



STATE OF NEW MEXICO

Farmington Municipal School District No. 5

Farmington, New Mexico

# Comprehensive Annual Financial Report

For the year ending  
June 30, 2014

**Farmington Municipal Schools  
Business and Finance Office  
2001 N. Dustin Ave.  
Farmington, NM 87401  
[district.fms.k12.nm.us](http://district.fms.k12.nm.us)**

# Farmington Municipal School District No. 5

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## *List of Principal Officials*

**Sandy Schumacher**  
President

**Mike Isaacson**  
Vice President

**Bill Young**  
Secretary

**Kyle Rhodes**  
Deputy Secretary

**Robyn Hoffman**  
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 of Educational Services & Data Management

**Randall Bondow**  
Assistant Superintendent for Business & Finance

**Phil Valdez**  
Assistant Superintendent for Education Support Services

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(505) 324-9840  
2001 N. Dustin Ave. • Farmington, New Mexico 87401

**FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5  
STATE OF NEW MEXICO  
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**Year Ended June 30, 2014**

**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, 2014

**PRIMARY GOVERNMENT**

Sandy Schumacher ..... Board President

Mike Isaacson..... Board Vice President

Kyle Rhodes ..... Board Secretary

Bill Young ..... 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

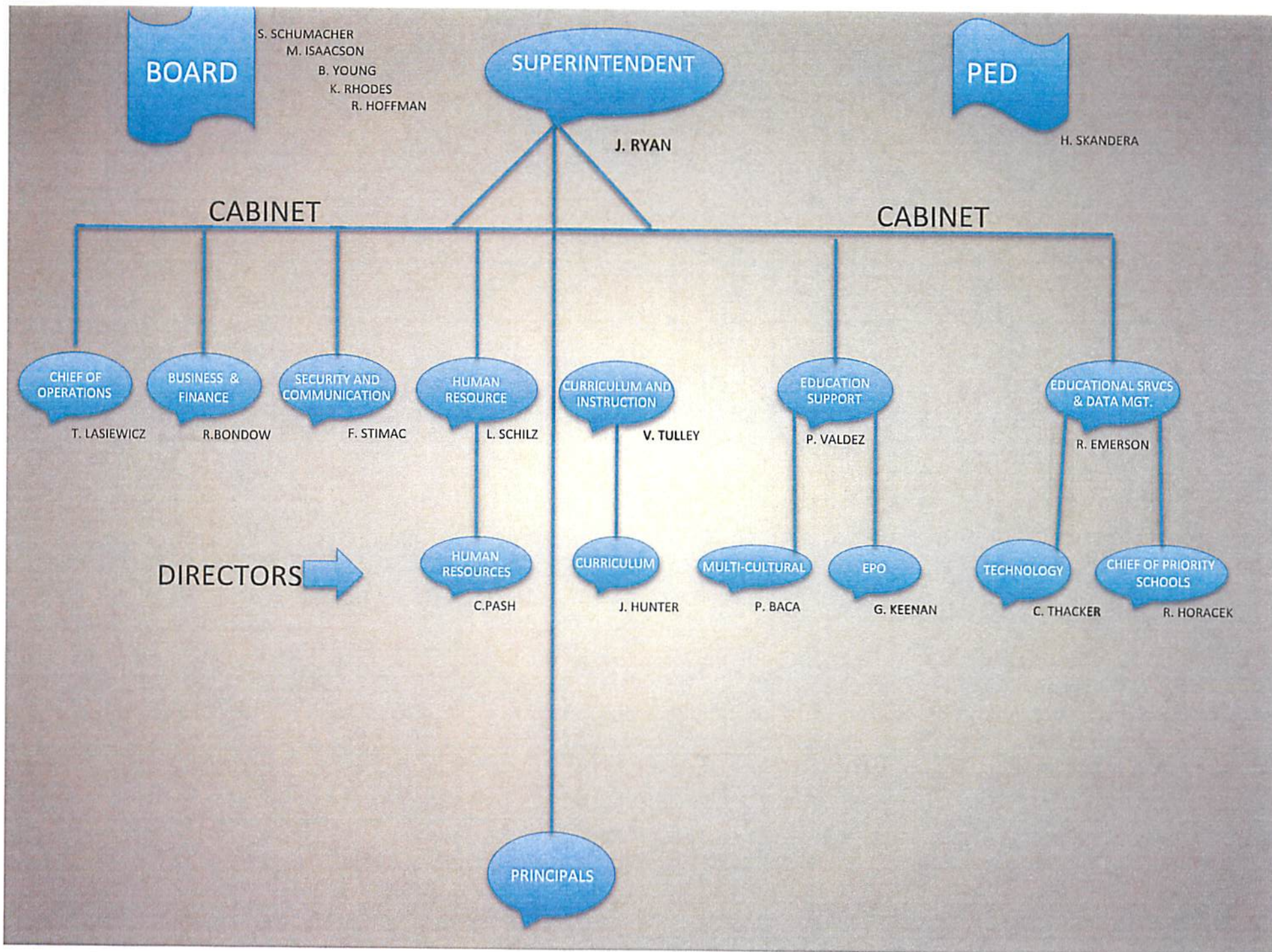
Mike Shirer ..... Board Member

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, 2013**

Executive Director/CEO

**TRANSMITTAL LETTER**

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## 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, 2014

### **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, 2014.

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, 2014.

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, 2014, 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, 2014, 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 10,923 students. There are 10 elementary schools, 4 middle schools, an alternative 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 17 students.

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 District is required by State law to submit to the Public Education Department by April 15 of each year, a projected budget for the District for the ensuing fiscal year. If the District fails to submit a budget, the Public Education Department must prepare a projected 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 projected 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 maintains 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 of over 260,000 including the Navajo Nation, the largest Indian reservation in the country.

Within the past 3 years, Farmington has seen the addition of Texas Roadhouse, 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 ("APS") Company operates Four Corners Power Plant, a five-unit 2,040 megawatt coal-fired plant. Located on the Navajo Indian Reservation 20 miles west of Farmington, nearly 80% of the plant's employees are Native American. Three of the five units closed in December 2013 as part of a \$182 million plan for APS to meet environmental regulations. APS has purchased a larger stake in Units 4 and 5 of the Four Corners Power Plant that will remain open and do not need as much investment to meet EPA standards. APS has not been replacing workers at the plant as they quit or retired since 2010 when the plan was first proposed, avoiding layoffs from the closure. APS owned 15% of Units 4 and 5 and bought an additional 48% stake in them from Southern California Edison. PNM Resources Inc. of New Mexico, Salt River Project, El Paso Electric and Tucson Electric Power also own minority stakes in Units 4 and 5. APS expects to spend \$350 million by August 2018 upgrading Units 4 and 5 to meet EPA pollution standards by adding pollution controls in a process known as selective catalytic reduction.

The Public Service Company of New Mexico ("PNM") owns a significant portion of San Juan Generating Station, a four-unit, 1,800 megawatt, coal-fired plant located approximately 15 miles west of Farmington. The company operates San Juan Generating Station on behalf of itself and eight other owners in the West. The plant employs approximately 400 full-time employees and is the 7th largest coal-fired generating station in the West. The owners of San Juan Generating Station recently invested over \$320 million to significantly improve the plant's environmental performance and prepare it for the future. Coal is supplied by the San Juan and La Plata mines, which are owned by BHP Minerals. The San Juan mine is the only active underground mine in New Mexico. Coal usage is about 6.2 million tons per year. The San Juan Plant meets or exceeds all state and federal regulations for NO<sub>2</sub>, SO<sub>2</sub> and particulate control, and is a zero liquid discharge facility.

**Oil and Gas Production** The oil and gas industry has been important to the San Juan County economy since the 1920's and between the early 1950's and early 1980's 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 over 700 million barrels of oil and over 17 trillion cubic feet of natural gas, according to the New Mexico Energy, Minerals and Natural Resources Division. New Mexico ranks 6th in crude oil production and 4th in proven oil reserves. In addition, New Mexico is ranked 4th in natural gas production and 3rd 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 4th in oil production for the past three years and these rankings are not expected to change in the foreseeable future. Exploration for natural gas in coal seams throughout the San Juan Basin has increased potential reserves by as much as 50 trillion cubic feet.

The following tables set forth the history of oil and gas production in the County and the State as reported to the State Department of Taxation & Revenue Department by the Oil and Gas Accounting Commission.

**Crude Oil**

Calendar Year	San Juan County		New Mexico	
	Volume (Barrels)	Value (000's)	Volume (Barrels)	Value (000's)
2004	1,169,206	\$40,902	65,526,390	\$2,399,278
2005	1,678,961	55,236	61,903,476	3,080,155
2006	642,599	67,570	60,186,585	3,706,299
2007	1,052,512	65,864	59,213,297	3,761,620
2008	995,158	99,241	61,878,561	6,230,676
2009	1,056,286	48,457	62,353,958	3,333,533
2010	918,284	59,302	58,485,470	4,306,709
2011	2,167,068	80,745	72,649,112	6,309,905
2012	561,651	45,514	83,919,902	7,238,924
2013	1,274,573	107,152	100,986,118	9,176,093

Source: New Mexico ONGARD.

**Natural Gas**

Calendar Year	San Juan County		New Mexico	
	Volume (Barrels)	Value (000's)	Volume (Barrels)	Value (000's)
2004	620,129,443	\$3,281,179	1,549,230,660	\$7,858,969
2005	613,357,070	4,303,078	1,547,720,286	10,316,651
2006	623,232,123	3,793,857	1,525,969,201	10,405,876
2007	563,463,024	3,930,387	1,508,985,029	10,254,722
2008	475,771,277	4,138,521	1,399,508,571	12,772,531
2009	525,211,631	2,149,341	1,381,753,018	5,727,586
2010	426,402,736	2,297,225	1,155,151,796	6,414,098
2011	454,172,594	2,529,552	1,224,220,012	7,098,629
2012	240,905,680	650,723	528,027,589	1,472,412
2013	386,166,366	1,738,715	1,165,872,601	5,407,090

Source: New Mexico ONGARD.

**Coal Mining** BHP Billiton previously owned the three large mines producing coal for the Four Corners Power Plant and San Juan Generating Stations and transferred the mine to the Navajo Transitional Energy Co. ("NTEC") which was formed by the tribe to own the mine and other entities. BHP Billiton will continue to manage the mine through 2016 on behalf of the tribe. The Navajo Mine supplies the Four Corners Plant and the San Juan Mine, estimated to have useful life in excess of twenty years, supply the San Juan Plant. On December 30,



2013, the NTEC and Four Corners Plant executed a coal supply agreement from July 2016 through 2031. The Navajo Mine is located approximately 20 miles southwest of Farmington and the San Juan mine is northwest of Farmington. Coal production in New Mexico is estimated at over 13 million tons per year with coal reserves in San Juan of 80 million recoverable tons.

**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. Composed of over 110,000 acres, the project is currently 70% complete with approximately 70,000 acres under cultivation and over 40,000 acres still to be developed. NAPI produces high value crops such as potatoes, onions, beans, alfalfa, pumpkin, barley, corn, and wheat. The enterprise also includes a 12,000 head custom feedyard, testing laboratory, fresh pack operation, bean plant, pellet/granary operation, and potato storage facilities. Business ventures contracted with NAPI include production of sod and an orchard (apples, peaches, apricots, and pears). Located on the project and just seven miles south of Farmington on Highway 371, is a 300 acre industrial park.

NAPI's success is dependent on over 150 full-time and 800 seasonal employees. Ninety-nine percent of the employees are members of the Navajo Nation.

NAPI's mission is to develop, grow and maintain the resources of the projected 110,000 acres. As a grower, NAPI provides quality products under the "Navajo Pride" label.

**Medical** San Juan Regional Medical Center ("SJRMC") is an acute care hospital in the Four Corners region with 254 licensed beds. It received the Healthgrades Distinguished Hospital Award for Clinical Excellence in 2013 and is ranked among the top 5% in the nation for overall clinical excellence. In addition to this national recognition, SJRMC is also the only hospital in New Mexico and the Four Corners region to receive this distinction.

San Juan Regional Medical Center is designated a Level III Trauma Center and provides air ambulance service with a helicopter and a fixed wing aircraft. SJRMC provides a very broad range of medical, surgical and rehabilitation services. In addition to those services, the hospital also provides a Childbirth Center, a nephrology unit, a pediatric unit, an inpatient behavioral health unit, a day surgery center and extensive imaging and lab testing services. In addition, the hospital operates a number of offsite facilities.

**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 Historical 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 significantly over the 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 and Alamosa, CO, Las Vegas, NV and Show Low and Page, AZ.

**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 February 4, 2014 voters approved issuing \$35,000,000 in bonds to fund replacement of Farmington High School, Hermosa Middle School, Northeast Elementary and numerous improvement projects. Remaining funds from a 2010 bond issue supplement the funding of these projects.

The District will receive Public School Critical Capital Outlay funds in the amount of \$55,000,000 to help with construction of Farmington High School, Hermosa Middle School, and Northeast Elementary.

## **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 2014 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, 2013. This was the 21st consecutive year (1993-2013) 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 2013-2014 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, 2014, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents. We 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, 2014, as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material 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, 2014, and the respective changes in financial position 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, 2014, and the respective changes in financial position, 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 20, 2014 on our consideration of the District's' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Farmington, New Mexico  
October 20, 2014

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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, 2014. 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 xv – xxiv.

### Financial Highlights

- The assets of the Farmington Municipal School District exceeded liabilities at the close of the most recent fiscal year by \$138,076,041 (*net position*). Of this amount, \$22,634,154 (*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 \$53,717,058, a increase of \$17,818,771 in comparison with the prior year. Approximately 18% of this total amount, \$9,665,269 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 \$9,665,269 or 13% of the total general fund expenditures.
- The Farmington Municipal School District's total net debt increased by \$21,995,000 or 49% during the current fiscal year. The district retired \$7,985,000 of debt while issuing \$30,000,000 in new debt and refunding of the 2007 series resulting in \$20,000 decrease to principal.

### 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 54 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 43-52).

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 13-33 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 \$138,076,041 at the close of the most recent fiscal year.

A portion (70%) 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 2014	FY 2013	FY 2014	FY 2013
Current and other assets	\$ 75,572,395	\$ 53,649,535	\$ 75,572,395	\$ 53,649,535
Capital assets	\$ 140,246,079	\$ 127,331,357	\$ 140,246,079	\$ 127,331,357
Total assets	\$ 215,818,474	\$ 180,980,892	\$ 215,818,474	\$ 180,980,892
Current Liabilities	\$ 8,410,607	\$ 4,591,160	\$ 8,410,607	\$ 4,591,160
Noncurrent liabilities:				
Due within one year	\$ 9,650,214	\$ 8,597,902	\$ 9,650,214	\$ 8,597,902
Due in more than one year	\$ 59,211,612	\$ 38,369,868	\$ 59,211,612	\$ 38,369,868
Total liabilities	\$ 77,272,433	\$ 51,558,930	\$ 77,272,433	\$ 51,558,930
Net position:				
Invested in capital assets, net of related debt	\$ 97,274,871	\$ 87,888,998	\$ 97,274,871	\$ 87,888,998
Restricted	\$ 18,167,016	\$ 17,180,682	\$ 18,167,016	\$ 17,180,682
Unrestricted	\$ 22,634,154	\$ 24,352,282	\$ 22,634,154	\$ 24,352,282
Total net position	\$ 138,076,041	\$ 129,421,962	\$ 138,076,041	\$ 129,421,962

### Farmington Municipal School District's Net Position

A large portion of Farmington Municipal School District's net position (13%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$22,634,154) 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 \$8,654,079 during the current fiscal year. Total assets increased primarily due to an increase in cash from the bond sale and an increase in capital assets caused by the construction of a new middle school. Long-term liabilities increased due to the issuance of debt partially offset by the retirement of bonds.

**Governmental activities.** Governmental activities increased Farmington Municipal School District's net position by \$8,654,079. Key elements of this increase are as follows:

- A 5.1% 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.
- A 2.0% decrease in expenses for the district was primarily due to an increase in the number of teachers from the prior year offset by operations and maintenance and facilities, supplies and materials.

### Farmington Municipal School District's Changes in Net Position

	Governmental Activities		Total	
	FY2014	FY2013	FY2014	FY2013
<b>Revenues:</b>				
<b>Program Revenues:</b>				
Charges for services	\$ 1,946,638	\$ 1,817,126	\$ 1,946,638	\$ 1,817,126
Operating grants & contributions	\$ 13,334,879	\$ 12,844,998	\$ 13,334,879	\$ 12,844,998
Capital grants & contributions	\$ 1,255,020	\$ 242,271	\$ 1,255,020	\$ 242,271
<b>General Revenues:</b>			\$ -	\$ -
Property taxes-general purpose	\$ 590,888	\$ 579,898	\$ 590,888	\$ 579,898
Property taxes-debt service	\$ 11,034,174	\$ 10,762,854	\$ 11,034,174	\$ 10,762,854
Property taxes-capital projects	\$ 2,942,681	\$ 2,892,633	\$ 2,942,681	\$ 2,892,633
<i>Grants and contributions not restricted to specific programs</i>			\$ -	\$ -
	\$ 73,575,299	\$ 70,013,110	\$ 73,575,299	\$ 70,013,110
<b>Other:</b>			\$ -	\$ -
Earnings from investments	\$ 17,879	\$ 23,467	\$ 17,879	\$ 23,467
Gain on sale of capital asset	\$ -	\$ -	\$ -	\$ -
<b>Total Revenues</b>	<b>\$ 104,697,458</b>	<b>\$ 99,176,357</b>	<b>\$ 104,697,458</b>	<b>\$ 99,176,357</b>
<b>Expenses:</b>				
Direct instruction	\$ 56,300,845	\$ 50,490,205	\$ 56,300,845	\$ 50,490,205
Support Services:			\$ -	\$ -
Students	\$ 10,934,607	\$ 10,256,813	\$ 10,934,607	\$ 10,256,813
Instruction - support	\$ 1,782,540	\$ 2,166,682	\$ 1,782,540	\$ 2,166,682
General administrative	\$ 1,474,637	\$ 1,189,237	\$ 1,474,637	\$ 1,189,237
School administrative	\$ 5,117,842	\$ 6,443,991	\$ 5,117,842	\$ 6,443,991
Central services	\$ 859,423	\$ 477,143	\$ 859,423	\$ 477,143
Operations and maintenance	\$ 4,194,480	\$ 7,627,858	\$ 4,194,480	\$ 7,627,858
Student transportation	\$ 3,082,206	\$ 3,154,396	\$ 3,082,206	\$ 3,154,396
Other support services	\$ 91,023	\$ 73,326	\$ 91,023	\$ 73,326
Non-instructional services			\$ -	\$ -
Food services	\$ 4,018,871	\$ 3,843,284	\$ 4,018,871	\$ 3,843,284
Community services	\$ 7,408	\$ 13,502	\$ 7,408	\$ 13,502
Facilities, supplies and materials	\$ 3,046,988	\$ 9,217,681	\$ 3,046,988	\$ 9,217,681
Depreciation - unallocated	\$ 4,025,893	\$ 1,639,781	\$ 4,025,893	\$ 1,639,781
Interest on long-term obligations	\$ 1,106,616	\$ 1,373,015	\$ 1,106,616	\$ 1,373,015
Operation of non-instruction services	\$ -	\$ -	\$ -	\$ -
Athletics	\$ -	\$ -	\$ -	\$ -
Other	\$ -	\$ -	\$ -	\$ -
<b>Total Expenses</b>	<b>\$ 96,043,379</b>	<b>\$ 97,966,914</b>	<b>\$ 96,043,379</b>	<b>\$ 97,966,914</b>
Increase/(Decrease) in net position	\$ 8,654,079	\$ 1,209,443	\$ 8,654,079	\$ 1,209,443
Net position - Beginning	\$ 129,421,962	\$ 128,212,519	\$ 129,421,962	\$ 128,212,519
Net position - Ending	\$ 138,076,041	\$ 129,421,962	\$ 138,076,041	\$ 129,421,962

## 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 \$53,717,058 an increase in comparison with the prior year. Approximately 18% of this total amount (\$9,665,269) 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 (\$14,208,070), 2) for capital projects (\$28,055,811) and 3) a variety of other restricted purposes (\$1,787,908).

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 \$9,665,269, 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 13% percent of the total general fund expenditures, and the total fund balance represents 13% as well since none of the general fund balance was restricted at June 30, 2014.

The fund balance of Farmington Municipal School District's general fund decreased by \$1,919,298 during the current fiscal year. Farmington Municipal Schools District's board and management recognizes the need for maintaining an adequate operational cash fund balance to assure sound fiscal management of its financial resources while maintaining the district's high bond rating and to assure the availability of funds when unexpected financial demands are made on the Farmington Municipal Schools. The revenue increases from the state did materialize to the level forecasted by the state. The district increased expenditures primarily by increasing the number of teachers and salary increases for all employees. 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 GO Bonds debt service fund's total fund balance was \$11,453,478 that is restricted for the payment of debt service. This is a net increase in fund balance of



\$3,115,263. 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 \$2,754,592. The total amount is restricted for the payment of debt service. This is a net decrease in fund balance of \$1,155,810. The decrease is the result of an increase in the amount of debt that was retired.

There was an increase of \$15,635,475 in the fund balance of the bond building capital fund resulting in a fund balance of \$22,758,764. The increase was the result of new debt issued offset by expenditures for construction projects in the current fiscal year.

The SB-9 capital improvement fund balance was \$475,052 that is used primarily for maintenance and repair of facilities and grounds. This is a net decrease in fund balance of \$715,541. 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 decreased by 5.3% compared to the prior year due to the reimbursement of a state grant being delayed to the current fiscal year. Expenditures increased due to an increase 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 \$1,269,586, which can be briefly summarized as follows:

- The difference resulted from a mid-year increase in revenue from the state in state equalization funds due to the district's enrollment increasing by 2.3% for the fiscal year.
- Expenditures were increased to balance the budget.
- Additional cash from 6/30/13 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, 2014 amounts to \$140,246,079 (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 \$140,246,079 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 completed.
- Assets were restated due to finding that prior year capitalizations were in error.

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	
	FY2014	FY2013	FY2014	FY2013
Land	\$ 4,142,761	\$ 4,142,761	\$ 4,142,761	\$ 4,142,761
Construction in progress	\$ 1,403,772	\$ 11,215,143	\$ 1,403,772	\$ 11,215,143
Land improvements	\$ 340,309	\$ 484,880	\$ 340,309	\$ 484,880
Buildings and improvements	\$ 131,230,150	\$ 109,402,512	\$ 131,230,150	\$ 109,402,512
Machinery and equipment	\$ 3,129,087	\$ 2,086,061	\$ 3,129,087	\$ 2,086,061
Total	\$ 140,246,079	\$ 127,331,357	\$ 140,246,079	\$ 127,331,357

**Long-term debt.** At the end of the current fiscal year, Farmington Municipal School District had total bonded debt outstanding of \$66,975,000. 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 FY 2014	Total FY 2013
General obligation bonds	\$66,975,000	\$44,980,000

Farmington Municipal School District's total debt increased by \$21,995,000 during the current fiscal year. The district retired \$7,985,000 of debt while issuing \$30,000,000 in new debt including a refunding of the 2007 series that resulted in a \$20,000 reduction in principal. 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 \$88,302,824 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 page 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 2013-2014 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 does not anticipate a significant increase in funding allocated for schools in FY2016. The board of education is being proactive and considering ways to reduce expenditures and maintain the district's cash balance in preparation for no significant increase 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 \$9,665,269 of its unassigned fund balance for spending in the 2015 fiscal year budget. The \$9,665,269 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, 2014

	<u>Primary Government Governmental Activities</u>	<u>Component Unit</u>
<b><u>ASSETS:</u></b>		
Cash and cash equivalents	\$ 57,352,645	\$ 452,086
Receivables (net, where applicable, of allowances for uncollectables):		
Property taxes	13,772,322	-
Due from other governments	4,323,636	151,893
Inventories	123,792	-
Capital assets not being depreciated:		
Land	4,142,761	-
Construction in progress	1,403,772	-
Capital assets (net of accumulated depreciation):		
Buildings and improvements	131,230,150	-
Improvements other than buildings	340,309	-
Equipment	3,129,087	-
	<u>215,818,474</u>	<u>603,979</u>
<b>Total assets</b>		
	<u>215,818,474</u>	<u>603,979</u>
<b><u>LIABILITIES:</u></b>		
Accounts payable	4,939,040	54,047
Accrued payroll, taxes and benefits	2,425,398	108,119
Accrued interest payable	327,592	-
Unearned revenue	718,577	-
Noncurrent liabilities:		
Due within one year	9,650,214	-
Due in more than one year	59,211,612	-
	<u>77,272,433</u>	<u>162,166</u>
<b>Total liabilities</b>		
	<u>77,272,433</u>	<u>162,166</u>
<b><u>DEFERRED INFLOWS OF RESOURCES:</u></b>		
Deferred credit on refunding	470,000	-
	<u>470,000</u>	<u>-</u>
<b><u>NET POSITION:</u></b>		
Net investment in capital assets	97,274,871	-
Restricted for:		
Transportation	140,072	-
Instructional materials	187,666	3,269
Restricted by grantor	1,116,249	-
Athletic program	126,989	-
Student activities	216,932	-
Capital projects funds	2,171,038	-
Debt Service funds	14,208,070	-
Unrestricted	22,634,154	438,544
	<u>22,634,154</u>	<u>438,544</u>
<b>Total net position</b>		
	<u>\$ 138,076,041</u>	<u>\$ 441,813</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 ACTIVITIES  
 Year Ended June 30, 2014

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Change in Net Position</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Governmental Activities</u>	<u>Component Unit Charter School</u>
<b>Primary Government:</b>						
Governmental activities:						
Instruction	\$ 56,300,845	\$ 293,156	\$ 5,783,774	\$ -	\$ (50,223,915)	\$ -
Support services:						
Students	10,934,607	768,601	2,509,837	-	(7,656,169)	-
Instruction - support	1,782,540	-	172,804	-	(1,609,736)	-
General administrative	1,474,637	-	105,338	-	(1,369,299)	-
School administrative	5,117,842	-	1,370,932	-	(3,746,910)	-
Central services	859,423	-	140,303	-	(719,120)	-
Operations and maintenance	4,194,480	-	-	-	(4,194,480)	-
Student transportation	3,082,206	-	-	1,255,020	(1,827,186)	-
Other support services	91,023	-	-	-	(91,023)	-
Non-instructional services:						
Food services	4,018,871	884,881	3,250,891	-	116,901	-
Community services	7,408	-	1,000	-	(6,408)	-
Facilities, supplies and material	3,046,988	-	-	-	(3,046,988)	-
Depreciation - unallocated	4,025,893	-	-	-	(4,025,893)	-
Interest on long-term obligation:	1,106,616	-	-	-	(1,106,616)	-
<b>Total governmental activities</b>	<b>\$ 96,043,379</b>	<b>\$ 1,946,638</b>	<b>\$ 13,334,879</b>	<b>\$ 1,255,020</b>	<b>(79,506,842)</b>	<b>-</b>
<b>Component Unit Activities:</b>						
Charter school	\$ 2,757,855	\$ -	\$ 282,742	\$ -		(2,475,113)
General revenues:						
Taxes:						
Property taxes, levied for general purposes					590,888	-
Property taxes, levied for debt service					11,034,174	-
Property taxes, levied for capital projects					2,942,681	-
Federal and state grants not restricted for specific programs						
General					73,575,299	2,451,915
Earnings from investments					17,879	-
<b>Total general revenues</b>					<b>88,160,921</b>	<b>2,451,915</b>
Change in net position					8,654,079	(23,198)
Net position - beginning					81,016,811	465,011
Restatement					48,405,151	-
Net position - beginning (as restated)					129,421,962	465,011
Net position - ending					<b>\$ 138,076,041</b>	<b>\$ 441,813</b>

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, 2014

	Operational	Transportatio	Instructional	Debt	Educational	Bond	SB-9 Capital	Educational	Other	Total
	11000	13000	Materials	Service	Technical	Building	Improvements	Equipment	Governmental	Governmental
ASSETS			14000	41000	43000	31100	31700	31900	Funds	Funds
Pooled cash and investment	\$ 9,221,046	\$ 16,280	\$ 187,666	\$11,191,167	\$ 2,670,654	\$24,438,330	\$ 678,376	\$ 5,457,180	\$ 3,491,946	\$ 57,352,645
Property taxes receivables	546,616	-	-	5,607,114	4,835,301	-	2,783,291	-	-	13,772,322
Due from other governments	20,379	-	-	262,311	83,938	-	92,784	-	3,864,224	4,323,636
Due from other funds	2,984,352	-	-	-	-	-	-	-	718,577	3,702,929
Inventories	-	123,792	-	-	-	-	-	-	-	123,792
<b>Total assets</b>	<b>\$12,772,393</b>	<b>\$ 140,072</b>	<b>\$ 187,666</b>	<b>\$17,060,592</b>	<b>\$ 7,589,893</b>	<b>\$24,438,330</b>	<b>\$ 3,554,451</b>	<b>\$ 5,457,180</b>	<b>\$ 8,074,747</b>	<b>\$ 79,275,324</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>										
<b>Liabilities:</b>										
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,702,929	\$ 3,702,929
Accounts payable	135,110	-	-	-	-	1,679,566	296,108	2,331,171	497,085	4,939,040
Accrued payroll, taxes and benefits	2,425,398	-	-	-	-	-	-	-	-	2,425,398
Unearned revenue	-	-	-	-	-	-	-	-	718,577	718,577
<b>Total liabilities</b>	<b>2,560,508</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,679,566</b>	<b>296,108</b>	<b>2,331,171</b>	<b>4,918,591</b>	<b>11,785,944</b>
<b>Deferred Inflows of Resources:</b>										
Unavailable revenue - property taxes	546,616	-	-	5,607,114	4,835,301	-	2,783,291	-	-	13,772,322
<b>Fund balances:</b>										
<b>Restricted:</b>										
Transportation	-	140,072	-	-	-	-	-	-	-	140,072
Instructional materials	-	-	187,666	-	-	-	-	-	-	187,666
Restricted by grantor Athletic program	-	-	-	-	-	-	-	-	1,116,249	1,116,249
Student activities	-	-	-	-	-	-	-	-	126,989	126,989
Capital projects funds	-	-	-	-	-	22,758,764	475,052	3,126,009	1,695,986	28,055,811
Debt service funds	-	-	-	11,453,478	2,754,592	-	-	-	-	14,208,070
<b>Unassigned:</b>										
General fund	9,665,269	-	-	-	-	-	-	-	-	9,665,269
<b>Total fund balances</b>	<b>9,665,269</b>	<b>140,072</b>	<b>187,666</b>	<b>11,453,478</b>	<b>2,754,592</b>	<b>22,758,764</b>	<b>475,052</b>	<b>3,126,009</b>	<b>3,156,156</b>	<b>53,717,058</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$12,772,393</b>	<b>\$ 140,072</b>	<b>\$ 187,666</b>	<b>\$17,060,592</b>	<b>\$ 7,589,893</b>	<b>\$24,438,330</b>	<b>\$ 3,554,451</b>	<b>\$ 5,457,180</b>	<b>\$ 8,074,747</b>	

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.	140,246,079
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	13,772,322
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(69,659,418)
<b>Net position of governmental activities in the statement of net position</b>	<b>\$ 138,076,041</b>

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, 2014

	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		
<b>Revenues:</b>										
<b>Intergovernmental:</b>										
State equalization guarantee	\$ 69,945,424	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 69,945,424
Transportation	-	2,877,620	-	-	-	-	-	-	-	2,877,620
State instructional material	-	-	752,255	-	-	-	-	-	-	752,255
Grants - federal	84,891	-	-	-	-	-	-	-	11,420,792	11,505,683
Grants - state and local	50,800	-	-	-	-	-	-	-	3,015,656	3,066,456
Taxes - property	588,592	-	-	8,396,190	2,489,837	-	2,925,995	-	-	14,400,614
Fees and activities	290,062	-	-	-	-	-	-	-	1,656,576	1,946,638
Earnings from investments	12,142	-	-	1,734	779	1,836	279	309	800	17,879
Donations and miscellaneous	17,010	-	-	-	-	-	750	-	-	17,760
<b>Total revenue</b>	<b>70,988,921</b>	<b>2,877,620</b>	<b>752,255</b>	<b>8,397,924</b>	<b>2,490,616</b>	<b>1,836</b>	<b>2,927,024</b>	<b>309</b>	<b>16,093,824</b>	<b>104,530,329</b>
<b>Expenditures:</b>										
Instruction	48,638,296	-	1,029,433	-	-	-	-	-	6,503,578	56,171,307
Support services:	-	-	-	-	-	-	-	-	-	-
Students	8,413,211	-	-	-	-	-	-	-	2,509,837	10,923,048
Instruction - support	1,609,736	-	-	-	-	-	-	-	172,804	1,782,540
General administrative	1,447,410	-	-	76,921	22,785	-	26,795	-	105,338	1,679,249
School administrative	3,732,806	-	-	-	-	-	-	-	1,370,932	5,103,738
Central services	712,918	-	-	-	-	-	-	-	140,303	853,221
Operations & maintenance of plant	8,256,411	-	-	-	-	-	-	-	-	8,256,411
Student transportation	-	2,867,663	-	-	-	-	-	-	1,255,020	4,122,683
Other support services	91,023	-	-	-	-	-	-	-	-	91,023
Non-instructional services:	-	-	-	-	-	-	-	-	-	-
Food services	-	-	-	-	-	-	-	-	4,025,369	4,025,369
Community services	6,408	-	-	-	-	-	-	-	1,000	7,408
Capital outlay	-	-	-	-	-	7,939,461	3,615,770	3,384,049	-	14,939,280
Non-operating emergency reserves	-	-	-	-	-	-	-	-	-	-
Debt service:	-	-	-	-	-	-	-	-	-	-
Principal retirement	-	-	-	4,525,000	3,460,000	-	-	-	-	7,985,000
Bond interest paid	-	-	-	1,060,488	183,841	-	-	-	-	1,244,129
Debt issuance costs	-	-	-	-	-	33,265	-	-	-	33,265
<b>Total expenditures</b>	<b>72,908,219</b>	<b>2,867,663</b>	<b>1,029,433</b>	<b>5,662,409</b>	<b>3,646,426</b>	<b>7,972,726</b>	<b>3,642,565</b>	<b>3,384,049</b>	<b>16,084,181</b>	<b>117,197,671</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(1,919,298)</b>	<b>9,957</b>	<b>(277,178)</b>	<b>2,735,515</b>	<b>(1,155,810)</b>	<b>(7,970,890)</b>	<b>(715,541)</b>	<b>(3,383,740)</b>	<b>9,643</b>	<b>(12,667,342)</b>
<b>Other financing sources (uses)</b>										
Bonds issued	-	-	-	-	-	27,030,000	-	6,500,000	-	33,530,000
Premium on debt issued	-	-	-	-	-	486,113	-	-	-	486,113
Refunded bond escrow	-	-	-	-	-	(3,530,000)	-	-	-	(3,530,000)
Transfer out	-	-	-	379,748	-	(379,748)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>379,748</b>	<b>-</b>	<b>23,606,365</b>	<b>-</b>	<b>6,500,000</b>	<b>-</b>	<b>30,486,113</b>
<b>Net change in fund balances</b>	<b>(1,919,298)</b>	<b>9,957</b>	<b>(277,178)</b>	<b>3,115,263</b>	<b>(1,155,810)</b>	<b>15,635,475</b>	<b>(715,541)</b>	<b>3,116,260</b>	<b>9,643</b>	<b>17,818,771</b>
<b>Fund balances at beginning</b>	<b>11,584,587</b>	<b>130,115</b>	<b>464,844</b>	<b>8,338,215</b>	<b>3,910,402</b>	<b>7,123,289</b>	<b>1,190,593</b>	<b>9,749</b>	<b>3,146,513</b>	<b>35,898,287</b>
<b>Fund balances at ending</b>	<b>9,665,289</b>	<b>140,072</b>	<b>187,666</b>	<b>11,453,478</b>	<b>2,754,592</b>	<b>22,758,764</b>	<b>475,052</b>	<b>3,126,009</b>	<b>3,156,156</b>	<b>53,717,058</b>

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, 2014

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

Net change in fund balances - total governmental funds (page 6)	\$ 17,818,771
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.	12,914,722
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	167,129
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.	(22,280,584)
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>34,041</u>
Change in net position of governmental activities (page 4)	<u>\$ 8,654,079</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Federal sources:</b>				
Public Law 874	\$ 73,005	\$ 73,005	\$ -	\$ (73,005)
Federal flowthrough grants	33,595	33,595	18,958	(14,637)
Federal direct grants	<u>37,891</u>	<u>37,891</u>	<u>65,933</u>	<u>28,042</u>
<b>Total federal revenues</b>	<u>144,491</u>	<u>144,491</u>	<u>84,891</u>	<u>(59,600)</u>
<b>State sources:</b>				
State equalization guarantee	68,676,871	69,946,457	69,945,424	(1,033)
State flow through grants	<u>273,184</u>	<u>273,184</u>	<u>50,800</u>	<u>(222,384)</u>
<b>Total state revenues</b>	<u>68,950,055</u>	<u>70,219,641</u>	<u>69,996,224</u>	<u>(223,417)</u>
<b>Local sources:</b>				
District school tax levy	591,974	591,974	585,784	(6,190)
Fees and activities	33,945	33,945	290,062	256,117
Earnings from investments	26,837	26,837	12,142	(14,695)
Donations and miscellaneous	<u>-</u>	<u>-</u>	<u>17,010</u>	<u>17,010</u>
<b>Total local revenues</b>	<u>652,756</u>	<u>652,756</u>	<u>904,998</u>	<u>252,242</u>
<b>Total revenues</b>	<u>69,747,302</u>	<u>71,016,888</u>	<u>70,986,113</u>	<u>(30,775)</u>
<b>Expenditures:</b>				
Instruction	51,988,941	52,883,996	48,601,693	4,282,303
<b>Support Services:</b>				
Students	8,863,006	8,862,506	8,413,211	449,295
Instruction - Support	2,166,945	2,161,476	1,609,736	551,740
General Administration	1,612,034	1,612,034	1,447,410	164,624
School Administration	3,646,962	3,733,262	3,732,806	456
Central Services	758,965	855,215	712,918	142,297
Operation & Maintenance of Plan	9,131,741	9,322,691	8,256,411	1,066,280
Other Support Services	2,131,417	2,131,417	91,023	2,040,394
<b>Non-Instructional Services:</b>				
Community Services	<u>316</u>	<u>7,316</u>	<u>6,408</u>	<u>908</u>
<b>Total expenditures</b>	<u>80,300,327</u>	<u>81,569,913</u>	<u>72,871,616</u>	<u>8,698,297</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Excess (deficiency) of revenues over (under) expenditures	(10,553,025)	(10,553,025)	(1,885,503)	8,667,522
Other financing sources (uses): Transfer out	-	-	-	-
Net change in fund balances	(10,553,025)	(10,553,025)	(1,885,503)	8,667,522
Beginning cash balance budgeted	10,553,025	10,553,025	-	(10,553,025)
Fund balances at beginning of the year	-	-	11,584,567	11,584,567
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	9,699,064	<u>\$ 9,699,064</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			2,808	
Changes in payables			<u>(36,603)</u>	
			<u>\$ 9,665,269</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
Transportation	\$ 2,685,839	\$ 2,877,620	\$ 2,877,620	\$ -
Total state revenues	<u>2,685,839</u>	<u>2,877,620</u>	<u>2,877,620</u>	<u>-</u>
Expenditures:				
Support Services:				
Student Transportation	<u>2,685,839</u>	<u>2,877,620</u>	<u>2,866,730</u>	<u>10,890</u>
Total expenditures	<u>2,685,839</u>	<u>2,877,620</u>	<u>2,866,730</u>	<u>10,890</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	10,890	10,890
Beginning cash balance budgeted	-	-	-	-
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>130,115</u>	<u>130,115</u>
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	141,005	<u>\$ 141,005</u>
RECONCILIATION TO GAAP BASIS:				
Change in Inventories			<u>(933)</u>	
			<u>\$ 140,072</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>State sources:</b>				
State instructional material	\$ -	\$ 565,150	\$ 752,255	\$ 187,105
Total state revenues	-	565,150	752,255	187,105
<b>Expenditures:</b>				
Instruction	-	1,029,994	1,029,433	561
Total expenditures	-	1,029,994	1,029,433	561
Excess (deficiency) of revenues over (under) expenditures	-	(464,844)	(277,178)	187,666
Beginning cash balance budgeted	-	464,844	-	(464,844)
Fund balances at beginning of the year	-	-	464,844	464,844
Fund balances at end of the year	\$ -	\$ -	187,666	\$ 187,666
<b>RECONCILIATION TO GAAP BASIS:</b>				
Changes in payables			-	
			\$ 187,666	

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, 2014

	<u>Student Activities</u>
<b><u>ASSETS</u></b>	
Pooled cash and investments	<u>\$ 1,639,420</u>
<b><u>LIABILITIES</u></b>	
Deposits held in trust for others	<u>1,639,420</u>
Total liabilities	<u>\$ 1,639,420</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, 2014

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, 2014.

*Discretely presented component units*

The District had one discrete component unit during the fiscal year ended June 30, 2014. 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. 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 and deferred amounts on refundings, 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 and deferred amounts on refundings.

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.

## ***8. Deferred outflows/inflows of resources***

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

## ***9. Net position***

In the government-wide financial statements, net position is reported in three categories; net investment in capital assets, restricted net position, and unrestricted net position. Restricted net position represents restrictions by parties outside of the District (such as creditors, grantors, contributors, laws and regulations of other governments).

#### *10. 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.

#### *11. 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.

#### *12. 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.

### *13. 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 1<sup>st</sup> of each year and are payable in two equal installments, on November 10<sup>th</sup> of the year in which the tax bill is prepared and April 10<sup>th</sup> of the following year with the levies becoming delinquent 30 days 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 1<sup>st</sup> 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 \$69,659,418 difference are as follows:



Bonds payable	\$ 54,525,000
Plus: Refunding (to be amortized as interest expense)	470,000
Plus: Issuance premium (to be amortized as interest expense)	1,860,981
Capital lease	12,000,000
Accrued interest payable	327,592
Compensated absences	475,845
Net adjustment to reduce <i>fund balance-total governmental funds</i> to arrive at <i>net position – governmental activities</i>	<u>\$ 69,659,418</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 \$12,914,722 difference are as follows:

Capital outlay	\$ 17,545,334
Depreciation expense	<u>(4,630,612)</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>\$ 12,914,722</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 \$(22,280,584) difference are as follows:

Bonds principal issued	\$ (27,030,000)
Bonds principal repayments	9,585,000
Capital lease issued	(6,500,000)
Capital lease repayments	2,400,000
Refunding adjustment	(470,000)
Issuance premium	(486,113)
Amortization of issuance premiums	220,529
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>\$ (22,280,584)</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 \$34,041 difference are as follows:

Compensated absences	\$ (83,472)
Accrued interest	<u>117,513</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>\$ 34,041</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, 2014, the District's expenditures did not exceed approved budgetary authority.

**C. Deficit Fund Equity**

As of June 30, 2014, 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, 2014, are as follows:

**Primary Government:**

Bank deposits	\$ 56,247,517
Certificates of deposit	1,405,235
State Treasurer's Office Local Government Investment Pool	1,339,313
Total	\$ 58,992,065
Governmental funds	\$ 57,352,645
Fiduciary – Agency Fund	1,639,420
Total	\$ 58,992,065

**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, 2014, the District was in compliance with state statute. As of June 30, 2014, the District's carrying amount of deposits was \$57,652,752 and the bank balance was \$59,229,645. Of the bank balance, \$1,250,000 was covered by federal depository insurance. \$34,299,349 was collateralized with securities held by the pledging financial institution's trust department or agent in the District's name, and \$23,680,296 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, 2014. 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 48.6 days and WAM(F) was 116.2 days, at June 30, 2014. 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, 2014, the Component Unit was in compliance with state statute. As of June 30, 2014, the Component Unit's carrying amount of deposits was \$452,086 and the bank balance was \$519,235. Of the bank balance, \$250,000 was covered by federal depository insurance. \$269,235 was collateralized with securities held by the pledging financial institution's trust department or agent in the District's name, and \$0 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:**

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
<b>Receivables:</b>					
Property taxes Receivable	\$ 546,616	\$ -	\$10,442,415	\$2,783,291	\$13,772,322
Due from other governments	20,379	3,864,224	346,249	92,784	4,323,636

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	\$ 13,772,322	\$ -
Grant proceeds not yet earned	-	3,864,224
Total deferred / unearned revenue for governmental funds	<u>\$ 13,772,322</u>	<u>\$ 3,864,224</u>

**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>
Operational fund	\$2,984,352	\$ -
Nonmajor special revenue funds	718,577	3,702,929

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.

**Operating Transfer in / out**

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

	<u>Transfer In</u>	<u>Transfer Out</u>
Debt service fund (41000)	\$ 379,748	\$ -
Bond building fund (31100)	-	3791748

The transfers were required by the bond issue to move the premium on the issuance of debt to a debt service fund.

**Component Unit:**

		<u>Special</u>	
<i>Receivables:</i>	<u>General</u>	<u>Revenue</u>	<u>Total</u>
Due from other governments	\$ -	\$ 151,893	\$ 151,893

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	\$139,153	\$139,153

**C. Capital assets**

Capital asset activity for the year ended June 30, 2014 was as follows:

<b>Primary Government:</b>	<b>Balance</b>			<b>Balance</b>
	<u>July 1, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2014</u>
<b>Governmental Activities:</b>	(as restated)			
<b>Capital assets, not being depreciated:</b>				
Land	\$ 4,142,761	\$ -	\$ -	\$ 4,142,761
Construction in progress	11,215,143	-	(9,811,371)	1,403,772
<b>Total capital assets, not being depreciated</b>	<u>15,357,904</u>	<u>-</u>	<u>(9,811,371)</u>	<u>5,546,533</u>
<b>Capital assets, being depreciated:</b>				
Buildings and improvements	191,526,120	25,682,029	-	217,208,149
Improvements other than buildings	4,421,897	-	-	4,421,897
Equipment	8,220,959	1,674,676	-	9,895,635
<b>Total capital assets being depreciated</b>	<u>204,168,976</u>	<u>27,356,705</u>	<u>-</u>	<u>231,525,681</u>
<b>Less accumulated depreciation for:</b>				
Buildings and improvements	(82,123,608)	(3,854,391)	-	(85,977,999)
Improvements other than buildings	(3,937,017)	(144,571)	-	(4,081,588)
Equipment	(6,134,898)	(631,650)	-	(6,766,548)
<b>Total accumulated depreciation</b>	<u>(92,195,523)</u>	<u>(4,630,612)</u>	<u>-</u>	<u>(96,826,135)</u>
<b>Total capital assets, being depreciated, net</b>	<u>111,973,453</u>	<u>22,726,093</u>	<u>-</u>	<u>134,699,546</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 127,331,357</u>	<u>\$ 22,726,093</u>	<u>\$ (9,811,371)</u>	<u>\$ 140,246,079</u>

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

**Governmental activities:**

Instruction	\$ 78,787
Support services - students	11,559
Support services - instruction	-
Support services – general administrative	25,168
Support services – school administrative	14,104
Central services	6,202
Operations and maintenance of plant	71,838
Student transportation	366,524
Other support services	-
Non-instructional services – food services	30,537
Capital outlay - unallocated	4,025,893
<b>Total depreciation expense – governmental activities</b>	<u>\$ 4,630,612</u>

**Construction commitments**

The District contracts with outside vendors for construction and renovation of various facilities. As of June 30, 2014, commitments and encumbrances outstanding for capital projects totaled \$45,681,683. The amount of \$28,055,811 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 \$79,740,000.

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, 2014 are as follows:

	<u>Original Amount</u>	<u>Interest Rates</u>	<u>Balance June 30, 2014</u>
Series 2009 General Obligation Bonds	16,000,000	3.0% to 5.0%	\$ 4,275,000
Series 2010 General Obligation Refunding	4,900,000	2.0% to 3.5%	1,110,000
Series 2010 General Obligation Tech Notes	5,310,000	2.0% to 3.0%	2,210,000
Series 2011 General Obligation Bonds	12,500,000	3.0% to 4.0%	9,400,000
Series 2012 General Obligation Bonds	14,000,000	2.0% to 4.0%	10,500,000
Series 2014A General Obligation Bonds	23,500,000	2.0% to 3.0%	23,500,000
Series 2014B Refunding Bonds	3,530,000	2.00%	3,530,000
			<u>54,525,000</u>
Add (less) deferred amounts:			
For issuance premiums			<u>1,860,981</u>
<b>Total General Obligation Bonds</b>			<b><u>\$ 56,385,981</u></b>

Maturities of long-term debt as of June 30, 2014 are as follows:

<u>General Obligation Bonds</u>			
<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2015	7,700,000	1,325,172	9,025,172
2016	4,550,000	1,345,625	5,895,625
2017	3,595,000	1,240,825	4,835,825
2018	3,890,000	1,141,475	5,031,475
2019	3,825,000	1,034,575	4,859,575
2020-2024	17,900,000	3,482,813	21,382,813
2025-2029	13,065,000	775,325	13,840,325
Total	<u>\$ 54,525,000</u>	<u>\$ 10,345,810</u>	<u>\$ 64,870,810</u>

### Advance Refunding

The District issued \$3,530,000 of refunding bonds with an interest rate of 2%. The proceeds were used to advance refund \$4,000,000 of outstanding 2007 bonds which had interest rates ranging from 3.7% to 5.1%. The net proceeds of \$3,563,265 (including a \$106,365 premium and \$33,265 of issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, the 2007 bonds are considered defeased and the liability for those bonds has been removed from the statement of net position.

The reacquisition price was less than the carrying amount of the old debt by \$470,000. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt. The District advance refunded the 2007 bonds to reduce its total debt service payments over 4 years by \$217,767 and to obtain an economic gain (difference between the present values of the debt service payments on the old and the new debt) of \$216,967.

### Capital Lease Obligation

The District issued General Obligation Educational Technology Lease Purchase Agreement Series 2009, 2012 and 2014 to provide for the acquisition of computer equipment. The original amount of general obligation bonds issued was \$4,500,000, \$6,750,000 and \$6,500,000 during the fiscal years ended June 30, 2009, 2012 and 2014, 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, 2014, were as follows:

<u>Year Ended</u> <u>June 30,</u>	<u>2012 Issue</u> <u>Payments</u>	<u>2014 Issue</u> <u>Payments</u>	<u>Total</u>
2015	1,300,914	49,252	1,350,166
2016	2,160,717	1,757,733	3,918,450
2017	2,137,720	1,746,562	3,884,282
2018	-	1,730,206	1,730,206
2019	-	1,410,270	1,410,270
Total	5,599,351	6,694,023	12,293,374
Less: interest	(99,351)	(194,023)	(293,374)
Net	<u>\$ 5,500,000</u>	<u>\$ 6,500,000</u>	<u>\$ 12,000,000</u>

### Changes in Long-term Liabilities

Changes in Long-term Liabilities - During the year ended June 30, 2014, the following changes occurred in liabilities:



	Balance <u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2014</u>	Due Within <u>One Year</u>
<b>Bonds Payable:</b>					
General obligation bonds payable	\$ 37,080,000	\$ 27,030,000	\$ 9,585,000	\$ 54,525,000	\$ 7,700,000
Add (less) deferred amounts:					
For issuance premiums	<u>1,595,397</u>	<u>486,113</u>	<u>220,529</u>	<u>1,860,981</u>	<u>224,369</u>
Total bonds payable	38,675,397	27,516,113	9,805,529	56,385,981	7,924,369
Capital lease	<u>7,900,000</u>	<u>6,500,000</u>	<u>2,400,000</u>	<u>12,000,000</u>	<u>1,250,000</u>
Total	46,575,397	34,016,113	12,205,529	68,385,981	9,174,369
Compensated absences	<u>392,373</u>	<u>488,337</u>	<u>404,865</u>	<u>475,845</u>	<u>475,845</u>
Total	<u>\$ 46,967,770</u>	<u>\$ 34,504,450</u>	<u>\$ 12,610,394</u>	<u>\$ 68,861,826</u>	<u>\$ 9,650,214</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, 2014.

### 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](http://www.nmrhca.state.nm.us).

The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the employer and employee contributions can be changed by the New Mexico State Legislature. Employers that choose to become participating employers after January 1, 1998, are required to make contributions to the 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, 2014, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2014, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15 (G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and

employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

### **Primary Government**

The District's contributions to the RHCA for the years ended June 30, 2014, 2013 and 2012 were \$1,079,558, \$1,007,459 and \$925,845, respectively, which equal the required contributions each year.

### **Component Unit**

The Component Unit's contributions to the RHCA for the years ended June 30, 2014, 2013 and 2012 were \$13,605, \$11,702 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](http://www.nmerb.org).

#### *Funding Policy.*

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

**Employer Contributions -** The District contributed 13.15% of gross covered salary in fiscal year 2014. In fiscal year 2015 the District will contribute 13.9% of gross covered salary.

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, 2014, 2013, and 2012 were \$6,315,960, \$4,870,519 and \$4,761,588, 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, 2014, 2013, and 2012 were \$89,451, \$63,419 and \$0, respectively, which equal the amount of the required contributions for each fiscal year.

#### E. Subsequent Accounting Standard Pronouncements

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

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

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

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

#### E. Subsequent Events Review

The District has evaluated subsequent events through October 20, 2014, which is the date the financial statements were available to be issued.

#### F. Prior Year Correction

During the year ended June 30, 2014, the District discovered that the 2013 capital assets and related accumulated depreciation was not properly recorded in prior years. The beginning capital asset amounts, related accumulated depreciation and net position on the statement of net position are corrected as follows:

	<u>As Reported</u>	<u>Changes</u>	<u>As Restated</u>
Land	\$ 3,444,131	\$ 698,630	\$ 4,142,761
Buildings and improvements (net)	60,602,744	48,799,768	109,402,512
Improvements other than buildings (net)	1,396,976	(912,096)	484,880
Equipment (net)	2,267,212	(181,151)	2,086,061
Net investment in capital assets	(39,483,847)	(48,405,151)	(87,888,998)

The depreciation expense on the statement of activities for the year ended June 30, 2013 was reported as \$3,946,635 and should have been reported at \$4,386,104.

The detail changes for the capital assets restated above are listed as follows:

<b>Primary Government:</b>	<b>Balance</b>		<b>Balance</b>
	<u>June 30, 2013</u>	<u>Changes</u>	<u>June 30, 2013</u>
<b>Governmental Activities:</b>	(as reported)		(as restated)
<b>Capital assets, not being depreciated:</b>			
Land	\$ 3,444,131	\$ 698,630	\$ 4,142,761
Construction in progress	<u>11,215,143</u>	<u>-</u>	<u>11,215,143</u>
Total capital assets, not being depreciated	<u>14,659,274</u>	<u>698,630</u>	<u>15,357,904</u>
<b>Capital assets, being depreciated:</b>			
Buildings and improvements	97,118,144	94,407,976	191,526,120
Improvements other than buildings	8,154,549	(3,732,652)	4,421,897
Equipment	<u>18,495,390</u>	<u>(10,274,431)</u>	<u>8,220,959</u>
Total capital assets being depreciated	<u>123,768,083</u>	<u>80,400,893</u>	<u>204,168,976</u>
<b>Less accumulated depreciation for:</b>			
Buildings and improvements	(36,515,400)	(45,608,208)	(82,123,608)
Improvements other than buildings	(6,757,573)	2,820,556	(3,937,017)
Equipment	<u>(16,228,178)</u>	<u>10,093,280</u>	<u>(6,134,898)</u>
Total accumulated depreciation	<u>(59,501,151)</u>	<u>(32,694,372)</u>	<u>(92,195,523)</u>
Total capital assets, being depreciated, net	<u>64,266,932</u>	<u>47,706,521</u>	<u>111,973,453</u>
Governmental activities capital assets, net	<u>\$ 78,926,206</u>	<u>\$ 48,405,151</u>	<u>\$ 127,331,357</u>

Fund balances on the government funds financial statements were correctly reported as of June 30, 2013.

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**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 Subgrant – NM Autism Project 24108** - To assure the availability of a free appropriate education and support services for students with Autism Spectrum Disorders. Grant scope of work includes professional development, travel, and materials related to NMAP.

**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.**

**21<sup>st</sup> 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 12<sup>th</sup> 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 and 24181 – 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.**

**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 and 25107 – To update and expand library collections in order to circulate and provide access of materials to students and teachers.**

**NM Reads to Lead K-3 27114 – To account for funds received to provide children to acquire a firm foundation in literacy and are not only prepared for future academic success, but will process a lifelong gift of reading. New Mexico's early reading initiative provides an aligned approach for districts and schools to ensure that children can read by the end of the third grade.**

**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.**

**Advanced Placement 27122 – To provide stipends to teachers that increase the proportion of their students receiving college credit for their courses through their Advance Placement test scores.**

**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.**

**School Buses 27178 – to account for the purchase of school buses.**

**STEM Teacher Initiative 27181 – To account for the \$5,000 stipend per year to highly effective science, technology, engineering or mathematics for two years, to hard to staff schools.**

**NM Grown FVV 27183 – To account for funding to school districts for the purchase of New Mexico grown fresh fruits and vegetables for school meal programs.**

**Next Generation Assessments 27185 – To account for funds to remediate deficiencies in computer devices compliant with the Partnership for Assessment of Readiness for College and Careers (PARCC).**

**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.**

**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, 2014

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	New Mexico Autism Project 24108	IDEA-B Preschool 24109	Homeless Grant 24113	IDEA-B Private School Share 24115	Fresh Fruit and Vegetable 24118
<b>ASSETS</b>												
Pooled cash and investments	\$ 1,452,039	\$ 126,989	\$ 216,932	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables:												
Property taxes	-	-	-	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-
Due from other governments	42,495	-	-	860,968	-	459,073	-	11,840	-	-	-	37,011
Due from other funds	-	-	-	-	1,610	-	-	-	10,719	20,129	-	-
<b>Total assets</b>	<b>\$ 1,494,534</b>	<b>\$ 126,989</b>	<b>\$ 216,932</b>	<b>\$ 860,968</b>	<b>\$ 1,610</b>	<b>\$ 459,073</b>	<b>\$ -</b>	<b>\$ 11,840</b>	<b>\$ 10,719</b>	<b>\$ 20,129</b>	<b>\$ -</b>	<b>\$ 37,011</b>
<b>LIABILITIES AND FUND BALANCES</b>												
Liabilities:												
Due to other funds	\$ -	\$ -	\$ -	\$ 840,842	\$ -	\$ 360,399	\$ -	\$ 11,840	\$ -	\$ -	\$ -	\$ 37,011
Accounts payable	378,285	-	-	20,126	-	98,674	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	-	-	-
Deposits held	-	-	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	1,610	-	-	-	10,719	20,129	-	-
<b>Total liabilities</b>	<b>378,285</b>	<b>-</b>	<b>-</b>	<b>860,968</b>	<b>1,610</b>	<b>459,073</b>	<b>-</b>	<b>11,840</b>	<b>10,719</b>	<b>20,129</b>	<b>-</b>	<b>37,011</b>
Fund balances:												
Restricted:												
Grantor	1,116,249	-	-	-	-	-	-	-	-	-	-	-
Athletic program	-	126,989	-	-	-	-	-	-	-	-	-	-
Student activities	-	-	216,932	-	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total fund balances</b>	<b>1,116,249</b>	<b>126,989</b>	<b>216,932</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,494,534</b>	<b>\$ 126,989</b>	<b>\$ 216,932</b>	<b>\$ 860,968</b>	<b>\$ 1,610</b>	<b>\$ 459,073</b>	<b>\$ -</b>	<b>\$ 11,840</b>	<b>\$ 10,719</b>	<b>\$ 20,129</b>	<b>\$ -</b>	<b>\$ 37,011</b>

(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, 2014

	Special Revenue										
	21st Century Community Learning 24119	IDEA-B Redistribution 24120	Eng Language Acquisition 24153	Title II-A 24154	Carl Perkins 24174	Carl Perkins Redistribution 24176	High Schools that Work 24180	Carl Perkins HSTW Obligations 24181	High Schools that Work C/O 24182	IDEA-B ARRA 24206	IDEA-B EIS ARRA 24212
<b>ASSETS</b>											
Pooled cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables:											
Property taxes	-	-	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-
Due from other governments	51,097	22,457	-	474,213	49,226	617	23,158	907	183	2,581	-
Due from other funds	-	-	26,847	-	-	-	-	-	-	-	55
<b>Total assets</b>	<b>\$ 51,097</b>	<b>\$ 22,457</b>	<b>\$ 26,847</b>	<b>\$ 474,213</b>	<b>\$ 49,226</b>	<b>\$ 617</b>	<b>\$ 23,158</b>	<b>\$ 907</b>	<b>\$ 183</b>	<b>\$ 2,581</b>	<b>\$ 55</b>
<b>LIABILITIES AND FUND BALANCES</b>											
Liabilities:											
Due to other funds	\$ 51,097	\$ 22,457	\$ -	\$ 474,213	\$ 49,226	\$ 617	\$ 23,158	\$ 907	\$ 183	\$ 2,581	\$ -
Accounts payable	-	-	-	-	-	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	-	-
Deposits held	-	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	26,847	-	-	-	-	-	-	-	55
<b>Total liabilities</b>	<b>51,097</b>	<b>22,457</b>	<b>26,847</b>	<b>474,213</b>	<b>49,226</b>	<b>617</b>	<b>23,158</b>	<b>907</b>	<b>183</b>	<b>2,581</b>	<b>55</b>
Fund balances:											
Restricted:											
Grantor	-	-	-	-	-	-	-	-	-	-	-
Athletic program	-	-	-	-	-	-	-	-	-	-	-
Student activities	-	-	-	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-	-	-	-
<b>Total fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 51,097</b>	<b>\$ 22,457</b>	<b>\$ 26,847</b>	<b>\$ 474,213</b>	<b>\$ 49,226</b>	<b>\$ 617</b>	<b>\$ 23,158</b>	<b>\$ 907</b>	<b>\$ 183</b>	<b>\$ 2,581</b>	<b>\$ 55</b>

(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, 2014

	Special Revenue										
	Teaching American History 25107	Johnson O'Malley 25131	Federal Impact Aid Special Ed 25145	Federal Impact Aid Indian Ed 25147	Medicaid 25153	Education Act Title IX 25184	Mentoring Safe Schools 25187	Navajo Medical Center 25209	Substance Abuse Health 25238	Bilingual Education Title III 25248	Kellogg Foundation 26121
<b>ASSETS</b>											
Pooled cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables:											
Property taxes	-	-	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-
Due from other governments	5,649	17,992	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	75,322	131,928	12,133	-	24,170	2,082	471	390,973
<b>Total assets</b>	<b>\$ 5,649</b>	<b>\$ 17,992</b>	<b>\$ -</b>	<b>\$ 75,322</b>	<b>\$ 131,928</b>	<b>\$ 12,133</b>	<b>\$ -</b>	<b>\$ 24,170</b>	<b>\$ 2,082</b>	<b>\$ 471</b>	<b>\$ 390,973</b>
<b>LIABILITIES AND FUND BALANCES</b>											
Liabilities:											
Due to other funds	\$ 5,649	\$ 17,992	\$ -	\$ -	\$ -	\$ 12,133	\$ -	\$ -	\$ 2,082	\$ -	\$ -
Accounts payable	-	-	-	-	-	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	-	-
Deposits held	-	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	75,322	131,928	-	-	24,170	-	471	390,973
<b>Total liabilities</b>	<b>5,649</b>	<b>17,992</b>	<b>-</b>	<b>75,322</b>	<b>131,928</b>	<b>12,133</b>	<b>-</b>	<b>24,170</b>	<b>2,082</b>	<b>471</b>	<b>390,973</b>
Fund balances:											
Restricted:											
Grantor	-	-	-	-	-	-	-	-	-	-	-
Athletic program	-	-	-	-	-	-	-	-	-	-	-
Student activities	-	-	-	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-	-	-	-
<b>Total fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 5,649</b>	<b>\$ 17,992</b>	<b>\$ -</b>	<b>\$ 75,322</b>	<b>\$ 131,928</b>	<b>\$ 12,133</b>	<b>\$ -</b>	<b>\$ 24,170</b>	<b>\$ 2,082</b>	<b>\$ 471</b>	<b>\$ 390,973</b>

(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, 2014

	Parent Reaching Out	Dual Credit HB2	GO Bond 2008 SB333	NM GO Bond Library	2012 GO Bond Student Library	NM Reads to Lead K - 3	Technology Grant	At Risk & Advanced Placement	Pre-K Initiative	Breakfast for Elementary Students	Library GO Bonds	2013 School Buses
	26174	27103	27105	27108	27107	27114	27117	27122	27149	27155	27170	27178
<b>ASSETS</b>												
Pooled cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables:												
Property taxes	-	-	-	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-
Due from other governments	-	3,605	-	-	31,869	44,997	-	5,000	248,630	8,568	-	1,255,020
Due from other funds	2,528	-	-	-	-	-	-	-	-	-	2,431	-
<b>Total assets</b>	<b>\$ 2,528</b>	<b>\$ 3,605</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 31,869</b>	<b>\$ 44,997</b>	<b>\$ -</b>	<b>\$ 5,000</b>	<b>\$ 248,630</b>	<b>\$ 8,568</b>	<b>\$ 2,431</b>	<b>\$ 1,255,020</b>
<b>LIABILITIES AND FUND BALANCES</b>												
Liabilities:												
Due to other funds	\$ -	\$ 3,605	\$ -	\$ -	\$ 31,869	\$ 44,997	\$ -	\$ 5,000	\$ 248,630	\$ 8,568	\$ -	\$ 1,255,020
Accounts payable	-	-	-	-	-	-	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	-	-	-
Deposits held	-	-	-	-	-	-	-	-	-	-	-	-
Unearned revenue	2,528	-	-	-	-	-	-	-	-	-	2,431	-
<b>Total liabilities</b>	<b>2,528</b>	<b>3,605</b>	<b>-</b>	<b>-</b>	<b>31,869</b>	<b>44,997</b>	<b>-</b>	<b>5,000</b>	<b>248,630</b>	<b>8,568</b>	<b>2,431</b>	<b>1,255,020</b>
Fund balances:												
Restricted:												
Grantor	-	-	-	-	-	-	-	-	-	-	-	-
Athletic program	-	-	-	-	-	-	-	-	-	-	-	-
Student activities	-	-	-	-	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,528</b>	<b>\$ 3,605</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 31,869</b>	<b>\$ 44,997</b>	<b>\$ -</b>	<b>\$ 5,000</b>	<b>\$ 248,630</b>	<b>\$ 8,568</b>	<b>\$ 2,431</b>	<b>\$ 1,255,020</b>

(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, 2014

	Special Revenue					Total Special Revenue	Capital Projects			Total Nonmajor Governmental Funds	
	STEM Teacher Initiative	NM Grown FVV	Next Generation Assessments	Youth Conservation	Tutoring		Special Building Local	Special Building State	Public Schools 20% Capital Outlay		Total Capital Projects
	27181	27183	27185	28133	28178		31300	31400	32100		
<b>ASSETS</b>											
Pooled cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,795,960	\$ 1,547,738	\$ 48,375	\$ 99,873	\$ 1,695,986	\$ 3,491,946
Receivables:											
Property taxes	-	-	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-
Due from other governments	105,891	-	86,962	-	-	3,864,224	-	-	-	-	3,864,224
Due from other funds	-	-	-	29,848	1,546	718,577	-	-	-	-	718,577
<b>Total assets</b>	<b>\$ 105,891</b>	<b>\$ -</b>	<b>\$ 86,962</b>	<b>\$ 29,848</b>	<b>\$ 1,546</b>	<b>\$ 6,378,761</b>	<b>\$ 1,547,738</b>	<b>\$ 48,375</b>	<b>\$ 99,873</b>	<b>\$ 1,695,986</b>	<b>\$ 8,074,747</b>
<b>LIABILITIES AND FUND BALANCES</b>											
Liabilities:											
Due to other funds	\$ 105,891	\$ -	\$ 86,962	\$ -	\$ -	\$ 3,702,929	\$ -	\$ -	\$ -	\$ -	\$ 3,702,929
Accounts payable	-	-	-	-	-	497,085	-	-	-	-	497,085
Accrued liabilities	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	-	-
Deposits held	-	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	29,848	1,546	718,577	-	-	-	-	718,577
<b>Total liabilities</b>	<b>105,891</b>	<b>-</b>	<b>86,962</b>	<b>29,848</b>	<b>1,546</b>	<b>4,918,591</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,918,591</b>
Fund balances:											
Restricted:											
Grantor	-	-	-	-	-	1,116,249	-	-	-	-	1,116,249
Athletic program	-	-	-	-	-	126,989	-	-	-	-	126,989
Student activities	-	-	-	-	-	216,932	-	-	-	-	216,932
Capital projects	-	-	-	-	-	-	1,547,738	48,375	99,873	1,695,986	1,695,986
<b>Total fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,460,170</b>	<b>1,547,738</b>	<b>48,375</b>	<b>99,873</b>	<b>1,695,986</b>	<b>3,156,156</b>
<b>Total liabilities and fund balances</b>	<b>\$ 105,891</b>	<b>\$ -</b>	<b>\$ 86,962</b>	<b>\$ 29,848</b>	<b>\$ 1,546</b>	<b>\$ 6,378,761</b>	<b>\$ 1,547,738</b>	<b>\$ 48,375</b>	<b>\$ 99,873</b>	<b>\$ 1,695,986</b>	<b>\$ 8,074,747</b>

(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, 2014

	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	New Mexico Autism Project 24108	IDEA-B Preschool 24109	Homeless Grant 24113	IDEA-B Private School Share 24115	Fresh Fruit Vegetable 24118
<b>Revenues:</b>												
Federal	\$ 3,150,192	\$ -	\$ -	\$ 3,064,545	\$ -	\$ 2,428,949	\$ -	\$ 11,840	\$ 61,689	\$ 15,234	\$ -	\$ 46,115
State	-	-	-	-	-	-	-	-	-	-	-	-
Local	-	-	-	-	-	-	-	-	-	-	-	-
Fees and activities	884,881	334,540	434,061	-	-	-	-	-	-	-	-	-
Earnings from investments	629	18	-	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>4,035,702</b>	<b>334,556</b>	<b>434,061</b>	<b>3,064,545</b>	<b>-</b>	<b>2,428,949</b>	<b>-</b>	<b>11,840</b>	<b>61,689</b>	<b>15,234</b>	<b>-</b>	<b>46,115</b>
<b>Expenditures:</b>												
Instruction	-	329,575	543,680	2,288,952	-	766,520	-	6,160	36,510	9,232	-	-
Support Services:												
Students	-	-	-	530,023	-	869,979	-	5,680	25,179	6,002	-	-
Instruction - Support	-	-	-	-	-	-	-	-	-	-	-	-
General Administration	-	-	-	34,826	-	28,596	-	-	-	-	-	-
School Administration	-	-	-	210,744	-	623,551	-	-	-	-	-	-
Central Services	-	-	-	-	-	140,303	-	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-	-	-	-	-	-	-	-
Student Transportation	-	-	-	-	-	-	-	-	-	-	-	-
Other Support Services	-	-	-	-	-	-	-	-	-	-	-	-
Non-Instructional Services:												
Food Services	3,924,670	-	-	-	-	-	-	-	-	-	-	46,115
Community Services	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>3,924,670</b>	<b>329,575</b>	<b>543,680</b>	<b>3,064,545</b>	<b>-</b>	<b>2,428,949</b>	<b>-</b>	<b>11,840</b>	<b>61,689</b>	<b>15,234</b>	<b>-</b>	<b>46,115</b>
Excess (deficiency) of revenues over expenditures	111,032	4,981	(109,619)	-	-	-	-	-	-	-	-	-
Fund balance at beginning of year	1,005,217	122,008	326,551	-	-	-	-	-	-	-	-	-
Fund balance at end of year	\$ 1,116,249	\$ 126,989	\$ 216,932	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(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, 2014

	Special Revenue										
	21st Century Community Learning	IDEA-B Redistribution	Eng Language Acquisition	Title II-A	Carl Perkins	Carl Perkins Redistribution	High Schools that Work	Carl Perkins HSTW Obligations	High Schools that Work C/O	IDEA-B ARRA	IDEA-B EIS ARRA
	24119	24120	24153	24154	24174	24176	24180	24181	24182	24206	24212
<b>Revenues:</b>											
Federal	\$ 114,523	\$ 22,457	\$ 74,658	\$ 478,004	\$ 68,795	\$ 8,347	\$ 28,671	\$ 907	\$ 6,766	\$ -	\$ -
State	-	-	-	-	-	-	-	-	-	-	-
Local	-	-	-	-	-	-	-	-	-	-	-
Fees and activities	-	-	-	-	-	-	-	-	-	-	-
Earnings from investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>114,523</b>	<b>22,457</b>	<b>74,658</b>	<b>478,004</b>	<b>68,795</b>	<b>8,347</b>	<b>28,671</b>	<b>907</b>	<b>6,766</b>	<b>-</b>	<b>-</b>
<b>Expenditures:</b>											
Instruction	112,288	22,457	73,853	403,776	68,795	8,347	28,671	907	6,766	-	-
Support Services:											
Students	-	-	-	-	-	-	-	-	-	-	-
Instruction - Support	-	-	-	-	-	-	-	-	-	-	-
General Administration	1,235	-	805	3,237	-	-	-	-	-	-	-
School Administration	-	-	-	70,991	-	-	-	-	-	-	-
Central Services	-	-	-	-	-	-	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-	-	-	-	-	-	-
Student Transportation	-	-	-	-	-	-	-	-	-	-	-
Other Support Services	-	-	-	-	-	-	-	-	-	-	-
Non-Instructional Services:											
Food Services	-	-	-	-	-	-	-	-	-	-	-
Community Services	1,000	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>114,523</b>	<b>22,457</b>	<b>74,658</b>	<b>478,004</b>	<b>68,795</b>	<b>8,347</b>	<b>28,671</b>	<b>907</b>	<b>6,766</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-	-	-	-	-
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, 2014

	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	Bilingual Education Title III	Kellogg Foundation
	25107	25131	25145	25147	25153	25184	25187	25209	25238	25248	26121
<b>Revenues:</b>											
Federal State	\$ 228,634	\$ 164,581	\$ 46,990	\$ 14,765	\$ 396,970	\$ 639,474	\$ 42,187	\$ -	\$ 132,984	\$ 172,515	\$ -
Local	-	-	-	-	-	-	-	-	-	-	-
Fees and activities	-	-	-	-	-	-	-	-	-	-	621,641
Earnings from investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>228,634</b>	<b>164,581</b>	<b>46,990</b>	<b>14,765</b>	<b>396,970</b>	<b>639,474</b>	<b>42,187</b>	<b>-</b>	<b>132,984</b>	<b>172,515</b>	<b>621,641</b>
<b>Expenditures:</b>											
Instruction	-	17,863	-	6,534	-	397,159	-	-	53,560	74,439	295,145
Support Services:											
Students	-	139,813	46,990	8,072	361,125	131,867	22,000	-	74,993	-	286,196
Instruction - Support	-	-	-	-	14,804	-	2,896	-	-	-	25,000
General Administration	2,468	2,540	-	159	21,041	8,846	291	-	1,434	1,860	-
School Administration	226,166	4,365	-	-	-	103,602	17,000	-	2,997	96,216	15,300
Central Services	-	-	-	-	-	-	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-	-	-	-	-	-	-
Student Transportation	-	-	-	-	-	-	-	-	-	-	-
Other Support Services	-	-	-	-	-	-	-	-	-	-	-
Non-Instructional Services:											
Food Services	-	-	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>228,634</b>	<b>164,581</b>	<b>46,990</b>	<b>14,765</b>	<b>396,970</b>	<b>639,474</b>	<b>42,187</b>	<b>-</b>	<b>132,984</b>	<b>172,515</b>	<b>621,641</b>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-	-	-	-	-
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, 2014

	Special Revenue											
	Parent Reaching Out	Dual Credit HB2	GO Bond SB333	NM GO Bond Library	2012 GO Bond Student Library	NM Reads to Lead K - 3	Technology Grant	At Risk & Advanced Placement	Pre-K Initiative	Breakfast for Elementary Students	Library GO Bonds	2013 School Buses
	26174	27103	27105	27106	27107	27114	27117	27122	27149	27155	27170	27178
<b>Revenues:</b>												
Federal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State	-	24,040	-	4,406	31,869	47,302	6,867	5,000	525,409	53,993	-	1,255,020
Local	4,588	-	-	-	-	-	-	-	-	-	-	-
Fees and activities	-	-	-	-	-	-	-	-	-	-	-	-
Earnings from investments	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>4,588</b>	<b>24,040</b>	<b>-</b>	<b>4,406</b>	<b>31,869</b>	<b>47,302</b>	<b>6,867</b>	<b>5,000</b>	<b>525,409</b>	<b>53,993</b>	<b>-</b>	<b>1,255,020</b>
<b>Expenditures:</b>												
Instruction	2,670	24,040	-	-	-	47,302	-	5,000	525,409	-	-	-
Support Services:	-	-	-	-	-	-	-	-	-	-	-	-
Students	1,918	-	-	-	-	-	-	-	-	-	-	-
Instruction - Support	-	-	-	4,406	31,869	-	6,867	-	-	-	-	-
General Administration	-	-	-	-	-	-	-	-	-	-	-	-
School Administration	-	-	-	-	-	-	-	-	-	-	-	-
Central Services	-	-	-	-	-	-	-	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-	-	-	-	-	-	-	-
Student Transportation	-	-	-	-	-	-	-	-	-	-	-	1,255,020
Other Support Services	-	-	-	-	-	-	-	-	-	-	-	-
Non-Instructional Services:	-	-	-	-	-	-	-	-	-	-	-	-
Food Services	-	-	-	-	-	-	-	-	-	53,993	-	-
Community Services	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>4,588</b>	<b>24,040</b>	<b>-</b>	<b>4,406</b>	<b>31,869</b>	<b>47,302</b>	<b>6,867</b>	<b>5,000</b>	<b>525,409</b>	<b>53,993</b>	<b>-</b>	<b>1,255,020</b>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-	-	-	-	-	-
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, 2014

	Special Revenue					Capital Projects				Total Nonmajor Governmental Funds	
	STEM Teacher Initiative	NM Grown FVV	Next Generation Assessments	Youth Conservation	Tutoring	Total Special Revenue	Special Building Local	Special Building State	Public Schools 20% Capital Outlay		Total Capital Projects
	27181	27183	27185	28133	28178		31300	31400	32100		
<b>Revenues:</b>											
Federal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,420,792	\$ -	\$ -	\$ -	\$ -	\$ 11,420,792
State	209,890	591	86,962	138,078	-	2,389,427	-	-	-	-	2,389,427
Local	-	-	-	-	-	626,229	-	-	-	-	626,229
Fees and activities	-	-	-	-	-	1,653,482	3,094	-	-	3,094	1,656,576
Earnings from investments	-	-	-	-	-	645	155	-	-	155	800
<b>Total revenues</b>	<b>209,890</b>	<b>591</b>	<b>86,962</b>	<b>138,078</b>	<b>-</b>	<b>16,090,575</b>	<b>3,249</b>	<b>-</b>	<b>-</b>	<b>3,249</b>	<b>16,093,824</b>
<b>Expenditures:</b>											
Instruction	209,890	-	-	138,078	-	6,503,578	-	-	-	-	6,503,578
Support Services:											
Students	-	-	-	-	-	2,509,837	-	-	-	-	2,509,837
Instruction - Support	-	-	86,962	-	-	172,804	-	-	-	-	172,804
General Administration	-	-	-	-	-	105,338	-	-	-	-	105,338
School Administration	-	-	-	-	-	1,370,932	-	-	-	-	1,370,932
Central Services	-	-	-	-	-	140,303	-	-	-	-	140,303
Operation & Maintenance of Plant	-	-	-	-	-	-	-	-	-	-	-
Student Transportation	-	-	-	-	-	1,255,020	-	-	-	-	1,255,020
Other Support Services	-	-	-	-	-	-	-	-	-	-	-
Non-Instructional Services:											
Food Services	-	591	-	-	-	4,025,369	-	-	-	-	4,025,369
Community Services	-	-	-	-	-	1,000	-	-	-	-	1,000
<b>Total expenditures</b>	<b>209,890</b>	<b>591</b>	<b>86,962</b>	<b>138,078</b>	<b>-</b>	<b>16,084,181</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,084,181</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,394</b>	<b>3,249</b>	<b>-</b>	<b>-</b>	<b>3,249</b>	<b>9,643</b>
<b>Fund balance at beginning of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,453,776</b>	<b>1,544,489</b>	<b>48,375</b>	<b>99,873</b>	<b>1,692,737</b>	<b>3,146,513</b>
<b>Fund balance at end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,460,170</b>	<b>\$ 1,547,738</b>	<b>\$ 48,375</b>	<b>\$ 99,873</b>	<b>\$ 1,695,986</b>	<b>\$ 3,156,156</b>

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, 2014

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Local sources:				
District school tax levy	\$ 5,741,738	\$ 5,741,738	\$ 8,342,119	\$ 2,600,381
Earnings from investments	<u>1,972</u>	<u>1,972</u>	<u>1,734</u>	<u>(238)</u>
Total revenues	<u>5,743,710</u>	<u>5,743,710</u>	<u>8,343,853</u>	<u>2,600,143</u>
<b>Expenditures:</b>				
Support Services:				
General Administration	53,308	82,308	76,921	5,387
Debt Service:				
Principal	4,525,000	4,525,000	4,525,000	-
Interest	1,216,738	1,187,738	1,060,488	127,250
Debt service reserves	<u>8,035,530</u>	<u>8,035,530</u>	<u>-</u>	<u>8,035,530</u>
Total expenditures	<u>13,830,576</u>	<u>13,830,576</u>	<u>5,662,409</u>	<u>8,168,167</u>
Excess (deficiency) of revenues over (under) expenditures	(8,086,866)	(8,086,866)	2,681,444	10,768,310
<b>Other financing sources (uses):</b>				
Transfer in	<u>-</u>	<u>-</u>	<u>379,748</u>	<u>379,748</u>
Net change in fund balances	(8,086,866)	(8,086,866)	3,061,192	11,148,058
Beginning cash balance budgeted	8,086,866	8,086,866	-	(8,086,866)
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>8,338,215</u>	<u>8,338,215</u>
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>11,399,407</u>	<u>\$ 11,399,407</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in due from other governments			<u>54,071</u>	
			<u>\$ 11,453,478</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Local sources:				
District school tax levy	\$ 3,623,641	\$ 3,623,641	\$ 2,496,305	\$ (1,127,336)
Earnings from investments	<u>887</u>	<u>887</u>	<u>779</u>	<u>(108)</u>
Total revenues	<u>3,624,528</u>	<u>3,624,528</u>	<u>2,497,084</u>	<u>(1,127,444)</u>
<b>Expenditures:</b>				
Support Services:				
General Administration	33,456	33,456	22,785	10,671
Debt Service:				
Principal	3,460,000	3,460,000	3,460,000	-
Interest	163,641	163,641	163,641	-
Debt service reserves	<u>3,854,981</u>	<u>3,854,981</u>	<u>-</u>	<u>3,854,981</u>
Total expenditures	<u>7,512,078</u>	<u>7,512,078</u>	<u>3,646,426</u>	<u>3,865,652</u>
Excess (deficiency) of revenues over (under) expenditures	(3,887,550)	(3,887,550)	(1,149,342)	2,738,208
Beginning cash balance budgeted	3,887,550	3,887,550	-	(3,887,550)
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>3,910,402</u>	<u>3,910,402</u>
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	2,761,060	<u>\$ 2,761,060</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in due from other governments			<u>(6,468)</u>	
			<u>\$ 2,754,592</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Local sources:</b>				
Earnings from investments	7,665	7,665	1,836	(5,829)
<b>Total revenues</b>	<b>7,665</b>	<b>7,665</b>	<b>1,836</b>	<b>(5,829)</b>
<b>Expenditures:</b>				
Instruction	-	-	-	-
<b>Support Services:</b>				
Students	-	-	-	-
<b>Non-Instructional Services:</b>				
Capital Outlay	18,314,945	29,274,945	6,957,336	22,317,609
<b>Debt Service:</b>				
Bond Issuance Cost	-	40,000	33,265	6,735
<b>Total expenditures</b>	<b>18,314,945</b>	<b>29,314,945</b>	<b>6,990,601</b>	<b>22,324,344</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(18,307,280)</b>	<b>(29,307,280)</b>	<b>(6,988,765)</b>	<b>22,318,515</b>
<b>Other financing sources (uses):</b>				
Bonds issued	12,500,000	23,500,000	27,030,000	3,530,000
Bond premium	-	-	486,113	486,113
Refunded bond escrow	-	-	(3,530,000)	(3,530,000)
Transfer out	-	-	(379,748)	(379,748)
<b>Total other financing sources (uses)</b>	<b>12,500,000</b>	<b>23,500,000</b>	<b>23,606,365</b>	<b>106,365</b>
<b>Net change in fund balances</b>	<b>(5,807,280)</b>	<b>(5,807,280)</b>	<b>16,617,600</b>	<b>22,424,880</b>
<b>Beginning cash balance budgeted</b>	<b>5,807,280</b>	<b>5,807,280</b>	<b>-</b>	<b>(5,807,280)</b>
<b>Fund balances at beginning of the year</b>	<b>-</b>	<b>-</b>	<b>7,123,289</b>	<b>7,123,289</b>
<b>Fund balances at end of the year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>23,740,889</b>	<b>\$ 23,740,889</b>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Changes in payables			(982,125)	
			<b>\$ 22,758,764</b>	

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>State sources:</b>				
State flow through grants	242,271	699,250	-	(699,250)
<b>Total state revenues</b>	<b>242,271</b>	<b>699,250</b>	<b>-</b>	<b>(699,250)</b>
<b>Local sources:</b>				
District school tax levy	2,919,925	2,919,925	2,913,206	(6,719)
Earnings from investments	627	627	279	(348)
Miscellaneous	-	-	750	750
<b>Total local revenues</b>	<b>2,920,552</b>	<b>2,920,552</b>	<b>2,914,235</b>	<b>(6,317)</b>
<b>Total revenues</b>	<b>3,162,823</b>	<b>3,619,802</b>	<b>2,914,235</b>	<b>(705,567)</b>
<b>Expenditures:</b>				
<b>Support Services:</b>				
General Administration	25,939	28,939	26,795	2,144
<b>Non-Instructional Services:</b>				
Capital Outlay	4,011,021	4,465,000	3,367,668	1,097,332
<b>Total expenditures</b>	<b>4,036,960</b>	<b>4,493,939</b>	<b>3,394,463</b>	<b>1,099,476</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(874,137)</b>	<b>(874,137)</b>	<b>(480,228)</b>	<b>393,909</b>
<b>Beginning cash balance budgeted</b>	<b>874,137</b>	<b>874,137</b>	<b>-</b>	<b>(874,137)</b>
<b>Fund balances at beginning of the year</b>	<b>-</b>	<b>-</b>	<b>1,190,593</b>	<b>1,190,593</b>
<b>Fund balances at end of the year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>710,365</b>	<b>\$ 710,365</b>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in due from other governments			12,789	
Changes in payables			(248,102)	
			<u>\$ 475,052</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, 2014

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Local sources:</b>				
Earnings from investments	\$ 1,061	\$ 1,061	\$ 309	\$ (752)
<b>Total revenues</b>	<u>1,061</u>	<u>1,061</u>	<u>309</u>	<u>(752)</u>
<b>Expenditures:</b>				
<b>Non-Instructional Services:</b>				
Capital Outlay	652,297	7,152,297	1,345,722	5,806,575
<b>Total expenditures</b>	<u>652,297</u>	<u>7,152,297</u>	<u>1,345,722</u>	<u>5,806,575</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(651,236)	(7,151,236)	(1,345,413)	5,805,823
<b>Other financing sources (uses):</b>				
Bonds issued	-	6,500,000	6,500,000	-
<b>Net change in fund balances</b>	(651,236)	(651,236)	5,154,587	5,805,823
<b>Beginning cash balance budgeted</b>	651,236	651,236	-	(651,236)
<b>Fund balances at beginning of the year</b>	<u>-</u>	<u>-</u>	<u>9,749</u>	<u>9,749</u>
<b>Fund balances at end of the year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>5,164,336</u>	<u>\$ 5,164,336</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Changes in payables			<u>(2,038,327)</u>	
			<u>\$ 3,126,009</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Federal sources:</b>				
Food and milk reimbursements	\$ 2,047,370	\$ 2,047,370	\$ 2,962,256	\$ 914,886
<b>Total federal revenues</b>	<u>2,047,370</u>	<u>2,047,370</u>	<u>2,962,256</u>	<u>914,886</u>
<b>Local sources:</b>				
Fees and activities	955,000	955,000	884,881	(70,119)
Earnings from investments	<u>650</u>	<u>650</u>	<u>629</u>	<u>(21)</u>
<b>Total local revenues</b>	<u>955,650</u>	<u>955,650</u>	<u>885,510</u>	<u>(70,140)</u>
<b>Total revenues</b>	<u>3,003,020</u>	<u>3,003,020</u>	<u>3,847,766</u>	<u>844,746</u>
<b>Expenditures:</b>				
<b>Non-Instructional Services:</b>				
Food Services	<u>3,661,077</u>	<u>3,808,237</u>	<u>3,420,460</u>	<u>387,777</u>
<b>Total expenditures</b>	<u>3,661,077</u>	<u>3,808,237</u>	<u>3,420,460</u>	<u>387,777</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(658,057)	(805,217)	427,306	1,232,523
<b>Beginning cash balance budgeted</b>	658,057	805,217	-	(805,217)
<b>Fund balances at beginning of the year</b>	<u>-</u>	<u>-</u>	<u>1,005,217</u>	<u>1,005,217</u>
<b>Fund balances at end of the year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>1,432,523</u>	<u>\$ 1,432,523</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in due from other governments			42,495	
Changes in payables			<u>(358,769)</u>	
			<u>\$ 1,116,249</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, 2014

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Local sources:				
Fees and activities	\$ 256,215	\$ 256,215	\$ 334,540	\$ 78,325
Earnings from investments	<u>-</u>	<u>-</u>	<u>16</u>	<u>16</u>
Total local revenues	<u>256,215</u>	<u>256,215</u>	<u>334,556</u>	<u>78,341</u>
<b>Expenditures:</b>				
Instruction	<u>317,226</u>	<u>434,742</u>	<u>329,575</u>	<u>105,167</u>
Total expenditures	<u>317,226</u>	<u>434,742</u>	<u>329,575</u>	<u>105,167</u>
Excess (deficiency) of revenues over (under) expenditures	(61,011)	(178,527)	4,981	183,508
Beginning cash balance budgeted	61,011	178,527	-	(178,527)
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>122,008</u>	<u>122,008</u>
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>126,989</u>	<u>\$ 126,989</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in receivables			<u>-</u>	
			<u>\$ 126,989</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Local sources:				
Fees and activities	\$ 325,000	\$ 325,000	\$ 434,061	\$ 109,061
Total local revenues	<u>325,000</u>	<u>325,000</u>	<u>434,061</u>	<u>109,061</u>
<b>Expenditures:</b>				
Instruction	<u>482,160</u>	<u>605,667</u>	<u>543,680</u>	<u>61,987</u>
Total expenditures	<u>482,160</u>	<u>605,667</u>	<u>543,680</u>	<u>61,987</u>
Excess (deficiency) of revenues over (under) expenditures	(157,160)	(280,667)	(109,619)	171,048
Beginning cash balance budgeted	157,160	280,667	-	(280,667)
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>326,551</u>	<u>326,551</u>
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>216,932</u>	<u>\$ 216,932</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in receivables			<u>-</u>	
			<u>\$ 216,932</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, 2014

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Federal sources:</b>				
Federal flowthrough grants	\$ 2,980,023	\$ 4,223,705	\$ 2,155,361	\$ (2,068,344)
<b>Total federal revenues</b>	<u>2,980,023</u>	<u>4,223,705</u>	<u>2,155,361</u>	<u>(2,068,344)</u>
<b>Expenditures:</b>				
Instruction	2,265,549	3,444,937	2,268,826	1,176,111
<b>Support Services:</b>				
Students	24,680	530,849	530,023	826
Instruction - Support	35,000	-	-	-
General Administration	41,038	34,963	34,826	137
School Administration	<u>613,756</u>	<u>212,956</u>	<u>210,744</u>	<u>2,212</u>
<b>Total expenditures</b>	<u>2,980,023</u>	<u>4,223,705</u>	<u>3,044,419</u>	<u>1,179,286</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	-	-	(889,058)	(889,058)
<b>Fund balances at beginning of the year</b>	-	-	-	-
<b>Fund balances (deficit) at end of the year</b>	<u>\$ -</u>	<u>\$ -</u>	(889,058)	<u>\$ (889,058)</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in due from other governments			909,184	
Changes in payables			<u>(20,126)</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, 2014

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

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 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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Federal sources:</b>				
Federal flowthrough grants	\$ 2,140,917	\$ 4,764,151	\$ 2,038,101	\$ (2,726,050)
<b>Total federal revenues</b>	<b>2,140,917</b>	<b>4,764,151</b>	<b>2,038,101</b>	<b>(2,726,050)</b>
<b>Expenditures:</b>				
Instruction	970,509	1,875,443	766,520	1,108,923
<b>Support Services:</b>				
Students	626,662	1,892,298	869,979	1,022,319
General Administration	28,618	32,318	28,596	3,722
School Administration	438,668	799,768	623,551	176,217
Central Services	76,460	164,324	140,303	24,021
<b>Total expenditures</b>	<b>2,140,917</b>	<b>4,764,151</b>	<b>2,428,949</b>	<b>2,335,202</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>-</b>	<b>(390,848)</b>	<b>(390,848)</b>
<b>Fund balances at beginning of the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances (deficit) at end of the year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(390,848)</b>	<b>\$ (390,848)</b>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in due from other governments			390,848	
			<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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Federal sources:</b>				
Federal flowthrough grants	\$ -	\$ -	\$ 5,000	\$ 5,000
<b>Total federal revenues</b>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>
<b>Expenditures:</b>				
Instruction	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	-	-	5,000	5,000
<b>Fund balances at beginning of the year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances at end of the year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>5,000</u>	<u>\$ 5,000</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in receivables			<u>(5,000)</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  
 NEW MEXICO AUTISM PROJECT SPECIAL REVENUE FUND-24108  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 11,840	\$ -	\$ (11,840)
Total federal revenues	-	11,840	-	(11,840)
<b>Expenditures:</b>				
Instruction	-	6,160	6,160	-
Support Services:				
Students	-	5,680	5,680	-
Total expenditures	-	11,840	11,840	-
Excess (deficiency) of revenues over (under) expenditures	-	-	(11,840)	(11,840)
Fund balances at beginning of the year	-	-	-	-
Fund balances (deficit) at end of the year	\$ -	\$ -	(11,840)	\$ (11,840)
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in due from other governments			11,840	
			<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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ 56,138	\$ 108,659	\$ 84,315	\$ (24,344)
Total federal revenues	<u>56,138</u>	<u>108,659</u>	<u>84,315</u>	<u>(24,344)</u>
Expenditures:				
Instruction	40,138	74,708	36,510	38,198
Support Services:				
Students	<u>16,000</u>	<u>33,951</u>	<u>25,179</u>	<u>8,772</u>
Total expenditures	<u>56,138</u>	<u>108,659</u>	<u>61,689</u>	<u>46,970</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	22,626	22,626
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>	22,626	<u>\$ 22,626</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			(11,907)	
Change in unearned revenue			<u>(10,719)</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Federal sources:</b>				
Federal flowthrough grants	\$ 13,500	\$ 19,422	\$ 16,732	\$ (2,690)
<b>Total federal revenues</b>	<u>13,500</u>	<u>19,422</u>	<u>16,732</u>	<u>(2,690)</u>
<b>Expenditures:</b>				
Instruction	5,405	12,327	9,232	3,095
<b>Support Services:</b>				
Students	<u>8,095</u>	<u>7,095</u>	<u>6,002</u>	<u>1,093</u>
<b>Total expenditures</b>	<u>13,500</u>	<u>19,422</u>	<u>15,234</u>	<u>4,188</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	-	-	1,498	1,498
<b>Fund balances at beginning of the year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances at end of the year</b>	<u>\$ -</u>	<u>\$ -</u>	1,498	<u>\$ 1,498</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in unearned revenue			<u>(1,498)</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Federal sources:</b>				
Federal flowthrough grants	\$ 1,628	\$ 1,628	\$ 5,365	\$ 3,737
<b>Total federal revenues</b>	<u>1,628</u>	<u>1,628</u>	<u>5,365</u>	<u>3,737</u>
<b>Expenditures:</b>				
<b>Support Services:</b>				
Students	<u>1,628</u>	<u>1,628</u>	-	<u>1,628</u>
<b>Total expenditures</b>	<u>1,628</u>	<u>1,628</u>	<u>-</u>	<u>1,628</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	-	-	5,365	5,365
<b>Fund balances at beginning of the year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances at end of the year</b>	<u>\$ -</u>	<u>\$ -</u>	5,365	<u>\$ 5,365</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 46,400	\$ 26,977	\$ (19,423)
Total federal revenues	<u>-</u>	<u>46,400</u>	<u>26,977</u>	<u>(19,423)</u>
Expenditures:				
Non-Instructional Services:				
Food Services	-	46,400	46,115	285
Total expenditures	<u>-</u>	<u>46,400</u>	<u>46,115</u>	<u>285</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(19,138)	(19,138)
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>(19,138)</u>	<u>\$ (19,138)</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			<u>19,138</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 174,316	\$ 106,109	\$ (68,207)
Total federal revenues	-	174,316	106,109	(68,207)
<b>Expenditures:</b>				
Instruction	-	118,950	112,288	6,662
Support Services:				
General Administration	-	10,858	1,235	9,623
Central Services	-	6,000	-	6,000
Student Transportation	-	18,482	-	18,482
Non-Instructional Services:				
Community Services	-	20,026	1,000	19,026
Total expenditures	-	174,316	114,523	59,793
Excess (deficiency) of revenues over (under) expenditures	-	-	(8,414)	(8,414)
Fund balances at beginning of the year	-	-	-	-
Fund balances (deficit) at end of the year	\$ -	\$ -	(8,414)	\$ (8,414)
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in due from other governments			8,414	
			\$ -	

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Federal sources:</b>				
Federal flowthrough grants	\$ -	\$ 22,657	\$ 14,003	\$ (8,654)
<b>Total federal revenues</b>	<u>-</u>	<u>22,657</u>	<u>14,003</u>	<u>(8,654)</u>
<b>Expenditures:</b>				
Instruction	-	22,657	22,457	200
<b>Total expenditures</b>	<u>-</u>	<u>22,657</u>	<u>22,457</u>	<u>200</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	-	-	(8,454)	(8,454)
<b>Fund balances at beginning of the year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances (deficit) at end of the year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>(8,454)</u>	<u>\$ (8,454)</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in due from other governments			<u>8,454</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  
 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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Federal sources:</b>				
Federal flowthrough grants	\$ -	\$ 117,568	\$ 70,849	\$ (46,719)
<b>Total federal revenues</b>	<b>-</b>	<b>117,568</b>	<b>70,849</b>	<b>(46,719)</b>
<b>Expenditures:</b>				
Instruction	-	116,028	73,853	42,175
<b>Support Services:</b>				
General Administration	-	1,540	805	735
<b>Total expenditures</b>	<b>-</b>	<b>117,568</b>	<b>74,658</b>	<b>42,910</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>-</b>	<b>(3,809)</b>	<b>(3,809)</b>
<b>Fund balances at beginning of the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances (deficit) at end of the year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(3,809)</b>	<b>\$ (3,809)</b>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in unearned revenue			3,809	
			<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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal flowthrough grants	\$ 408,565	\$ 478,004	\$ 545,059	\$ 67,055
Total federal revenues	<u>408,565</u>	<u>478,004</u>	<u>545,059</u>	<u>67,055</u>
Expenditures:				
Instruction	375,213	403,776	403,776	-
Support Services:				
Students	-	-	-	-
General Administration	5,352	3,237	3,237	-
School Administration	28,000	70,991	70,991	-
Total expenditures	<u>408,565</u>	<u>478,004</u>	<u>478,004</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	67,055	67,055
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>	67,055	<u>\$ 67,055</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			<u>(67,055)</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, 2014

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Federal sources:				
Federal flowthrough grants	\$ 92,425	\$ 88,116	\$ 22,259	\$ (65,857)
Total federal revenues	<u>92,425</u>	<u>88,116</u>	<u>22,259</u>	<u>(65,857)</u>
<b>Expenditures:</b>				
Instruction	92,425	88,116	68,795	19,321
Support Services:				
General Administration	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>92,425</u>	<u>88,116</u>	<u>68,795</u>	<u>19,321</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(46,536)	(46,536)
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>	(46,536)	<u>\$ (46,536)</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in due from other governments			<u>46,536</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 11,658	\$ 11,791	\$ 133
Total federal revenues	-	11,658	11,791	133
<b>Expenditures:</b>				
Instruction	-	11,658	8,347	3,311
Total expenditures	-	11,658	8,347	3,311
Excess (deficiency) of revenues over (under) expenditures	-	-	3,444	3,444
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	3,444	\$ 3,444
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in due from other governments			(3,444)	
			\$ -	

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 35,031	\$ 41,020	\$ 5,989
Total federal revenues	-	35,031	41,020	5,989
Expenditures:				
Instruction	-	35,031	28,671	6,360
Total expenditures	-	35,031	28,671	6,360
Excess (deficiency) of revenues over (under) expenditures	-	-	12,349	12,349
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	12,349	\$ 12,349
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			(12,349)	
			\$ -	

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



STATE OF NEW MEXICO  
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5  
 HSTW OBLIGATIONS SPECIAL REVENUE FUND - 24181  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 12,000	\$ -	\$ (12,000)
Total federal revenues	-	12,000	-	(12,000)
Expenditures:				
Instruction	-	12,000	907	11,093
Total expenditures	-	12,000	907	11,093
Excess (deficiency) of revenues over (under) expenditures	-	-	(907)	(907)
Fund balances at beginning of the year	-	-	-	-
Fund balances (deficit) at end of the year	\$ -	\$ -	(907)	\$ (907)
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			907	
			\$ -	

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 7,600	\$ 8,766	\$ 1,166
Total federal revenues	-	7,600	8,766	1,166
Expenditures:				
Instruction	-	7,600	6,766	834
Total expenditures	-	7,600	6,766	834
Excess (deficiency) of revenues over (under) expenditures	-	-	2,000	2,000
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	2,000	\$ 2,000
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			(2,000)	
			\$ -	

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, 2014

	<u>Budgeted Amounts</u>		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 unearned revenue			-	
			<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 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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Federal sources:</b>				
Federal direct grants	\$ -	\$ -	\$ -	\$ -
<b>Total federal revenues</b>	-	-	-	-
<b>Expenditures:</b>				
<b>Support Services:</b>				
General Administration	-	-	-	-
School Administration	-	-	-	-
<b>Total expenditures</b>	-	-	-	-
<b>Excess (deficiency) of revenues over (under) expenditures</b>	-	-	-	-
<b>Fund balances at beginning of the year</b>	-	-	-	-
<b>Fund balances at end of the year</b>	\$ -	\$ -	-	\$ -
<b>RECONCILIATION TO GAAP BASIS:</b>				
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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal direct grants	\$ -	\$ 333,985	\$ 220,000	\$ (113,985)
Total federal revenues	<u>-</u>	<u>333,985</u>	<u>220,000</u>	<u>(113,985)</u>
Expenditures:				
Support Services:				
General Administration	-	3,736	2,468	1,268
School Administration	-	330,249	226,166	104,083
Total expenditures	<u>-</u>	<u>333,985</u>	<u>228,634</u>	<u>105,351</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(8,634)	(8,634)
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>(8,634)</u>	<u>\$ (8,634)</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			5,649	
Change in unearned revenue			<u>2,985</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Federal sources:</b>				
Federal direct grants	\$ -	\$ 200,472	\$ 145,193	\$ (55,279)
<b>Total federal revenues</b>	<u>-</u>	<u>200,472</u>	<u>145,193</u>	<u>(55,279)</u>
<b>Expenditures:</b>				
Instruction	-	20,601	17,863	2,738
<b>Support Services:</b>				
Students	-	170,750	139,813	30,937
General Administration	-	3,592	2,540	1,052
School Administration	-	5,529	4,365	1,164
<b>Total expenditures</b>	<u>-</u>	<u>200,472</u>	<u>164,581</u>	<u>35,891</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	-	-	(19,388)	(19,388)
<b>Fund balances at beginning of the year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances (deficit) at end of the year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>(19,388)</u>	<u>\$ (19,388)</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in due from other governments			17,992	
Change in unearned revenue			<u>1,396</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 SPECIAL REVENUE FUND - 25145  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal direct grants	\$ -	\$ 46,990	\$ -	\$ (46,990)
Total federal revenues	-	46,990	-	(46,990)
Expenditures:				
Support Services:				
Students	-	46,990	46,990	-
Total expenditures	-	46,990	46,990	-
Excess (deficiency) of revenues over (under) expenditures	-	-	(46,990)	(46,990)
Fund balances at beginning of the year	-	-	-	-
Fund balances (deficit) at end of the year	\$ -	\$ -	(46,990)	\$ (46,990)
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			46,990	
			<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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Federal sources:</b>				
Federal direct grants	\$ -	\$ 90,087	\$ -	\$ (90,087)
<b>Total federal revenues</b>	<b>-</b>	<b>90,087</b>	<b>-</b>	<b>(90,087)</b>
<b>Expenditures:</b>				
Instruction	-	42,000	6,534	35,466
<b>Support Services:</b>				
Students	-	46,922	8,072	38,850
General Administration	-	1,165	159	1,006
<b>Total expenditures</b>	<b>-</b>	<b>90,087</b>	<b>14,765</b>	<b>75,322</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>-</b>	<b>(14,765)</b>	<b>(14,765)</b>
<b>Fund balances at beginning of the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances (deficit) at end of the year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(14,765)</b>	<b>\$ (14,765)</b>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in unearned revenue			14,765	
			<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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Federal direct grants	\$ -	\$ 483,854	\$ 334,908	\$ (148,946)
<b>Total federal revenues</b>	<u>-</u>	<u>483,854</u>	<u>334,908</u>	<u>(148,946)</u>
<b>Expenditures:</b>				
<b>Support Services:</b>				
Students	-	361,125	361,125	-
Instruction - Support	-	22,290	14,804	7,486
General Administration	-	100,439	21,041	79,398
<b>Total expenditures</b>	<u>-</u>	<u>483,854</u>	<u>396,970</u>	<u>86,884</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	-	-	(62,062)	(62,062)
<b>Fund balances at beginning of the year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances (deficit) at end of the year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>(62,062)</u>	<u>\$ (62,062)</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Changes in payables			(3,726)	
Change in unearned revenue			<u>65,788</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Federal sources:				
Federal direct grants	\$ -	\$ 984,487	\$ 622,000	\$ (362,487)
Total federal revenues	-	984,487	622,000	(362,487)
<b>Expenditures:</b>				
Instruction	-	576,691	397,159	179,532
Support Services:				
Students	-	272,962	131,867	141,095
General Administration	-	14,754	6,846	7,908
School Administration	-	119,080	103,602	15,478
Operation & Maintenance of Plant	-	1,000	-	1,000
Total expenditures	-	984,487	639,474	345,013
Excess (deficiency) of revenues over (under) expenditures	-	-	(17,474)	(17,474)
Fund balances at beginning of the year	-	-	-	-
Fund balances (deficit) at end of the year	\$ -	\$ -	(17,474)	\$ (17,474)
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in due from other governments			12,133	
Change in deferred revenue			5,341	
			\$ -	

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal direct grants	\$ -	\$ 42,187	\$ 62,330	\$ 20,143
Total federal revenues	-	42,187	62,330	20,143
State sources:				
Expenditures:				
Instruction	-	-	-	-
Support Services:				
Students	-	22,000	22,000	-
Instruction - Support	-	2,896	2,896	-
General Administration	-	291	291	-
School Administration	-	17,000	17,000	-
Total expenditures	-	42,187	42,187	-
Excess (deficiency) of revenues over (under) expenditures	-	-	20,143	20,143
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	20,143	\$ 20,143
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			(20,143)	
			\$ -	

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, 2014

	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	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			-	
Change in unearned revenue			<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  
 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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Federal sources:</b>				
Federal direct grants	\$ -	\$ 194,709	\$ 131,000	\$ (63,709)
<b>Total federal revenues</b>	<b>-</b>	<b>194,709</b>	<b>131,000</b>	<b>(63,709)</b>
<b>Expenditures:</b>				
Instruction	-	72,890	53,560	19,330
<b>Support Services:</b>				
Students	-	116,284	74,993	41,291
General Administration	-	2,535	1,434	1,101
School Administration	-	3,000	2,997	3
<b>Total expenditures</b>	<b>-</b>	<b>194,709</b>	<b>132,984</b>	<b>61,725</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>-</b>	<b>(1,984)</b>	<b>(1,984)</b>
<b>Fund balances at beginning of the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances (deficit) at end of the year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(1,984)</b>	<b>\$ (1,984)</b>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in due from other governments			1,984	
Change in unearned revenue			-	
			<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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal direct grants	\$ -	\$ 189,986	\$ 170,000	\$ (19,986)
Total federal revenues	-	189,986	170,000	(19,986)
Expenditures:				
Instruction	-	74,439	74,439	-
Support Services:				
General Administration	-	2,489	1,860	629
School Administration	-	113,058	96,216	16,842
Total expenditures	-	189,986	172,515	17,471
Excess (deficiency) of revenues over (under) expenditures	-	-	(2,515)	(2,515)
Fund balances at beginning of the year	-	-	-	-
Fund balances (deficit) at end of the year	\$ -	\$ -	(2,515)	\$ (2,515)
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			-	
Change in unearned revenue			2,515	
			\$ -	

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Local sources:</b>				
Grant	\$ -	\$ 699,271	\$ 699,271	\$ -
<b>Total local revenues</b>	<u>-</u>	<u>699,271</u>	<u>699,271</u>	<u>-</u>
<b>Expenditures:</b>				
Instruction	-	584,951	295,145	289,806
<b>Support Services:</b>				
Students	-	309,021	286,196	22,825
Instruction - Support	-	29,500	25,000	4,500
General Administration	-	5,240	-	5,240
School Administration	-	83,901	15,300	68,601
<b>Total expenditures</b>	<u>-</u>	<u>1,012,613</u>	<u>621,641</u>	<u>390,972</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	-	(313,342)	77,630	390,972
<b>Fund balances at beginning of the year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances (deficit) at end of the year</b>	<u>\$ -</u>	<u>\$ (313,342)</u>	<u>77,630</u>	<u>\$ 390,972</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in due from other governments			-	
Change in unearned revenue			<u>(77,630)</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Local sources:				
Grant	\$ -	\$ -	\$ -	\$ -
Total local revenues	-	-	-	-
Expenditures:				
Instruction	-	4,816	2,670	2,146
Support Services:				
Students	-	2,300	1,918	382
Total expenditures	-	7,116	4,588	2,528
Excess (deficiency) of revenues over (under) expenditures	-	(7,116)	(4,588)	2,528
Fund balances at beginning of the year	-	-	-	-
Fund balances (deficit) at end of the year	\$ -	\$ (7,116)	(4,588)	\$ 2,528
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			-	
Change in unearned revenue			4,588	
			\$ -	

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State flow through grants	\$ -	\$ 24,046	\$ 20,435	\$ (3,611)
Total state revenues	-	24,046	20,435	(3,611)
Expenditures:				
Support Services:				
Instruction - Support	-	24,046	24,040	6
Total expenditures	-	24,046	24,040	6
Excess (deficiency) of revenues over (under) expenditures	-	-	(3,605)	(3,605)
Fund balances at beginning of the year	-	-	-	-
Fund balances (deficit) at end of the year	\$ -	\$ -	(3,605)	\$ (3,605)
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			3,605	
			<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, 2014

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>State sources:</b>				
State flow through grants	\$ -	\$ 4,416	\$ 5,452	\$ 1,036
Total state revenues	-	4,416	5,452	1,036
<b>Expenditures:</b>				
<b>Support Services:</b>				
Instruction - Support	-	4,416	4,406	10
Total expenditures	-	4,416	4,406	10
Excess (deficiency) of revenues over (under) expenditures	-	-	1,046	1,046
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	1,046	\$ 1,046
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in due from other governments			(1,046)	
			<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  
 2012 GO BOND STUDENT LIBRARY SPECIAL REVENUE FUND- 27107  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State flow through grants	\$ 69,901	\$ 69,901	\$ -	\$ (69,901)
Total state revenues	<u>69,901</u>	<u>69,901</u>	<u>-</u>	<u>(69,901)</u>
Expenditures:				
Support Services:				
Instruction - Support	69,901	69,901	31,869	38,032
Total expenditures	<u>69,901</u>	<u>69,901</u>	<u>31,869</u>	<u>38,032</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(31,869)	(31,869)
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>	(31,869)	<u>\$ (31,869)</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			<u>31,869</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  
 NEW MEXICO LEADS TO READ K-3 SPECIAL REVENUE FUND - 27114  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State flow through grants	\$ -	\$ 84,905	\$ 2,305	\$ (82,600)
Total state revenues	-	84,905	2,305	(82,600)
Expenditures:				
Instruction	-	84,905	47,302	37,603
Total expenditures	-	84,905	47,302	37,603
Excess (deficiency) of revenues over (under) expenditures	-	-	(44,997)	(44,997)
Fund balances at beginning of the year	-	-	-	-
Fund balances (deficit) at end of the year	\$ -	\$ -	(44,997)	\$ (44,997)
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			54,125	
Changes in payables			(9,128)	
			\$ -	

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, 2014

	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	-	6,867	6,867	-
Total expenditures	-	6,867	6,867	-
Excess (deficiency) of revenues over (under) expenditures	-	(6,867)	(6,867)	-
Fund balances at beginning of the year	-	-	-	-
Fund balances (deficit) at end of the year	\$ -	\$ (6,867)	(6,867)	\$ -
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			6,867	
			\$ -	

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

STATE OF NEW MEXICO  
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5  
 STIPENDS SERVING AT RISK & ADVANCED PLACEMENT SPECIAL REVENUE FUND - 27122  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State flow through grants	\$ -	\$ 5,000	\$ -	\$ (5,000)
Total state revenues	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
Expenditures:				
Instruction	-	5,000	5,000	-
Total expenditures	<u>-</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(5,000)	(5,000)
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>(5,000)</u>	<u>\$ (5,000)</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			<u>5,000</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  
 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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State flow through grants	<u>580,000</u>	<u>580,000</u>	<u>301,479</u>	<u>(278,521)</u>
Total state revenues	<u>580,000</u>	<u>580,000</u>	<u>301,479</u>	<u>(278,521)</u>
Expenditures:				
Instruction	574,200	580,000	525,409	54,591
Support Services:				
General Administration	<u>5,800</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>580,000</u>	<u>580,000</u>	<u>525,409</u>	<u>54,591</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(223,930)	54,591
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>(223,930)</u>	<u>\$ 54,591</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			<u>223,930</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State flow through grants	\$ -	\$ 54,661	\$ 45,180	\$ (9,481)
Total state revenues	<u>-</u>	<u>54,661</u>	<u>45,180</u>	<u>(9,481)</u>
Expenditures:				
Non-Instructional Services:				
Food Services	-	54,661	53,993	668
Total expenditures	<u>-</u>	<u>54,661</u>	<u>53,993</u>	<u>668</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(8,813)	(8,813)
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>(8,813)</u>	<u>\$ (8,813)</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			245	
Change in deferred revenue			<u>8,568</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, 2014

	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  
 2013 SCHOOL BUSES SPECIAL REVENUE - 27178  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State grant	\$ -	\$ 1,255,020	\$ -	\$ (1,255,020)
Total state revenues	-	1,255,020	-	(1,255,020)
Expenditures:				
Support Services:				
Student Transportation	-	1,255,020	1,255,020	-
Total expenditures	-	1,255,020	1,255,020	-
Excess (deficiency) of revenues over (under) expenditures	-	-	(1,255,020)	(1,255,020)
Fund balances at beginning of the year	-	-	-	-
Fund balances (deficit) at end of the year	\$ -	\$ -	(1,255,020)	\$ (1,255,020)
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			1,255,020	
			\$ -	

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

STATE OF NEW MEXICO  
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5  
 STEM TEACHER INITIATIVE SPECIAL REVENUE FUND - 27181  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State grant	\$ -	\$ 215,000	\$ 103,999	\$ (111,001)
Total state revenues	-	215,000	103,999	(111,001)
Expenditures:				
Instruction	-	215,000	209,890	5,110
Total expenditures	-	215,000	209,890	5,110
Excess (deficiency) of revenues over (under) expenditures	-	-	(105,891)	(105,891)
Fund balances at beginning of the year	-	-	-	-
Fund balances (deficit) at end of the year	\$ -	\$ -	(105,891)	\$ (105,891)
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			105,891	
			<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 GROWN FVW SPECIAL REVENUE FUND - 27183  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State grant	\$ -	\$ 591	\$ 591	\$ -
Total state revenues	-	591	591	-
Expenditures:				
Non-Instructional Services:				
Food Services	-	591	591	-
Total expenditures	-	591	591	-
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  
 NEXT GENERATION ASSESSMENTS SPECIAL REVENUE FUND-27185  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State grant	\$ -	\$ 86,962	\$ -	\$ (86,962)
Total state revenues	-	86,962	-	(86,962)
Expenditures:				
Support Services:				
Instruction - Support	-	86,962	86,962	-
Total expenditures	-	86,962	86,962	-
Excess (deficiency) of revenues over (under) expenditures	-	-	(86,962)	(86,962)
Fund balances at beginning of the year	-	-	-	-
Fund balances (deficit) at end of the year	\$ -	\$ -	(86,962)	\$ (86,962)
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			86,962	
			\$ -	

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State grant	\$ -	\$ 299,964	\$ 137,291	\$ (162,673)
Total state revenues	-	299,964	137,291	(162,673)
Expenditures:				
Instruction	-	296,264	138,078	158,186
Support Services:				
General Administration	-	3,700	-	3,700
Total expenditures	-	299,964	138,078	161,886
Excess (deficiency) of revenues over (under) expenditures	-	-	(787)	(787)
Fund balances at beginning of the year	-	-	-	-
Fund balances (deficit) at end of the year	\$ -	\$ -	(787)	\$ (787)
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			-	
Change in unearned revenue			787	
			\$ -	

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, 2014

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ -	\$ -
Total state 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 due from other governments			-	
Change in unearned revenue			-	
			<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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Local sources:				
Fees and activities	\$ 690	\$ 690	\$ 3,094	\$ 2,404
Earnings from investments	<u>213</u>	<u>213</u>	<u>155</u>	<u>(58)</u>
Total revenues	<u>903</u>	<u>903</u>	<u>3,249</u>	<u>2,346</u>
Expenditures:				
Non-Instructional Services:				
Capital Outlay	<u>1,545,432</u>	<u>1,545,432</u>	<u>-</u>	<u>1,545,432</u>
Total expenditures	<u>1,545,432</u>	<u>1,545,432</u>	<u>-</u>	<u>1,545,432</u>
Excess (deficiency) of revenues over (under) expenditures	(1,544,529)	(1,544,529)	3,249	1,547,778
Beginning cash balance budgeted	1,544,529	1,544,529	-	(1,544,529)
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>1,544,489</u>	<u>1,544,489</u>
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>1,547,738</u>	<u>\$ 1,547,738</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			<u>-</u>	
			<u>\$ 1,547,738</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, 2014

	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	-	-	-	-
Fund balances at beginning of the year	-	-	48,375	48,375
Fund balances at end of the year	\$ -	\$ -	48,375	\$ 48,375
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, 2014

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Total revenues	\$ -	\$ -	\$ -	\$ -
<b>Expenditures:</b>				
Support Services:				
Non-Instructional Services:				
Capital Outlay	<u>99,873</u>	<u>99,873</u>	-	<u>99,873</u>
Total expenditures	<u>99,873</u>	<u>99,873</u>	-	<u>99,873</u>
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	-	-	<u>99,873</u>	<u>99,873</u>
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	99,873	<u>\$ 99,873</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
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, 2014

	Balance June 30, <u>2013</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>2014</u>
<b><u>ASSETS</u></b>				
<b><u>Cash:</u></b>				
Central office, Junior high, elementary schools	\$ 1,263,059	\$ 1,772,306	\$ 2,021,222	\$ 1,014,143
Farmington High School	332,508	890,094	865,475	357,127
Farmington High School FHS special activity	590 14,486	343 78,107	- 75,666	933 16,927
Piedra Vista High School	285,780	784,665	829,869	240,576
Piedra Vista High School PVHS special activity	87 10,914	- 45,737	27 46,997	60 9,654
<b>Total assets</b>	<b><u>\$ 1,907,424</u></b>	<b><u>\$ 3,571,252</u></b>	<b><u>\$ 3,839,256</u></b>	<b><u>\$ 1,639,420</u></b>
<b><u>LIABILITIES</u></b>				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Deposits held for others	<u>1,907,424</u>	<u>3,571,252</u>	<u>3,839,256</u>	<u>1,639,420</u>
<b>Total liabilities</b>	<b><u>\$ 1,907,423</u></b>	<b><u>\$ 3,571,252</u></b>	<b><u>\$ 3,839,256</u></b>	<b><u>\$ 1,639,420</u></b>

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, 2014

	Special Revenue Funds			Total Governmental Funds
	Operational	Entitlement IDEA-B	Charter Schools	
<b><u>ASSETS</u></b>	11000	24106	24146	
Pooled cash and investments	\$ 452,086	\$ -	\$ -	\$ 452,086
Due from other governments	-	98,674	53,219	151,893
Due from other funds	<u>139,153</u>	<u>-</u>	<u>-</u>	<u>139,153</u>
 Total assets	 <u>\$ 591,239</u>	 <u>\$ 98,674</u>	 <u>\$ 53,219</u>	 <u>\$ 743,132</u>
 <b><u>LIABILITIES AND FUND BALANCES</u></b>				
Liabilities:				
Due to other funds	\$ -	\$ 85,934	\$ 53,219	\$ 139,153
Accounts payable	54,047	-	-	54,047
Accrued payroll, taxes and benefits	<u>95,379</u>	<u>12,740</u>	<u>-</u>	<u>108,119</u>
 Total liabilities	 <u>149,426</u>	 <u>98,674</u>	 <u>53,219</u>	 <u>301,319</u>
Fund balances:				
Restricted:				
Instructional materials	3,269	-	-	3,269
Restricted by grantor	-	-	-	-
Unassigned:				
General fund	<u>438,544</u>	<u>-</u>	<u>-</u>	<u>438,544</u>
 Total fund balances	 <u>441,813</u>	 <u>-</u>	 <u>-</u>	 <u>441,813</u>
 Total liabilities and fund balances	 <u>\$ 591,239</u>	 <u>\$ 98,674</u>	 <u>\$ 53,219</u>	

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

No reconciling items.

Net position - component unit

\$ 441,813

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, 2014

	<u>Special Revenue Funds</u>			Total Governmental Funds
	Operational	Entitlement IDEA-B	Charter Schools	
	11000	24106	24146	
<b>Revenues:</b>				
<b>Intergovernmental:</b>				
State equalization guarantee	\$ 2,451,915	\$ -	\$ -	\$ 2,451,915
Grants	85,943	140,303	53,218	279,464
Donations and miscellaneous	3,278	-	-	3,278
	<u>2,541,136</u>	<u>140,303</u>	<u>53,218</u>	<u>2,734,657</u>
<b>Total revenue</b>				
	<u>2,541,136</u>	<u>140,303</u>	<u>53,218</u>	<u>2,734,657</u>
<b>Expenditures:</b>				
Instruction	2,052,902	95,937	111,172	2,260,011
<b>Support services:</b>				
Students	44,199	44,366	-	88,565
Instruction - support	24,477	-	-	24,477
General administrative	25,510	-	-	25,510
School administrative	190,349	-	-	190,349
Central services	67,722	-	-	67,722
Operations & maintenance of plant	101,221	-	-	101,221
	<u>2,506,380</u>	<u>140,303</u>	<u>111,172</u>	<u>2,757,855</u>
<b>Total expenditures</b>				
	<u>2,506,380</u>	<u>140,303</u>	<u>111,172</u>	<u>2,757,855</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>34,756</u>	<u>-</u>	<u>(57,954)</u>	<u>(23,198)</u>
<b>Fund balances at beginning</b>	<u>407,057</u>	<u>-</u>	<u>57,954</u>	
<b>Fund balances at ending</b>	<u>\$ 441,813</u>	<u>\$ -</u>	<u>\$ -</u>	

Amounts reported for governmental activities in the statement  
of activities are different in the component unit because:  
No reconciling items.

Change in net position of component unit activities \$ (23,198)

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>State sources:</b>				
State equalization guarantee	\$ 2,657,550	\$ 2,489,099	\$ 2,489,096	\$ (3)
State instructional material	26,145	63,326	66,594	3,268
State flow through grants	-	-	19,348	19,348
	<u>2,683,695</u>	<u>2,552,425</u>	<u>2,575,038</u>	<u>22,613</u>
<b>Local sources:</b>				
Miscellaneous	-	-	3,278	3,278
	<u>2,683,695</u>	<u>2,552,425</u>	<u>2,578,316</u>	<u>25,891</u>
<b>Expenditures:</b>				
Instruction	2,204,837	2,443,578	2,031,936	411,642
<b>Support Services:</b>				
Students	72,631	67,631	44,471	23,160
Instruction - Support	31,109	31,109	24,477	6,632
General Administration	32,619	32,619	25,346	7,273
School Administration	163,822	197,572	190,319	7,253
Central Services	77,800	77,800	66,731	11,069
Operation & Maintenance of Plant	100,877	104,201	101,263	2,938
	<u>2,683,695</u>	<u>2,954,510</u>	<u>2,484,543</u>	<u>469,967</u>
Excess (deficiency) of revenues over (under) expenditures	-	(402,085)	93,773	495,858
Beginning cash balance budgeted	-	402,085	-	(402,085)
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>407,057</u>	<u>407,057</u>
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>500,830</u>	<u>\$ 500,830</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in due from other governments			(37,181)	
Changes in payables			(21,836)	
			<u>\$ 441,813</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Federal sources:</b>				
Federal flowthrough grants	\$ -	\$ 164,324	\$ 41,629	\$ (122,695)
<b>Total federal revenues</b>	<b>-</b>	<b>164,324</b>	<b>41,629</b>	<b>(122,695)</b>
<b>Expenditures:</b>				
Instruction	-	108,306	95,937	12,369
Support Services:				
Students	-	56,018	44,366	11,652
<b>Total expenditures</b>	<b>-</b>	<b>164,324</b>	<b>140,303</b>	<b>24,021</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>-</b>	<b>(98,674)</b>	<b>(98,674)</b>
Beginning cash balance budgeted	-	-	-	-
Fund balances at beginning of the year	-	-	-	-
Fund balances (deficit) at end of the year	\$ -	\$ -	(98,674)	\$ (98,674)
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in due from other governments			98,674	
			<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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal direct grants	\$ -	\$ 111,297	\$ 132,153	\$ 20,856
Total revenues	-	111,297	132,153	20,856
Expenditures:				
Instruction	-	111,297	111,292	5
Support Services:				
Students	-	-	-	-
Total expenditures	-	111,297	111,292	5
Excess (deficiency) of revenues over (under) expenditures	-	-	20,861	20,861
Other financing sources (uses):				
Transfer out	-	-	-	-
Net change in fund balances	-	-	20,861	20,861
Fund balances at beginning of the year	-	-	57,954	57,954
Fund balances at end of the year	\$ -	\$ -	78,815	\$ 99,676
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			(78,935)	
Changes in payables			120	
			\$ -	

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, 2014

	2014
<b>Governmental funds capital assets:</b>	
Land	\$ 4,142,761
Buildings and improvements	217,208,149
Improvements other than buildings	4,421,897
Equipment	9,895,635
Construction in progress	1,403,772
 Total governmental funds capital assets	 \$ 237,072,214
 <b>Investment in governmental funds capital assets by source:</b>	
General fund	\$ 6,660,115
Special revenue fund	693,966
Capital projects fund	229,718,133
 Total governmental funds capital assets	 \$ 237,072,214

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, 2014

	<u>Land</u>	<u>Improvements</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Total</u>
<b>FUNCTION AND ACTIVITY</b>					
<b>Educational services:</b>					
Instruction	\$ -	\$ -	\$ -	\$ 980,216	\$ 980,216
<b>Support services:</b>					
Students	-	-	-	104,338	104,338
Instruction - support	-	-	-	7,354	7,354
General administrative	-	-	-	274,765	274,765
School administrative	-	-	82,941	159,099	242,040
Central services	-	-	-	62,020	62,020
Operations & maintenance of plant	650,000	-	-	1,173,551	1,823,551
Student transportation	-	-	-	6,019,225	6,019,225
Other support services	-	-	-	37,700	37,700
<b>Non-instructional services:</b>					
Food services	-	-	-	618,018	618,018
Community services	-	-	-	-	-
Capital outlay	<u>3,492,761</u>	<u>4,421,897</u>	<u>217,125,208</u>	<u>459,349</u>	<u>225,499,215</u>
<b>Total governmental funds</b>					
capital assets	<u>\$ 4,142,761</u>	<u>\$ 4,421,897</u>	<u>\$217,208,149</u>	<u>\$ 9,895,635</u>	235,668,442
Construction in Progress					<u>1,403,772</u>
					<u>\$ 237,072,214</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, 2014

FUNCTION AND ACTIVITY	General Capital Assets <u>July 1, 2013</u> (as restated)	<u>Reclassifications</u>	<u>Additions</u>	<u>Deletions</u>	General Capital Assets <u>June 30, 2014</u>
<b>Educational services:</b>					
Instruction	\$ 947,495	\$ -	\$ 32,721	\$ -	\$ 980,216
<b>Support services:</b>					
Students	104,338	-	-	-	104,338
Instruction - support	7,354	-	-	-	7,354
General administrative	232,248	-	42,516	-	274,764
School administrative	242,040	-	-	-	242,040
Central services	62,020	-	-	-	62,020
Operations & maintenance of plant	1,689,782	-	133,769	-	1,823,551
Student transportation	4,612,224	-	1,407,001	-	6,019,225
Other support services	37,700	-	-	-	37,700
<b>Non-instructional services:</b>					
Food services	580,983	-	37,035	-	618,018
Community services	-	-	-	-	-
Capital outlay	<u>199,795,553</u>	-	<u>25,703,663</u>	-	<u>225,499,216</u>
<b>Total governmental funds capital assets</b>	<u>\$ 208,311,737</u>	<u>\$ -</u>	<u>\$ 27,356,705</u>	<u>\$ -</u>	<u>\$ 235,668,442</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, 2014

	Wells Fargo	Citizens Bank of Farmington	Four Corners Community Bank	Bank of the Southwest	Total
<b>Bank Deposits:</b>					
Checking account - non-interest bearing	\$ 45,948,300	\$ 9,614,108	\$ -	\$ 1,480,825	\$ 57,043,233
Certificates of deposit - interest bearing	-	-	1,405,235	-	1,405,235
Money Market Accounts - interest bearing	781,177	-	-	-	781,177
<b>Deposits, at June 30, 2014</b>	<b>46,729,477</b>	<b>9,614,108</b>	<b>1,405,235</b>	<b>1,480,825</b>	<b>59,229,645</b>
FDIC Insurance	500,000	250,000	250,000	250,000	1,250,000
<b>Uninsured amount</b>	<b>\$ 46,229,477</b>	<b>\$ 9,364,108</b>	<b>\$ 1,155,235</b>	<b>\$ 1,230,825</b>	<b>\$ 57,979,645</b>
<b>Pledged Collateral Required</b>					
50 percent of uninsured amount	23,114,739	4,682,054	577,618	615,413	28,989,824
<b>Pledged collateral at June 30, 2014</b>	<b>23,577,047</b>	<b>9,490,270</b>	<b>708,194</b>	<b>650,000</b>	<b>34,425,511</b>
<b>Excess (deficiency)</b>	<b>\$ 462,308</b>	<b>\$ 4,808,216</b>	<b>\$ 130,576</b>	<b>\$ 34,587</b>	<b>\$ 5,435,687</b>
<b>Pledged collateral location</b>					
	<u>Wells Fargo, California</u>	<u>Dallas, TX</u>	<u>Dallas, TX</u>	<u>Dallas, TX</u>	
<b>Pledged collateral (market value) as of June 30, 2014:</b>					
FNAH0946; #3138A2BQ1; 12/01/40	384,733	-	-	-	384,733
FNAS0025; #3138W9A34; 07/01/43	23,192,314	-	-	-	23,192,314
FHLB; #51778FBK4; 05/01/15	-	500,000	-	-	500,000
FHLB; #31398TMW8; 7/25/40	-	6,813,915	-	-	6,813,915
FHLB; #3137A7AS9; 06/15/40	-	1,903,910	-	-	1,903,910
FHLB; #31398PYM5; 02/25/2039	-	272,445	-	-	272,445
Eunice PSD NO 8 NM UTGO SR ABQ; #52153CH2	-	-	155,334	-	155,334
Hobbs NM Mun SCH Dist No 16; #433866DR8	-	-	552,860	-	552,860
FHLB - Letter of Credit - 09/22/14	-	-	-	100,000	100,000
FHLB - Letter of Credit - 11/03/14	-	-	-	350,000	350,000
FHLB - Letter of Credit - 11/24/14	-	-	-	200,000	200,000
<b>Totals</b>	<b>\$ 23,577,047</b>	<b>\$ 9,490,270</b>	<b>\$ 708,194</b>	<b>\$ 650,000</b>	<b>\$ 34,425,511</b>
<b>Reconciliation to Financial Statements:</b>					
Total per banks	\$ 46,729,477	\$ 9,614,108	\$ 1,405,235	\$ 1,480,825	\$ 59,229,645
Reconciling items	(1,694,292)	146,185	-	(28,786)	(1,576,893)
	<b>\$ 45,035,185</b>	<b>\$ 9,760,293</b>	<b>\$ 1,405,235</b>	<b>\$ 1,452,039</b>	<b>57,652,752</b>
<b>Investments</b>					<b>1,339,313</b>
<b>Total cash and investments</b>					<b>\$ 58,992,065</b>
<b>Pooled cash and investments</b>					<b>57,352,645</b>
<b>Fiduciary cash and investments</b>					<b>1,639,420</b>
<b>Cash and investments per financial statements</b>					<b>\$ 58,992,065</b>

STATE OF NEW MEXICO  
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5  
 SCHEDULE OF CASH ACCOUNTS AND INVESTMENTS  
 June 30, 2014

<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	\$ 5,116,193	\$ 3,008,466	\$ 8,124,659
Employee Benefits Plan	Checking	Wells Fargo	2,429,007	(3,609)	2,425,398
Transportation	Checking	Wells Fargo	100	(100)	-
Non-Budgeted Activities	Checking	Wells Fargo	216,961	(28)	216,933
Federal Projects	Checking	Wells Fargo	138,573	(1,759,707)	(1,621,134)
State & Local	Checking	Wells Fargo	21,825	(1,385,042)	(1,363,217)
Building Fund	Checking	Wells Fargo	23,930,277	309	23,930,586
Accounts Payable	Checking	Wells Fargo	449,906	(449,906)	-
Payroll	Checking	Wells Fargo	1,093,938	(1,093,938)	-
Debt Service	Checking	Wells Fargo	11,915,500	-	11,915,500
Debt Service	Money Market	Wells Fargo	768,360	-	768,360
Investment Account	Money Market	Wells Fargo	7	(4)	3
Savings District Op	Money Market	Wells Fargo	12,817	-	12,817
FHS Special Activities	Checking	Wells Fargo	17,912	(982)	16,930
PVHS Special Activity Account	Checking	Wells Fargo	11,026	(1,372)	9,654
FHS Merchant Card	Checking	Wells Fargo	933	-	933
PVHS Merchant Card	Checking	Wells Fargo	60	-	60
PVHS Activity Fund	Checking	Wells Fargo	249,052	(8,476)	240,576
Scorps Activity Fund	Checking	Wells Fargo	357,030	97	357,127
<b>Total</b>			<b>46,729,477</b>	<b>(1,694,292)</b>	<b>45,035,185</b>
Building Fund	Checking	Citizens	818,308	69,185	887,493
Special Building Local	Checking	Citizens	1,547,430	308	1,547,738
Tech Bond	Checking	Citizens	5,457,054	125	5,457,179
Capital Imp Mill/Spec Build St	Checking	Citizens	727,103	(352)	726,751
Secondary Athletics	Checking	Citizens	114,503	12,486	126,989
Central Office Activity	Checking	Citizens	949,710	64,433	1,014,143
<b>Total</b>			<b>9,614,108</b>	<b>146,185</b>	<b>9,760,293</b>
Operating	Certificate of Deposit	Four Corners Community	1,405,235	-	1,405,235
Cafeteria	Checking	Bank of the Southwest	1,480,825	(28,786)	1,452,039
Scorpions CD	Certificate of Deposit	Bank of America	-	-	-
<b>Total</b>			<b>\$ 59,229,645</b>	<b>\$ (1,576,893)</b>	<b>\$ 57,652,752</b>
Operating	Investment	NM State Treasurer	541,100	-	541,100
Debt service	Investment	NM State Treasurer	798,213	-	798,213
<b>Total</b>			<b>\$ 1,339,313</b>	<b>\$ -</b>	<b>\$ 1,339,313</b>

STATE OF NEW MEXICO  
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5  
 Schedule of Cash Reconciliation  
 June 30, 2014

	Beginning Cash	Receipts	Distributions	Other	Net Cash end of Period	Adjustments to the report	Total Cash on Report
Operational Account	\$ 11,665,502	\$ 70,985,359	\$ (72,871,616)	\$ -	\$ 9,779,245	\$ -	\$ 9,779,245
Transportation	5,390	2,877,620	(2,866,730)	-	16,280	-	16,280
Instructional Materials	464,844	752,255	(1,029,433)	-	187,666	-	187,666
Food Services	1,024,733	3,847,766	(3,420,460)	-	1,452,039	-	1,452,039
Athletics	122,008	334,556	(329,575)	-	126,989	-	126,989
Non-Instructional	326,551	434,061	(543,680)	-	216,932	-	216,932
Federal Flowthrough Grants	(654,178)	5,151,706	(6,411,373)	-	(1,913,845)	-	(1,913,845)
Federal Direct Grants	347,706	1,685,431	(1,839,100)	-	194,037	-	194,037
Local Grants	320,459	699,271	(626,229)	-	393,501	-	393,501
State Flowthrough Grants	(16,203)	479,440	(2,251,348)	-	(1,788,111)	-	(1,788,111)
State Direct Grants	32,181	137,291	(138,078)	-	31,394	-	31,394
Local/State Grants	-	-	-	-	-	-	-
Bond Building	7,820,730	23,574,936	(6,957,335)	-	24,438,331	-	24,438,331
Special Capital Outlay - Local PSCOC	1,544,488	3,249	-	-	1,547,737	-	1,547,737
Special Capital Outlay - State	48,375	-	-	-	48,375	-	48,375
Capital Improvement SB - 9	1,158,604	2,914,235	(3,394,463)	-	678,376	-	678,376
Education Technology	302,593	6,500,309	(1,345,722)	-	5,457,180	-	5,457,180
PSCO - 20%	99,873	-	-	-	99,873	-	99,873
Debt Service	8,129,975	8,723,601	(5,662,409)	-	11,191,167	-	11,191,167
Ed Tech Debt Service	3,819,996	2,497,084	(3,646,426)	-	2,670,654	-	2,670,654
Reconciling items	-	-	-	-	-	99,427	99,427
<b>Total</b>	<b>36,563,627</b>	<b>\$ 131,598,170</b>	<b>\$ (113,333,977)</b>	<b>\$ -</b>	<b>\$ 54,827,820</b>	<b>\$ 99,427</b>	<b>54,927,247</b>
<b>Non Department of Education Accounts:</b>							
Employee benefits account	2,160,447						2,425,398
Agency	1,907,424						1,639,420
<b>Total</b>	<b>\$ 40,631,498</b>						<b>\$ 58,992,065</b>

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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.

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b> <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>	135
<b>Revenue Capacity</b> <i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	140
<b>Dept Capacity</b> <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>	144
<b>Demographic and Economic Information</b> <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>	147
<b>Operating Information</b> <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>	150

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>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>	<u>2014</u>
<b>Governmental Activities</b>										
Invested in capital assets, net of related debt	\$ 22,326,416	\$ 25,733,106	\$ 21,445,446	\$ 30,436,357	\$ 26,012,989	\$ 44,326,970	\$ 44,134,648	\$ 41,429,758	\$ 87,888,998	\$ 97,274,871
Restricted	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	18,167,016
Unrestricted	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	22,634,154
<b>Total governmental activities net position</b>	<b>\$ 41,272,370</b>	<b>\$56,773,542</b>	<b>\$ 59,145,207</b>	<b>\$ 63,966,479</b>	<b>\$ 74,456,052</b>	<b>\$ 76,752,761</b>	<b>\$ 81,461,145</b>	<b>\$ 79,807,368</b>	<b>\$ 129,421,962</b>	<b>\$ 138,076,041</b>

Note: 2013 capital assets were restated to correct prior years recordings of capital assets.

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)

	<u>2005</u>	<u>2006</u>	<u>2007</u> <sup>1</sup>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>Expenses</b>										
<b>Governmental Activities:</b>										
Instruction	\$ 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	\$56,300,845
Support services:	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	10,934,607
Instruction - support								1,733,137	2,166,682	1,782,540
General Administrative								1,181,832	1,189,237	1,474,637
School Administrative								4,463,277	6,443,991	5,117,842
Central Services								799,198	477,143	859,423
Operations & Maintenance of Plant								7,608,853	7,627,858	4,194,480
Student Transportation	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	3,082,206
Other support services								109,193	73,326	91,023
Non-instructional services:										
Food services	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	4,018,871
Community services								134,934	13,502	7,408
Facilities, supplies and materials								11,950,619	9,217,681	3,046,988
Depreciation - unallocated								3,171,107	1,639,781	4,025,893
Operation of non-instructional services	4,530,640	4,510,266	5,250,877	5,589,905	1,852,097	17,149,315	14,373,083			
Athletics	1,022,332	1,023,958	469,366	553,966	304,874	366,917	280,813			
Interest on long-term obligations	1,205,605	1,328,330	1,216,796	1,105,550	1,099,819	1,320,460	1,001,828	1,194,295	1,373,015	1,106,616
<b>Total governmental activities expenses</b>	<b>\$ 76,031,025</b>	<b>\$80,184,876</b>	<b>\$86,854,915</b>	<b>\$89,578,098</b>	<b>\$88,865,993</b>	<b>\$97,293,113</b>	<b>\$94,517,940</b>	<b>\$98,559,002</b>	<b>\$97,966,914</b>	<b>\$96,043,379</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Charges for services:										
General government	\$ 894,145	\$ 747,161	\$ 882,564	\$ 1,086,221	\$ 874,480	\$ 721,172	\$ 841,094	\$ 740,797	\$ 910,475	\$ 1,061,757
Food Services	902,161	875,592	765,005	806,247	1,118,605	836,626	872,545	940,227	906,651	884,881
Operating grants and contributions	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	13,334,879
Capital grants and contributions	1,258,320	291,136	298,570	434,644	15,789	414,564	226,195	16,536	242,271	1,255,020
<b>Total governmental activities program revenues</b>	<b>\$ 14,721,439</b>	<b>\$ 14,155,025</b>	<b>\$ 12,740,561</b>	<b>\$ 13,394,005</b>	<b>\$ 13,748,863</b>	<b>\$ 20,424,183</b>	<b>\$ 18,178,175</b>	<b>\$ 14,181,545</b>	<b>\$ 14,904,395</b>	<b>\$ 16,536,537</b>
<b>Net (expense)/revenue</b>										
Governmental activities	\$ 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	\$ 79,506,842

Note <sup>1</sup>: 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)

	<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>	<u>2014</u>
<b>Not (expense)/revenue</b>										
<b>Governmental activities</b>	\$ 61,309,586	\$ 66,009,851	\$ 74,114,354	\$ 78,184,091	\$ 75,117,130	\$ 78,868,930	\$ 76,339,765	\$ 84,377,457	\$ 83,062,519	\$ 79,506,842
<b>General Revenues and Other Changes in Net Assets</b>										
<b>Governmental activities:</b>										
<b>Taxes</b>										
Property taxes, general purpose	\$ 321,151	\$ 478,090	\$ 481,236	\$ 552,995	\$ 606,564	\$ 590,775	\$ 583,549	\$ 571,308	\$ 579,898	\$ 590,888
Property taxes, debt service	7,335,464	9,891,805	9,941,059	10,039,044	10,858,918	10,554,810	9,983,458	11,158,818	10,782,854	11,034,174
Property taxes, capital projects	2,681,404	2,263,627	2,298,075	2,636,299	2,889,531	2,787,701	3,136,308	2,510,503	2,892,633	2,942,681
Unrestricted grants and contributions	55,335,082	60,820,387	62,759,755	66,897,642	71,133,055	84,409,185	67,228,446	68,459,802	70,013,110	73,575,299
Investment earnings	324,475	666,176	1,007,894	704,280	118,635	330,227	116,388	25,249	23,467	17,879
Gain on sale of capital assets	-	-	-	-	-	492,941	-	-	-	-
<b>Total government activities</b>	\$ 65,997,576	\$ 74,150,085	\$ 76,486,019	\$ 80,830,260	\$ 85,606,703	\$ 79,185,639	\$ 81,048,149	\$ 82,723,880	\$ 84,271,962	\$ 88,160,921
<b>Change in Net Position</b>										
<b>Governmental activities</b>	\$ 4,687,990	\$ 8,140,234	\$ 2,371,665	\$ 4,646,169	\$ 10,489,573	\$ 2,286,709	\$ 4,708,384	\$ (1,853,777)	\$ 1,209,443	\$ 8,654,079

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

	<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>	<u>2014</u>
<b>General Fund</b>										
Unassigned	\$ 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	\$ 9,993,027
<b>Total general fund</b>	<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>	<u>9,993,027</u>
<b>All other governmental funds</b>										
Restricted:										
Special revenue funds	\$ 2,347,132	\$ 2,754,591	\$ 556,080	\$ 527,486	\$ 750,723	\$ 924,709	\$ 1,094,888	\$ 1,225,957	\$ 1,453,776	\$ 1,460,150
Capital projects funds	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	28,055,811
Debt service funds	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	14,208,070
<b>Total all other governmental funds</b>	<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>	<u>43,724,031</u>
<b>Total fund balance</b>	<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>	<u>\$ 53,717,058</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)

	2005	2006	2007 <sup>1</sup>	2008	2009	2010	2011	2012	2013	2014
<b>Revenues</b>										
<b>Federal Sources:</b>										
Federal grants	\$ 10,993,164	\$ 10,989,835	\$ 10,217,871	\$ 10,189,833	\$ 10,340,525	\$ 18,117,216	\$ 15,572,955	\$ 11,724,519	\$ 11,305,163	\$ 11,505,683
<b>Total federal sources</b>	\$ 10,993,164	\$ 10,989,835	\$ 10,217,871	\$ 10,189,833	\$ 10,340,525	\$ 18,117,216	\$ 15,572,955	\$ 11,724,519	\$ 11,305,163	\$ 11,505,683
<b>State Sources:</b>										
State equalization guarantee	\$ 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	\$ 69,945,424
Transportation	\$ 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	\$ 2,877,620
State instructional materials	\$ 840,379	\$ 900,863	\$ 902,771	\$ 1,000,893	\$ 1,208,608	\$ 414,145	\$ 419,953	\$ 451,035	\$ 695,105	\$ 752,255
State grants	\$ 1,819,395	\$ 1,582,370	\$ 1,387,104	\$ 1,311,904	\$ 1,410,172	\$ 749,169	\$ 891,581	\$ 542,632	\$ 1,539,869	\$ 2,440,227
<b>Total state sources</b>	\$ 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	\$ 76,015,526
<b>Local Sources:</b>										
District school tax levy	\$ 9,526,421	\$ 10,266,058	\$ 11,469,129	\$ 12,536,566	\$ 13,327,597	\$ 13,357,629	\$ 13,474,931	\$ 13,782,009	\$ 13,986,761	\$ 14,400,614
Fees and activities	\$ 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	\$ 1,946,638
Earnings from investments	\$ 302,234	\$ 684,116	\$ 953,089	\$ 704,280	\$ 118,635	\$ 330,227	\$ 116,388	\$ 24,150	\$ 23,467	\$ 17,879
Other revenue	\$ 1,693,609	\$ 1,846,793	\$ 475,544	\$ 10,323	\$ 57,581	\$ -	\$ -	\$ 235,620	\$ 242,237	\$ 643,989
<b>Total local sources</b>	\$ 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	\$ 17,009,120
<b>Total revenues</b>	\$ 80,719,015	\$ 87,061,492	\$ 88,161,657	\$ 93,532,493	\$ 98,323,089	\$ 88,521,224	\$ 98,997,940	\$ 96,448,605	\$ 98,927,733	\$ 104,530,329
<b>Expenditures</b>										
Instruction	\$ 39,474,013	\$ 42,841,934	\$ 47,072,766	\$ 48,829,221	\$ 50,606,904	\$ 50,753,301	\$ 48,611,814	\$ 48,645,538	\$ 50,500,144	\$ 56,171,307
Support services:	\$ 22,877,894	\$ 24,902,432	\$ 24,387,234	\$ 24,885,397	\$ 27,457,142	\$ 18,854,030	\$ 18,292,277			
Students								\$ 10,484,841	\$ 10,211,974	\$ 10,923,048
Instruction - support								\$ 1,692,426	\$ 2,128,788	\$ 1,782,540
General Administrative								\$ 1,365,643	\$ 1,404,004	\$ 1,679,249
School Administrative								\$ 4,416,577	\$ 4,688,741	\$ 5,103,738
Central Services								\$ 789,070	\$ 468,282	\$ 853,221
Operations & Maintenance of Plant								\$ 7,664,410	\$ 7,607,882	\$ 8,256,411
Student Transportation	\$ 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	\$ 4,122,683
Other support services								\$ 97,296	\$ 57,034	\$ 91,023
Non-instructional services:										
Food services	\$ 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	\$ 4,025,369
Community services								\$ 134,934	\$ 13,502	\$ 7,408
Operation of non-instructional services	\$ 1,443,680	\$ 1,603,838	\$ 1,107,827	\$ 2,465,366	\$ 259,590	\$ 10,385,256	\$ 9,855,378			
Athletics	\$ 884,793	\$ 937,107	\$ 310,337	\$ 309,539	\$ 220,497	\$ 279,746	\$ 263,334			
Capital outlay	\$ 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	\$ 14,939,280
Debt service:										
Principal	\$ 4,600,000	\$ 4,875,000	\$ 8,750,000	\$ 8,795,000	\$ 6,815,735	\$ 10,681,288	\$ 14,305,648	\$ 9,044,230	\$ 8,598,102	\$ 7,885,000
Interest	\$ 1,268,838	\$ 1,272,908	\$ 1,142,044	\$ 1,248,718	\$ 998,752	\$ 1,362,600	\$ 1,100,745	\$ 1,218,881	\$ 1,345,245	\$ 1,224,129
Capital lease issuance costs				\$ 22,444	\$ 118,716	\$ -	\$ -	\$ 106,313	\$ -	\$ 33,265
<b>Total expenditures</b>	\$ 82,007,796	\$ 89,391,162	\$ 92,589,115	\$ 102,899,360	\$ 105,677,535	\$ 108,137,112	\$ 108,910,992	\$ 111,655,543	\$ 111,187,843	\$ 117,197,671
<b>Revenues over (under) expenditures</b>	\$ (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)	\$ (12,667,342)
<b>Other Financing Sources (Uses)</b>										
Sale of capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 492,941	\$ -	\$ -	\$ -	\$ -
Bonds issued	\$ 11,685,000	\$ 5,500,000	\$ 10,100,000	\$ -	\$ 16,000,000	\$ -	\$ 22,710,000	\$ 14,000,000	\$ -	\$ 33,530,000
Premium on bonds issued	\$ 234,859	\$ -	\$ 58,471	\$ -	\$ 314,243	\$ -	\$ 835,674	\$ 909,222	\$ -	\$ 468,113
Capital lease	\$ -	\$ -	\$ -	\$ 4,750,000	\$ 4,500,000	\$ -	\$ -	\$ 6,750,000	\$ -	\$ -
Payments to refunded debt escrow	\$ (7,279,765)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,530,000)
<b>Total other financing sources (uses)</b>	\$ 4,640,094	\$ 5,500,000	\$ 10,158,471	\$ 4,750,000	\$ 20,814,243	\$ 492,941	\$ 23,545,674	\$ 21,659,222	\$ -	\$ 30,468,113
<b>Net Change in Fund Balances</b>	\$ 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)	\$ 17,818,771
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	7.6%	7.5%	10.7%	10.6%	8.5%	11.7%	14.8%	9.9%	9.7%	9.2%

Note <sup>1</sup>: 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 &amp; Gas Assessed</u>	<u>Total Assessed Value</u>	<u>Exemptions</u>	<u>Total Taxable Assessed Value<sup>1</sup></u>	<u>Estimated Actual Taxable Value</u>	<u>Total Direct Tax Rate</u>
2005	844,203,928	62,816,997	200,661,997	1,107,682,922	70,005,454	1,037,677,468	3,113,343,738	\$ 9.961
2006	921,615,616	64,432,508	195,817,073	1,181,865,197	69,657,902	1,112,207,295	3,336,955,581	\$ 9.934
2007	975,740,712	62,552,707	235,836,931	1,274,130,350	54,641,688	1,219,488,662	3,658,831,869	\$ 9.953
2008	1,129,490,729	63,999,668	245,628,582	1,439,118,979	77,572,830	1,361,546,149	4,085,046,952	\$ 9.902
2009	1,230,768,674	82,737,036	238,830,914	1,552,336,624	98,012,298	1,454,324,326	4,363,409,319	\$ 9.915
2010	1,253,326,754	91,177,960	131,413,661	1,475,918,375	101,810,388	1,374,107,987	4,122,736,235	\$ 9.921
2011	1,409,817,347	84,283,882	148,590,174	1,642,691,403	230,196,464	1,412,494,939	4,237,908,608	\$ 9.923
2012	1,449,286,960	83,782,919	162,995,453	1,696,065,332	242,086,301	1,453,979,031	4,362,373,330	\$ 9.924
2013	1,505,199,475	77,702,285	101,656,804	1,684,558,564	257,130,153	1,427,428,411	4,282,713,504	\$ 9.926
2014	1,568,435,510	74,491,847	110,402,844	1,753,330,201	281,616,474	1,471,713,727	4,415,582,739	\$ 9.926

<sup>1</sup> The assessed values are 33 1/3% of actual taxable 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				
		Operational	Debt		Ed Tech Service	Total Direct Rate	State Debt Service	San Juan County	City of Farmington	San Juan College	Total Direct & Overlapping
			Service	Improvement							
2014	City of Farmington Residential	0.322	3.937	1.968	3.494	9.721	1.360	6.231	1.407	3.714	22.433
	City of Farmington Commercial/Oil & Gas	0.500	3.937	2.000	3.494	9.931	1.360	8.500	2.225	5.100	27.116
	San Juan County Residential	0.322	3.937	1.968	3.494	9.721	1.360	6.231	0.000	3.714	21.026
	San Juan County Commercial/Oil & Gas	0.500	3.937	2.000	3.494	9.931	1.360	8.500	0.000	5.100	24.891
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

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	2014			2004		
		Assessed Valuation	Rank	Percentage of Assessed Valuation	Assessed Valuation	Rank	Percentage of Assessed Valuation
XTO Energy Inc.	Oil Field Services	29,375,875	1	2.00%			
Enterprise Field Services LLC	Oil Field Services	20,098,897	2	1.37%			
Animas Valley Mall LLC	Retail	19,522,010	3	1.33%			
Gas Company of New Mexico	Utility	19,082,726	4	1.30%			
Compressor Systems Inc.	Oil Field Services	16,114,597	5	1.09%			
Transwestern Pipeline	Pipeline	14,051,402	6	0.95%	5,337,432	4	0.56%
Qwest	Communications	11,820,451	7	0.80%	7,039,125	2	0.74%
San Regional Medical Center	Medical Services	11,305,165	8	0.77%			
BP America Production Co.	Oil & Gas	11,297,435	9	0.77%			
Wal Mart Stores	Retail	10,508,224	10	0.71%			
San Juan Coal	Mining				20,913,891	1	2.20%
Gulfterra	Oil Field Services				6,482,876	3	0.68%
Alltel	Communications				4,689,916	5	0.49%
El Paso Utility	Natural Gas				2,773,857	6	0.29%
TransColorado	Pipeline				2,476,367	7	0.26%
City of Farmington	Electric Generation				1,712,513	8	0.18%
Williams	Oil Field Services				1,455,636	9	0.15%
Public Service Co. of NM	Gas Utility				1,310,825	10	0.14%
<b>Total</b>		<b>\$ 163,176,782</b>		<b>11.09%</b>	<b>\$ 54,192,438</b>		<b>5.69%</b>
<b>District's Assessed Valuation</b>		<b>1,471,713,727</b>		<b>100.00%</b>	<b>\$ 952,107,791</b>		<b>100.00%</b>

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
2005	\$ 7,746,130	\$ 7,420,233	95.8%	\$325,727	\$ 7,745,960	100.00%
2006	\$ 8,334,562	\$ 7,967,763	95.6%	\$365,863	\$ 8,333,626	99.99%
2007	\$ 8,984,697	\$ 8,609,233	95.8%	\$374,330	\$ 8,983,563	99.99%
2008	\$ 10,120,256	\$ 9,662,514	95.5%	\$456,196	\$ 10,118,710	99.98%
2009	\$ 10,831,430	\$ 10,386,217	95.9%	\$441,668	\$ 10,827,885	99.97%
2010	\$ 11,763,190	\$ 11,209,714	95.3%	\$545,614	\$ 11,755,328	99.93%
2011	\$ 11,985,338	\$ 11,498,161	95.9%	\$473,829	\$ 11,971,989	99.89%
2012	\$ 12,255,784	\$ 11,802,343	96.3%	\$426,953	\$ 12,229,296	99.78%
2013	\$ 12,815,632	\$ 12,264,550	95.7%	\$398,081	\$ 12,662,631	98.81%
2014	\$ 13,109,618	\$ 12,608,715	96.2%	\$0	\$ 12,608,715	96.18%

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 Income<sup>2</sup></u>	<u>Per Capita<sup>2</sup></u>
2005	32,570,092	-	\$ 32,570,092	2.781%	681
2006	33,232,292	-	\$ 33,232,292	2.532%	677
2007	34,673,090	-	\$ 34,673,090	2.291%	676
2008	25,910,417	4,750,000	\$ 30,660,417	1.742%	549
2009	36,346,987	8,344,266	\$ 44,691,253	2.680%	771
2010	26,920,141	6,917,980	\$ 33,838,121	1.975%	583
2011	38,177,523	4,772,331	\$ 42,949,854	2.225%	713
2012	45,845,926	9,548,101	\$ 55,394,027	2.818%	933
2013	38,675,397	7,900,000	\$ 46,575,397	N/A	781
2014	56,385,981	14,210,000	\$ 70,595,981	N/A	1180

**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.

<sup>2</sup> **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>
2005	32,570,092	8,705,529	23,864,563	2.30%	496.99
2006	33,232,292	10,324,241	22,908,051	2.06%	465.11
2007	34,673,090	9,169,022	25,504,068	2.09%	476.66
2008	25,910,417	9,811,075	16,099,342	1.18%	288.38
2009	36,346,987	11,409,405	24,937,582	1.71%	554.00
2010	26,920,141	8,177,398	18,742,743	1.36%	398.36
2011	38,177,523	7,550,612	30,626,911	2.17%	508.42
2012	45,845,926	7,155,460	38,690,466	2.66%	651.40
2013	38,675,397	8,129,975	30,545,422	2.14%	512.43
2014	56,385,981	11,191,167	45,194,814	3.07%	755.46

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt Limit	\$ 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	\$88,302,824
Total net debt applicable to limit	<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>	<u>\$70,595,981</u>
Legal debt margin	\$ 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	\$ 17,706,843
Total net debt applicable to the limit as a percentage of debt limit	49%	47%	45%	35%	49%	41%	49%	61%	53%	80%

**Legal Debt Limit Calculation for Fiscal Year 2013**

Assessed Value	\$ 1,471,713,727
Debt limit (6% of total assessed value)	88,302,824
Debt applicable to limit:	
General Obligation Bonds	56,385,981
Capital Lease	<u>14,210,000</u>
	<u>70,595,981</u>
Legal debt margin	<u>\$ 17,706,843</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

<b>Calendar Year</b>	<b>Population</b>	<b>Personal Income</b>	<b>Per Capita Income <sup>1</sup></b>	<b>Unemployment Rate <sup>2</sup></b>
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	1,713,648,532	\$ 29,507	9.80%
2011	60,239	1,929,997,321	\$ 32,039	8.60%
2012	59,396	1,965,520,982	\$ 33,092	7.70%
2013	59,609	N/A	N/A	7.60%
2014	59,824	N/A	N/A	7.40%

**Notes:** NA=Not available - 2013 to be released in December 2014

**Source:** <sup>1</sup> United States Department of Commerce, Bureau of Economic Analysis

<sup>2</sup> 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>2014</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	3.37%	1,375	1	2.47%
Farmington Municipal School District No.5	1,550	2	2.92%	1,252	2	2.24%
Central Consolidated Schools	1,162	3	2.19%	1,125	3	2.02%
San Juan College	1,100	4	2.08%	950	5	1.70%
BHP Billiton	1,034	5	1.95%	1,000	4	1.79%
City of Farmington	900	6	1.70%	685	6	1.23%
Wal-Mart	756	7	1.43%	677	7	1.21%
Conoco Phillips	610	8	1.15%			0.00%
Arizona Public Service Company	573	9	1.08%	590	9	1.06%
Bloomfield Schools	462	10	0.87%	500	10	0.90%
Basin Home Health/Basin Coord.				640	8	1.15%
	9,933		18.74%	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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Supervisory</b>										
Instructional administrators	4	4	6	7	7	7	7	7	7	8
Noninstructional administrators	5	5	5	5	5	5	5	5	6	6
Consultants/supervisors of instruction										
Principals	17	17	17	17	17	17	18	18	18	18
Assistant Principals	9	9	9	10	10	10	10	10	10	10
<b>Total supervisory</b>	<b>35</b>	<b>35</b>	<b>37</b>	<b>39</b>	<b>39</b>	<b>39</b>	<b>40</b>	<b>40</b>	<b>41</b>	<b>42</b>
<b>Instruction</b>										
Certified classroom teachers	621	623	625	630	646	614	617	623	633	660
Educational assistants	129	124	125	128	136	126	125	131	128	136
<b>Total instruction</b>	<b>750</b>	<b>747</b>	<b>750</b>	<b>758</b>	<b>781</b>	<b>740</b>	<b>742</b>	<b>754</b>	<b>761</b>	<b>796</b>
<b>Student Services</b>										
Guidance counselors	17	17	18	21	23	22	21	22	26	27
Social workers	1	1	1	1	1	1	1	1	3	3
Ancillary providers	35	34	32	32	32	31	32	32	36	39
Librarians	6	6	6	6	6	6	7	7	7	7
Nurses	6	6	6	6	9	9	6	6	6	8
Other professionals (non-instructional)										
Technicians	4	4	4	4	4	4	4	4	4	5
<b>Total student services</b>	<b>69</b>	<b>68</b>	<b>67</b>	<b>70</b>	<b>74</b>	<b>69</b>	<b>71</b>	<b>72</b>	<b>82</b>	<b>89</b>
<b>Support and Administration</b>										
Clerical/Secretarial	89	89	89	89	89	87	86	86	88	90
Maintenance	16	16	16	17	23	22	24	24	25	35
Custodial	80	78	78	78	72	70	72	69	69	60
Bus drivers	73	73	75	75	75	75	75	40	40	37
<b>Total support and administration</b>	<b>258</b>	<b>256</b>	<b>258</b>	<b>259</b>	<b>259</b>	<b>254</b>	<b>257</b>	<b>219</b>	<b>222</b>	<b>222</b>

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
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%
2014	10,923	72,871,616	6,671	6.29%	104,025,142	9,523	0.27%	660	16.55	56.08%

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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>School</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>Preschool</b>						<b>Middle School</b>					
<b>FS Preschool (1991)</b>						<b>Heights (1971)</b>					
Square Feet	6,745	13,505	13,505	13,505	13,505	Square Feet	88,229	88,229	88,229	88,229	88,229
Capacity	46	92	92	92	92	Capacity	1100	1100	1100	1100	1100
Enrollment	70	99	89	133	157	Enrollment	695	721	694	705	686
<b>Elementary</b>						<b>Hermosa (1960)</b>					
<b>Animas (1963)</b>						<b>Mesa View (1994)</b>					
Square Feet	50,640	50,640	58,923	56,678	56,678	Square Feet	85,849	85,849	85,849	85,849	85,849
Capacity	539	539	539	528	528	Capacity	1025	1025	1025	1025	1025
Enrollment	494	468	480	482	422	Enrollment	550	568	577	600	587
<b>Apache (1956)</b>						<b>Tibbetts (2014)</b>					
Square Feet	53,577	55,088	55,088	59,712	59,712	Square Feet	90,791	90,791	90,791	90,791	113,217
Capacity	580	580	580	594	594	Capacity	966	966	966	966	1160
Enrollment	436	455	469	463	498	Enrollment	500	511	523	545	610
<b>Bluffview (1961)</b>						<b>High School</b>					
Square Feet	59,405	59,405	59,405	61,197	61,197	<b>Farmington (1955)</b>					
Capacity	632	632	632	578	578	Square Feet	206,786	208,630	262,628	262,628	262,628
Enrollment	556	530	495	464	486	Capacity	2334	2334	2334	2334	2334
<b>Country Club (1959)</b>						<b>Piedra Vista (1998)</b>					
Square Feet	54,684	54,684	54,684	59,164	59,164	Square Feet	245,698	247,138	247,138	247,138	247,138
Capacity	551	551	551	578	578	Capacity	1821	1821	1821	1821	1821
Enrollment	526	526	534	504	524	Enrollment	1284	1274	1274	1281	1368
<b>Esperanza (1995)</b>						<b>Rocinante (1996)</b>					
Square Feet	73,908	73,908	73,908	79,284	79,284	Square Feet	24,187	24,187	24,187	24,187	24,187
Capacity	636	636	636	660	660	Capacity	333	333	333	333	333
Enrollment	587	573	570	575	591	Enrollment	162	181	179	162	172
<b>Ladera (1963)</b>						<b>Cate Center (1949)</b>					
Square Feet	55,597	55,597	55,597	59,159	59,159	Square Feet	52,191	52,191	52,191	52,191	52,191
Capacity	569	569	569	561	561	Capacity	719	719	719	719	719
Enrollment	588	599	609	593	584	Enrollment	200	200	200	200	200
<b>McCormick (1954)</b>											
Square Feet	53,858	53,858	53,858	57,474	57,474						
Capacity	595	595	595	578	578						
Enrollment	400	393	438	464	511						
<b>McKinley (1954)</b>											
Square Feet	59,744	59,744	59,744	73,192	73,192						
Capacity	600	600	600	644	644						
Enrollment	553	551	568	582	592						
<b>Mesa Verde (1963)</b>											
Square Feet	46,972	46,972	46,972	54,131	54,131						
Capacity	519	519	519	578	578						
Enrollment	525	520	554	560	585						
<b>Northeast (1963)</b>											
Square Feet	49,630	49,630	49,630	55,923	55,923						
Capacity	513	513	513	578	578						
Enrollment	521	543	563	563	590						

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, 2014

<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>
<b><u>Child Nutrition Cluster:</u></b>			
U.S. Department of Agriculture:			
Pass-Through Program From:			
New Mexico Department of Education:			
USDA National School Lunch Program	10.555	21000	\$ 2,208,198
USDA School Breakfast Program	10.553	21000	<u>796,553</u>
Total USDA - Child Nutrition Cluster			(1) <u>3,004,751</u>
<b><u>Impact Aid Cluster:</u></b>			
Department of Education Direct Programs:			
Impact Aid	84.041	11000 / 25145 / 25147	<u>162,903</u>
<b><u>Medicaid Cluster:</u></b>			
Department of Health and Human Services:			
Pass-Through Program From:			
New Mexico Department of Education:			
Medical Assistance Program	93.778	25153	(1) <u>396,970</u>
<b><u>Special Education (IDEA) Cluster:</u></b>			
Department of Education:			
Pass-Through Program From:			
New Mexico Department of Education:			
Special Education Grants to States	84.027	24106 / 24108 / 24115	2,463,246
Special Education - Preschool Grants	84.173	24109	<u>61,689</u>
Total Special Education (IDEA) Cluster			<u>2,524,935</u>
<b><u>Title I, Part A Cluster:</u></b>			
Department of Education:			
Pass-Through Program From:			
New Mexico Department of Education:			
Title I Grants to Local Educational Agencies	84.010	24101	<u>3,064,545</u>
<b><u>Other Programs:</u></b>			
Department of the Interior:			
Pass-Through Program From:			
Navajo Nation			
Indian Education - Assistance to Schools	15.130	25131	<u>164,581</u>
Department of Justice:			
Pass-Through Program From:			
New Mexico Department of Education:			
Juvenile Mentoring Program	16.726	25187	<u>42,187</u>

STATE OF NEW MEXICO  
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 Year Ended June 30, 2014

<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 States	84.048	24174 / 24176 / 24180 / 24182	113,486
Education for Homeless Children and Youth	84.196	24113	15,234
English Language Acquisition Grants	84.365	24153 / 25248	247,173
Fund for the Improvement of Education	84.215	25107	228,634
Improving Teacher Quality State Grants	84.367	24154	(1) 478,004
Indian Education - Grants to Local Educational Agencies	84.060	25184	639,474
21st Century Community Learning Centers	84.287	24119	114,523
Charter Schools	84.282	24146	111,292
Department of Health and Human Services:			
Pass-Through Program From:			
New Mexico Department of Education:			
Substance Abuse and Mental Health Services	93.243	25238	132,984
U.S. Department of Agriculture:			
New Mexico Human Service Department:			
USDA Commodities Program	10.551	21000	145,441
New Mexico Department of Education:			
Fresh Fruit and Vegetable Program	10.582	24118	<u>46,115</u>
Total Other Programs			<u>2,479,128</u>
Total Expenditures of Federal Awards			<u>\$ 11,633,232</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, 2014

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 2014 cash and non-cash expenditures to ensure coverage of at least 25 percent (low risk auditee) of federally granted funds. Actual coverage is 33% of total cash and non-cash federal award program expenditures.

Major Federal Award Program Description	<u>2014 Expenditure</u>
<b>Child Nutrition Cluster:</b>	
10.555 – USDA National School Lunch Program	\$2,208,198
10.553 – USDA School Breakfast Program	<u>796,553</u>
	<u>3,004,751</u>
<b>Medicare Cluster:</b>	
93.778 – Medical Assistance Program	<u>396,970</u>
84.367 – Improving Teacher Quality State Grants	<u>478,004</u>
	<u>\$ 3,879,725</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, 2014 was \$145,441 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 .....	\$ 11,633,232
Component unit – Charter School .....	(111,292)
Total expenditures funded by other sources .....	<u>105,675,731</u>
Total expenditures, governmental funds.....	<u>\$117,197,671</u>



Report of Independent Auditor 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, 2014, 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 20, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the 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. 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.

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 test disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 "Clair Berry, CPA, PC". The signature is written in a cursive style with a large, looping initial "C".

Farmington, New Mexico  
October 20, 2014



Report of Independent Auditor on Compliance for Each  
Major Federal Program and on Internal Control Over  
Compliance Required by OMB Circular A-133

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

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

We have audited Farmington Municipal School District No. 5 (District's) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2014. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

### **Report on Internal Control over Compliance**

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

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

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

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



Farmington, New Mexico  
October 20, 2014

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5  
 SCHEDULE OF FINDINGS AND  
 QUESTIONED COSTS  
 Year Ended June 30, 2014

A. SUMMARY OF AUDIT RESULTS

Financial Statements:

- 1. Type of auditors' report issued ..... Unmodified
- 2. Internal control over financial reporting:
  - a. Material weakness identified? ..... No
  - b. Significant deficiencies identified not considered to be material weaknesses? ..... No
  - 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..... Unmodified
- 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>2014 Expenditure</u>
Child Nutrition Cluster:	
10.555 – USDA National School Lunch Program	\$2,208,198
10.553 – USDA School Breakfast Program	<u>796,553</u>
	<u>3,004,751</u>
Medicare Cluster:	
93.778 – Medical Assistance Program	<u>396,970</u>
84.367 – Improving Teacher Quality State Grants	<u>478,004</u>
	<u>\$ 3,879,725</u>

- 5. The threshold for distinguishing Types A and B programs was ..... \$348,996
- 6. Auditee qualified as low-risk auditee? ..... Yes

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5  
SCHEDULE OF FINDINGS AND  
QUESTIONED COSTS  
Year Ended June 30, 2014

**B. FINDINGS – FINANCIAL STATEMENTS AUDIT**

**Primary Government**

Prior Year Finding Description

2013-1 – Incorrect Receipt Posting – Cleared and not repeated.

2013-2 – Stale Checks – Cleared and not repeated.

Current Year Finding Description

None

**Component Unit**

Prior Year Finding Description

2013-3 Pledged Collateral – Cleared and not repeated.

Current Year Finding Description

None

**C. FINDINGS – MAJOR FEDERAL AWARD PROGRAMS AUDIT**

None

**FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5  
EXIT CONFERENCE  
Year Ended June 30, 2014**

An exit conference was on October 20, 2014. In attendance were:

For the Farmington Municipal School District:

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

For the New Mexico Virtual Academy:

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

For David Berry, CPA, PC (auditors):

David Berry	CPA
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