas	0.500	5.199	2.000	2.225	9.924	1.360	8.500	2.225	4.920	26.929
	San Juan County Residential	0.327	5.199	2.000	2.225	9.751	1.360	6.326	0.000	3.582	21.019
	San Juan County Commercial/Oil & Gas	0.500	5.199	2.000	2.225	9.924	1.360	8.500	0.000	4.920	24.704
2011	City of Farmington Residential	0.324	4.976	1.873	2.447	9.620	1.362	6.267	1.419	3.733	22.401
	City of Farmington Commercial	0.500	4.976	2.000	2.447	9.923	1.362	8.500	2.128	5.100	27.013
	City of Farmington Oil & Gas	0.500	4.976	2.000	2.447	9.923	1.362	8.500	2.225	5.100	27.110
	San Juan County Residential	0.324	4.976	1.873	2.447	9.620	1.362	6.267	0.000	3.733	20.982
	San Juan County Commercial/Oil & Gas	0.500	4.976	2.000	2.447	9.923	1.362	8.500	0.000	5.100	24.885
2010	City of Farmington Residential	0.332	5.065	1.920	2.356	9.673	1.530	6.425	1.457	3.812	22.897
	City of Farmington Commercial	0.500	5.065	2.000	2.356	9.921	1.530	8.500	1.950	5.100	27.001
	City of Farmington Oil & Gas	0.500	5.065	2.000	2.356	9.921	1.530	8.500	2.225	5.100	27.276
	San Juan County Residential	0.332	5.065	1.920	2.356	9.673	1.530	6.425	0.000	3.812	21.440
	San Juan County Commercial/Oil & Gas	0.500	5.065	2.000	2.356	9.921	1.530	8.500	0.000	5.100	25.051
2009	City of Farmington Residential	0.327	4.938	1.893	2.486	9.644	1.150	6.312	1.438	3.756	22.300
	City of Farmington Commercial	0.491	4.938	2.000	2.486	9.915	1.150	8.500	1.908	5.100	26.573
	City of Farmington Oil & Gas	0.500	4.938	2.000	2.486	9.924	1.150	8.500	2.225	5.100	26.899
	San Juan County Residential	0.327	4.938	1.893	2.486	9.644	1.150	6.312	0.000	3.756	20.862
	San Juan County Commercial	0.491	4.938	2.000	2.486	9.915	1.150	8.500	0.000	5.100	24.665
	San Juan County Oil & Gas	0.500	4.938	2.000	2.486	9.924	1.150	8.500	0.000	5.100	24.674
2008	City of Farmington Residential	0.335	5.772	1.940	1.678	9.725	1.250	6.567	1.457	3.883	22.882
	City of Farmington Commercial	0.474	5.772	1.978	1.678	9.902	1.250	8.500	1.878	5.100	26.630
	City of Farmington Oil & Gas	0.500	5.772	2.000	1.678	9.950	1.250	8.500	2.225	5.100	27.025
	San Juan County Residential	0.335	5.772	1.940	1.678	9.725	1.250	6.567	0.000	3.883	21.425
	San Juan County Commercial	0.474	5.772	1.978	1.678	9.902	1.250	8.500	0.000	5.100	24.752
	San Juan County Oil & Gas	0.500	5.772	2.000	1.678	9.950	1.250	8.500	0.000	5.100	24.800
2007	City of Farmington Residential	0.329	7.427	1.908	0.026	9.690	1.221	6.451	1.434	3.828	22.624
	City of Farmington Commercial	0.464	7.427	1.936	0.026	9.853	1.221	8.500	1.824	5.100	26.498
	City of Farmington Oil & Gas	0.500	7.427	2.000	0.026	9.953	1.221	8.500	2.225	5.100	26.999
	San Juan County Residential	0.329	7.427	1.908	0.026	9.690	1.221	6.451	0.000	3.828	21.190
	San Juan County Commercial	0.464	7.427	1.936	0.026	9.853	1.221	8.500	0.000	5.100	24.674
	San Juan County Oil & Gas	0.500	7.427	2.000	0.026	9.953	1.221	8.500	0.000	5.100	24.774
2006	City of Farmington Residential	0.345	6.451	2.000	1.004	9.800	1.291	6.737	1.511	3.971	23.310
	City of Farmington Commercial	0.479	6.451	2.000	1.004	9.934	1.291	8.500	1.925	5.100	26.750
	City of Farmington Oil & Gas	0.479	6.451	2.000	1.004	9.934	1.291	8.500	2.225	5.100	27.050
	San Juan County Residential	0.345	6.451	2.000	1.004	9.800	1.291	6.737	0.000	3.971	21.799
	San Juan County Commercial/Oil & Gas	0.479	6.451	2.000	1.004	9.934	1.291	8.500	0.000	5.100	24.825
2005	City of Farmington Residential	0.341	6.480	1.920	1.010	9.751	1.234	6.627	1.496	3.916	23.024
	City of Farmington Commercial	0.477	6.480	1.994	1.010	9.961	1.234	8.500	1.877	5.100	26.672
	City of Farmington Oil & Gas	0.477	6.480	1.994	1.010	9.961	1.234	8.500	2.225	5.100	27.020
	San Juan County Residential	0.341	6.480	1.920	1.010	9.751	1.234	6.627	0.000	3.916	21.528
	San Juan County Commercial/Oil & Gas	0.477	6.480	1.994	1.010	9.961	1.234	8.500	0.000	5.100	24.795
2004	City of Farmington Residential	0.345	7.507	1.942	0.000	9.794	1.028	6.661	1.526	3.942	22.951
	City of Farmington Commercial	0.470	7.507	1.966	0.000	9.943	1.028	8.500	1.850	5.100	26.421
	City of Farmington Oil & Gas	0.470	7.507	1.966	0.000	9.943	1.028	8.500	2.225	5.100	26.796
	San Juan County Residential	0.345	7.507	1.942	0.000	9.794	1.028	6.661	0.000	3.942	21.425
	San Juan County Commercial/Oil & Gas	0.470	7.507	1.966	0.000	9.943	1.028	8.500	0.000	5.100	24.571

Source: County Tax Collector

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 PRINCIPAL PROPERTY TAXPAYERS
 CURRENT YEAR AND TEN YEARS AGO

Taxpayer	Type of Business	2013			2003		
		Assessed Valuation	Rank	Percentage of Assessed Valuation	Assessed Valuation	Rank	Percentage of Assessed Valuation
Public Service of NM	Gas Utility	206,886,306	1	14.49%	2,481,638	10	0.26%
BHP Navajo Coal Co	Coal	83,336,304	2	5.84%			0.00%
Williams Four Corners LLC	Gas & Oil	78,239,671	3	5.48%			0.00%
Enterprise Field Service, LLC	Gas & Oil	77,783,699	4	5.45%			0.00%
Arizona Public Service Co	Utility	66,038,736	5	4.63%			0.00%
Tucson Electric Power Co	Utility	56,586,282	6	3.96%			0.00%
Southern California Edison Co	Utility	48,639,035	7	3.41%			0.00%
San Juan Coal Company	Coal	42,493,313	8	2.98%	34,605,779	1	3.68%
El Paso Natural Gas	Utility	39,494,746	9	2.77%			
SCPPA	Utility	30,086,707	10	2.11%			
Price Development	Shopping Mall				11,740,074	2	1.25%
Qwest Communications	Telephone				6,752,065	3	0.72%
Transwestern	Pipeline				5,092,458	4	0.54%
EPN San Juan Generating	Electric Utility				4,764,502	5	0.51%
Constar Co	Pipeline				3,928,457	6	0.42%
Alltel Communications	Telecommunications				3,925,965	7	0.42%
Bolack	Minerals				3,835,092	8	0.41%
Wal Mart/Sam's Club	Retail				3,808,363	9	0.40%
Total		\$ 729,584,799		51.11%	\$ 80,934,393		8.60%
District's Assessed Valuation		1,427,428,411		100.00%	\$ 940,718,982		100.00%

Source: San Juan County's Assessor's Office
 State of New Mexico Taxation & Revenue, Property Tax Division

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOLS DISTRICT NO. 5
 PROPERTY TAX LEVIES AND COLLECTIONS
 LAST TEN FISCAL YEARS

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collection in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2004	\$ 7,453,781	\$ 7,151,818	95.9%	\$301,916	\$ 7,453,734	100.00%
2005	\$ 7,745,657	\$ 7,420,233	95.8%	\$325,366	\$ 7,745,599	100.00%
2006	\$ 8,333,558	\$ 7,967,763	95.6%	\$365,199	\$ 8,332,962	99.99%
2007	\$ 8,983,679	\$ 8,609,233	95.8%	\$373,497	\$ 8,982,730	99.99%
2008	\$ 10,119,110	\$ 9,662,514	95.5%	\$455,082	\$ 10,117,596	99.99%
2009	\$ 10,830,061	\$ 10,386,217	95.9%	\$433,711	\$ 10,819,928	99.91%
2010	\$ 11,761,422	\$ 11,209,714	95.3%	\$524,136	\$ 11,733,850	99.77%
2011	\$ 11,980,747	\$ 11,498,161	96.0%	\$424,780	\$ 11,922,941	99.52%
2012	\$ 12,251,730	\$ 11,802,343	96.3%	\$287,096	\$ 12,089,439	98.68%
2013	\$ 12,777,186	\$ 12,264,550	96.0%	\$0	\$ 12,264,550	95.99%

Source: San Juan County Treasurer.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOLS DISTRICT NO. 5
 OUTSTANDING DEBT BY TYPE
 LAST TEN FISCAL YEARS

	<u>Governmental Activities</u>				
	<u>General Obligation Bonds</u>	<u>Capital Lease</u>	<u>Total Primary Government</u>	<u>Percentage of Personal Income²</u>	<u>Per Capita²</u>
2004	32,530,000	-	\$ 32,530,000	3.075%	694
2005	32,715,000	-	\$ 32,715,000	2.794%	681
2006	33,340,000	-	\$ 33,340,000	2.540%	677
2007	34,690,000	-	\$ 34,690,000	2.292%	676
2008	25,895,000	4,750,000	\$ 30,645,000	1.742%	549
2009	35,985,000	8,344,266	\$ 44,329,266	2.658%	771
2010	26,550,000	6,917,980	\$ 33,467,980	1.972%	576
2011	37,100,000	4,772,331	\$ 41,872,331	2.216%	695
2012	44,030,000	9,548,101	\$ 53,578,101	N/A	902
2013	37,080,000	7,900,000	\$ 44,980,000	N/A	755

Notes:

- 1.) NA = Not Available
- 2.) New Mexico state statute authorizes school districts to issue debt and impose a property tax for the purpose of financing technology leases.

² **Source:** United States Department of Commerce, Bureau of Economic Analysis

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOLS DISTRICT NO. 5
 RATIOS OF GENERAL BONDED DEBT OUTSTANDING
 LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Service fund</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value of Property</u>	<u>Per Capita</u>
2004	32,530,000	7,557,915	24,972,085	2.64%	533.06
2005	32,715,000	9,016,136	23,698,864	2.28%	493.54
2006	33,340,000	10,660,435	22,679,565	2.04%	460.47
2007	34,690,000	9,525,393	25,164,607	2.06%	470.31
2008	25,895,000	10,137,502	15,757,498	1.16%	282.26
2009	35,985,000	12,491,260	23,493,740	1.62%	554.00
2010	26,550,000	10,333,086	16,216,914	1.18%	398.36
2011	37,100,000	10,472,589	26,627,411	1.89%	442.03
2012	44,030,000	10,768,985	33,261,015	2.29%	559.99
2013	37,080,000	11,949,971	25,130,029	1.76%	421.58

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 COMPUTATION OF LEGAL DEBT MARGIN
 LAST TEN YEARS

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt Limit	\$ 60,746,120	\$ 66,460,975	\$ 70,911,912	\$ 76,447,821	\$ 86,347,139	\$ 91,327,232	\$ 82,446,479	\$ 84,749,696	\$ 87,238,742	\$ 85,645,705
Total net debt applicable to limit	<u>\$ 32,530,000</u>	<u>\$ 32,715,000</u>	<u>\$ 33,340,000</u>	<u>\$ 34,690,000</u>	<u>\$ 30,645,000</u>	<u>\$ 44,329,266</u>	<u>\$ 33,467,980</u>	<u>\$ 41,872,331</u>	<u>\$ 53,578,101</u>	<u>\$ 44,980,000</u>
Legal debt margin	\$ 28,216,120	\$ 33,745,975	\$ 46,321,912	\$ 41,757,821	\$ 55,702,139	\$ 46,997,966	\$ 48,978,499	\$ 42,877,365	\$ 33,660,641	\$ 40,665,705
Total net debt applicable to the limit as a percentage of debt limit	54%	49%	47%	45%	35%	49%	41%	49%	61%	53%

Legal Debt Limit Calculation for Fiscal Year 2013

Assessed Value	\$ 1,427,428,411
Debt limit (6% of total assessed value)	85,645,705
Debt applicable to limit:	
	37,080,000
	<u>7,900,000</u>
	-
Legal debt margin	<u>\$ 40,665,705</u>

Note: The debt limit for school districts in New Mexico is 6% of the district's assessed value.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN YEARS

Calendar Year	Population	Personal Income	Per Capita Income¹	Unemployment Rate²
2004	46,847	1,057,992,648	\$ 22,584	7.20%
2005	48,018	1,171,062,984	\$ 24,388	6.20%
2006	49,253	1,312,346,185	\$ 26,645	5.00%
2007	53,506	1,513,684,740	\$ 28,290	3.70%
2008	55,826	1,759,579,694	\$ 31,519	4.60%
2009	57,501	1,667,759,004	\$ 29,004	7.70%
2010	58,076	1,696,864,568	\$ 29,218	9.80%
2011	60,239	1,889,878,147	\$ 31,373	8.60%
2012	59,396	N/A	N/A	7.70%
2013	59,609	N/A	N/A	7.60%

Notes: NA=Not available - 2012 to be released in December 2013

Source: ¹ United States Department of Commerce, Bureau of Economic Analysis

² United States Bureau of Labor Statistics

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND 2005

<u>Employer</u>	<u>2013</u>			<u>2005</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
San Juan Medical Center	1,786	1	3.48%	1,375	1	2.47%
Farmington Municipal School District No.5	1,550	2	3.02%	1,252	2	2.24%
Central Consolidated Schools	1,162	3	2.27%	1,125	3	2.02%
San Juan College	1,100	4	2.14%	950	5	1.70%
BHP Billiton	1,034	5	2.02%	1,000	4	1.79%
City of Farmington	900	6	1.75%	685	6	1.23%
Wal-Mart	756	7	1.47%	677	7	1.21%
Conoco Phillips	610	8	1.19%			0.00%
Arizona Public Service Company	573	9	1.12%	590	9	1.06%
Bloomfield Schools	462	10	0.90%	500	10	0.90%
Basin Home Health/Basin Coord.				640	8	1.15%
	9,933		19.36%	8,794		15.77%

Note: The information for comparison is only available since 2005.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 FULL-TIME-EQUIVALENT DISTRICT EMPLOYEES BY TYPE
 LAST TEN FISCAL YEARS

	Fiscal Year									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Supervisory										
Instructional administrators	4	4	4	6	7	7	7	7	7	7
Noninstructional administrators	5	5	5	5	5	5	5	5	5	6
Consultants/supervisors of instruction										
Principals	17	17	17	17	17	17	17	18	18	18
Assistant Principals	9	9	9	9	10	10	10	10	10	10
Total supervisory	35	35	35	37	39	39	39	40	40	41
Instruction										
Certified classroom teachers	616	621	623	625	630	646	614	617	623	633
Educational assistants	109	129	124	125	128	136	126	125	131	128
Total instruction	725	750	747	750	758	781	740	742	754	761
Student Services										
Guidance counselors	17	17	17	18	21	23	22	21	22	26
Social workers	1	1	1	1	1	1	1	1	1	3
Ancillary providers	35	35	34	32	32	32	31	32	32	36
Librarians	6	6	6	6	6	6	6	7	7	7
Nurses	6	6	6	6	6	9	9	6	6	6
Other professionals (non-instructional)										
Technicians	4	4	4	4	4	4	4	4	4	4
Total student services	69	69	68	67	70	74	69	71	72	82
Support and Administration										
Clerical/Secretarial	88	89	89	89	89	89	87	86	86	88
Maintenance	16	16	16	16	17	23	22	24	24	25
Custodial	80	80	78	78	78	72	70	72	69	69
Bus drivers	72	73	73	75	75	75	75	75	40	40
Total support and administration	256	258	256	258	259	259	254	257	219	222

Notes: Full-time instructional employees of the district are employed for all 185 scheduled school days, at 7.5 hours per day or 1,387.5 hours per year.

Bus Drivers FTE calculation changed in 2012 to reflect actual hours in route.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 OPERATING STATISTICS
 LAST TEN FISCAL YEARS

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Expenses	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
2004	9,993	52,993,977	5,303	3.27%	72,195,295	7,225	6.18%	616	16.22	51.64%
2005	10,044	56,186,623	5,594	5.49%	76,049,776	7,572	4.80%	621	16.17	48.61%
2006	10,250	61,888,410	6,038	7.93%	83,198,792	8,117	7.20%	623	16.45	45.88%
2007	10,120	65,360,277	6,459	6.97%	82,139,764	8,117	0.00%	625	16.19	42.56%
2008	10,215	67,943,902	6,651	2.99%	89,869,172	8,798	8.39%	630	16.21	42.38%
2009	10,441	67,490,728	6,464	-2.82%	100,786,596	9,653	9.72%	646	16.17	48.97%
2010	10,517	61,407,778	5,839	-9.67%	96,050,751	9,133	-5.39%	614	17.13	49.21%
2011	10,572	60,880,957	5,759	-1.37%	91,811,663	8,684	-4.91%	617	17.13	52.58%
2012	10,648	65,213,440	6,124	6.35%	101,592,359	9,541	9.86%	623	17.09	55.90%
2013	10,686	67,074,652	6,277	2.49%	101,490,733	9,498	-0.46%	633	16.88	55.22%

Notes: Enrollment figures from average student counts on 80th and 120th day of school.

2009 Operating expenditures include only expenditures for 11000 general fund. Prior years included transportation and instructional materials as they were classified as general funds by the state until 2009.

Expenses include expenditures for all governmental funds less debt service

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 SCHOOL BUILDING INFORMATION
 LAST FIVE YEARS

<u>School</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>School</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Preschool						Middle School					
FS Preschool (1991)						Heights (1971)					
Square Feet	6,745	6,745	13,505	13,505	13,505	Square Feet	88,229	88,229	88,229	88,229	88,229
Capacity	46	46	92	92	92	Capacity	1100	1100	1100	1100	1100
Enrollment	70	70	99	89	127	Enrollment	702	695	721	694	705
Elementary						Hermosa (1960)					
Animas (1963)						Square Feet					
Square Feet	50,640	50,640	50,640	58,923	56,678	Capacity	85,849	85,849	85,849	85,849	85,849
Capacity	539	539	539	539	528	Enrollment	934	934	934	934	934
Enrollment	507	494	468	480	482	Mesa View (1994)					
Apache (1956)						Square Feet					
Square Feet	53,577	53,577	55,088	55,088	59,712	Capacity	100,987	100,987	100,987	100,987	100,987
Capacity	580	580	580	580	594	Enrollment	1150	1150	1150	1150	1150
Enrollment	439	436	455	469	463	Tibbetts (1940)					
Bluffview (1961)						Square Feet					
Square Feet	59,405	59,405	59,405	59,405	61,197	Capacity	90,791	90,791	90,791	90,791	90,791
Capacity	632	632	632	632	578	Enrollment	966	966	966	966	966
Enrollment	555	556	530	495	464	High School					
Country Club (1959)						Farmington (1955)					
Square Feet	54,684	54,684	54,684	54,684	59,164	Square Feet	206,786	206,786	208,630	262,628	262,628
Capacity	551	551	551	551	578	Capacity	2334	2334	2334	2334	2334
Enrollment	520	526	526	534	504	Enrollment	1344	1316	1308	1309	1302
Esperanza (1995)						Piedra Vista (1998)					
Square Feet	73,908	73,908	73,908	73,908	79,284	Square Feet	245,698	245,698	247,138	247,138	247,138
Capacity	636	636	636	636	660	Capacity	1821	1821	1821	1821	1821
Enrollment	600	587	573	570	575	Enrollment	1318	1284	1274	1274	1281
Ladera (1963)						Rocinante (1996)					
Square Feet	55,597	55,597	55,597	55,597	59,159	Square Feet	24,187	24,187	24,187	24,187	24,187
Capacity	569	569	569	569	561	Capacity	333	333	333	333	333
Enrollment	575	588	599	609	593	Enrollment	157	162	181	179	162
McCormick (1954)						Cate Center (1949)					
Square Feet	53,858	53,858	53,858	53,858	57,474	Square Feet	52,191	52,191	52,191	52,191	52,191
Capacity	595	595	595	595	578	Capacity	719	719	719	719	719
Enrollment	413	400	393	438	464	Enrollment	200	200	200	200	200
McKinley (1954)											
Square Feet	59,744	59,744	59,744	59,744	73,192						
Capacity	600	600	600	600	644						
Enrollment	552	553	551	568	582						
Mesa Verde (1963)											
Square Feet	46,972	46,972	46,972	46,972	54,131						
Capacity	519	519	519	519	578						
Enrollment	526	525	520	554	560						
Northeast (1963)											
Square Feet	49,630	49,630	49,630	49,630	55,923						
Capacity	513	513	513	513	578						
Enrollment	515	521	543	563	563						

Source: School District's Master Facility Survey

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SINGLE AUDIT SECTION

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended June 30, 2013

<u>Federal Grantor/Pass - Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>Child Nutrition Cluster:</u>			
U.S. Department of Agriculture:			
Pass-Through Program From:			
New Mexico Department of Education:			
USDA National School Lunch Program	10.555	21000	\$ 2,075,281
USDA School Breakfast Program	10.553	21000	<u>761,755</u>
Total USDA - Child Nutrition Cluster			<u>2,837,036</u>
<u>Impact Aid Cluster:</u>			
Department of Education Direct Programs:			
Impact Aid	84.041	11000 / 25145 / 25147	<u>270,121</u>
<u>Medicaid Cluster:</u>			
Department of Health and Human Services:			
Pass-Through Program From:			
New Mexico Department of Education:			
Medical Assistance Program	93.778	25153	<u>455,564</u>
<u>Special Education (IDEA) Cluster:</u>			
Department of Education:			
Pass-Through Program From:			
New Mexico Department of Education:			
Special Education Grants to States	84.027	24106 / 24107 / 24115	2,102,216
Special Education - Preschool Grant:	84.173	24109	<u>45,739</u>
Total Special Education (IDEA) Cluster			(1) <u>2,147,955</u>
<u>Title I, Part A Cluster:</u>			
Department of Education:			
Pass-Through Program From:			
New Mexico Department of Education:			
Title I Grants to Local Educational Agencies	84.010	24101	(1) <u>2,519,772</u>
<u>Other Programs:</u>			
Department of the Interior:			
Pass-Through Program From:			
Navajo Nation:			
Indian Education - Assistance to Schools	15.130	25131	<u>199,208</u>
Department of Justice:			
Pass-Through Program From:			
New Mexico Department of Education:			
Juvenile Mentoring Program	16.726	25187	<u>134,441</u>

See accompanying notes to Schedule of
 Expenditures of Federal Awards.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended June 30, 2013

<u>Federal Grantor/Pass - Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
Department of Education			
Pass-Through Program From			
New Mexico Department of Education			
Career and Technical Education - Basic Grants to State	84.048	24174 / 24176 / 24180 / 24182	103,901
Education for Homeless Children and Youth	84.196	24113	21,804
English Language Acquisition Grant	84.365	24153 / 25248	326,825
Fund for the Improvement of Education	84.215	25107	208,505
Improving Teacher Quality State Grant	84.367	24154	698,850
Indian Education - Grants to Local Educational Agencies	84.060	25184	574,173
Safe and Drug-Free Schools and Communities - National Program	84.184	25111 / 25243	471,996
21st Century Community Learning Center:	84.287	24119	80,667
Charter Schools	84.282	24146	(1) 391,100
Department of Health and Human Services			
Pass-Through Program From			
New Mexico Department of Education			
Substance Abuse and Mental Health Service:	93.243	25238	100,844
U.S. Department of Agriculture			
New Mexico Human Service Department			
USDA Commodities Program	10.551	21000	114,900
New Mexico Department of Education			
Fresh Fruit and Vegetable Program	10.582	24118	<u>44,874</u>
Total Other Programs:			<u>3,472,088</u>
Total Expenditures of Federal Award			<u>\$ 11,702,536</u>

(1) Denotes Major Federal Financial Assistance Program

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended June 30, 2013

NOTE 1 - SCOPE OF AUDIT PURSUANT TO *OMB CIRCULAR A-133*

All federal grant operations of Farmington Municipal School District No. 5 (the "District") are included in the scope of the Office of Management and Budget ("OMB") Circular A-133 audit (the "Single Audit"). The Single Audit was performed in accordance with the provisions of the OMB Circular Compliance Supplement. Compliance testing of all requirements as described in the Compliance Supplement was performed for the grant programs noted below. These programs represent all federal award programs and other grants with fiscal 2013 cash and non-cash expenditures to ensure coverage of at least 25 percent (low risk auditee) of federally granted funds. Actual coverage is 43% of total cash and non-cash federal award program expenditures.

Major Federal Award Program Description	<u>2013 Expenditure</u>
Title I, Part A Cluster:	
84.010 – Title I Grants to Local Educational Agencies	\$2,519,772
Special Education Cluster:	
84.027 – Special Education – Grants to States	2,102,216
84.173 – Special Education – Preschool Grants	<u>45,739</u>
	<u>2,147,955</u>
84.282A – Charter Schools	<u>391,100</u>
	<u>\$5,058,827</u>

The U.S. Department of Education is the District's oversight agency for the Single Audit.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of the District and is presented on the modified accrual basis of accounting, which is the same basis as was used to prepare the fund financial statements. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

Subrecipients

None

Non-Cash Federal Assistance

The District receives USDA Commodities for use in sponsoring the National School Lunch and Breakfast programs. The value of commodities received for the year ended June 30, 2013 was \$114,900 and is reported in the Schedule of Expenditures of Federal Awards under the Department of Agriculture Commodities program, CFDA number 10.550. Commodities are recorded as revenues and expenditures in the food service fund.

Reconciliation of Schedule of Expenditures of Federal Awards to Financial Statements

Primary Government

Total federal awards expended per Schedule of Expenditures of Federal Awards.....	\$ 11,702,536
Component unit – Charter School.....	(391,100)
Total expenditures funded by other sources.....	<u>99,856,207</u>
Total expenditures, governmental funds	<u>\$111,167,643</u>

Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance With
Government Auditing Standards

Farmington Municipal School District No. 5, Board of Education and
Hector H. Balderas, New Mexico State Auditor

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, the discretely presented component unit, each major fund, and the aggregate remaining fund information and the budgetary comparisons of the general fund and special Revenue funds, of Farmington Municipal School District No. 5 (the "District") as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and the combining and individual and related budgetary comparisons of the District, presented as supplemental information, and have issued our report thereon dated October 31, 2013.

Internal Control Over Financial Reporting

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

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 function, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. 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.

Our consideration of the internal control over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs, that we consider to be significant deficiencies. The significant deficiencies are described as FS 2013-1.

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 2013-2 and FS 2013-3.

District's Response to Findings

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

Purpose of this Report

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

A handwritten signature in black ink that reads "David Berry, CPA, PC". The signature is written in a cursive style with a large, looping initial "D".

Farmington, New Mexico
October 31, 2013

Report on Compliance With Requirements Applicable to Each
Major Program and Internal Control Over Compliance in
Accordance With OMB Circular A-133

Farmington Municipal School District No. 5, Board of Education and
Hector H. Balderas, New Mexico State Auditor

Compliance

We have audited Farmington Municipal School District No. 5 (District) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2013. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

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

Internal Control Over Compliance

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

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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the audit committee, Board of Education, District management, the Office of the State Auditor, federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "David Berry, CPA, PC". The signature is written in a cursive style with a large, sweeping initial "D".

Farmington, New Mexico
October 31, 2013

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 SCHEDULE OF FINDINGS AND
 QUESTIONED COSTS
 Year Ended June 30, 2013

A. SUMMARY OF AUDIT RESULTS

Financial Statements:

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

Federal Awards:

- 1. Internal control over major programs:
 - a. Material weakness identified? No
 - b. Significant deficiencies identified not considered to be material weaknesses? No
- 2. Type of auditors' report issued on compliance for major programs Unqualified
- 3. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133 No
- 4. The programs tested as major programs included:

Major Federal Award Program Description	<u>2013 Expenditure</u>
Title I, Part A Cluster:	
84.010 – Title I Grants to Local Educational Agencies	\$2,519,772
Special Education Cluster:	
84.027 – Special Education – Grants to States	2,102,216
84.173 – Special Education – Preschool Grants	<u>45,739</u>
	<u>2,147,955</u>
84.282A – Charter Schools	<u>391,100</u>
	<u>\$5,058,827</u>

- 5. The threshold for distinguishing Types A and B programs was \$351,076
- 6. Auditee qualified as low-risk auditee? Yes

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
SCHEDULE OF FINDINGS AND
QUESTIONED COSTS
Year Ended June 30, 2013

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

Primary Government

FS 2013-1 Incorrect Receipt Posting (Significant Deficiency)

CONDITION

The April 2013 cafeteria reimbursement of \$360,745 received in May 2013 was posted in error to the student fees income instead of federal grant revenue.

CRITERIA

Good accounting practices required that controls be established and followed to make sure receipts are posted to the correct general ledger account.

CAUSE

The receipt was improperly posted to the wrong account accidentally.

EFFECT

The two revenue accounts were misstated at June 30, 2013.

RECOMMENDATION

We recommend that the District examine and update the internal control policies and procedures over receipt postings to the general ledger.

RESPONSE

We will revise our procedures to include a quarterly review by our Business Office of cash receipts posted by the Student Nutrition Office to the general ledger to ensure that the appropriate general ledger accounts are used.

FS 2013-2 Stale Checks (Compliance and Other Matters)

CONDITION

Twenty one outstanding checks older than one year totaling \$2,621.68 were included in the outstanding check listing for Farmington High School Special Activity Fund. Also, eighteen outstanding checks older than one year totaling \$3,304.19 were included in the outstanding check listing for the PV Special Activity Fund.

CRITERIA

New Mexico state statute Section 6-10-57(A) requires the District to cancel unpaid checks outstanding over one year.

CAUSE

The District has not followed the State Statute for two of their activity accounts.

EFFECT

Cash balances are not accurately reflected.

RECOMMENDATION

We recommend that checks outstanding for more than a year be voided.

RESPONSE

We will void existing stale checks immediately. Procedures will be implemented to begin follow-up on all activity account checks that are older than two months and will void any checks that reach one year old.

Component Unit

2013-3 Pledged Collateral (Compliance and Other Matters)

CONDITION

The Charter School deposits were under collateralized as of June 30, 2013 by \$133,013.

CRITERIA

Cash equivalents and deposits in excess of FDIC insurance must be covered by 50% of pledged collateral in accordance with NMSA 1978 Section 6-10-07

CAUSE

The Charter School first year of operations was June 30, 2013 and the collateral pledge agreement with Citizens Bank was not set up by June 30, 2013.

EFFECT

The Charter School was in violation of State Statute.

RECOMMENDATION

The Charter School should establish policies and controls to comply with NMSA 1978 Section 6-10-07.

RESPONSE

The New Mexico Virtual Academy has worked with management and the school's financial institution to establish a collateral pledge agreement that is in compliance with state statute. The school has entered into a collateral pledge agreement for deposits that exceed FDIC coverage starting in the 2013-14 school year.

C. FINDINGS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

D. PRIOR YEAR FINDINGS

Primary Government

None

Component Unit

None

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
EXIT CONFERENCE
Year Ended June 30, 2013

An exit conference was held on November 6, 2013. In attendance were:

For the Farmington Municipal School District No. 5:

Janel Ryan	Superintendent of Schools
Randall Bondow	Assistant Superintendent of Finance
Mike Isaacson	Board Vice President
Kyle Rhodes	Board Deputy Secretary
Cecilia Taulbee	Community Member
Audra Winters	Community Member
Bobbi Newland	Comptroller
Lori Thurstonson	Administrative Assistant

For the New Mexico Virtual Academy:

DeLea Taylor	Board Treasurer
Mike Shirer	Board Member
Deborah Jackson	Head Administrator
Sean Fry	Business Manager

For David Berry, CPA, PC (auditors):

David Berry	CPA
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