

STATE OF NEW MEXICO

Farmington Municipal School District No. 5

Farmington, New Mexico

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ending
June 30, 2019

Farmington Municipal Schools
Business and Finance Office
3401 E. 30th Street, Suite A
Farmington, NM 87402
fms.k12.nm.us

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

COMPREHENSIVE ANNUAL FINANCIAL REPORT
AND
SUPPLEMENTAL INFORMATION
YEAR ENDED JUNE 30, 2019
WITH
REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

Prepared By
Bobbi Newland, Chief Financial Officer

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INTRODUCTORY SECTION

OF

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR 2019

JULY 1, 2018 THROUGH JUNE 30, 2019

Our Mission

We will utilize a system of quality data driven instruction to ensure a culture of high performance for all students and staff.

District Goals

Student Achievement

Support campus initiatives that create learning environments in which all students within each subgroup can achieve academic success.

Staff Development

Promote/Develop outstanding instructional leadership among administrators and staff through shared best practices, improved evaluative techniques and an effective mentoring program.

Technology

Continue to utilize technology to enhance instructional strategies, improve communication with parents and community, and assist with student data analysis.

Communication

Develop a comprehensive process for communicating with the community, including through school advisory councils, concerning student achievement, accountability, and district initiatives.

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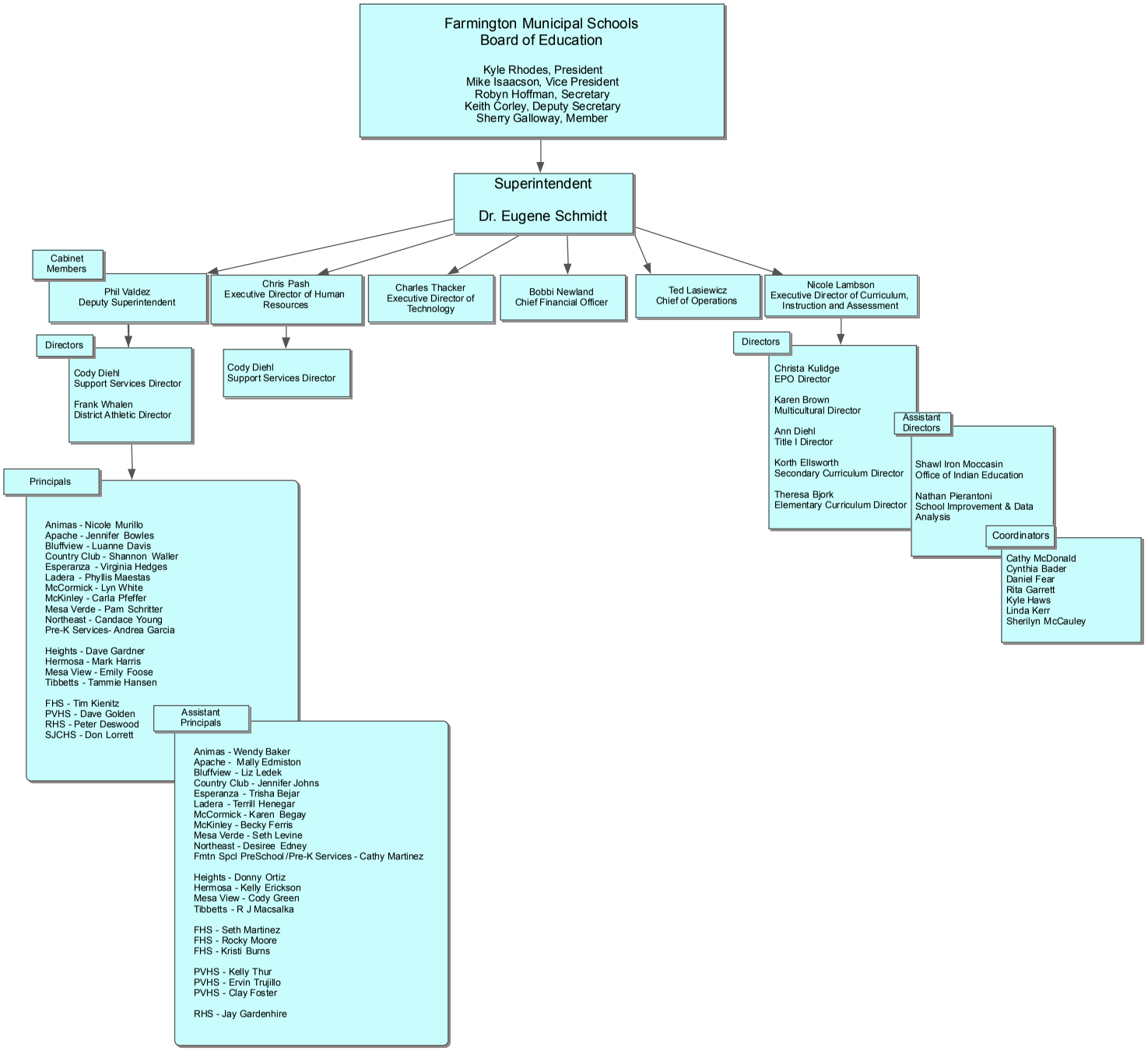
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Farmington Municipal Schools
Board of Education
Kyle Rhodes, President
Mike Isaacson, Vice President
Robyn Hoffman, Secretary
Keith Corley, Deputy Secretary
Sherry Galloway, Member
Superintendent
Dr. Eugene Schmidt
Cabinet Members
Phil Valdez
Deputy Superintendent
Chris Pash
Executive Director of Human Resources
Charles Thacker
Executive Director of Technology
Bobbi Newland
Chief Financial Officer
Ted Lasiewicz
Chief of Operations
Nicole Lambson
Executive Director of Curriculum, Instruction and Assessment
Directors
Cody Diehl
Support Services Director
Frank Whalen
District Athletic Director
Cody Diehl
Support Services Director
Directors
Christa Kulidge
EPO Director
Karen Brown
Multicultural Director
Ann Diehl
Title I Director
Korth Ellsworth
Secondary Curriculum Director
Theresa Bjork
Elementary Curriculum Director
Assistant Directors
Shawl Iron Moccasin
Office of Indian Education
Nathan Pierantoni
School Improvement & Data Analysis
Coordinators
Cathy McDonald
Cynthia Bader
Daniel Fear
Rita Garrett
Kyle Haws
Linda Kerr
Sherilyn McCauley
Principals
Animas - Nicole Murillo
Apache - Jennifer Bowles
Bluffview - Luanne Davis
Country Club - Shannon Waller
Esperanza - Virginia Hedges
Ladera - Phyllis Maestas
McCormick - Lyn White
McKinley - Carla Pfeffer
Mesa Verde - Pam Schritter
Northeast - Candace Young
Pre-K Services- Andrea Garcia
Heights - Dave Gardner
Hermosa - Mark Harris
Mesa View - Emily Foose
Tibbetts - Tammie Hansen
FHS - Tim Kienitz
PVHS - Dave Golden
RHS - Peter Deswood
SJCHS - Don Lorrett
Assistant Principals
Animas - Wendy Baker
Apache - Mally Edmiston
Bluffview - Liz Ledek
Country Club - Jennifer Johns
Esperanza - Trisha Bejar
Ladera - Terrill Henegar
McCormick - Karen Begay
McKinley - Becky Ferris
Mesa Verde - Seth Levine
Northeast - Desiree Edney
Fmtn Spcl PreSchool /Pre-K Services - Cathy Martinez
Heights - Donny Ortiz
Hermosa - Kelly Erickson
Mesa View - Cody Green
Tibbetts - R J Macsalka
FHS - Seth Martinez
FHS - Rocky Moore
FHS - Kristi Burns
PVHS - Kelly Thur
PVHS - Ervin Trujillo
PVHS - Clay Foster
RHS - Jay Gardenhire

OFFICIAL ROSTER

June 30, 2019

BOARD OF EDUCATION

Kyle Rhodes	President
Stephanie Thompson	Deputy Secretary
Robyn Hoffman	Vice President
Keith Corley	Secretary
Sherry Galloway	Member

ADMINISTRATION

Eugene Schmidt	Superintendent
Bobbi Newland	Chief Financial Officer
Laura Warnke	Admin Asst. to Chief Financial Officer
Malinda Fowler	Comptroller
Denise Stokes	AP Specialist
Cyndi Bolen	Payroll
Lisa Evans	Procurement

AUDIT COMMITTEE

Stephanie Thompson	Member-FMS Board
Keith Corley	Member-FMS Board
Linda Rodgers	Member-FMS community
Audra Winters	Member-FMS community
Eugene Schmidt	Member-FMS
Bobbi Newland	Member-FMS
Malinda Fowler	Member-FMS
Laura Warnke	Member-FMS
Kyle Hunt	Member-NMVA
Nikki Sandoval	Member-NMVA Board
Kim Hite-Pope	Member-NMVA
DeLea Taylor	Member-NMVA Board
Kelli Loudermilk	Member-NMVA

FINANCE COMMITTEE

Sherry Galloway	Member
Kyle Rhodes	Member
Eugene Schmidt	Member-FMS
Bobbi Newland	Member-FMS
Malinda Fowler	Member-FMS
Laura Warnke	Member-FMS
Phil Valdez	Member

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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, 2018

Christopher P. Morrill

Executive Director/CEO

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Rising to excellence in every pursuit
FARMINGTON MUNICIPAL SCHOOLS

ADMINISTRATIVE OFFICES
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November 22, 2019

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, 2019.

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, 2019.

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 Accounting and Financial Solutions, LLC, 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, 2019, 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 unmodified opinion that the Farmington Municipal School District's financial statements for the fiscal year ended June 30, 2019, 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 10,963 students. There are 10 elementary schools, 4 middle schools, an alternative senior high school, an early college 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 25 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 November.

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 20 school sites. The capacity of the school facilities is estimated at 12,000 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 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 page 26 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 27, 64 and 104.

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.

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.

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.

Four corners ("APS") Company operates Four Corners Power Plant, a five-unit 2,040 megawatt coal-fired plant. Located on the Navajo Nation, 15 miles west of Farmington, employs roughly 434 workers, 82% of whom 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 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 which could save customers nearly $500 million over the next best alternative. 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. In 2018, the Navajo Transitional Energy Co. acquired a 7% stake in units 4 and 5 in the power plant from APS as El Paso Electric Co. sold this 7% share to APS in 2016.

The Public Service Company of New Mexico ("PNM") owns a significant portion of San Juan Generating Station (SJGS), a four-unit, 1,684 megawatt of net accredited generation capacity, coal-fired plant located approximately 15 miles west of Farmington. The company operates SJGS on behalf of itself and four other owners in the West. The plant employs approximately 1,500 full-time employees and is the 7th largest coal-fired generating station in the West. In 2017, Units 2 and 3 were closed as part of a settlement agreement between the State of New Mexico and the U.S. Environmental Protection Agency (EPA). PNM is planning shutting down the remaining coal-burning units in 2022, 20 years before the end of its useful life. The City of Farmington, one of the remaining owners, has indicated interest in retaining its ownership and supporting Enchant Energy and its plans to repurpose the power plant into carbon capture utilization and sequestration (CCUS) facility and as a wholesale power generator.

PNM spokesman said the 2022 closure would align with the expiration of the company's finance and supply agreements with the owner of the San Juan Coal Mine. The mine was purchased by Westmoreland Coal Co. in early 2016 for $127 million. At the time of the purchase, Westmoreland said in a news release that a PNM-affiliated company had loaned it $125 million to finance the purchase, with the loan maturing in five years. Year 2022 is also when PNM's partnership agreement for the San Juan plant expires with Tucson Electric Power, the city of Farmington, Los Alamos County and Utah Associated Municipal Power Systems. PNM is the largest stakeholder in the plant, owning 66.4 percent of shares.

The San Juan mine is the only active underground mine in New Mexico. Coal usage is about 6.4 million tons per year. The San Juan Plant meets or exceeds all state and federal regulations for NO_2, SO_2 and particulate control, and is a zero liquid discharge facility.[1]

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 third in crude oil production and fourth in proven oil reserves. In addition, New Mexico is ranked ninth in natural gas production and eighth in natural gas reserves with approximately 68% located in northwestern New Mexico. San Juan County has been ranked second in gas production in New Mexico and third in oil production for the past three years. 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

	San Juan County		New Mexico	
Calendar Year	Volume (Barrels)	Value (000's)	Volume (Barrels)	Value (000's)
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
2014	2,367,099	194,924	121,071,928	10,788,344
2015	4,112,885	156,173	148,711,044	6,582,600
2016	3,924,905	131,989	147,090,860	5,762,847
2017	4,728,892	199,529	167,271,496	7,935,246
2018	5,672,284	318,521	251,316,401	13,849,206

Source: New Mexico ONGARD.

Natural Gas

	San Juan County		New Mexico	
Calendar Year	Volume (Barrels)	Value (000's)	Volume (Barrels)	Value (000's)
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
2014	380,567,113	1,970,285	1,200,327,161	6,267,444
2015	365,471,873	1,024,309	1,181,568,177	3,289,951
2016	342,850,067	899,432	1,185,300,793	3,186,977
2017	330,759,782	1,086,211	1,303,860,366	4,324,880
2018	429,915,040	1,024,661	1,826,519,308	5,240,661

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 Navajo Mine to the Navajo Transitional Energy Co. ("NTEC") which was formed by the Navajo Nation. NTEC currently owns the mine while Bisti Fuels Company, LLC, a subsidiary of North American Coal Corporation operates the mine on behalf of NTEC. The Navajo Mine supplies the Four Corners Plant and the San Juan and LaPlata Mines, each estimated to have useful lives 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, the LaPlata Mine is 20 miles north of Farmington, within the school district boundaries, and the San Juan mine is northwest. In 2017, coal production in New Mexico was estimated at 13.84 million tons with coal reserves in San Juan county estimated at 80 million recoverable tons. In 2017, New Mexico accounted for almost 2% of all U.S. coal production.

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 72,000 acres under cultivation and over 38,000 acres still to be developed. NAPI produces high value crops such as potatoes, onions, pinto 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) along with an expansion in organic and traditional Navajo crops. 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 its employment which varies between 300-400 people during a crop season. Ninety-seven 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 in both regional and in international markets.

Education More than 10,000 students attended the District in school year 2017-18. There are six private and two Bureau of Indian Affairs ("BIA") contract schools in the District.

San Juan College (the "College") offers a two-year college program, enabling students to obtain Associate Degrees in Arts or Sciences in addition to occupational degrees and certificate programs. The College was founded in 1956 and has grown dramatically in size and scope since its founding. It is the most affordable post-secondary school in New Mexico. The College recently opened its Energy and Power Schools which will allow students to access careers in the oil and gas industry. It also has similar programs in pre-medicine and education.

Medical San Juan Regional Medical Center ("SJRMC") is an acute care hospital in the Four Corners region with over 194 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 one of the only hospitals 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, Native American jewelry, paintings and sculpture are available at local trading posts and shops.

Long-term financial planning. 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

Superintendent Dr. Eugene Schmidt 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 7, 2017 voters approved issuing $26,000,000 in bonds to fund renovation of McCormick Elementary, Country Club Elementary and numerous improvement projects. Remaining funds from a 2015 bond issue supplement the funding of these projects.

The District will receive Public School Critical Capital Outlay funds to help with the renovation of Country Club 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 Accounting and Financial Solutions, LLC is included within the Financial Section of this report. The 2019 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, 2018. This was the 26th consecutive year (1993-2018) 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 Kyle Rhodes and members of the Board of Education for their continuing interest and support in conducting the financial affairs of this school district for the 2018-2019 fiscal year, thereby advancing the effort toward excellence in education in the Farmington Municipal School District.

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

Respectfully submitted,



Bobbi Newland
Chief Financial Officer

FINANCIAL SECTION

OF

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR 2019

JULY 1, 2018 THROUGH JUNE 30, 2019

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ACCOUNTING & FINANCIAL SOLUTIONS
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

Brian S. Colón, Esq., State Auditor and
The Board of Education and Audit Committee of
Farmington Municipal School District No. 5

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of Farmington Municipal School District No. 5, as of and for the year ended June 30, 2019, and the related notes to the financial statements which collectively comprise Farmington Municipal School District No. 5 basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to Farmington Municipal School District No. 5' preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, discretely presented component unit, each major fund, and the aggregate remaining fund information of Farmington Municipal School District No. 5, as of June 30, 2019, 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 accordance with accounting principles generally accepted in the United States of America.

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Brian S. Colón, Esq., State Auditor and
The Board of Education and Audit Committee of
Farmington Municipal School District No. 5

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 7-13. Accounting principles generally accepted in the United States of America also require that the Schedule of Proportionate Share of the Net Pension Liability and Schedule of Contributions for pensions and OPEB on pages 65-69 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Farmington Municipal School District No. 5' basic financial statements. The supplemental information such as the budgetary comparisons for the major capital project fund, the combining and individual nonmajor fund financial statements, the budgetary comparisons for non-major special revenue funds, capital projects funds, debt service funds, and the other information, such as the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the other schedules required by 2.2.2.NMAC are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards and 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 statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures and other schedules required by 2.2.2 NMAC are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2019 on our consideration of the Farmington Municipal School District No. 5' 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 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 Farmington Municipal School District No. 5' internal control over financial reporting and compliance.

Accounting & Financial Solutions, LLC
Farmington, New Mexico
November 6, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

OF

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

AS OF AND FOR THE YEAR ENDED

JUNE 30, 2019

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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, 2019. 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 xiii – xviii.

Financial Highlights

- The liabilities of the Farmington Municipal School District exceeded assets at the close of the most recent fiscal year by $73,679,642 (*net position*). Of this amount, $7,772,517. (*Unrestricted net position excluding pension liability of $276,632,685 and net pension related deferred inflows / outflows of ($31,785,906)* may be used to meet the School District's ongoing obligations excluding the pension/OPEB liabilities and the investment in capital asset.

- As of the close of the current fiscal year, Farmington Municipal School District's governmental funds reported combined ending fund balances of $34,070,401, an increase of $621,968. in comparison with the prior year. Approximately 23% of this total amount, $7,962,176 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 $7,962,176 or 9.6% of the total general fund expenditures.

- The Farmington Municipal School District's total net debt increased by $2,075,000 or 0.99% during the current fiscal year. The district retired $8,925,000 of debt and issued $ 11,000,000 new debt.

- On February 7, 2017, a bond election was held for $26,000,000 and passed by 85% of the vote. The bonds will be sold over a four-year period. The bonds issued to date are $22,100,000 with $3,900,000 remaining.

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 16 and 17 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 59 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 (page 90).

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 19-27 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 statements 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 28 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 29-69 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, liabilities exceeded assets by $73,679,642 at the close of the most recent fiscal year.

A portion 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 2019	**FY 2018**	**FY 2019**	**FY 2018**
Current and other assets	$ 30,935,577	$ 28,580,880	$ 30,935,577	$ 28,580,880
Capital assets	236,666,479	234,863,677	236,666,479	234,863,677
Total assets	267,602,056	263,444,557	267,602,056	263,444,557
Deferred outflows of resources	55,487,218	70,609,621	55,487,218	70,609,621
Current Liabilities	4,029,074	1,553,992	4,029,074	1,553,992
Noncurrent liabilities:				
Due within one year	8,755,000	8,925,000	8,755,000	8,925,000
Due in more than one year	83,628,320	81,684,181	83,628,320	81,684,181
Aggregate net pension liability	276,632,685	226,657,290	276,632,685	226,657,290
Total liabilities	373,045,079	318,820,463	373,045,079	318,820,463
Deferred inflows of resources	23,723,837	10,687,175	23,723,837	10,687,175
Net position:				
Net investment in capital assets	143,915,447	138,081,745	143,915,447	138,081,745
Restricted	19,479,173	26,459,742	19,479,173	26,459,742
Unrestricted	(237,074,262)	(159,994,947)	(237,074,262)	(159,994,947)
Total net position	$ (73,679,642)	$ 4,546,540	$ (73,679,642)	$ 4,546,540

Farmington Municipal School District's Net Position

A large portion of Farmington Municipal School District's net position (89%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position, excluding pension liability of $276,632,685 and net pension related deferred inflows/outflows of ($31,785,906),* $7,772,517 may be used to meet the district's ongoing obligations excluding the pension/OPEB liabilities and the investment in capital assets.

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 decreased by $26,195,662 during the current fiscal year. Total assets increased slightly primarily due to a decrease in cash from the bond fund and an increase in capital assets caused by the construction of a new high school. Noncurrent liabilities decreased primarily due to the retirement of debt.

Governmental activities. Governmental activities increased Farmington Municipal School District's fund balance by $621,968. Key elements of this decrease are as follows:

- A 4% increase in state equalization revenue as shown in the comparison of grants and contributions not restricted to specific programs.
- A 7% increase in operational expenses for the district boosted spending when compared to the prior year.
- A state grant was received for construction of new schools.

Farmington Municipal School District's Changes in Net Position

	Governmental Activities		Total	
	FY2019	**FY2018**	**FY2019**	**FY2018**
Revenues:				
Program Revenues:				
Charges for services	$ 2,672,459	$ 1,345,846	$ 2,672,459	$ 1,345,846
Operating grants & contributions	18,258,821	17,066,458	18,258,821	17,066,458
Capital grants & contributions	1,297,914	6,966,441	1,297,914	6,966,441
General Revenues:				
Property taxes-general purpose	571,340	558,562	571,340	558,562
Property taxes-capital projects	2,934,916	2,858,482	2,934,916	2,858,482
Property taxes-debt service	10,803,256	10,794,816	10,803,256	10,794,816
Oil & Gas	536,257	510,604	536,257	510,604
Grants and contributions not restricted to specific progams	79,112,920	75,622,445	79,112,920	75,622,445
Miscellaneous Income	200,182	251,914	200,182	251,914
Total Revenues	$ 116,388,065	$ 115,975,568	$ 116,388,065	$ 115,975,568
Expenses:				
Direct instruction	$ 87,053,866	$ 85,954,460	$ 87,053,866	$ 85,954,460
Support Services:				
Students	14,139,258	12,064,587	14,139,258	12,064,587
Instruction - support	1,845,725	1,100,939	1,845,725	1,100,939
General administrative	2,115,811	1,745,705	2,115,811	1,745,705
School administrative	6,414,784	5,887,593	6,414,784	5,887,593
Central services	1,243,222	1,193,888	1,243,222	1,193,888
Operations and maintenance	19,383,839	18,359,469	19,383,839	18,359,469
Student transportation	3,207,815	2,996,001	3,207,815	2,996,001
Other support services	-	4,455	-	4,455
Non-instructional services				-
Food services	4,914,113	4,921,309	4,914,113	4,921,309
Community services	13,602	8,919	13,602	8,919
Interest on long-term obligations	2,251,692	2,207,630	2,251,692	2,207,630
Total Expenses	$ 142,583,727	$ 136,444,955	$ 142,583,727	$ 136,444,955
Increase/(Decrease) in net position	$ (26,195,662)	$ (20,469,387)	$ (26,195,662)	$ (20,469,387)
Net position - Beginning	$ (47,483,980)	$ 41,187,906	$ (47,483,980)	$ 41,187,906
Restatement		(68,202,499)		
Net position - Ending	$ (73,679,642)	$ (47,483,980)	$ (73,679,642)	$ (47,483,980)

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 $34,070,401 an increase in comparison with the prior year. Approximately 21% of this total amount ($7,962,176) 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 ($13,136,488), 2) for capital projects ($9,873,768) and 3) a variety of other restricted purposes ($2,846,647).

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 $7,962,176 and total fund balance was $34,070,401. 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 9.6% percent of the total general fund expenditures, and the total fund balance represents 41.2% since a very small portion of the general fund balance was restricted at June 30, 2019.

The fund balance of Farmington Municipal School District's general fund increased by $1,116,546 during the current fiscal year. Farmington Municipal Schools District's board and management recognizes the need for maintaining an adequate operational cash 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 increase from the state did materialize to the level forecasted by the state. The district increased expenditures primarily by increasing the number of teachers and support staff throughout the district. The current fiscal year budget reflects an increase in the cash balance to comply with Board policy. The fund balance is expected to increase this next fiscal year as additional SEG money is received from the state.

The district's GO Bonds debt service fund's total fund balance was $9,830,916 that is restricted for the payment of debt service. This is a net decrease in fund balance of $124,031. The decrease during the current year resulted primarily from increased principal and interest payments.

The educational technical debt service fund balance was $3,305,572. The total amount is restricted for the payment of debt service. This is a net decrease in fund balance of $218,453. The decrease is the result of an increase in the amount of principal and interest payments.

There was an increase of $1,571,951 in the fund balance of the bond building capital fund resulting in a fund balance of $5,582,035. The increase was the result of $11,000,000 of debt being issued and only $9,563,514 used in the renovation of an elementary school.

The special capital outlay fund represents funding received from the New Mexico Public Schools Capital Outlay Council for construction projects that qualify. In 2018-2019 the district received $1,140,290 primarily for the construction of a new high school.

General Fund Budgetary Highlights

Differences between the original budgeted revenues and the final amended budgeted revenues resulted in a budget increase of $741,160 which can be briefly summarized as follows:

- The difference resulted primarily from a mid-year increase in revenue from the state in state equalization funds of $31.62 per program unit.
- Expenditures were increased in an attempt to better utilize the district resources.
- Additional cash from 6/30/18 was carried forward and budgeted in 2018-2019.

Capital Asset and Debt Administration

Capital assets. Farmington Municipal School District's investment in capital assets for its governmental activities as of June 30, 2019 amounts to $230,195,123 (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 $230,195,123 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:

- Phase I of construction and renovation of an elementary school scheduled to be completed in May 2020.
- Purchase of a central administration building to consolidate three separate buildings and multiple departments.

Additional information on Farmington Municipal School District's capital assets can be found in note "III.E" on page 46 of this report.

	Government Activities		Total	
	FY2019	**FY2018**	**FY2019**	**FY2018**
Land	$ 4,142,761	$ 4,142,761	$ 4,142,761	$ 4,142,761
Construction in progress	436,003	72,929,843	436,003	72,929,843
Land improvements	27,515	31,562	27,515	31,562
Buildings and improvements	222,661,268	148,279,563	222,661,268	148,279,563
Machinery and equipment	2,927,576	3,383,682	2,927,576	3,383,682
Total	$ 230,195,123	$ 228,767,411	$ 230,195,123	$ 228,767,411

Long-term debt. As of June 30, 2019, Farmington Municipal School District had total bonded debt outstanding of $89,888,551. 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 2019	**Total FY 2018**
General obligation bonds	$89,415,000	$87,340,000

Farmington Municipal School District's total debt increased by $2,075,000 during the current fiscal year. The district retired $8,925,000 of debt and issued $11,000,000 in new debt. Farmington Municipal School District maintains an AA3 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 $91,498,627 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 "III.F" of this report on page 47.

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, and San Juan County have seen a decrease in unemployment and a continued stagnation 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 anticipate an increase in funding allocated for schools in FY2020. The board of education is being proactive and considering ways to optimize resources on an opportunistic basis and improve the district's cash balance in preparation for an increase in revenues.

San Juan County's population shows some decline in past years however Farmington Municipal School's enrollment remains relatively stable for the current fiscal year. The current enrollment has increased slightly 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 charter school that is under the Farmington Municipal Schools opened for the 2012-2013 school year and we have not seen any impact to the district's enrollment. The charter school under the Farmington Municipal Schools closed on June, 30th 2019 as its charter was not renewed. Any activity subsequent this year end will be minor and only occur to close out the financial obligations of the charter school.

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 $7,962,176 of its unassigned fund balance for spending in the 2020 fiscal year budget. The $7,962,176 was 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:

Chief Financial Officer
3401 E 30th St Suite A
Farmington, New Mexico 87402.

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BASIC FINANCIAL STATEMENTS

OF

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

AS OF AND FOR THE YEAR ENDED

JUNE 30, 2019

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

STATEMENT OF NET POSITION

June 30, 2019

	Governmental Activities	New Mexico Virtual Academy Charter School
Assets		
Cash and cash equivalents	$ 23,642,595	$ 404,065
Receivables:		
Delinquent property taxes receivable	818,374	-
Grant	6,032,026	37,541
Due from other governments	191,260	-
Due from primary government	-	50,549
Parts inventory	174,568	-
Food inventory	76,754	-
Non-current:		
Restricted cash	6,471,356	-
Non-depreciable assets	4,578,764	-
Depreciable capital assets, net	225,616,359	-
Total Assets	267,602,056	492,155
Deferred Outflows of Resources:		
Contributions to pension subsequent to the measurement date	7,851,367	136,667
Difference between expected and actual pension experience	162,371	2,586
Net difference between projected and actual investment earnings on pension plan investments	492,505	7,845
Net change in pension assumptions	45,851,272	730,323
Net change in proportionate share of pension liability	-	225,461
Contributions to OPEB subsequent to the measurement date	1,129,703	19,658
Net change in proportionate share of OPEB liability	-	6,886
Total Deferred Outflows of Resources	$ 55,487,218	$ 1,129,426

(cont'd; 1 of 2)

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 NET POSITION

June 30, 2019

	Governmental Activities	New Mexico Virtual Academy Charter School
Liabilities		
Accounts payable	$ 1,085,506	$ 109,071
Accrued salaries	1,501,745	-
Accrued interest	917,723	-
Due to component unit	50,549	-
Compensated absences	473,551	-
Long-term liabilities other than pensions:		
Due within one year	8,755,000	-
Due in more than one year	83,628,320	-
Aggregate net pension liability	222,476,100	3,543,617
Aggregate OPEB liability	54,156,585	847,929
Total Liabilities	373,045,079	4,500,617
Deferred Inflows of Resources		
Advances of federal, state, and local grants	22,525	-
Difference between expected and actual pension experience	4,234,078	67,441
Net change in proportionate share of pension liability	4,483,997	-
Difference between expected and actual OPEB experience	3,206,417	50,203
Net difference between projected and actual investment earnings on OPEB plan investments	675,854	10,582
Net change in OPEB assumptions	10,110,794	158,305
Net change in proportionate share of OPEB liability	990,172	-
Total Deferred Inflows of Resources	23,723,837	286,531
Net Position		
Net investment in capital assets	143,915,447	-
Restricted for:		
Special revenue funds	2,846,647	1,965
Capital projects	3,932,026	-
Debt service	12,700,500	-
Unrestricted	(237,074,262)	(3,167,532)
Total Net Position	$ (73,679,642)	$ (3,165,567)

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, 2019

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contibutions	Net (Expense) Revenue and Changes in Net Position: Primary Government Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Component Unit
Primary government:						
Governmental activities:						
Instruction	$ 87,053,866	$ 1,399,107	$ 9,874,046	$ 590,401	$ (75,190,312)	
Support Services - Students	14,139,258	454,190	1,603,739	-	(12,081,329)	
Support Services - Instruction	1,845,725	-	209,351	-	(1,636,374)	
Support Services - General Administration	2,115,811	-	239,985	2,294	(1,873,532)	
Support Services - School Administration	6,414,784	-	727,594	-	(5,687,190)	
Central Services	1,243,222	-	141,012	-	(1,102,210)	
Operations & Maintenance of Plant	19,383,839	-	2,198,603	705,219	(16,480,017)	
Student Transportation	3,207,815	-	3,262,948	-	55,133	
Food Services	4,914,113	819,162	-	-	(4,094,951)	
Community Services	13,602	-	1,543	-	(12,059)	
Bond interest paid	2,251,692	-	-	-	(2,251,692)	
Total governmental activities	$ 142,583,727	$ 2,672,459	$ 18,258,821	$ 1,297,914	(120,354,533)	
Componenet units:						
New Mexico Virtual Academy	$ 3,796,484	$ -	$ 100,767	$ -		(3,695,717)
General revenues:						
Taxes:						
Property Taxes:						
General purposes					571,340	-
Capital projects					2,934,916	-
Debt service					10,803,256	-
Oil and gas					536,257	-
Grants and contributions not restricted					79,112,920	3,251,216
Miscellaneous income					200,182	696
Total general revenues					94,158,871	3,251,912
Change in net position					(26,195,662)	(443,805)
Net position - beginning					(47,483,980)	(2,721,762)
Net position - ending					$ (73,679,642)	$ (3,165,567)

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

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

GOVERNMENTAL FUNDS

Balance Sheet

June 30, 2019

	General Fund	Title I Fund #24101	Entitlement IDEA-B Fund #24106	Bond Building Fund #31100	Debt Service Fund #41000
Assets					
Cash and cash equivalents	$ 4,221,935	$ -	$ -	$ 455	$ 9,646,504
Receivables:					
Property taxes	38,703	-	-	-	507,610
Grant	-	1,707,292	2,084,075	-	-
Due from other governments	7,935	-	-	-	103,603
Due from other funds	5,541,120	-	-	-	-
Parts inventory	174,568	-	-	-	-
Food inventory	-	-	-	-	-
Restricted:					
Cash and cash equivalents	-	-	-	6,103,644	4,131
Total assets	$ 9,984,261	$ 1,707,292	$ 2,084,075	$ 6,104,099	$ 10,261,848
Liabilities, deferred inflows, and fund balance					
Liabilities:					
Accounts payable	$ 313,202	$ 49,959	$ -	$ 519,064	$ -
Accrued salaries	1,501,745	-	-	-	-
Due to other funds	-	1,657,333	2,033,526	3,000	-
Due to component unit	-	-	50,549	-	-
Total liabilities	1,814,947	1,707,292	2,084,075	522,064	-
Deferred inflows of resources:					
Advances of federal, state, and local grants	-	-	-	-	-
Delinquent property taxes	32,570	-	-	-	430,932
Total deferred inflows of resources	32,570	-	-	-	430,932
Fund balance:					
Non-spendable:					
Inventories	174,568	-	-	-	-
Restricted for:					
Special revenue funds	-	-	-	-	-
Capital projects funds	-	-	-	5,582,035	-
Debt service	-	-	-	-	9,830,916
Unassigned	7,962,176	-	-	-	-
Total fund balance	8,136,744	-	-	5,582,035	9,830,916
Total liabilities, deferred inflows of resources, and fund balance	$ 9,984,261	$ 1,707,292	$ 2,084,075	$ 6,104,099	$ 10,261,848

(cont'd; 1 of 2)

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

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

GOVERNMENTAL FUNDS

Balance Sheet

June 30, 2019

	Other Governmental Funds	Total Governmental Funds
Assets		
Cash and cash equivalents	$ 9,773,701	$ 23,642,595
Receivables:		
Property taxes	272,061	818,374
Grant	2,240,659	6,032,026
Due from other governments	79,722	191,260
Due from other funds	-	5,541,120
Parts inventory	-	174,568
Food inventory	76,754	76,754
Restricted:		
Cash and cash equivalents	363,581	6,471,356
Total assets	$ 12,806,478	$ 42,948,053
Liabilities, deferred inflows, and fund balance		
Liabilities:		
Accounts payable	$ 203,281	$ 1,085,506
Accrued salaries	-	1,501,745
Due to other funds	1,847,261	5,541,120
Due to component unit	-	50,549
Total liabilities	2,050,542	8,178,920
Deferred inflows of resources:		
Advances of federal, state, and local grants	22,525	22,525
Delinquent property taxes	212,705	676,207
Total deferred inflows of resources	235,230	698,732
Fund balance:		
Non-spendable:		
Inventories	76,754	251,322
Restricted for:		
Special revenue funds	2,846,647	2,846,647
Capital projects funds	4,291,733	9,873,768
Debt service	3,305,572	13,136,488
Unassigned	-	7,962,176
Total fund balance	10,520,706	34,070,401
Total liabilities, deferred inflows of resources, and fund balance	$ 12,806,478	$ 42,948,053

(2 of 2)

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 THE BALANCE SHEET - ALL GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

June 30, 2019

Amounts reported for governmental activities in the statement of net position are different because:		
Fund balances - total governmental funds	$	34,070,401
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Capital assets		342,389,741
Accumulated depreciation		(112,194,618)
Other assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Property taxes receivable		676,207
Deferred outflow of resources are not financial resources, and therefore are not reported in the funds and include:		
Contributions to pension subsequent to the measurement date		7,851,367
Difference between expected and actual pension experience		162,371
Net difference between projected and actual investment earnings on pension plan investments		492,505
Net change in pension assumptions		45,851,272
Contributions to OPEB subsequent to the measurement date		1,129,703
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds		
Bonds payable		(89,415,000)
Accrued interest payable		(917,723)
Accrued vacation payable		(473,551)
Bond premiums		(2,968,320)
Net pension liability		(222,476,100)
Net OPEB liability		(54,156,585)
Deferred inflow of resources are not financial resources, and therefore are not reported in the funds and include:		
Difference between expected and actual pension experience		(4,234,078)
Net change in proportionate share of pension liability		(4,483,997)
Difference between expected and actual OPEB experience		(3,206,417)
Net difference between projected and actual investment earnings on OPEB plan investments		(675,854)
Net change in OPEB assumptions		(10,110,794)
Net change in proportionate share of OPEB liability		(990,172)
Net position of governmental activities	$	(73,679,642)

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

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2019

	General Fund	Title I Fund #24101	Entitlement IDEA-B Fund #24106	Bond Building Fund #31100
Revenues:				
Taxes:				
Property	$ 572,576	$ -	$ -	$ -
Oil and gas	26,955	-	-	-
Intergovernmental - federal grants	120,378	2,275,147	2,879,024	-
Intergovernmental - state grants	82,700,804	-	-	-
Contributions - private grants	89,500	-	-	-
Charges for services	85,813	-	-	-
Investment and interest income	23	-	-	135,435
Miscellaneous	199,321	-	-	-
Total revenues	83,795,370	2,275,147	2,879,024	135,435
Expenditures:				
Current:				
Instruction	51,189,793	1,281,073	878,845	-
Support services:				
Students	9,909,386	498,383	1,235,714	-
Instruction	1,499,469	-	-	-
General Administration	1,622,429	35,284	42,552	-
School Administration	4,889,672	460,407	635,092	-
Central Services	1,099,141	-	86,821	-
Operation & Maintenance of Plant	9,383,015	-	-	3,267,286
Student transportation	2,994,810	-	-	-
Food services operations	-	-	-	-
Community services	12,258	-	-	-
Capital outlay	55,096	-	-	6,157,728
Debt service:				
Principal retirement	-	-	-	-
Bond interest paid	-	-	-	-
Bond issuance costs	-	-	-	138,500
Other	-	-	-	-
Total expenditures	82,655,069	2,275,147	2,879,024	9,563,514
Excess (deficiency) of revenues over expenditures	1,140,301	-	-	(9,428,079)
Other financing sources:				
Sale of bonds	-	-	-	11,000,000
Transfers In	-	-	-	-
Transfers out	(23,755)	-	-	-
Total other financing sources	(23,755)	-	-	11,000,000
Net change in fund balance	1,116,546	-	-	1,571,921
Fund balance at beginning of the year	7,020,198	-	-	4,010,114
Fund balance at end of the year	$ 8,136,744	$ -	$ -	$ 5,582,035

(cont'd; 1 of 2)

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

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2019

	Debt Service Fund #41000	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes:			
Property	$ 7,917,831	$ 5,982,015	$ 14,472,422
Oil and gas	200,444	308,858	536,257
Intergovernmental - federal grants	-	7,648,016	12,922,565
Intergovernmental - state grants	-	2,777,225	85,478,029
Contributions - private grants	-	21,937	111,437
Charges for services	-	2,586,646	2,672,459
Investment and interest income	1,021	21,145	157,624
Miscellaneous	-	861	200,182
Total revenues	8,119,296	19,346,703	116,550,975
Expenditures:			
Current:			
Instruction	-	3,656,473	57,006,184
Support services:			
Students	-	1,878,667	13,522,150
Instruction	-	140,779	1,640,248
General Administration	78,897	244,304	2,023,466
School Administration	-	149,640	6,134,811
Central Services	-	3,000	1,188,962
Operation & Maintenance of Plant	-	5,747,588	18,397,889
Student transportation	-	73,000	3,067,810
Food services operations	-	4,699,637	4,699,637
Community services	-	750	13,008
Capital outlay	-	1,367,556	7,580,380
Debt service:			
Principal retirement	5,725,000	3,200,000	8,925,000
Bond interest paid	2,437,987	151,532	2,589,519
Bond issuance costs	-	-	138,500
Other	1,443	-	1,443
Total expenditures	8,243,327	21,312,926	126,929,007
Excess (deficiency) of revenues over expenditures	(124,031)	(1,966,223)	(10,378,032)
Other financing sources:			
Sale of bonds	-	-	11,000,000
Transfers In	-	23,755	23,755
Transfers out	-	-	(23,755)
Total other financing sources	-	23,755	11,000,000
Net change in fund balance	(124,031)	(1,942,468)	621,968
Fund balance at beginning of the year	9,954,947	12,463,174	33,448,433
Fund balance at end of the year	$ 9,830,916	$ 10,520,706	$ 34,070,401

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 THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES ALL GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year Ended June 30, 2019

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balance - total governmental funds	$	621,968
Govermental funds report capital outlays as expenditures. However, in the statement of activites the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital oulays exceeded depreciation in the current year		
Capital outlay		7,580,380
Depreciation		(6,124,790)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Deferred property taxes at:		
June 30, 2018		(839,117)
June 30, 2019		676,207
The issuance of long-term debt (e.g., bonds) 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 premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These differences in the treatment of long-term debt and related items consist of:		
Current year principal payments		8,925,000
Bonds sold		(11,000,000)
Deferred gain on bond refunding amortization		76,485
Bond premium amortization		300,861
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 the governmental funds.		
Compensated absences at:		
June 30, 2018		348,631
June 30, 2019		(473,551)
Accrued interest at:		
June 30, 2018		878,204
June 30, 2019		(917,723)
Loss on asset disposal		(27,878)
Deferred contributions to pension plan		7,851,367
Deferred contributions to OPEB plan		1,129,703
Pension expense		(35,502,232)
OPEB expense		300,823
Change in net position of governmental activities	$	(26,195,662)

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

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

GENERAL FUND

Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Taxes:				
Property	$ 556,217	$ 556,217	$ 570,153	$ 13,936
Oil and gas	24,830	24,830	27,914	3,084
Intergovernmental - federal grants	107,363	107,363	120,378	13,015
Intergovernmental - state grants	82,100,109	82,729,199	82,700,804	(28,395)
Contributions - private grants	70,250	70,250	89,500	19,250
Charges for services	70,250	70,250	85,813	15,563
Investment and interest income	17	17	23	6
Miscellaneous	124,249	124,249	199,321	75,072
Total revenues	83,053,285	83,682,375	83,793,906	111,531
Expenditures:				
Current:				
Instruction	54,499,002	54,661,569	51,162,893	3,498,676
Support services:				
Students	9,289,622	10,628,973	9,894,038	734,935
Instruction	1,167,561	1,167,561	1,495,893	(328,332)
General Administration	1,446,991	1,631,991	1,622,891	9,100
School Administration	4,950,160	4,950,160	4,889,672	60,488
Central Services	2,235,361	2,235,361	1,091,479	1,143,882
Operation & Maintenance of Plant	10,511,962	11,014,962	9,194,873	1,820,089
Student transportation	3,262,948	3,222,008	3,064,210	157,798
Other Support services	100,078	100,078	-	100,078
Community services	12,410	12,410	12,258	152
Capital outlay	2,227,413	855,413	55,103	800,310
Total expenditures	89,703,508	90,480,486	82,483,310	7,997,176
Excess (deficiency) of revenues over expenditures	(6,650,223)	(6,798,111)	1,310,596	8,108,707
Other financing uses:				
Transfers out	-	-	(23,755)	(23,755)
Net change in fund balance	(6,650,223)	(6,798,111)	1,286,841	8,084,952
Beginning cash balance budgeted	6,650,223	6,798,111	-	(6,798,111)
Fund balance at beginning of the year	-	-	7,020,198	7,020,198
Fund balance at end of the year	$ -	$ -	8,307,039	$ 8,307,039
RECONCILIATION TO GAAP BASIS:				
Change in inventory			70,168	
Change in property tax receivable			(69)	
Change in due from other governments			298	
Change in payables			(241,928)	
Change in deferred property taxes			1,236	
Fund balance at end of the year (GAAP basis)			$ 8,136,744	

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 FUND - NO. 24101

Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Intergovernmental - federal grants	$ 2,677,005	$ 3,022,033	$ 1,362,470	$ (1,659,563)
Expenditures:				
Current:				
Instruction	1,670,225	1,770,656	1,443,392	327,264
Support services:				
Students	525,837	660,837	448,433	212,404
General Administration	42,155	48,952	35,284	13,668
School Administration	438,788	533,788	460,407	73,381
Capital outlay	-	7,800	-	7,800
Total expenditures	2,677,005	3,022,033	2,387,516	634,517
Excess (deficiency) of revenues over expenditures	-	-	(1,025,046)	(1,025,046)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	$ -	$ -	(1,025,046)	$ (1,025,046)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			912,677	
Change in payables			112,369	
Fund balance at end of the year (GAAP basis)			$ -	

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

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

ENTITLEMENT IDEA-B FUND - NO. 24106

Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Intergovernmental - federal grants	$ -	$ 3,646,182	$ 1,352,534	$ (2,293,648)
Expenditures:				
Current:				
Instruction	-	958,750	878,845	79,905
Support services:				
Students	-	1,929,041	1,235,714	693,327
General Administration	-	42,731	42,552	179
School Administration	-	616,000	635,424	(19,424)
Central Services	-	93,660	86,821	6,839
Capital outlay	-	6,000	-	6,000
Total expenditures	-	3,646,182	2,879,356	766,826
Excess (deficiency) of revenues over expenditures	-	-	(1,526,822)	(1,526,822)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	$ -	$ -	(1,526,822)	$ (1,526,822)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			1,526,489	
Change in payables			333	
Fund balance at end of the year (GAAP basis)			$ -	

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

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

AGENCY FUNDS

Statement of Fiduciary Assets and Liabilities

June 30, 2019

ASSETS	
Pooled cash and investments	$ 978,153
LIABILITIES	
Deposits held for others	$ 978,153

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

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I. SUMMARY OF ALL SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Farmington Municipal School District (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, New Mexico and the surrounding areas. 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 Board of Education is authorized to establish policies and regulations for its own government consistent with the laws of the State of New Mexico and the regulations of the Legislative Finance Committee. The School Board is comprised of five members who are elected for terms of four years. The District operates two preschools, ten elementary, four middle, and four high schools within its boundaries and, in conjunction with the regular educational programs, some of these schools offer special education. One of the high schools operates in conjunction with San Juan College and accepts students from neighboring school districts. In addition, the District provides transportation and school food services for the students.

The District's student enrollments were as follows:

FISCAL YEAR	40 DAY COUNT	80 DAY COUNT	120 DAY COUNT
2019	11,097	10,989	10,937
2018	11,044	10,986	10,930

Generally Accepted Accounting Principles (GAAP) requires that financial statements present the District (primary government) and its component units. A component unit is defined as a legally separate organization for which the elected officials of the primary government are financially accountable or other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the District's financial statements to be misleading. The District has one component unit that is required to be presented in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 39*, Determining Whether Certain Organizations Are Component Units, an amendment of GASB Statement No. 14*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*.

1. Blended Component Units

   The District does not have any component units reported as blended component units.

2. Discretely Presented Component Units

   The District has one component unit reported as a discretely presented component unit. A New Mexico charter school is considered a public school, accredited by the state board of public education and accountable to the school district's local school board for ensuring compliance with applicable laws, rules and charter provisions. New Mexico Virtual Academy is chartered under Farmington Municipal School District and is the financial responsibility of Farmington Municipal Schools. Since the charter school relies on its charter from the District and a financial burden exists upon closure of the charter school or when the charter school is in need of financial assistance. The component unit does not have a separately issued report.

The summary of significant accounting policies of the District is presented to assist in the understanding of the District's financial statements. The financial statements and notes are the representation the District's management who is responsible for their integrity and objectivity. The financial statements of the District conform to GAAP as applied to governmental units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

B. Implementation of New Accounting Principles

During fiscal year 2019, the District adopted the following Governmental Accounting Standards Board (GASB) Statements:

- **GASB Statement No. 83**, *Certain Asset Retirement Obligations*

  This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement.

  This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. This Statement requires that recognition occur when the liability is both incurred and reasonably estimable. The determination of when the liability is incurred should be based on the occurrence of external laws, regulations, contracts, or court judgments, together with the occurrence of an internal event that obligates a government to perform asset retirement activities. Laws and regulations may require governments to take specific actions to retire certain tangible capital assets at the end of the useful lives of those capital assets, such as decommissioning nuclear reactors and dismantling and removing sewage treatment plants. Other obligations to retire tangible capital assets may arise from contracts or court judgments. Internal obligating events include the occurrence of contamination, placing into operation a tangible capital asset that is required to be retired, abandoning a tangible capital asset before it is placed into operation, or acquiring a tangible capital asset that has an existing ARO.

  This Statement requires the measurement of an ARO to be based on the best estimate of the current value of outlays expected to be incurred. The best estimate should include probability weighting of all potential outcomes, when such information is available or can be obtained at reasonable cost. If probability weighting is not feasible at reasonable cost, the most likely amount should be used. This Statement requires that a deferred outflow of resources associated with an ARO be measured at the amount of the corresponding liability upon initial measurement.

  This Statement requires the current value of a government's AROs to be adjusted for the effects of general inflation or deflation at least annually. In addition, it requires a government to evaluate all relevant factors at least annually to determine whether the effects of one or more of the factors are expected to significantly change the estimated asset retirement outlays. A government should remeasure an ARO only when the result of the evaluation indicates there is a significant change in the estimated outlays. The deferred outflows of resources should be reduced and recognized as outflows of resources (for example, as an expense) in a systematic and rational manner over the estimated useful life of the tangible capital asset.

  A government may have a minority share (less than 50 percent) of ownership interest in a jointly owned tangible capital asset in which a nongovernmental entity is the majority owner and reports its ARO in accordance with the guidance of another recognized accounting standards setter. Additionally, a government may have a minority share of ownership interest in a jointly owned tangible capital asset in which no joint owner has a majority ownership, and a nongovernmental joint owner that has operational responsibility for the jointly owned tangible capital asset reports the associated ARO in accordance with the guidance of another recognized accounting standards setter. In both situations, the government's minority share of an ARO should be reported using the measurement produced by the nongovernmental majority owner or the nongovernmental minority owner that has operational responsibility, without adjustment to conform to the liability measurement and recognition requirements of this Statement.

  In some cases, governments are legally required to provide funding or other financial assurance for their performance of asset retirement activities. This Statement requires disclosure of how those funding and assurance requirements are being met by a government, as well as the amount of any assets restricted for payment of the government's AROs, if not separately displayed in the financial statements. This Statement also requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. If an ARO (or portions thereof) has been incurred by a government but is not yet recognized because it is not reasonably estimable, the government is required to disclose that fact and the reasons therefor. This Statement requires similar disclosures for a government's minority shares of AROs.

  The requirements of this Statement are effective for reporting periods beginning after June 15, 2018 (FYE June 30, 2019). Earlier application is encouraged.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

B. Implementation of New Accounting Principles (cont'd)

- **GASB Statement No. 88**, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*

  The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

  This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established.

  Requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses.

  For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt.

  The requirements of this Statement are effective for reporting periods beginning after June 15, 2018 (FYE June 30, 2019). Earlier application is encouraged.

Other accounting standards that the District is currently reviewing for applicability and potential impact on the financial statements include:

- **GASB Statement No. 84**, *Fiduciary Activities*

  This Statement supersedes NCGA Statement 1, Governmental Accounting and Financial Reporting Principles, footnote 24; Statement No. 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans, paragraph 4; Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, paragraphs 70−73, 110, and 111; Implementation Guide No. 2015-1, Questions 4.14.1, 4.14.2, 6.43.2, 7.7.2, and 7.52.4; and Implemen-1tation Guide No. 2016-1, Implementation Guidance Update—2016, Question 4.26. It also amends NCGA Statement 1, paragraphs 32, 139, 143, and 147; NCGA Statement 5, Accounting and Financial Reporting Principles for Lease Agreements of State and Local Governments, paragraphs 5 and 6; Statement No. 6, Accounting and Financial Reporting for Special Assessments, paragraph 19; Statement No. 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, footnote 12; Statement No. 14, The Financial Reporting Entity, paragraphs 19 and 27; Statement No. 24, Accounting and Financial Reporting for Certain Grants and Other Financial Assistance, paragraph 5; Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, paragraphs 18 and 22; Statement 34, paragraphs 6, 12, 13, 63, 65, 67, 69, 106−109, 115, 123, 125, 135, 138, 141, and 147, and footnotes 48, 49, and 51; Statement No. 37, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus, paragraph 3; Statement No. 38, Certain Financial Statement Note Disclosures, paragraphs 6, 14, and 15; Statement No. 40, Deposit and Investment Risk Disclosures, paragraph 5; Statement No. 44, Economic Condition Reporting: The Statistical Section, paragraph 10; Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, paragraphs 30, 33, and 35; Statement No. 61, The Financial Reporting Entity: Omnibus, paragraph 9; Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, paragraph 34; Statement No. 67, Financial Reporting for Pension Plans, paragraph 11; Statement No. 72, Fair Value Measurement and Application, paragraph 80; Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, paragraph 116; Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, paragraphs 18 and 59; NCGA Interpretation 6, Notes to the Financial Statements Disclosure, paragraph 5; Technical Bulletin No. 2006-1, Accounting and Financial Reporting by Employers and OPEB Plans for Payments from the Federal Government Pursuant to the Retiree Drug Subsidy Provisions of Medicare Part D, paragraph 8; Implementation Guide 2015-1, Questions 1.4.2, 1.4.8, 2.7.1, 2.7.2, 3.49.1, 3.55.2, 3.58.1, 4.6.2, 4.27.1, 4.28.1, 4.28.11, 4.30.3, 4.62.2, 5.64.3, 5.64.4, 5.113.1, 6.29.3, 6.34.3, 6.34.4, 6.43.5, 6.45.1, 6.45.3, 7.3.5, 7.4.1, 7.51.6, 7.52.2, 7.52.3, 7.52.5−7.52.8, 7.55.5, 7.72.10, 7.77.4, 7.81.1, 7.81.2, 7.84.1, 7.97.1, 7.97.2, 7.97.4, 8.1.2, 8.1.3, and 8.15.4; Implementation

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

B. Implementation of New Accounting Principles (cont'd)

Guide 2016-1, Questions 4.2, 4.13, 4.27, 4.61−4.63, 5.7, 5.8, 5.16, and 5.24; and 2002 AICPA State and Local Government Auditing and Accounting Guide, paragraph 5.28.

This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. A fiduciary component unit, when reported in the fiduciary fund financial statements of a primary government, should combine its information with its component units that are fiduciary component units and aggregate that combined information with the primary government's fiduciary funds. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2018 (FYE June 30, 2020). Earlier application is encouraged. Changes adopted to conform to the provisions of this Statement should be applied retroactively by restating financial statements, if practicable, for all prior periods presented. If restatement for prior periods is not practicable, the cumulative effect, if any, of applying this Statement should be reported as a restatement of beginning net position (or fund balance or fund net position, as applicable) for the earliest period restated. In the first period that this Statement is applied, the notes to the financial statements should disclose the nature of the restatement and its effect. Also, the reason for not restating prior periods presented should be disclosed.

- **GASB Statement No. 87**, *Leases*

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

Definition of a Lease - A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Any contract that meets this definition should be accounted for under the leases guidance, unless specifically excluded in this Statement.

The provisions of this Statement are effective for reporting periods beginning after December 15, 2019 (FYE June 30, 2021).

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

B. Implementation of New Accounting Principles (cont'd)

- **GASB Statement No. 89**, *Accounting for Interest Cost Incurred before the End of a Construction Period*

  This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. The requirements of this Statement apply to the financial statements of all state and local governments. In financial statements prepared using the economic resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expense in the period in which the cost is incurred. Such interest cost should not be capitalized as part of the historical cost of a capital asset. In financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

  The requirements of this Statement are effective for reporting periods beginning after December 15, 2019 (FYE June 30, 2021). Earlier application is encouraged.

- **GASB Statement No. 90**, *Majority Equity Interests an amendment of GASB Statements No. 14 and No. 61*

  The primary objectives of this Statement are to improve consistency in the measurement and comparability of the financial statement presentation of majority equity interests in legally separate organizations and to improve the relevance of financial statement information for certain component units.

  This Statement modifies previous guidance for reporting a government's majority equity interest in a legally separate organization. This Statement also provides guidance for reporting a component unit if a government acquires a100 percent equity interest in that component unit. The requirements of this Statement apply to the financial statements of all state and local governments.

  The requirements of this Statement are effective for reporting periods beginning after December 15, 2018 (FYE June 30, 2020). Earlier application is encouraged.

- **GASB Statement No. 91**, *Conduit Debt Obligations*

  This Statement provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

  The requirements of this Statement are effective for reporting periods beginning after December 15, 2020 (FYE June 30, 2022). Earlier application is encouraged.

C. 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 non-fiduciary activities of the school district. For the most part, the effect of inter-fund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are 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. Other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

D. 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. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues received during the year but are applicable to subsequent years are reported as deferred inflows of resources. 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. Expenditures incurred during the year that are for the benefit of subsequent years are reported as deferred outflows of resources.

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. All other revenue items are considered to be measurable and available only when cash is received by the government.

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

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

Special Revenue Funds are used to account for the proceeds of specific revenue sources – which are legally restricted to expenditures for specified purposes.

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

Debt Service Funds are used to account for the payment of principal and interest on long-term debt. Debt service revenues are from taxes and other operating revenues, some of which are pledged specifically to repay certain outstanding bond issues.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (cont'd)

GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis* requires the District to present certain governmental funds as major funds. In addition to the General Fund, the District reports the following major governmental funds:

- SPECIAL REVENUE FUNDS

  Title I (Fund No. 24101) Minimum Balance: None
  To help local education agencies (LEAs) and schools improve the teaching and learning of children failing, or most at-risk of failing, to meet challenging State academic standards. Funding authorization: Elementary and Secondary Education Act of 1965, Title I, Part A, 20 U.S.C. 6301 et seq.

  Entitlement IDEA-B (Fund No. 24106) Minimum Balance: None
  Program provides grants to states that flow-through to schools, to assist them in providing a free appropriate public education to all children with disabilities. The program is funded by the United States government, under the Individuals with Disabilities Education Act, Part B, Section 611-617, and part D, Section 674 as amended, 20 U.S.C. 1711-1417 and 1420.

- CAPITAL PROJECTS FUNDS

  Bond Building (Fund No. 31100) Minimum Balance: None
  This fund provides financing for the construction of buildings, the purchase of equipment, and the acquisition and improvement of land. Funding is provided by the sale of general obligation bonds, which have been approved by the voters of the district.

- DEBT SERVICE FUNDS

  Debt Service Fund (Fund No. 41000) Minimum Balance: None
  The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Additionally, the government reports the following fund types:

Fiduciary Funds are agency funds used to account for financial resources used by the student activity groups for which the District has stewardship

E. Assets, Liabilities, and Net Position or Equity

1. *Deposits and investments*

The government'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 investment of the District's funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, and money market accounts. The District is also allowed to invest in United States Government obligations. All funds for the District must follow the above investment policies.

Deposits of funds may be made in interest or non-interest-bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the District. Deposits may be made to the extent that they are insured by an agency of the United States or by collateral deposited as security or by bond given by the financial institution.

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

E. Assets, Liabilities, and Net Position or Equity (cont'd)

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 from/to other funds" (i.e., the current portion of inter-fund loans) or "advances to/from other funds" (i.e., the non-current portion of inter-fund loans). All other outstanding balances between funds are reported as "due from/to other funds."

The District's property taxes are levied each year on the assessed valuation of property located in the School District as of the preceding January 1st. Mill levy rates are set by the State of New Mexico each year for the General Fund, Capital Improvements SB – 9 Fund, Debt Service Fund, and Ed Tech Debt Service. Taxes are payable in two equal installments on November 10th and April 10th following the levy and become delinquent after 30 days.

Under GASB Statement 33, property taxes are impressed non-exchange revenue. Assets from impressed non-exchange transactions are reported when the District has an enforceable legal claim to the asset. The enforceable legal claim date for property taxes is the assessment date. Taxes are payable in two equal installments on November 10 and April 10th following the levy and become delinquent after 30 days. Therefore, the District has recorded a delinquent tax receivable and revenue for taxes received within the sixty days following year-end. A receivable and deferred revenue have been recorded for uncollected delinquent taxes. On the government-wide financial statements, the district has recorded delinquent property taxes receivable and revenue for taxes assessed as of year-end that have not be collected, as prescribed in GASB 34. An allowance for refunds and uncollectible amounts has not been recorded.

3. *Inventories*

The District's method of accounting for inventory is the consumption method. Under the consumption approach, governments report inventories they purchase as an asset and defer the recognition of the expenditures until the period in which the inventories are actually consumed. Inventory is valued at cost. In the Transportation Fund, inventory consists of expendable supplies held for maintenance. Inventory in the Food Service Fund consists of U.S.D.A. commodities and other purchased food and non-food supplies. The cost of purchased inventory is recorded as an expenditure at the time individual inventory items are consumed. Commodities consumed during the year are reported as revenues and expenditures; unused commodities are reported as inventories.

4. *Capital assets*

Capital assets, which include property, plant, and equipment (software), are reported in the applicable governmental-wide financial statements. Beginning July 1, 2005, the threshold for defining Capital assets by the government was raised from $1,000 to assets with an initial, individual cost of more than $5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition 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. Software costs have been included with the cost of computer equipment and are capitalized with that equipment. The District does not develop software for internal use or any other use.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest on construction projects has not been capitalized.

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

ESTIMATED USEFUL LIVES

ASSETS	YEARS
Buildings	40 - 50
Building improvements	20
Land Improvements	10 - 20
Vehides	7
Office equipment	5
Computer equipment	3 - 5

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

E. Assets, Liabilities, and Net Position or Equity (cont'd)

5. *Compensated absences*

It is the District's policy to permit employees to accumulate 120 days of earned but unused vacation, which will be paid to employees upon retirement from the District's service. The amount for liability has been reported in the government-wide financial statements.

Accumulated sick leave is not payable upon termination and is recorded as expenditures when it is paid.

6. *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 Position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discounts.

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. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as capital projects expenditures.

7. *Pensions*

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

8. *Postemployment Benefits Other Than Pensions (OPEB)*

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the New Mexico Retiree Health Care Fund (RHCA) and additions to/deductions from RHCA's fiduciary net position have been determined on the same basis as they are reported by RHCA. For this purpose, RHCA recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

9. *Deferred Outflows/Inflows of Resources*

Both deferred inflows and outflows are reported in the Statement of Net Position but are not recognized in the financial statements as revenues, expenses, and reduction of liabilities or increase in assets until the period(s) to which they relate.

In addition to assets, the District reports a separate section for deferred outflows of resources. This separate financial statement element represents a use of net position/fund balance that applies to future periods and will not be recognized as an expenditure until that time.

The District also reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position/fund balance that applies to future periods and so will not be recognized as a revenue until that time. Revenue must be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period) to be recognized. If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding liability for deferred inflows of resources.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

E. Assets, Liabilities, and Net Position or Equity (cont'd)

The District reports deferred outflows of resources for pension-related amounts for the District's share of the difference between projected and actual earnings, for the District's share of the difference between contributions to the individual plans and the proportionate share of the contributions, and for changes of assumptions or other inputs.

The District reports deferred inflows of resources for pension-related amounts in the government wide financial statements or the District's share of the difference between expected and actual experience and for the District's share of the difference between contributions to the individual plans and the proportionate share of the contributions.

Under the modified accrual basis of accounting, revenue and other fund financial resources are recognized in the period in which they become both measurable and available. Assets recorded in the fund financial statements for which the revenues are not available are reported as a deferred inflow of resources. Deferred inflows of resources are also comprised of property tax and long-term receivables that are unavailable in the fund statements.

10. *Fund balance*

a. Non-Spendable

The non-spendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

b. Restricted

Fund balance is reported as restricted when constraints placed on the use of resources are either (1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

c. Committed

Amounts that can only be used for specific purposes pursuant to constraints imposed by the formal action of the District's Board of Education should be reported as committed fund balance. The committed amounts cannot be used for any other purpose unless the District's Board of Education removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The District did not have committed fund balances for the year ended June 30, 2019.

d. Assigned

Assigned fund balance includes (a) all remaining amounts, except for negative balances, that are reported in governmental funds, other than the general fund, that are not classified as non-spendable and are neither restricted nor committed and amounts in the general fund that are constrained by the District's intent to be used for specific purposes but are neither restricted nor committed. Intent, and removal of, is expressed by the Board of Education or the Finance Committee. The District did not have assigned fund balances for the year ended June 30, 2019.

e. Unassigned

The remaining fund balance, after all other classifications, within the general fund is reported as unassigned fund balance. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. In governmental funds other than the general fund, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, a negative fund balance will be reported as unassigned fund balance.

When committed, assigned, and unassigned resources are available for use, it is the District's policy to use committed first followed by assigned and unassigned resources as they are needed.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

E. Assets, Liabilities, and Net Position or Equity (cont'd)

11. *Net Position*

Net Position is presented on the Statement of Net Position and may be presented in any of three components.

a. Net investment in capital assets

This component of Net Position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. That portion of the debt is included in restricted for capital projects.

b. Restricted Net Position

Net Position is reported as being restricted when the restriction is either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.

c. Unrestricted Net Position

Unrestricted Net Position consists of Net Position that does not meet the definition of "net investment in capital assets" or "restricted."

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

In the governmental environment, Net Position often is designated to indicate that management does not consider them to be available for general operations. In contrast to restricted Net Position, these types of constraints on resources are internal and management can remove or modify them. However, enabling legislation established by the reporting government should not be construed as an internal constraint.

12. *Indirect Costs*

The District's General Fund receives indirect cost reimbursements from the various federal programs it administers. These reimbursements are for expenses incurred in performing administrative functions on behalf of the Special Revenue Funds. They are shown as expenditures in the Special Revenue Funds, and as other special federal revenue in the General Fund.

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.

14. *Inter-fund Transactions*

Interfund services provided and used are accounted for as revenues and expenditures. Transactions that constitute reimbursements to a fund from expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other inter-fund transactions are reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other inter-fund transfers are reported as operating transfers.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

E. Assets, Liabilities, and Net Position or Equity (cont'd)

15. *Revenues*

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

A school district's program costs are determined through the use of various formulas using 'program units' which take into consideration 1) early childhood education; 2) basic education; 3) special education; 4) bilingual-multicultural education, 5) size, etc. Payment is made from the public school fund under the authority of the Director of Public School Finance. The District received $79,001,483 in state equalization guarantee distributions during the year ended June 30, 2019.

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. The District received $3,262,948 in transportation distributions during the year ended June 30, 2019.

Instructional Materials: The New Mexico Public Education Department (PED) receives federal mineral leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, fifty percent is restricted to the purchase of material listed on the PED 'Multiple List", while fifty percent of each allocation is available for purchases directly from vendors or transfer to the fifty percent account for purchase of material from the "Multiple List". Districts are allowed to carry forward unused textbook funds from year to year. The District received $370,113 in instructional materials distributions during the year ended June 30, 2019.

16. *Tax Abatements*

Governmental Accounting Standards Board Statement No. 77 requires the District to disclose information on certain tax abatement agreements effecting the District. A tax abatement is created when a government enters into an agreement with an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. Accordingly, the District did not have any tax abatements effecting the District during the year ended June 30, 2019.

II. 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 Public School Budget and Planning Unit of the Department of Education. Auxiliary student activity accounts are not budgeted.

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

Actual expenditures may not exceed the budget at the function level, i.e., each budgeted expenditure must be within budgeted amounts. Budgets may be amended in two ways. If a budget transfer is necessary within a major category called a 'series', this may be accomplished with only local Board of Education approval. If a transfer between 'series' or a budget increase is required, approval must also be obtained from Public School Finance Division.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont'd)

A. Budgetary Information (cont'd)

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

The 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 ended June 30, 2019 was properly amended by the Board through the year. New Mexico state law prohibits a Governmental Agency to exceed an individual line item. These amendments resulted in the following changes:

	ORIGINAL	FINAL
Major Funds:		
General Funds	$ 89,703,508	$ 90,480,486
Special Revenue Funds:		
Title I	2,677,005	3,022,033
Entitlement IDEA-B	-	3,646,182
Capital Projects Funds:		
Bond Building	6,367,955	17,367,955
Debt Service Funds:		
Debt Service	15,983,496	15,983,496
Nonmajor Funds:		
Special Revenue Funds	9,121,871	15,014,428
Capital Projects Funds	9,244,135	12,281,588
Debt Service Fund	5,779,700	5,779,700
Total Budget	$ 138,877,670	$ 163,575,868

B. Budgetary Violations

The District did not have any budgetary violations during the year ended June 30, 2019.

C. Deficit Fund Equity

The District did not have any deficit fund balances as of June 30, 2019.

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Temporary Investments

At June 30, 2019, the carrying amount of the District's deposits was $31,092,064 and the bank balance was $34,013,889 with the difference consisting of outstanding checks.

	AMOUNT
Financial institution (FDIC):	
Wells Fargo	$ 26,122,765
Citizens	1,407,525
Bank of the Southwest	12,243
State agencies:	
New Mexico Finance Authority	6,471,356
Cash on hand	40
Less:	
Agency cash	(978,153)
Restricted Cash	(6,471,356)
Net reconciling items	(2,921,825)
Total cash and equivalents	$ 23,642,595

Of the total cash and cash equivalents balance, $512,243 was covered by federal depository insurance and $27,055,684 was covered by collateral held in joint safekeeping by a third party.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. New Mexico State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the District for at least one half of the amount on deposit with the institution. The District does not have a deposit policy for custodial credit risk, other than these following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). The statement listed below will meet the State of New Mexico Office of the State Auditor's requirement in reporting the uninsured portion of the deposits. As of June 30, 2019, $6,445,962 of the District's bank deposits was exposed to custodial risk as follows:

	INSURED	UNDER INSURED	TOTAL
Bank deposits:			
Uninsured and uncollateralized	$ 6,445,962	$ -	$ 6,445,962
Uninsured and collateral held by pledging bank's trust dept not in the District's name	27,055,684	-	27,055,684
Total uninsured	33,501,646	-	33,501,646
Insured (FDIC)	512,243	-	512,243
Total deposits	$ 34,013,889	$ -	$ 34,013,889
State of New Mexico collateral requirement:			
50% of uninsured public fund bank deposits	$ 16,750,824	$ -	$ 16,750,824
Pledged security	27,055,684	-	27,055,684
Over collateralization	$ 10,304,860	$ -	$ 10,304,860

III. DETAILED NOTES ON ALL FUNDS (cont'd)

A. Cash and Temporary Investments (cont'd)

The collateral pledged is listed on Schedule of Pledged Collateral in the Other Supplemental Information section of this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, district, or political subdivision of the State of New Mexico. According to the Federal Deposit Insurance Authority, public unit deposits are funds owned by the District. Time deposits, savings deposits and interest bearing "Now" accounts of a public unit in an institution in the same state will be insured up to $250,000 in aggregate and separate from the $250,000 coverage for public unit demand deposits at the same institution.

B. Receivables

Receivables as of June 30, 2019 for the government's individual major funds and non-major funds in the aggregate, including the following:

	RECEIVABLES		DUE FROM OTHER	
	Property Taxes	Grants	Governments	Funds
Major Funds:				
General Funds	$ 38,703	$ -	$ 7,935	$ 5,541,120
Title I	-	1,707,292	-	-
Entitlement IDEA-B	-	2,084,075	-	-
Bond Building	-	-	-	-
Debt Service	507,610	-	103,603	-
Other Governmental Funds	272,061	2,240,659	79,722	-
Total	$ 818,374	$ 6,032,026	$ 191,260	$ 5,541,120

An allowance for doubtful accounts has not been established. All receivables are expected to be collectible.

Governmental funds reported 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:

	UNAVAILABLE	UNEARNED
Grant drawdowns prior to meeting all eligibility requirements		
Other Governmental Funds	$ -	$ 22,525
Delinquent property taxes		
General Fund	32,570	-
Debt Service	430,932	-
Other Governmental Funds	212,705	-
Total deferred/unearned revenue for governmental funds	$ 676,207	$ 22,525

III. DETAILED NOTES ON ALL FUNDS (cont'd)

C. Inter-Fund Receivables and Payable

The inter-fund receivables and payables at June 30, 2019 were:

	RECEIVABLES	PAYABLES
Major Funds:		
General Funds	$ 5,541,120	$ -
Title I	-	1,657,333
Entitlement IDEA-B	-	2,033,526
Bond Building	-	3,000
Other Governmental Funds		
Food Service	-	102,886
Preschool IDEA-B	-	23,753
IDEA-B Private Schools	-	6,341
21st Century Community Learning Centers	-	134,630
Title I - 1003g	-	153,619
IDEA-B Student Success	-	19,204
Title III English Language	-	24,055
Title II Teacher Quality	-	407,659
Carl D Perkins - JAG	-	52,647
Carl D Perkins	-	29,274
Carl D Perkins Secondary Redistribution	-	11,479
Carl D Perkins HSTW - Current	-	590
Carl D Perkins HSTW - PY Unliq. Oblig	-	3,834
Carl D Perkins HSTW - Redistribution	-	8,794
IDEA-B Stay in School	-	215,256
Academic Enrichment	-	69,778
Title I Comprehensive Support & Improvement	-	8,841
Title I - HS Redesign	-	44,516
Johnson O'Malley	-	104,645
Indian Ed Formula Grant	-	9,107
Native American Program	-	5,299
Dual Credit Instructional Materials	-	17,246
Libraries GO Bond 2012	-	7,176
Reads to Lead	-	65,142
Pre-K Initiative	-	292,985
Indian Education Act	-	17,460
Breakfast for Elementary Students	-	11,045
Total	$ 5,541,120	$ 5,541,120

The inter-fund loans were made for the purposes of cash shortfalls within the individual funds. The loans are expected to be repaid within the next fiscal year.

III. DETAILED NOTES ON ALL FUNDS (cont'd)

D. Interfund Transfers

The inter-fund transfers during the year ended June 30, 2019 were:

	TRANSFER IN	TRANSFER OUT
Major Funds:		
General Funds	$ -	$ 23,755
Other Governmental Funds		
Title II Teacher Quality	23,755	-
4R Future Individual	-	164,166
4R Future Group	164,166	-
Total	$ 187,921	$ 187,921

The transfers were to clear funds that are no longer being used and were approved by the New Mexico Public Education Department.

E. Capital Assets

Capital asset activity for the year ended June 30, 2019 was as follows:

	BEGINNING	INCREASES	DECREASES	ENDING
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 4,142,761	$ -	$ -	$ 4,142,761
Construction in progress	72,929,843	(72,493,840)	-	436,003
Total capital assets not being depreciated	77,072,604	(72,493,840)	-	4,578,764
Capital assets being depreciated:				
Land improvements	4,448,663	-	-	4,448,663
Buildings and improvements	241,930,237	79,774,881	(582,097)	321,123,021
Furniture, fixtures, and equipment	12,087,308	299,339	(147,354)	12,239,293
Total capital assets being depreciated	258,466,208	80,074,220	(729,451)	337,810,977
Less accumulated depreciation for:				
Land improvements	(4,417,101)	(4,047)	-	(4,421,148)
Buildings and improvements	(93,650,674)	(5,366,872)	555,793	(98,461,753)
Furniture, fixtures, and equipment	(8,703,626)	(753,871)	145,780	(9,311,717)
Total accumulated depreciation	(106,771,401)	(6,124,790)	701,573	(112,194,618)
Total capital assets being depreciated, net	151,694,807	73,949,430	(27,878)	225,616,359
Total capital assets, net	$ 228,767,411	$ 1,455,590	$ (27,878)	$230,195,123

III. DETAILED NOTES ON ALL FUNDS (cont'd)

E. Capital Assets (cont'd)

Depreciation has been allocated to the functions by the following amounts:

	AMOUNT
Instruction	$ 44,643
Support Services - Students	2,390
Support Services - Instruction	759
Support Services - General Administration	27,742
Support Services - School Administration	4,217
Operations & Maintenance of Plant	79,748
Student Transportation	408,729
Food Services	49,751
Capital Outlay	5,506,811
Total Depreciation Expense	$ 6,124,790

Construction commitments

The District is involved in long-term construction projects as part of their master plan for upgrading the district buildings. The amount in the capital projects funds designated for subsequent years expenditures are committed for funding these projects. Interest on construction projects is not capitalized.

F. Long-Term Debt

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 and notes as of June 30, 2019 are as follows:

BOND ISSUES		ORIGINAL AMOUNT	INTEREST RATES	BALANCE	CURRENT PORTION
Series	03/16/11	$ 12,500,000	2.00% to 4.00%	$ 5,450,000	$ 1,000,000
Series	05/16/12	14,000,000	2.00% to 4.00%	5,750,000	950,000
Series	06/03/14	23,500,000	2.00% to 3.00%	17,990,000	900,000
Series	06/03/14	3,530,000	2.00% to 2.00%	-	-
Series	05/16/14	6,500,000	0.53% to 1.47%	-	-
Series	03/01/16	35,000,000	3.00% to 5.00%	28,530,000	950,000
Series	05/20/16	6,700,000	1.06% to 1.34%	3,425,000	1,600,000
Series	09/15/17	7,100,000	1.16% to 3.14%	6,450,000	225,000
Series	09/15/17	2,370,000	0.86% to 1.19%	1,820,000	530,000
Series	05/04/18	5,000,000	1.62% to 2.54%	5,000,000	1,250,000
Series	06/15/18	4,000,000	1.76% to 3.27%	4,000,000	1,350,000
Series	11/06/18	11,000,000	2.14% to 3.41%	11,000,000	-
Total		$ 131,200,000		$ 89,415,000	$ 8,755,000

III. DETAILED NOTES ON ALL FUNDS (cont'd)

F. Long-Term Debt (cont'd)

Annual debt service requirements to maturity for general obligation bonds are as follows:

YEAR ENDING JUNE 30,	PRINCIPAL	INTEREST	TOTAL REQUIREMENTS
2020	$ 8,755,000	$ 2,668,925	$ 11,423,925
2021	8,185,000	2,537,374	10,722,374
2022	6,695,000	2,276,156	8,971,156
2023	5,975,000	2,085,477	8,060,477
2024	5,275,000	1,905,928	7,180,928
2025 - 2029	28,035,000	6,778,471	34,813,471
2030 - 2034	26,495,000	2,101,208	28,596,208
Total	$ 89,415,000	$ 20,353,540	$ 109,768,540

Balances shown for bonds and notes do not include unamortized premiums or deferred amounts on refinancing.

	BALANCE
Bonds payable	$ 89,415,000
Less: current maturities	(8,755,000)
Unamortized:	
Bond premiums	2,968,320
Total non-current bonds	$ 83,628,320

Changes in long term debt – During the year ended June 30, 2019 the following changes occurred in liabilities reported in the general obligation bonds account group:

		BEGINNING BALANCE	ADDITIONS	RETIREMENTS	ENDING BALANCE	DUE WITHIN ONE YEAR
Compensated absences:						
Compensated vacation		$ 348,631	$ 510,660	$ 385,740	$ 473,551	$ 473,551
Bonds payable						
Original Amount	Issue					
$ 12,500,000	03/16/11	6,150,000	-	700,000	5,450,000	1,000,000
14,000,000	05/16/12	6,700,000	-	950,000	5,750,000	950,000
23,500,000	06/03/14	18,790,000	-	800,000	17,990,000	900,000
3,530,000	06/03/14	875,000	-	875,000	-	-
6,500,000	05/16/14	1,400,000	-	1,400,000	-	-
35,000,000	03/01/16	29,730,000	-	1,200,000	28,530,000	950,000
6,700,000	05/20/16	5,225,000	-	1,800,000	3,425,000	1,600,000
7,100,000	09/15/17	7,100,000	-	650,000	6,450,000	225,000
2,370,000	09/15/17	2,370,000	-	550,000	1,820,000	530,000
5,000,000	05/04/18	5,000,000	-	-	5,000,000	1,250,000
4,000,000	06/15/18	4,000,000	-	-	4,000,000	1,350,000
11,000,000	11/06/18	-	11,000,000	-	11,000,000	-
Total Bonds payable		87,340,000	11,000,000	8,925,000	89,415,000	8,755,000
		$ 87,688,631	$ 11,510,660	$ 9,310,740	$ 89,888,551	$ 9,228,551

The liability of compensated absences is liquidated with resources from the general fund and several special revenue funds. The liquidation of bonds payable is done with resources from the debt service fund.

III. DETAILED NOTES ON ALL FUNDS (cont'd)

F. Long-Term Debt (cont'd)

New Debt

The District issued Series 2018A General Obligation Bonds in the amount of $11,000,000 on November 30, 2018. The District made the first interest payment on March 1, 2019 and will make the first principal payment on September 1, 2021. The bond series will mature on September 1, 2033 with interest rates of 2.14% to 3.41%. The District was at 97.53% bonding capacity after the issuance of GO Series 2018A.

G. Leases

The District leases office equipment various 60-month non-cancellable operating lease. The lease was executed during the years ended June 30, 2017 and June 30, 2019 with monthly payments totaling $11,860. At the end of the lease period the equipment will be traded in. Rental costs for the year ended June 30, 2019 were $141,139. The annual lease requirements are as follows:

JUNE 30,	AMOUNT
2020	$ 142,322
2021	142,322
2022	140,193
Total	$ 424,837

IV. COMPONENT UNIT

District management has determined that New Mexico Virtual Academy (Charter School) is a major component unit of the District under Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units, an amendment of GASB Statement No. 14*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*. New Mexico Virtual Academy is chartered under Farmington Municipal School District and is the financial responsibility of Farmington Municipal Schools. Since the charter school relies on its charter from the District and a financial burden exists upon closure of the charter school or when the charter school is in need of financial assistance. The following are summarized details of the charter school's balances and transactions as of June 30, 2019 and for the year then ended:

A. Cash and Temporary Investments

At June 30, 2019, the carrying amount of the Charter School's deposits was $404,065 and the bank balance was $583,479 with the difference consisting of outstanding checks. Of this balance $250,000 was covered by federal depository insurance and $333,479 was covered by collateral held in joint safekeeping by a third party.

	BALANCE
Financial institution (FDIC):	
Citizens	$ 583,479
Less:	
Net reconciling items	(179,414)
Total cash and equivalents	$ 404,065

IV. COMPONENT UNIT (cont'd)

A. Cash and Temporary Investments (cont'd)

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Charter School's deposits may not be returned to it. New Mexico State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the Charter School for at least one half of the amount on deposit with the institution. The statement listed below will meet the State of New Mexico Office of the State Auditor's requirement in reporting the uninsured portion of the deposits. As of June 30, 2019, none of the Charter School's bank balance was exposed to custodial risk as follows:

	INSURED	UNDER INSURED	TOTAL
Bank deposits:			
Uninsured and uncollateralized	$ -	$ -	$ -
Uninsured and collateral held by pledging bank's trust dept not in the District's name	333,479	-	333,479
Total uninsured	333,479	-	333,479
Insured (FDIC)	250,000	-	250,000
Total deposits	$ 583,479	$ -	$ 583,479
State of New Mexico collateral requirement:			
50% of uninsured public fund bank deposits	$ 166,740	$ -	$ 166,740
Pledged security	1,038,820	-	1,038,820
Over collateralization	$ 872,080	$ -	$ 872,080

The collateral pledged is listed on Schedule of Pledged Collateral with the component unit financial statements in the Other Supplemental Information section of this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, district or political subdivision of the State of New Mexico. According to the Federal Deposit Insurance Authority, public unit deposits are funds owned by the schools. Time deposits, savings deposits and interest bearing "Now" accounts of a public unit in an institution in the same state will be insured up to $250,000 in aggregate and separate from the $250,000 coverage for public unit demand deposits at the same institution.

B. Receivables

Receivables as of year-end for the government's individual major funds and non-major funds in the aggregate, including the following:

	RECEIVABLES		DUE FROM OTHER	
	Property Taxes	Grants	Governments	Funds
Major Funds:				
General Funds	$ -	$ 1,269	$ -	$ 37,541
Entitlement IDEA-B	-	36,272	-	-
Other Governmental Funds	-	-	50,549	-
Total	$ -	$ 37,541	$ 50,549	$ 37,541

An allowance for doubtful accounts has not been established. All receivables are expected to be collectible.

IV. COMPONENT UNIT (cont'd)

C. Inter-Fund Receivables and Payables

The inter-fund receivables and payables at June 30, 2019 were:

	RECEIVABLES	PAYABLES
Major Funds:		
General Funds	$ 83,415	$ -
Entitlement IDEA-B	-	83,415
Other Governmental Funds	-	-
Total	$ 83,415	$ 83,415

The inter-fund loans were made for the purposes of cash shortfalls within the individual funds. The loans are expected to be repaid within the next fiscal year.

D. Inter-Fund Transfers

There were not any inter-fund transfers during the year ended June 30, 2019.

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 (NMPSIA) 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, 2019.

V. OTHER INFORMATION (cont'd)

B. Employee Retirement Plan

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, Sections 1 through 52, NMSA 1978). The Educational Retirement Board (ERB) is the administrator of the New Mexico Educational Employees' Retirement Plan (Plan), which is a cost-sharing multiple-employer defined benefit retirement plan. 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 www.nmerb.org, www.saonm.org, or by writing to:

ERB
P.O. Box 26129
Santa Fe, New Mexico 87502-6129
www.nmerb.org

Membership in the Plan is a condition of employment. Employees of public schools, universities, regional cooperatives, special schools and state agencies providing educational programs, who are employed at more than 25% of a full-time equivalency, are required to be members of the Plan. There were 156,789 active, retired, and inactive members in fiscal year 2018; there were 153,514 active, retired, and inactive members in fiscal year 2017.

Benefits Provided - 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. Benefits are based on three components: Final Average Salary (FAS), years of both earned and allowed service credits, and a 2.35% factor. The gross annual benefit is determined by multiplying the three components together. FAS is the higher of annual earnings for the previous 20 calendar quarters prior to retirement or the highest average annual earnings for any 20 consecutive calendar quarters.

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

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

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

Retired members and surviving beneficiaries receiving benefits receive an automatic cost of living adjustment (COLA) to their benefit commencing on July 1 following the later of: (i) the year a member retires, or (ii) the year in which a member attains age 65 (Tier 1 and Tier 2) or age 67 (Tier 3).

If the plan's funded ratio for the next preceding fiscal year is 100%, or greater, Section 22-11-31(C)(1) of the New Mexico Statutes Annotated defines the adjustment factor as ½ of the percentage increase of the consumer price index between the next preceding calendar year and the preceding calendar year. The adjustment factor cannot exceed four percent, nor be less than two percent. However, if the percentage increase of the consumer price index is less than two percent, the adjustment factor will be equal to the percentage increase of the consumer price index.

If the plan's funded ratio for the next preceding fiscal year is greater than 90%, but less than 100%, Section 22-11-31(C)(2) indicates that the adjustment factor for all non-disability retirements will be 95% of the adjustment factor defined in Section 22-11-31(C)(1) if the member had 25 or more years of service credit at retirement and whose annuity is less than or equal to the median adjusted annuity for the fiscal year next preceding the adjustment date. For all other retirees eligible for an adjustment, the adjustment factor will be 90% of the adjustment factor defined in Section 22-11-31(C)(1).

V. OTHER INFORMATION (cont'd)

B. Employee Retirement Plan (cont'd)

If the plan's funded ratio for the next preceding fiscal year is 90%, or less, Section 22-11-31(C)(3) indicates that the adjustment factor for all non-disability retirements will be 90% of the adjustment factor defined in Section 22-11-31(C)(1) if the member had 25 or more years of service credit at retirement and whose annuity is less than or equal to the median adjusted annuity for the fiscal year next preceding the adjustment date. For all other retirees eligible for an adjustment, the adjustment factor will be 80% of the adjustment factor defined in Section 22-11-31(C)(1).

Finally, annuities shall not be decreased in the event that there is a decrease in the consumer price index between the next preceding calendar year and the preceding calendar year.

As of July 1, 2013, for current and future retirees the COLA was immediately reduced until the plan is 100% funded. The COLA reduction was based on the median retirement benefit of all retirees excluding disability retirements. Retirees with benefits at or below the median and with 25 or more years of service credit will have a 10% COLA reduction; their average COLA will be 1.5%. All other retirees will have a 20% COLA reduction; their average COLA will be 1.6%. Once the funding is greater than 90%, the COLA reductions will decrease. The retirees with benefits at or below the median and with 25 or more years of service credit will have a 5% COLA reduction; their average COLA will be 1.7%. All other retirees will have a 10% COLA reduction; their average will be 1.8%. Members on disability retirement are entitled to a COLA commencing on July 1 of the third full year following disability retirement. A member on regular retirement who can prove retirement because of a disability may qualify for a COLA beginning July 1 in the third full year of retirement.

A member is eligible for a disability benefit provided (a) he or she has credit for at least 10 years of service, and (b) the disability is approved by ERB. The monthly benefit is equal to 2% of FAS times years of service, but not less than the smaller of (a) one-third of FAS or (b) 2% of FAS times year of service projected to age 60. The disability benefit commences immediately upon the member's retirement. Disability benefits are payable as a monthly life annuity, with a guarantee that, if the payments made do not exceed the member's accumulated contributions, determined as of the date of retirement, the balance will be paid in a lump sum to the member's surviving beneficiary. If the disabled member survives to age 60, the regular optional forms of payment are then applied. A member with five or more years of earned service credit on deferred status may retire on disability retirement when eligible under the Rule of 75 or when the member attains age 65.

The member, upon retirement, has three options as to how to receive the benefit.

Option A – If the member elects the Option A, there is no reduction to the monthly benefit other than any "Rule of 75" deductions or any community property or child support reductions. There will be no continuing benefit to a beneficiary or estate upon the retiree's death, except the balance, if any, of member contributions. Those contributions are usually exhausted in the first three to four years of retirement.

Option B – If the member elects Option B, the monthly benefit is reduced to provide for a 100% survivor's benefit. The reduced benefit is payable during the life of the member and upon the retiree's death, the same benefit is paid to the beneficiary for his or her lifetime. The named beneficiary may not be changed after the effective date of retirement since the amount of the option is calculated by using both the age of the member and the beneficiary. If the beneficiary predeceases the member, the member's benefit will be adjusted by returning it to the Option A Benefit amount. The IRS prohibits selection of Option B for a non-spouse beneficiary more than ten years younger than the member.

Option C – If the member elects Option C, the monthly benefit is reduced to provide for a 50% survivor's benefit. The benefit is payable during the life of the member and upon the retiree's death, one half of the member's benefit is paid to the beneficiary for his or her lifetime. Here again, the named beneficiary may not be changed after the effective date of retirement. If the beneficiary predeceases the member, the member's benefit is adjusted by returning it to the Option A Benefit amount.

Under the provisions of Options B and C coverage, the beneficiary must be a person, and only one beneficiary may be named. The term beneficiary means a person having an insurable interest in the life of the member.

V. OTHER INFORMATION (cont'd)

B. Employee Retirement Plan (cont'd)

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: 10.7% of their gross salary in fiscal year 2019.

Employer Contributions – In fiscal year 2018, the District was required to contribute 13.9% of the gross covered salary for employees whose annual salary is $20,000 or less, and 13.9% of the gross covered salary for employees whose annual salary is more than $20,000. The contribution rate will increase to 14.15% for the year ended June 30, 2020. The contribution requirements of plan members and the District are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The District's contributions to ERB for the fiscal year ending June 30, 2018 was $7,851,367, which equal the amount of the required contributions.

New Mexico Virtual Academy Charter School's contributions to ERB for the fiscal year ending June 30, 2019 was $136,667, which equal the amount of the required contributions for each fiscal year.

Employers

The Educational Retirement Act designates employers as Local Administrative Units, directly responsible for payment of compensation for the employment of members or participants of this Plan. There were 216 contributing employers in fiscal year 2018; there were 218 contributing employers in fiscal year 2017.

Liabilities, Deferred Outflows of Resources, Deferred Inflows of Resources, and Expense Related to Pensions

Farmington Municipal Schools

At June 30, 2019, the District reported a liability of $222,476,100 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and regional education cooperatives, actuarially determined. At June 30, 2018, the District's proportion was 1.87091 percent, which was a decrease of 0.03901 percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized pension expense of $35,502,232.

PENSION EXPENSE CALCULATION	
Net pension liability - end of the year	$ 222,476,100
Net pension liability - beginning of the year	(212,258,352)
Deferred outflows of resources during the year	16,578,682
Deferred inflows of resources during the year	1,446,989
Reductions to ending net pension liability due contributions paid	7,258,813
Total Pension Expense	$ 35,502,232

V. OTHER INFORMATION (cont'd)

B. Employee Retirement Plan (cont'd)

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OUTFLOWS	INFLOWS
Difference between expected and actual experience	$ 162,371	$ 4,234,078
Change of assumptions	45,851,272	-
Net difference between projected and actual earnings on pension plan investments	492,505	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	4,483,997
District contributions subsequent to the measurement date	7,851,367	-
Total	$ 54,357,515	$ 8,718,075

Deferred outflows of resources related to pensions in the amount of $7,851,367 resulted from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020 (pension measurement date June 30, 2019). Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

JUNE 30,	AMORTIZATION
2020	$ (23,489,631)
2021	(15,090,601)
2022	798,641
2023	(6,482)
2024	-
Thereafter	-
Total	$ (37,788,073)

New Mexico Virtual Academy (Component Unit)

At June 30, 2019, the Charter School reported a liability of $3,543,617 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Charter School's proportion of the net pension liability was based on a projection of the Charter School's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and regional education cooperatives, actuarially determined. At June 30, 2018, the Charter School's proportion was 0.0298 percent, which was an increase of 0.00293 percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the Charter School recognized pension expense of $700,964.

PENSION EXPENSE CALCULATION	
Net pension liability - end of the year	$ 3,543,617
Net pension liability - beginning of the year	(2,986,189)
Deferred outflows of resources during the year	8,230
Deferred inflows of resources during the year	19,549
Reductions to ending net pension liability due contributions paid	115,757
Total Pension Expense	$ 700,964

V. OTHER INFORMATION (cont'd)

B. Employee Retirement Plan (cont'd)

At June 30, 2019, the Charter School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OUTFLOWS	INFLOWS
Difference between expected and actual experience	$ 2,586	$ 67,441
Change of assumptions	730,323	-
Net difference between projected and actual earnings on pension plan investments	7,845	-
Changes in proportion and differences between Charter School contributions and proportionate share of contributions	225,461	-
Charter School contributions subsequent to the measurement	136,667	-
Total	$ 1,102,882	$ 67,441

Deferred outflows of resources related to pensions in the amount of $136,667 resulted from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020 (pension measurement date June 30, 2019). Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

JUNE 30,	AMORTIZATION
2019	$ 517,237
2020	349,343
2021	32,091
2022	103
2023	-
Thereafter	-
Total	$ 898,774

Actuarial Assumptions

A single discount rate of 5.69% was used to measure the total pension liability as of June 30, 2018. This single discount rate was based on an expected rate of return on pension plan investments of 7.25 percent and a municipal bond rate of 3.62 percent. Based on the assumptions described below and the projection of cash flows, pension plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. The long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The total pension liability, net pension liability, and certain sensitivity information are based on an actuarial valuation performed as of June 30, 2018. The total pension liability was rolled forward from the valuation date to the Plan's year ended June 30, 2018 using generally accepted actuarial principles. The roll-forward incorporates the impact of the new assumptions adopted by the Board on April 21, 2017. There were no other significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2018. The liabilities reflect the impact of the new assumptions adopted by the Board of Trustees on April 21, 2017 as well as the change in the single discount rate between June 30, 2017 and June 30, 2018. Specifically, the liabilities measured as of June 30, 2018 incorporate the following assumptions:

1) All members with an annual salary of more than $20,000 will contribute 10.7% during the fiscal year ending June 30, 2015 and thereafter.
2) Members hired after June 30, 2013 will have an actuarially reduced retirement benefit if they retire before age 55 and their Cost of Living Adjustment (COLA) will be deferred until age 67.
3) COLAs for most retirees are reduced until ERB attains a 100% funded status.
4) The new assumptions adopted by the Board on April 21, 2017 in conjunction with the change in the single discount rate, and
5) For purposes of projecting future benefits, it is assumed that the full COLA is paid in all future years.

V. OTHER INFORMATION (cont'd)

B. Employee Retirement Plan (cont'd)

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

Actuarial Cost Method:	Entry age normal
Amortization Method:	Level Percentage of Payroll
Remaining Period:	Amortized - closed 30 years from June 30, 2012 to June 30, 2042
Asset Valuation Method:	5 year smoothed market for funding valuation (fair value for financial valuation)
Inflation:	3.00%
Salary Increases:	Composition: 2.50% inflation, plus 0.75% productivity increase rate, plus step rate promotional increases for members with less than 10 years of service
Investment Rate of Return:	7.25%
Single Discount Rate:	5.69%
Retirement Age:	Experience based table of age and service rates
Mortality:	Healthy Males – RP-2000 Combined Mortality Table with white collar adjustments, generational mortality improvements with scale BB. Healthy Females – GRS Southwest Region Teacher Mortality Table, set back one year, generational mortality improvements in accordance with scale BB from the table's base year of 2012.

The long-term expected rate of return on pension plan investments is determined annually using a building-block approach that includes the following: 1) rate of return projections are the sum of current yield plus projected changes in price (valuation, defaults, etc.), 2) application of key economic projections (inflation, real growth, dividends, etc.), and 3) structural themes (supply and demand imbalances, capital flows, etc.). These items are developed for each major asset class. Best estimates of geometric real rates of return for each major asset class included in the Plan's target asset allocation for 2018 and 2017 for 30-year return assumptions are summarized in the following table:

Asset Class	2018 Long-Term Expected Real Rate of Return	2017 Long-Term Expected Real Rate of Return
Cash	-0.49%	-0.25%
U.S. Treasuries	-0.01%	0.25%
IG Corp Credit	1.44%	1.75%
Mortgage Backed Securities	-0.01%	0.25%
Core Bonds*	0.47%	0.75%
Treasury Inflation Protected Securities	0.48%	0.50%
High-Yield Bonds	2.13%	2.50%
Bank Loans	2.16%	2.75%
Global Bonds (Unhedged)	-0.75%	-0.50%
Global Bonds (Hedged)	-0.47%	-0.38%
Emerging Market Debt External	1.64%	2.50%
Emerging Market Debt Local Currency	3.10%	3.25%
Large Cap Equities	4.03%	4.25%
Small/ Mid Cap Equities	4.24%	4.50%
International Equities (Unhedged)	4.24%	4.50%
International Equities (Hedged)	4.65%	4.89%
Emerging International Equities	5.61%	6.25%
Private Equity	5.92%	6.25%
Private Debt	4.07%	4.75%
Private Real Assets	4.24%	5.90%
Real Estate	3.10%	3.25%
Commodities	2.08%	2.25%
Hedge Funds	2.97%	3.22%

V. OTHER INFORMATION (cont'd)

B. Employee Retirement Plan (cont'd)

Rate of Return

The long-term expected rate of return on pension plan investments is determined annually using a building-block approach that includes the following:

1) Rate of return projections are the sum of current yield plus projected changes in price (valuation, defaults, etc.),
2) Application of key economic projections (inflation, real growth, dividends, etc.), and
3) Structural themes (supply and demand imbalances, capital flows, etc.).

These items are developed for each major asset class.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate Assumption

The following table shows the sensitivity of the net pension liability to changes in the discount rate as of fiscal year end 2018, 2017, and 2016. In particular, the table presents the Plan's net pension liability under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower or one percentage point higher than the single discount rate.

PENSION CURRENT SINGLE RATE				
	Discount Rate	1% Decrease	Single Rate Assumption	1% Increase
ERB (All Employers)				
2018	5.69%	$ 15,454,175,919	$ 11,891,330,976	$ 8,984,271,849
2017	5.90%	14,466,972,041	11,113,468,217	8,372,251,980
2016	7.75%	9,531,509,131	7,196,433,561	5,258,980,529
Farmington Municipal Schools				
2018	5.69%	$ 289,133,723	$ 222,476,100	$ 168,087,640
2017	5.90%	276,307,589	212,258,352	159,903,312
2016	7.75%	187,323,702	141,432,228	103,355,270
New Mexico Virtual Academy				
2018	5.69%	$ 4,605,344	$ 3,543,617	$ 2,677,313
2017	5.90%	3,887,275	2,986,189	2,249,624
2016	7.75%	2,412,425	1,821,417	1,331,048

C. Post-Retirement Health Care Benefits

Plan Description - The District, as an employer, contributes to the New Mexico Retiree Health Care Fund (RHCA), a cost-sharing multiple-employer defined benefit postemployment healthcare plan. The plan provides healthcare insurance and prescription drug benefits to retired employees of participating employers, 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. RHCA issues a separate, publicly available financial report that includes the financial statements and required supplementary information for the plan. That report may be obtained www.nmrhca.org, www.saonm.org, or by writing to:

Retiree Health Care Authority
4308 Carlisle NE, Suite 104
Albuquerque, NM 87107

V. OTHER INFORMATION (cont'd)

C. Post-Retirement Health Care Benefits (cont'd)

The plan is used to provide postemployment benefits other than pensions (OPEB) for retirees who were an employee of participating employer in either the New Mexico Public Employees Retirement Association (PERA) or Educational Retirement Board (ERB), eligible to receive a pension. For employers who "buy-in" to the plan, retirees are eligible for benefits six months after the effective date of employer participation. Retirees not in a PERA enhanced (Fire, Police, Corrections) pension plan who commence benefits on or after January 1, 2020 will not receive any subsidy from RHCA before age 55.

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.

There were 156,025 active, retired, surviving spouses, and inactive members in fiscal year 2018; there were 160,035 active, retired, surviving spouses, and inactive members in fiscal year 2017.

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 ($5) if the eligible participant retired prior to the employer's 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 RHCA or viewed on their website at www.nmrhca.org.

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 fund in the amount determined to be appropriate by the Board.

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

Benefits Provided - Retirees and spouses are eligible for medical and prescription drug benefits. Dental and vision benefits are also available but were not included in any valuation since they are 100% retiree-paid. A description of these benefits may be found in Enrolled Participants at www.nmrhca.org.

Member Contributions – Employees that were not members of an enhanced plan, the statute required each participating employee was required to contribute 1% of their gross salary in fiscal year 2019.

V. OTHER INFORMATION (cont'd)

C. Post-Retirement Health Care Benefits (cont'd)

Employer Contributions – In fiscal year 2019, the District was required to contribute 2% of the gross covered salary for employees who are entitled to RHCA benefits. The District's contributions to RHCA for the fiscal year ending June 30, 2019 was $1,045,721, which equal the amount of the required contributions for each fiscal year.

New Mexico Virtual Academy Charter School's contributions to RHCA for the fiscal years ending June 30, 2019 was $19,658, which equal the amount of the required contributions for each fiscal year.

Employers - The Educational Retirement Act designates employers as Local Administrative Units, directly responsible for payment of compensation for the employment of members or participants of this Plan. There were 302 contributing employers in fiscal year 2018.

Liabilities, Deferred Outflows of Resources, Deferred Inflows of Resources, and Expense Related to OPEB

Farmington Municipal Schools

At June 30, 2019, the District reported a liability of $54,156,585 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District 's proportion of the net OPEB liability was based on a projection of the District 's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2018, the District's proportion was 1.24545 percent, which was a decrease of 0.02157 percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized OPEB income of $300,823.

OPEB EXPENSE/(INCOME) CALCULATION	
Net OPEB liability - end of the year	$ 54,156,585
Net OPEB liability - beginning of the year	(57,417,203)
Deferred outflows of resources during the year	-
Deferred inflows of resources during the year	1,915,216
Reductions to ending net OPEB liability due contributions paid	1,044,579
Total OPEB Income	$ (300,823)

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OUTFLOWS	INFLOWS
Difference between expected and actual experience	$ -	$ 3,206,417
Change of assumptions	-	10,110,794
Net difference between projected and actual earnings on OPEB plan investments	-	675,854
Changes in proportion and differences between District contributions and proportionate share of contributions	-	990,172
District contributions subsequent to the measurement date	1,129,703	-
Total	$ 1,129,703	$ 14,983,237

V. OTHER INFORMATION (cont'd)

C. Post-Retirement Health Care Benefits (cont'd)

Deferred outflows of resources related to OPEB in the amount of $1,045,721 resulted from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2019. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

JUNE 30,	AMORTIZATION
2020	$ 3,765,118
2021	3,765,118
2022	3,765,118
2023	2,955,399
2024	732,484
Thereafter	-
Total	$ 14,983,237

New Mexico Virtual Academy (Component Unit)

At June 30, 2019, the Charter School reported a liability of $847,929 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Charter School's proportion of the net OPEB liability was based on a projection of the Charter School's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2018, the Charter School's proportion was 0.0195 percent, which was an increase of 0.00015 percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the Charter School recognized OPEB expense of $334.

OPEB EXPENSE CALCULATION	
Net OPEB liability - end of the year	$ 847,929
Net OPEB liability - beginning of the year	(876,879)
Deferred outflows of resources during the year	(6,886)
Deferred inflows of resources during the year	19,514
Reductions to ending net OPEB liability due contributions paid	16,656
Total OPEB Expense	$ 334

At June 30, 2019, the Charter School reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OUTFLOWS	INFLOWS
Difference between expected and actual experience	$ -	$ 50,203
Change of assumptions	-	158,305
Net difference between projected and actual earnings on OPEB plan investments	-	10,582
Changes in proportion and differences between Charter School contributions and proportionate share of contributions	6,886	-
Charter School contributions subsequent to the measurement	19,658	-
Total	$ 26,544	$ 219,090

V. OTHER INFORMATION (cont'd)

C. Post-Retirement Health Care Benefits (cont'd)

Deferred outflows of resources related to OPEB in the amount of $19,658 resulted from Charter School contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2019. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

JUNE 30,	AMORTIZATION
2019	$ (54,207)
2020	(54,207)
2021	(54,207)
2022	(41,529)
2023	(8,054)
Thereafter	-
Total	$ (212,204)

Actuarial Assumptions

The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates proportional to the actuary determined contribution rates. For this purpose, employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members through the fiscal year ending June 30, 2028.

A blended rate of the assumed investment return on Plan assets (e.g. 7.25% for the June 30, 2019 valuation) and the rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (e.g. 3.58% as of June 30, 2017). The 7.25% discount rate was used to calculate the net OPEB liability through June 30, 2029. Benefit payments after June 30, 2029 are then discounted by the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher, currently 4.08%. The blended discount rate of 4.08% was used to measure the total OPEB liability as of June 30, 2018.

The total OPEB liability was determined by an actuarial valuation as of June 30, 2017 using the following actuarial assumptions:

Valuation Date:	June 30, 2017
Actuarial Cost Method:	Entry age normal, level percent of pay, calculated on individual employee basis
Amortization Method:	30-year open-ended amortization, level percent of payroll
Remaining Period:	30 years as of June 30, 2016
Asset Valuation Method:	Market value of assets
Actuarial assumptions	
Inflation:	2.50% for ERB; 2.25% for PERA
Projected Salary Increases:	3.5% to 12.50% based on years of service, including inflation
Investment Rate of Return:	7.25%, net of OPEB plan investment expense and margin for adverse deviation including inflation
Health Care Cost Trend Rate:	8% graded down to 4.5% over 14 years for Non-Medicare medical plan costs and 7.5% graded down to 4.5% over 12 for Medicare medical plan costs

IV. OTHER INFORMATION (cont'd)

C. Post-Retirement Health Care Benefits (cont'd)

Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which the expected future real rates of return (net of investment fees and inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumptions. The target allocation and best estimates for the long-term expected rate of return is summarized as follows:

Asset Class	2018 Long-Term Expected Real Rate of Return %	2017 Long-Term Expected Real Rate of Return %
U.S. core fixed income	2.1	9.1
U.S. equity - large cap	7.1	9.1
Non U.S. - emerging markets	10.2	12.2
Non U.S. - developed equities	7.8	9.8
Private equity	11.8	13.8
Credit and structured finance	5.3	7.3
Real estate	4.9	6.9
Absolute return	4.1	6.1
U.S. equity - small/mid cap	7.1	9.1

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate Assumption

The following table shows the sensitivity of the net OPEB liability to changes in the discount rate as of June 30, 2018. In particular, the table presents the Plan's net OPEB liability under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (1% decrease) or one percentage point higher (1% increase) than the single discount rate.

OPEB CURRENT SINGLE RATE				
	Discount Rate	1% Decrease	Single Rate Assumption	1% Increase
RHCA (All Employers)				
2018	4.08%	$ 5,262,533,266	$ 4,348,354,815	$ 3,627,778,443
2017	3.81%	5,496,848,763	4,531,673,018	3,774,405,896
Farmington Municipal Schools				
2018	4.08%	$ 65,542,221	$ 54,156,585	$ 45,182,167
2017	3.81%	69,646,173	57,417,203	47,822,478
New Mexico Virtual Academy				
2018	4.08%	$ 1,026,194	$ 847,929	$ 707,417
2017	3.81%	1,063,640	876,879	730,348

IV. OTHER INFORMATION (cont'd)

C. Post-Retirement Health Care Benefits (cont'd)

The following presents the Net OPEB Liability of RHCA as of June 30, 2018, as well as what the Fund's Net OPEB Liability would be if it were calculated using a health cost trend rate that is one percentage point lower (1% decrease) or one percentage point higher (1% increase) than the health cost trend rates used.

HEALTH COST TREND RATE			
	1% Decrease	Current Trend Rates	1% Increase
RHCA (All Employers)			
2018	$ 3,675,884,346	$ 4,348,354,815	$ 4,875,586,778
Farmington Municipal Schools			
2018	$ 45,781,302	$ 54,156,585	$ 60,722,996
New Mexico Virtual Academy			
2018	$ 716,797	$ 847,929	$ 950,739

D. Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

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

E. Cash Flows

The District's federal and state grants operate on a reimbursement basis. The District must support the expenditures of these grants with monies from the unrestricted operating monies. Operating on a reimbursement basis for these grants in its self does not adversely affect the District's ability to operate effectively. However, the time it takes to receive reimbursement, if extensive, does significantly affect the District's cash flows and the ability to deliver educational services to the community in an effective manner. This could affect the District's financial operations in subsequent years.

F. Subsequent Events

Farmington Municipal Schools has currently elected not to renew the Charter School's under the district. If sponsorship is not found the Charter School will end operations on June 30, 2019. However, there have been residual activity subsequent to the yearend in order finalize the closing.

Subsequent events were evaluated through November 6, 2019 which is the date the financial statements were available to be issued.

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
(FARMINGTON MUNICIPAL SCHOOL DISTRICT)
Educational Retirement Board (ERB) Pension Plan
Last 10 Fiscal Years*

June 30,	2019	2018	2017	2016	2015
Measurement date June 30,	2018	2017	2016	2015	2014
District's proportion of the net pension liability	1.870910%	1.909920%	1.965310%	2.008370%	1.958300%
District's proportionate share of the net pension liability	$ 22,476,100	$ 212,258,352	$ 141,432,228	$ 130,087,473	$ 111,735,344
District's covered-employee payroll	$ 5,287,060	$ 54,402,833	$ 56,130,511	$ 57,084,325	$ 53,977,809
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	425.12%	390.16%	251.97%	227.89%	207.00%
Plan fiduciary net position as a percentage of the total pension liability	52.17%	52.95%	61.58%	63.97%	66.54%

* These schedules are intended to present 10 years of trending history. However, information is not available prior to the year ended June 30, 2015 and, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

SCHEDULE OF THE PENSION CONTRIBUTIONS
(FARMINGTON MUNICIPAL SCHOOL DISTRICT)
Educational Retirement Board (ERB) Pension Plan
Last 10 Fiscal Years*

June 30,	2019	2018	2017	2016	2015
Contractually required contribution	$ 7,859,226	$ 7,267,901	$ 7,564,470	$ 7,800,895	$ 7,934,721
Contributions in relation to the contractually required	(7,859,226)	(7,258,813)	(7,564,470)	(7,800,895)	(7,935,390)
Contribution deficeiency (excess)	$ -	$ 9,088	$ -	$ -	$ (669)
District's Covered-employee Payroll	$ 56,541,199	$ 52,287,060	$ 54,402,833	$ 56,130,511	$ 57,084,325
Contribution as a percentage of covered-employee payroll	13.90%	13.88%	13.90%	13.90%	13.90%

* These schedules are intended to present 10 years of trending history. However, information is not available prior to the year ended June 30, 2015 and, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
(FARMINGTON MUNICIPAL SCHOOL DISTRICT)
Retiree Health Care Authority (RHCA) OPEB Plan
Last 10 Fiscal Years*

June 30,	2019	2018
Measurement date June 30,	2018	2017
District's proportion of the net OPEB liability	1.245450%	1.267020%
District's proportionate share of the net OPEB liability	$ 54,156,585	$ 57,417,203
District's covered-employee payroll	$ 52,286,029	$ 54,392,248
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	103.58%	105.56%
Plan fiduciary net position as a percentage of the total OPEB liability	13.14%	11.34%

* These schedules are intended to present 10 years of trending history. However, information is not available prior to the year ended June 30, 2018 and, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

SCHEDULE OF THE OPEB CONTRIBUTIONS
(FARMINGTON MUNICIPAL SCHOOL DISTRICT)
Retiree Health Care Authority (RHCA) OPEB Plan
Last 10 Fiscal Years*

June 30,	2019	2018
Contractually required contribution	$ 1,129,703	$ 1,044,579
Contributions in relation to the contractually required	(1,129,703)	(1,044,579)
Contribution deficeiency (excess)	$ -	$ -
District's Covered-employee Payroll	$ 56,536,623	$ 52,286,029
Contribution as a percentage of covered-employee payroll	2.00%	2.00%

* These schedules are intended to present 10 years of trending history. However, information is not available prior to the year ended June 30, 2018 and, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
(NEW MEXICO VIRTUAL ACADEMY)
Educational Retirement Board (ERB) Pension Plan
Last 10 Fiscal Years*

June 30,	2019	2018	2017	2016	2015
Measurement date June 30,	2018	2017	2016	2015	2014
Charter School's proportion of the net pension liability	0.026870%	0.025310%	0.024580%	0.024680%	0.021290%
Charter School's proportionate share of the net pension liability	$ (3,543,617)	$ 2,986,189	$ 1,821,417	$ 1,592,112	$ 1,408,166
Charter School's covered-employee payroll	$ 832,783	$ 796,080	$ 722,915	$ 671,113	$ 680,233
Charter School's proportionate share of the net pension liability as a percentage of its covered-employee payroll	-425.52%	375.11%	251.95%	237.23%	207.01%
Plan fiduciary net position as a percentage of the total pension liability	52.17%	52.95%	61.58%	63.97%	66.54%

* These schedules are intended to present 10 years of trending history. However, information is not available prior to the year ended June 30, 2015 and, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

SCHEDULE OF THE PENSION CONTRIBUTIONS
(NEW MEXICO VIRTUAL ACADEMY)
Educational Retirement Board (ERB) Pension Plan
Last 10 Fiscal Years*

June 30,	2019	2018	2017	2016	2015
Contractually required contribution	$ 136,666	$ 115,756	$ 110,655	$ 100,485	$ 93,284
Contributions in relation to the contractually required	(136,666)	(115,756)	(110,655)	(100,485)	(93,284)
Contribution deficeiency (excess)	$ -	$ -	$ -	$ -	$ -
Charter School's Covered-employee Payroll	$ 983,213	$ 832,783	$ 796,080	$ 722,915	$ 671,113
Contribution as a percentage of covered-employee payroll	13.90%	13.90%	13.90%	13.90%	13.90%

* These schedules are intended to present 10 years of trending history. However, information is not available prior to the year ended June 30, 2015 and, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
(NEW MEXICO VIRTUAL ACADEMY)
Retiree Health Care Authority (RHCA) OPEB Plan
Last 10 Fiscal Years*

June 30,	2019	2018
Measurement date June 30,	2018	2017
Charter School's proportion of the net OPEB liability	0.019500%	0.019350%
Charter School's proportionate share of the net OPEB liability	$ 847,929	$ 876,879
Charter School's covered-employee payroll	$ 832,783	$ 796,080
Charter School's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	101.82%	110.15%
Plan fiduciary net position as a percentage of the total OPEB liability	13.14%	11.34%

* These schedules are intended to present 10 years of trending history. However, information is not available prior to the year ended June 30, 2018 and, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

SCHEDULE OF THE OPEB CONTRIBUTIONS
(NEW MEXICO VIRTUAL ACADEMY)
Retiree Health Care Authority (RHCA) OPEB Plan
Last 10 Fiscal Years*

June 30,	2019	2018
Contractually required contribution	$ 19,658	$ 16,655
Contributions in relation to the contractually required	(19,658)	(16,655)
Contribution deficeiency (excess)	$ -	$ -
Charter School's Covered-employee Payroll	$ 982,902	$ 832,778
Contribution as a percentage of covered-employee payroll	2.00%	2.00%

* These schedules are intended to present 10 years of trending history. However, information is not available prior to the year ended June 30, 2018 and, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2019

Changes of benefit terms: The COLA and retirement eligibility benefits changes in recent years are described in the Benefits Provided subsection of the financial statement note disclosure General Information on the Pension Plan.

Changes of assumptions: ERB conducts an actuarial experience study for the Plan on a biennial basis. Based on the six-year actuarial experience study presented to the Board of Trustees on June 30, 2016. There were no modifications to the benefit provisions that were reflected in the actuarial valuation as of June 30, 2018.

Assumptions that were not changed:

a. Wage inflation 3.25%
b. Payroll growth 3.00%
c. COLA assumption 1.90% per year
d. Salary increases at 2.50% inflation, plus 0.75% productivity increase rate, plus step-rate promotional increases for less than ten years of service
e. Inflation rate 2.50%
f. Investment return 7.25%

See also the Note VI (B) *Actuarial Assumptions* of the financial statement note disclosure on the Pension Plan.

Changes of assumptions: RHCA conducts an actuarial experience study for the Plan on a biennial basis. Based on the six-year actuarial experience study presented to the Board of Trustees on June 30, 2017, RHCA implemented the following changes in assumptions for fiscal years 2018 and 2017.

The total OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2018. The mortality, retirement, disability, turnover and salary increase assumptions are based on the PERA annual valuation as of June 30, 2017 and the ERB actuarial experience study as of June 30, 2017.

1) Fiscal year 2018 valuation assumptions that changed based on this study:
   a. Minor changes to demographic assumptions
2) Assumptions that were not changed:
   a. Investment return 7.25%
   b. Inflation rate 2.50% for ERB and 2.25 for PERA
   c. Population growth per year at 0.00%
   d. Health care cost trend rate 8% graded down to 4.5% over 14 years for Non-Medicare medical plan costs and 7.5%

See also the Note IV (C) *Actuarial Assumptions* of the financial statement note disclosure on the OPEB Plan.

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OTHER SUPPLEMENTAL INFORMATION

OF

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

AS OF AND FOR THE YEAR ENDED

JUNE 30, 2019

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OTHER SUPPLEMENTAL INFORMATION

(GENERAL FUNDS)

Operating Fund (Fund No. 11000)

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

Transportation Fund (Fund No. 13000)

Accounts for all the Transportation funds received through the state that are used in the maintaining and operating vehicles used to transport students.

Instructional Materials Fund (Fund No. 14000)

Accounts for all the Instructional Materials funds received through the state for the purpose of acquiring study materials for the students.

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

GENERAL FUNDS

Combining Balance Sheet

June 30, 2019

	Operational Fund #11000	Transportation Fund #13000	Instructional Materials Fund #14000	Total General Funds
Assets				
Cash and cash equivalents	$ 3,609,407	$ 173,761	$ 438,767	$ 4,221,935
Receivables:				
Property taxes	38,703	-	-	38,703
Due from other governments	7,935	-	-	7,935
Due from other funds	5,541,120	-	-	5,541,120
Parts inventory	-	174,568	-	174,568
Total assets	$ 9,197,165	$ 348,329	$ 438,767	$ 9,984,261
Liabilities, deferred inflows and fund balance				
Liabilities:				
Accounts payable	$ 311,845	$ 1,357	$ -	$ 313,202
Accrued salaries	1,501,745	-	-	1,501,745
Total liabilities	1,813,590	1,357	-	1,814,947
Deferred inflows of resources:				
Delinquent property taxes	32,570	-	-	32,570
Fund balance:				
Non-spendable:				
Inventories	-	174,568	-	174,568
Unassigned	7,351,005	172,404	438,767	7,962,176
Total fund balance	7,351,005	346,972	438,767	8,136,744
Total liabilities, deferred inflows of resources, and fund balance	$ 9,197,165	$ 348,329	$ 438,767	$ 9,984,261

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

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

GENERAL FUNDS

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2019

	General Funds			
	Operational Fund #11000	Transportation Fund #13000	Instructional Materials Fund #14000	Total General Fund
Revenues:				
Taxes:				
Property	$ 572,576	$ -	$ -	$ 572,576
Oil and gas	26,955	-	-	26,955
Intergovernmental - federal grants	120,378	-	-	120,378
Intergovernmental - state grants	79,067,743	3,262,948	370,113	82,700,804
Contributions - private grants	89,500	-	-	89,500
Charges for services	85,813	-	-	85,813
Investment and interest income	23	-	-	23
Miscellaneous	199,321	-	-	199,321
Total revenue	80,162,309	3,262,948	370,113	83,795,370
Expenditures:				
Current:				
Instruction	51,125,619	-	64,174	51,189,793
Support services:				
Students	9,909,386	-	-	9,909,386
Instruction	1,499,469	-	-	1,499,469
General Administration	1,622,429	-	-	1,622,429
School Administration	4,889,672	-	-	4,889,672
Central Services	1,099,141	-	-	1,099,141
Operation & Maintenance of Plant	9,383,015	-	-	9,383,015
Student transportation	-	2,994,810	-	2,994,810
Community services	12,258	-	-	12,258
Capital outlay	-	55,096	-	55,096
Total expenditures	79,540,989	3,049,906	64,174	82,655,069
Excess of revenues over expenditures	621,320	213,042	305,939	1,140,301
Other financing uses:				
Transfers out	(23,755)	-	-	(23,755)
Net change in fund balance	597,565	213,042	305,939	1,116,546
Fund balance at beginning of the year	6,753,440	133,930	132,828	7,020,198
Fund balance at end of the year	$ 7,351,005	$ 346,972	$ 438,767	$ 8,136,744

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

OPERATIONAL FUND - NO. 11000

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Taxes:				
Property	$ 556,217	$ 556,217	$ 570,153	$ 13,936
Oil and gas	24,830	24,830	27,914	3,084
Intergovernmental - federal grants	107,363	107,363	120,378	13,015
Intergovernmental - state grants	78,467,048	79,066,399	79,067,743	1,344
Contributions - private grants	70,250	70,250	89,500	19,250
Charges for services	70,250	70,250	85,813	15,563
Investment and interest income	17	17	23	6
Miscellaneous	124,249	124,249	199,321	75,072
Total revenues	79,420,224	80,019,575	80,160,845	141,270
Expenditures:				
Current:				
Instruction	54,128,889	54,128,889	51,098,719	3,030,170
Support services:				
Students	9,289,622	10,628,973	9,894,038	734,935
Instruction	1,167,561	1,167,561	1,495,893	(328,332)
General Administration	1,446,991	1,631,991	1,622,891	9,100
School Administration	4,950,160	4,950,160	4,889,672	60,488
Central Services	2,235,361	2,235,361	1,091,479	1,143,882
Operation & Maintenance of Plant	10,511,962	11,014,962	9,194,873	1,820,089
Other Support services	100,078	100,078	-	100,078
Community services	12,410	12,410	12,258	152
Capital outlay	2,227,413	799,413	7	799,406
Total expenditures	86,070,447	86,669,798	79,299,830	7,369,968
Excess (deficiency) of revenues over expenditures	(6,650,223)	(6,650,223)	861,015	7,511,238
Other financing uses:				
Transfers out	-	-	(23,755)	(23,755)
Net change in fund balance	(6,650,223)	(6,650,223)	837,260	7,487,483
Beginning cash balance budgeted	6,650,223	6,650,223	-	(6,650,223)
Fund balance at beginning of the year	-	-	6,753,440	6,753,440
Fund balance at end of the year	$ -	$ -	7,590,700	$ 7,590,700
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			(69)	
Change in due from other governments			298	
Change in payables			(241,160)	
Change in deferred property taxes			1,236	
Fund balance at end of the year (GAAP basis)			$ 7,351,005	

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

TRANSPORTATION FUND - NO. 13000

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Intergovernmental - state grants	$ 3,262,948	$ 3,262,948	$ 3,262,948	$ -
Expenditures:				
Current:				
Support services:				
Student transportation	3,262,948	3,222,008	3,064,210	157,798
Capital outlay	-	56,000	55,096	904
Total expenditures	3,262,948	3,278,008	3,119,306	158,702
Excess (deficiency) of revenues over expenditures	-	(15,060)	143,642	158,702
Beginning cash balance budgeted	-	15,060	-	(15,060)
Fund balance at beginning of the year	-	-	133,930	133,930
Fund balance at end of the year	$ -	$ -	277,572	$ 277,572
RECONCILIATION TO GAAP BASIS:				
Change in inventory			70,168	
Change in payables			(768)	
Fund balance at end of the year (GAAP basis)			$ 346,972	

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

INSTRUCTIONAL MATERIALS FUND - NO. 14000

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Intergovernmental - state grants	$ 370,113	$ 399,852	$ 370,113	$ (29,739)
Expenditures:				
Current:				
Instruction	370,113	532,680	64,174	468,506
Excess (deficiency) of revenues over expenditures	-	(132,828)	305,939	438,767
Beginning cash balance budgeted	-	132,828	-	(132,828)
Fund balance at beginning of the year	-	-	132,828	132,828
Fund balance at end of the year	$ -	$ -	438,767	$ 438,767
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			$ 438,767	

OTHER SUPPLEMENTAL INFORMATION

(MAJOR CAPITAL PROJECTS FUNDS
AND
MAJOR DEBT SERVICE FUND)

Budgetary statements for funds that meet the requirements of GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis* to be considered major funds but are not considered special revenue funds.

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

BOND BUILDING FUND - NO. 31100

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Investment and interest income	$ 10,000	$ 10,000	$ 135,435	$ 125,435
Expenditures:				
Current:				
Support services:				
Operation & Maintenance of Plant	1,096,971	1,196,971	565,547	631,424
Capital outlay	5,270,984	16,170,984	8,478,903	7,692,081
Total expenditures	6,367,955	17,367,955	9,044,450	8,323,505
Excess (deficiency) of revenues over expenditures	(6,357,955)	(17,357,955)	(8,909,015)	8,448,940
Other financing sources:				
Sale of bonds	-	11,000,000	11,000,000	-
Net change in fund balance	(6,357,955)	(6,357,955)	2,090,985	8,448,940
Beginning cash balance budgeted	6,357,955	6,357,955	-	(6,357,955)
Fund balance at beginning of the year	-	-	4,010,114	4,010,114
Fund balance at end of the year	$ -	$ -	6,101,099	$ 6,101,099
RECONCILIATION TO GAAP BASIS:				
Change in payables			(519,064)	
Fund balance at end of the year (GAAP basis)			$ 5,582,035	

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

DEBT SERVICE FUND - NO. 41000

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Taxes:				
Property	$ 8,577,738	$ 8,577,738	$ 7,889,746	$ (687,992)
Oil and gas	193,978	193,978	186,815	(7,163)
Investment and interest income	510	510	1,021	511
Total revenues	8,772,226	8,772,226	8,077,582	(694,644)
Expenditures:				
Current:				
Support services:				
General Administration	85,777	87,777	78,897	8,880
Debt service:				
Principal retirement	5,725,000	5,725,000	5,725,000	-
Bond interest paid	2,442,699	2,439,199	2,437,987	1,212
Debt service reserves	7,730,020	7,730,020	-	7,730,020
Other	-	1,500	1,443	57
Total expenditures	15,983,496	15,983,496	8,243,327	7,740,169
Excess (deficiency) of revenues over expenditures	(7,211,270)	(7,211,270)	(165,745)	7,045,525
Beginning cash balance budgeted	7,211,270	7,211,270	-	(7,211,270)
Fund balance at beginning of the year	-	-	9,954,947	9,954,947
Fund balance at end of the year	$ -	$ -	9,789,202	$ 9,789,202
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			18,581	
Change in due from other governments			14,791	
Change in deferred property taxes			8,342	
Fund balance at end of the year (GAAP basis)			$ 9,830,916	

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OTHER SUPPLEMENTAL INFORMATION

(NONMAJOR GOVERNMENTAL FUNDS)

Funds that did not meet the requirements of GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis* to be considered Major Funds and have not been identified as Major Funds by management.

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Nonmajor Special Revenue Funds

Special revenue funds are operating funds used to account for the proceeds of specific revenue sources that are intended for specific purposes other than special assessments or major capital projects.

Food Services (Fund No. 21000) Minimum Balance: None

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 sat. 886, 889, 42 U.S.C. 1773, 1779; Public Law 99-591, 100 stat. 3341; Public Law 100-71, 101 stat. 430.

Athletics (Fund No. 22000) Minimum Balance: None

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

Activities (Fund No. 23000) Minimum Balance: None

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

Javits Gifted & Talented (Fund No. 24102) Minimum Balance: None

The purpose of this program is to meet the special education needs of gifted and talented students. The major emphasis of the program is on serving students traditionally underrepresented in gifted and talented programs, particularly economically disadvantaged, limited English proficient (LEP), and disabled students, to help reduce the serious gap in achievement among certain groups of students at the highest levels of achievement. Authorization: Elementary and Secondary Education Act of 1965, as amended, Title V, Part D, Subpart 6.

New Mexico Autism (Fund No. 24108) Minimum Balance: None

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, Section 611-617, and part D, Section 674 as amended, 20 U.S.C. 1711-1417 and 1420.

Preschool IDEA-B (Fund No. 24109) Minimum Balance: None

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.

Education of Homeless (Fund No. 24113) Minimum Balance: None

To ensure that all homeless children and youth have equal access to the same free, appropriate public education available to other children, the Education for Homeless Children and Youth program provides assistance to States, Outlying Areas, and the Department of Interior/Bureau of Indian Education (BIE) to: (1) establish or designate an Office of Coordinator of Education of Homeless Children and Youths; (2) develop and carry out a State plan for the education of homeless children; and (3) make subgrants to local educational agencies to support the education of those children. Authorization: McKinney-Vento Homeless Assistance Act, Title VII, Subtitle B.

IDEA-B Private Schools (Fund No. 24115) Minimum Balance: None

To provide grants to States to assist the States 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 Act, Part B, Section 619, as amended, Public Laws 94-142, 99-457, 100-630, 101-497, and 101-476.

Fresh Fruits and Vegetables (Fund No. 24118) Minimum Balance: None

To assist States, through cash grants, in providing free fresh fruits and vegetables to school children in designated participating schools beginning in school year 2004/2006. Authorization granted under National School Lunch Act, as amended, 42 U.S.C. 1769.

21ST Century Community Learning Centers (Fund No. 24119) Minimum Balance: None

After school adolescence care, providing the community with responsible Child Care, while providing the children and their families with referral services, drug prevention education, academic help, and character building (social skill) activities. Funding is provided by the Department of Education under the Elementary and Secondary Education Act of 1965, Title X, part I Section 10901, Public Law 103-382 Stat. 3844, 20 U.S.C. 8241.

Nonmajor Special Revenue Funds (cont'd)

Title I 1003g (Fund No. 24124) Minimum Balance: None

The objective of this grant is to provide in conjunction with Title I funds for school improvement reserved under section 1003(a) of the ESEA. School Improvement Grants under section 1003(g) of the ESEA are used to improve student achievement in Title I schools identified for improvement, corrective action, or restructuring so as to enable those schools to make adequate yearly progress (AYP) and exit improvement status. Funding is by the Elementary and Secondary Education Act of 1965, as amended, Title I, Part B, Subpart 1.

IDEA-B Student Success (Fund No. 24132) Minimum Balance: None

The purpose of this grant award is to support activities included in the school's Educational Plan for Student Success, or areas in need of improvement, identified through the instructional audit. The program is funded by the United States government, under the Individuals with Disabilities Act, Public Law 108-446 Part B.

Title III English Language (Fund No. 24153) Minimum Balance: None

To ensure that limited English proficient children (LEP) and youth, including immigrant children and youth, attain English proficiency and meet the same standards as all children and youth are expected to meet; to provide assistance to Native American, Native Hawaiian, Native American Pacific Islander, and Alaskan native children with certain modifications relative to the unique status of native American language under Federal Law; to develop to the extent possible, the native language skills of such children. The fund is authorized through the Elementary and Secondary Education Act (ESEA), as amended, Title III, Part A, Sections 3101,3129.

Title II Teacher Quality (Fund No. 24154) Minimum Balance: None

To provide grants to State Education Agencies (SEAs) on a formula basis to increase student academic achievement through strategies such as improving teacher and principal quality and increasing the number of highly qualified teachers in the classroom and highly qualified principals and assistant principals in schools and hold local educational agencies and schools accountable for improvements in the academic achievement. Authorization is granted through the Elementary and Secondary Education Act of 1965, as amended, Title II, Part A, Public Law 107-110.

Carl D Perkins (Fund No. 27171, 24174, 24175, & 24176) Minimum Balance: None

Basic grants assist states 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 D Perkins HSTW (Fund No. 24180, 24181 & 24182) Minimum Balance: None

To account for funds administered through the State Public Education Office to the deployment of the HSTW framework is intended to improve student achievement, increase graduation rates and provide relevant and rigorous high school instruction. The program is funded by the United States government, under the Carl D. Perkins Vocational-Technical Education Act Amendments, Title I; 20 U.S.C. 2321 et seq., Public Law 105-332.

IDEA-B Stay in School (Fund No. 24188) Minimum Balance: None

The purpose of this grant award is to support activities included in the school's Educational Plan for Student Success, or areas in need of improvement, identified through the instructional audit. The program is funded by the United States government, under the Individuals with Disabilities Act, Public Law 108-446 Part B.

Academic Enrichment (Fund No. 24189)

To improve student's academic achievement by increasing the capacity of States, local educational agencies (LEAs), schools and local communities to: (1) provide all students with access to a well-rounded education; (2) improve school conditions for student learning; and (3) improve the use of technology in order to improve the academic achievement and digital literacy for all students. Authorization: Elementary and Secondary Education, et seq., Title IV, Part A, Subpart I, Section (20.U.S. C. 710; Department of Education Appropriations Act, 2017

Title I Comprehensive Support and Improvement (Fund No. 24190) Minimum Balance: None

Under the New Mexico Public Education Department's (NMPED) approved Every Student Succeeds Act (ESSA), the state' lowest-achieving schools are identified as Comprehensive Support and Improvement (CSI) schools. As a result, CSI schools, with the support of the larger Local Education Agency (LEA) and school community, have an opportunity to develop and implement targeted interventions with the goal of achieving dramatic school-level achievement gains such that the school is in good academic standing within three years. Funding authorization: Elementary and Secondary Education Act of 1965, as amended, Title I, Part B.

Nonmajor Special Revenue Funds (cont'd)

Title I – HS Redesign (Fund No. 24191) Minimum Balance: None

The High School Redesign initiative would support competitive grants to local educational agencies (LEAs) in partnership with institutions of higher education and other entities, such as non-profits, community-based organizations, government agencies, and business or industry-related organizations to help schools apply academic concepts to real world challenges. Partnerships and projects will connect high school experiences with relevant business, community, and postsecondary partners in science, technology, engineering and math (STEM) fields, while enhancing for students living in high poverty and rural communities. Special consideration will be given to partnerships with employers that provide students at participating schools with career-related experiences or help students attain career-related credentials. Funding is by the Elementary and Secondary Education Act of 1965, as amended, Title I, Part B, Subpart 1..

ARRA – IDEA-B CEIS (Fund No. 24212) Minimum Balance: None

Up to 15% of combined entitlement and preschool funding may be budgeted as per 34 CFR § 300.226. Must be used consistent with the applicable provisions of IDEA-B, as follows: (1) Must be used only to pay the excess costs of providing special education and related services to children with disabilities: (2) Must be used to supplement State. local, and other Federal funds and not to supplant such funds: and (3) Must not be used to reduce an LEA's maintenance of effort (MOE) for the education of children with disabilities below the preceding year's level except as allowed by 34 CFR §§ 300.204 and 205.

Johnson O'Malley (Fund No. 25131) Minimum Balance: None

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.

Impact Aid Special/Indian Education (Fund No. 25145 & 25147) Minimum Balance: None

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 is a 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.

Title XIX Medicaid (Fund No. 25153) Minimum Balance: None

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 Ed Formula Grant (Fund No. 25184) Minimum Balance: None

The purpose of this program is to support projects which improve educational opportunities and achievement 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. 2002.

Mentoring for Safe Schools (Fund No. 25187) Minimum Balance: None

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.

Native American Program (Fund No. 25248) Minimum Balance: None

To bring school-wide classroom reading instruction and targeted intervention for Limited English Proficient (LEP) students where the native language is Navajo.

Nonmajor Special Revenue Funds (cont'd)

Kellogg Foundation (Fund No. 26121) Minimum Balance: None

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.

Dual Credit Instructional Materials (Fund No. 27103) Minimum Balance: None

To provide instructional materials to be used for a dual credit course approved by Higher Education Department (HED) and through a college/university for which the district has an approved agreement.

Library GO Bonds 2012 (Fund No. 27107) Minimum Balance: None

Funds to be used for library books and library resources for public school libraries statewide. Library resources include computers, software, projectors, televisions, other related hardware and software, shelving, desks, chairs, and book trucks/carts. Senate Bill 66, Laws of 2012, 2nd Session, Chapter 54, Section 10.B.(3).

Reads to Lead (Fund No. 27114) Minimum Balance: None

Provides an aligned approach for districts and schools to ensure that children can read by the end of third grade—giving them essential skills for future career and college success. It also provides regional and district reading coaches, supports for intervention, and professional development for parents, teachers, reading coaches, and administrators.

Excellence in Teaching (Fund No. 27125) Minimum Balance: None

The funding under this award must be used solely for Excellence in Teaching salary supplements. These salary supplements are $5,000.00 or $10,000.00 per teacher and may only be awarded to teachers who have met the award criteria.

Recruitment Support (Fund No. 27128) Minimum Balance: None

This award must be used for teacher recruitment efforts such as signing bonuses for new teachers, covering the costs of travel to a recruiting/hiring event, updates to your district website with regard to recruitment, or the cost of placing advertisements in a newspaper or external website.

Pre-K Initiative (Fund No. 27149) Minimum Balance: None

The pre-k program shall address the total development needs of preschool children, including physical, cognitive, social and emotional needs, and shall include health care, nutrition, safety and multicultural sensitivity.

Indian Education Act (Fund No. 27150) Minimum Balance: None

To increase academic achievement and provide culturally relevant learning experiences for American Indian students; to establish collaborative partnerships that engage active participation of American Indian parents, students, tribe(s), community-based organizations, universities, private sector and/or other entities who work with American Indian students; to establish a parent community advisory committee to participate in the development of an Indigenous curriculum framework and to profile Indigenous best practices.

Breakfast for Elementary Students (Fund No. 27155) Minimum Balance: None

The Breakfast for Elementary School program provides foods (at no charge) after the instructional day has begun, provided that instruction occurs simultaneously with breakfast. Authorized through 22-13-13.2 NMSA 1978; NMAC 6.12.9

Library GO Bond 2006 (Fund No. 27170) Minimum Balance: None

Funding made available to update and expand library collections.

New Mexico Grown (Fund No. 27183) Minimum Balance: None

Funds under this award are to be used to purchase locally grown New Mexico fresh fruits and vegetables, to be made available at no charge to students. Funds have been received as appropriation through the General Appropriations Act to distribute to school districts and charter schools.

4R Future Individual/Group (Fund No. 27188 & 27190) Minimum Balance: None

To design and development of locally-crafted opportunities to champion and retain educators. Through this opportunity, LEAs will have a powerful tool to ensure that educators who demonstrate the ability to positively impact the academic trajectory of their students will be recognized for their excellence and, furthermore, be incentivized to continue their work within their classrooms and schools.

Youth Conservation (Fund No. 28133) Minimum Balance: None

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

Nonmajor Special Revenue Funds (cont'd)

Tutoring (Fund No. 28178) Minimum Balance: None
Funds to provide tutoring for students needing specialized help at the mid-school level.

Westmeath Foundation (Fund No. 29102) Minimum Balance: None
Exclusively for the Exceptional Programs Office to use only for educational, scientific, or literary purposes.

Nonmajor Capital Projects Funds

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

Special Building Local (Fund No. 31300) Minimum Balance: None
The fund provides financing from local revenues for the construction and improvements to District buildings and facilities.

Special Capital Outlay – State (Fund No. 31400) Minimum Balance: None
This fund provides financing for special appropriation monies received from the State of New Mexico under Chapter 367, Laws of 1993.

State SB-9 Match (Fund No. 31700) Minimum Balance: None
To account for erecting, remodeling, making additions to and furnishing of school buildings, or purchasing or improving school grounds or any combination thereof as identified by the local school board. Financing is provided by the State of New Mexico's State Equalization Matching as authorized by the Public School District Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978).

Capital Improvements SB – 9 (Fund No. 31701) Minimum Balance: None
This fund provides financing for the purchase of equipment and capital improvements to School District property. Funding is received from a 2 mill property tax levy and interest earned on investments, under New Mexico Senate Bill 9.

Ed Technology Equipment Act (Fund No. 31900) Minimum Balance: None
This fund is used to account for the revenues and expenditures associated with Education Technology Bonds in the purchasing of equipment used in the educational process.

Nonmajor Debt Service Funds

Debt service funds are used to account for the payment of principal and interest on long-term debt. Debt Service revenues are from taxes and other operating revenues, some of which are pledged specifically to repay certain outstanding bond issues.

Ed Tech Debt Service (Fund No. 43000) Minimum Balance: None
Used to account for the accumulation of resources for and the payment of, general long-term debt principal, interest, and related costs associated with the Education Technology bond issues.

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

NON-MAJOR GOVERNMENTAL FUNDS

Combining Balance Sheet

June 30, 2019

	Special Revenue Funds				
	Food Service Fund #21000	Athletics Fund #22000	Activities Fund #23000	Javits Gifted & Talented Fund #24102	New Mexico Autism Fund #24108
Assets					
Cash and cash equivalents	$ 12,318	$ 242,891	$ 869,008	$ 1,610	$ -
Receivables:					
Property taxes	-	-	-	-	-
Grant	430,443	-	-	-	-
Due from other governments	-	-	-	-	-
Food inventory	76,754	-	-	-	-
Restricted:					
Cash and cash equivalents	-	-	-	-	-
Total assets	$ 519,515	$ 242,891	$ 869,008	$ 1,610	$ -
Liabilities, deferred inflows and fund balance					
Liabilities:					
Accounts payable	$ 761	$ -	$ 8,164	$ -	$ -
Due to other funds	102,886	-	-	-	-
Total liabilities	103,647	-	8,164	-	-
Deferred inflows of resources:					
Advances of federal, state, and local grants	-	-	-	1,610	-
Delinquent property taxes	-	-	-	-	-
Total deferred inflows of resources	-	-	-	1,610	-
Fund balance:					
Non-spendable:					
Inventories	76,754	-	-	-	-
Restricted for:					
Special revenue funds	339,114	242,891	860,844	-	-
Capital projects funds	-	-	-	-	-
Debt service	-	-	-	-	-
Total fund balance	415,868	242,891	860,844	-	-
Total liabilities, deferred inflows of resources, and fund balance	$ 519,515	$ 242,891	$ 869,008	$ 1,610	$ -

(cont'd; 1 of 13)

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

NON-MAJOR GOVERNMENTAL FUNDS

Combining Balance Sheet

June 30, 2019

	Special Revenue Funds			
	Preschool IDEA-B Fund #24109	Education of Homeless Fund #24113	IDEA-B Private Schools Fund #24115	Fresh Fruits and Vegetables Fund #24118
Assets				
Cash and cash equivalents	$ -	$ 20,857	$ -	$ -
Receivables:				
Property taxes	-	-	-	-
Grant	23,753	-	6,341	-
Due from other governments	-	-	-	-
Food inventory	-	-	-	-
Restricted:				
Cash and cash equivalents	-	-	-	-
Total assets	$ 23,753	$ 20,857	$ 6,341	$ -
Liabilities, deferred inflows and fund balance				
Liabilities:				
Accounts payable	$ -	$ -	$ -	$ -
Due to other funds	23,753	-	6,341	-
Total liabilities	23,753	-	6,341	-
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	20,857	-	-
Delinquent property taxes	-	-	-	-
Total deferred inflows of resources	-	20,857	-	-
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Debt service	-	-	-	-
Total fund balance	-	-	-	-
Total liabilities, deferred inflows of resources, and fund balance	$ 23,753	$ 20,857	$ 6,341	$ -

(cont'd; 2 of 13)

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

NON-MAJOR GOVERNMENTAL FUNDS

Combining Balance Sheet

June 30, 2019

	Special Revenue Funds				
	21st Century Community Learning Centers Fund #24119	Title I - 1003g Fund #24124	IDEA-B Student Success Fund #24132	Title III English Language Fund #24153	Title II Teacher Quality Fund #24154
Assets					
Cash and cash equivalents	$ -	$ -	$ -	$ -	$ -
Receivables:					
Property taxes	-	-	-	-	-
Grant	134,630	153,619	19,204	24,055	409,159
Due from other governments	-	-	-	-	-
Food inventory	-	-	-	-	-
Restricted:					
Cash and cash equivalents	-	-	-	-	-
Total assets	$ 134,630	$ 153,619	$ 19,204	$ 24,055	$ 409,159
Liabilities, deferred inflows and fund balance					
Liabilities:					
Accounts payable	$ -	$ -	$ -	$ -	$ 1,500
Due to other funds	134,630	153,619	19,204	24,055	407,659
Total liabilities	134,630	153,619	19,204	24,055	409,159
Deferred inflows of resources:					
Advances of federal, state, and local grants	-	-	-	-	-
Delinquent property taxes	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund balance:					
Non-spendable:					
Inventories	-	-	-	-	-
Restricted for:					
Special revenue funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Debt service	-	-	-	-	-
Total fund balance	-	-	-	-	-
Total liabilities, deferred inflows of resources, and fund balance	$ 134,630	$ 153,619	$ 19,204	$ 24,055	$ 409,159

(cont'd; 3 of 13)

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

NON-MAJOR GOVERNMENTAL FUNDS

Combining Balance Sheet

June 30, 2019

	Special Revenue Funds			
	Carl D Perkins - JAG Fund #24171	Carl D Perkins Fund #24174	Carl D Perkins Secondary Fund #24175	Carl D Perkins Secondary Redistribution Fund #24176
Assets				
Cash and cash equivalents	$ -	$ -	$ 3	$ -
Receivables:				
Property taxes	-	-	-	-
Grant	52,647	29,274	-	11,479
Due from other governments	-	-	-	-
Food inventory	-	-	-	-
Restricted:				
Cash and cash equivalents	-	-	-	-
Total assets	$ 52,647	$ 29,274	$ 3	$ 11,479
Liabilities, deferred inflows and fund balance				
Liabilities:				
Accounts payable	$ -	$ -	$ -	$ -
Due to other funds	52,647	29,274	-	11,479
Total liabilities	52,647	29,274	-	11,479
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	3	-
Delinquent property taxes	-	-	-	-
Total deferred inflows of resources	-	-	3	-
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Debt service	-	-	-	-
Total fund balance	-	-	-	-
Total liabilities, deferred inflows of resources, and fund balance	$ 52,647	$ 29,274	$ 3	$ 11,479

(cont'd; 4 of 13)

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

NON-MAJOR GOVERNMENTAL FUNDS

Combining Balance Sheet

June 30, 2019

	Special Revenue Funds				
	Carl D Perkins HSTW - Current Fund #24180	Carl D Perkins HSTW - PY Unliq. Oblig Fund #24181	Carl D Perkins HSTW - Redistribution Fund #24182	IDEA-B Stay in School Fund #24188	Academic Enrichment Fund #24189
Assets					
Cash and cash equivalents	$ -	$ -	$ -	$ -	$ -
Receivables:					
Property taxes	-	-	-	-	-
Grant	590	3,834	8,794	215,256	69,778
Due from other governments	-	-	-	-	-
Food inventory	-	-	-	-	-
Restricted:					
Cash and cash equivalents	-	-	-	-	-
Total assets	$ 590	$ 3,834	$ 8,794	$ 215,256	$ 69,778
Liabilities, deferred inflows and fund balance					
Liabilities:					
Accounts payable	$ -	$ -	$ -	$ -	$ -
Due to other funds	590	3,834	8,794	215,256	69,778
Total liabilities	590	3,834	8,794	215,256	69,778
Deferred inflows of resources:					
Advances of federal, state, and local grants	-	-	-	-	-
Delinquent property taxes	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund balance:					
Non-spendable:					
Inventories	-	-	-	-	-
Restricted for:					
Special revenue funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Debt service	-	-	-	-	-
Total fund balance	-	-	-	-	-
Total liabilities, deferred inflows of resources, and fund balance	$ 590	$ 3,834	$ 8,794	$ 215,256	$ 69,778

cont'd; 5 of 13)

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

NON-MAJOR GOVERNMENTAL FUNDS

Combining Balance Sheet

June 30, 2019

	Special Revenue Funds			
	Title I Comprehensive Support & Improvement Fund #24190	Title I - HS Redesign Fund #24191	ARRA - IDEA-B CEIS Fund #24212	Johnson O'Malley Fund #25131
Assets				
Cash and cash equivalents	$ -	$ -	$ 55	$ -
Receivables:				
Property taxes	-	-	-	-
Grant	10,991	44,516	-	104,645
Due from other governments	-	-	-	-
Food inventory	-	-	-	-
Restricted:				
Cash and cash equivalents	-	-	-	-
Total assets	$ 10,991	$ 44,516	$ 55	$ 104,645
Liabilities, deferred inflows and fund balance				
Liabilities:				
Accounts payable	$ 2,150	$ -	$ -	$ -
Due to other funds	8,841	44,516	-	104,645
Total liabilities	10,991	44,516	-	104,645
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	55	-
Delinquent property taxes	-	-	-	-
Total deferred inflows of resources	-	-	55	-
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Debt service	-	-	-	-
Total fund balance	-	-	-	-
Total liabilities, deferred inflows of resources, and fund balance	$ 10,991	$ 44,516	$ 55	$ 104,645

cont'd; 6 of 13)

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

NON-MAJOR GOVERNMENTAL FUNDS

Combining Balance Sheet

June 30, 2019

	Special Revenue Funds			
	Impact Aid Special Education Fund #25145	Impact Aid Indian Education Fund #25147	Title XIX Medicaid Fund #25153	Indian Ed Formula Grant Fund #25184
Assets				
Cash and cash equivalents	$ 863	$ 32,678	$ 1,237,712	$ -
Receivables:				
Property taxes	-	-	-	-
Grant	-	-	-	66,223
Due from other governments	-	-	-	-
Food inventory	-	-	-	-
Restricted:				
Cash and cash equivalents	-	-	-	-
Total assets	$ 863	$ 32,678	$ 1,237,712	$ 66,223
Liabilities, deferred inflows and fund balance				
Liabilities:				
Accounts payable	$ -	$ -	$ 1,099	$ 301
Due to other funds	-	-	-	9,107
Total liabilities	-	-	1,099	9,408
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	-	-
Delinquent property taxes	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	863	32,678	1,236,613	56,815
Capital projects funds	-	-	-	-
Debt service	-	-	-	-
Total fund balance	863	32,678	1,236,613	56,815
Total liabilities, deferred inflows of resources, and fund balance	$ 863	$ 32,678	$ 1,237,712	$ 66,223

(cont'd; 7 of 13)

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

NON-MAJOR GOVERNMENTAL FUNDS

Combining Balance Sheet

June 30, 2019

	Special Revenue Funds			
	Mentoring for Safe Schools Fund #25187	Native American Program Fund #25248	Kellogg Foundation Fund #26121	Dual Credit Instructional Materials Fund #27103
Assets				
Cash and cash equivalents	$ 1	$ -	$ 14,452	$ -
Receivables:				
Property taxes	-	-	-	-
Grant	-	7,645	-	17,246
Due from other governments	-	-	-	-
Food inventory	-	-	-	-
Restricted:				
Cash and cash equivalents	-	-	-	-
Total assets	$ 1	$ 7,645	$ 14,452	$ 17,246
Liabilities, deferred inflows and fund balance				
Liabilities:				
Accounts payable	$ -	$ 2,346	$ -	$ -
Due to other funds	-	5,299	-	17,246
Total liabilities	-	7,645	-	17,246
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	-	-
Delinquent property taxes	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	1	-	14,452	-
Capital projects funds	-	-	-	-
Debt service	-	-	-	-
Total fund balance	1	-	14,452	-
Total liabilities, deferred inflows of resources, and fund balance	$ 1	$ 7,645	$ 14,452	$ 17,246

(cont'd; 8 of 13)

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

NON-MAJOR GOVERNMENTAL FUNDS

Combining Balance Sheet

June 30, 2019

	Special Revenue Funds			
	Libraries GO Bond 2012 Fund #27107	Reads to Lead Fund #27114	Excellence in Teaching Fund #27125	Recruitment Support Fund #27128
Assets				
Cash and cash equivalents	$ -	$ -	$ -	$ -
Receivables:				
Property taxes	-	-	-	-
Grant	7,176	65,142	-	-
Due from other governments	-	-	-	-
Food inventory	-	-	-	-
Restricted:				
Cash and cash equivalents	-	-	-	-
Total assets	$ 7,176	$ 65,142	$ -	$ -
Liabilities, deferred inflows and fund balance				
Liabilities:				
Accounts payable	$ -	$ -	$ -	$ -
Due to other funds	7,176	65,142	-	-
Total liabilities	7,176	65,142	-	-
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	-	-
Delinquent property taxes	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Debt service	-	-	-	-
Total fund balance	-	-	-	-
Total liabilities, deferred inflows of resources, and fund balance	$ 7,176	$ 65,142	$ -	$ -

(cont'd; 9 of 13)

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

NON-MAJOR GOVERNMENTAL FUNDS

Combining Balance Sheet

June 30, 2019

	Special Revenue Funds				
	Pre-K Initiative Fund #27149	Indian Education Act Fund #27150	Breakfast for Elementary Students Fund #27155	Libraries GO Bond 2006 Fund #27170	New Mexico Grown Fund #27183
Assets					
Cash and cash equivalents	$ -	$ -	$ -	$ 2,431	$ -
Receivables:					
Property taxes	-	-	-	-	-
Grant	292,985	17,460	13,774	-	-
Due from other governments	-	-	-	-	-
Food inventory	-	-	-	-	-
Restricted:					
Cash and cash equivalents	-	-	-	-	-
Total assets	$ 292,985	$ 17,460	$ 13,774	$ 2,431	$ -
Liabilities, deferred inflows and fund balance					
Liabilities:					
Accounts payable	$ -	$ -	$ -	$ -	$ -
Due to other funds	292,985	17,460	11,045	-	-
Total liabilities	292,985	17,460	11,045	-	-
Deferred inflows of resources:					
Advances of federal, state, and local grants	-	-	-	-	-
Delinquent property taxes	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund balance:					
Non-spendable:					
Inventories	-	-	-	-	-
Restricted for:					
Special revenue funds	-	-	2,729	2,431	-
Capital projects funds	-	-	-	-	-
Debt service	-	-	-	-	-
Total fund balance	-	-	2,729	2,431	-
Total liabilities, deferred inflows of resources, and fund balance	$ 292,985	$ 17,460	$ 13,774	$ 2,431	$ -

(cont'd; 10 of 13)

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

NON-MAJOR GOVERNMENTAL FUNDS

Combining Balance Sheet

June 30, 2019

	Special Revenue Funds				
	4R Future Individual Fund #27188	4R Future Group Fund #27190	Youth Conservation Corp Fund #28133	Tutoring Fund #28178	Westmeath Foundation Fund #29102
Assets					
Cash and cash equivalents	$ -	$ -	$ 51,615	$ 1,546	$ 4,055
Receivables:					
Property taxes	-	-	-	-	-
Grant	-	-	-	-	-
Due from other governments	-	-	-	-	-
Food inventory	-	-	-	-	-
Restricted:					
Cash and cash equivalents	-	-	-	-	-
Total assets	$ -	$ -	$ 51,615	$ 1,546	$ 4,055
Liabilities, deferred inflows and fund balance					
Liabilities:					
Accounts payable	$ -	$ -	$ -	$ -	$ -
Due to other funds	-	-	-	-	-
Total liabilities	-	-	-	-	-
Deferred inflows of resources:					
Advances of federal, state, and local grants	-	-	-	-	-
Delinquent property taxes	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund balance:					
Non-spendable:					
Inventories	-	-	-	-	-
Restricted for:					
Special revenue funds	-	-	51,615	1,546	4,055
Capital projects funds	-	-	-	-	-
Debt service	-	-	-	-	-
Total fund balance	-	-	51,615	1,546	4,055
Total liabilities, deferred inflows of resources, and fund balance	$ -	$ -	$ 51,615	$ 1,546	$ 4,055

(cont'd; 11 of 13)

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

NON-MAJOR GOVERNMENTAL FUNDS

Combining Balance Sheet

June 30, 2019

		Capital Projects Funds		
	Total Non-Major Special Revenue Funds	Special Capital Outlay - Local Fund #31300	Special Capital Outlay - State Fund #31400	State SB-9 Match Fund #31700
Assets				
Cash and cash equivalents	$ 2,492,095	$ 931,688	$ 48,375	$ 179,517
Receivables:				
Property taxes	-	-	-	-
Grant	2,240,659	-	-	-
Due from other governments	-	-	-	-
Food inventory	76,754	-	-	-
Restricted:				
Cash and cash equivalents	-	-	-	-
Total assets	$ 4,809,508	$ 931,688	$ 48,375	$ 179,517
Liabilities, deferred inflows and fund balance				
Liabilities:				
Accounts payable	$ 16,321	$ -	$ -	$ -
Due to other funds	1,847,261	-	-	-
Total liabilities	1,863,582	-	-	-
Deferred inflows of resources:				
Advances of federal, state, and local grants	22,525	-	-	-
Delinquent property taxes	-	-	-	-
Total deferred inflows of resources	22,525	-	-	-
Fund balance:				
Non-spendable:				
Inventories	76,754	-	-	-
Restricted for:				
Special revenue funds	2,846,647	-	-	-
Capital projects funds	-	931,688	48,375	179,517
Debt service	-	-	-	-
Total fund balance	2,923,401	931,688	48,375	179,517
Total liabilities, deferred inflows of resources, and fund balance	$ 4,809,508	$ 931,688	$ 48,375	$ 179,517

(cont'd; 12 of 13)

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

NON-MAJOR GOVERNMENTAL FUNDS

Combining Balance Sheet

June 30, 2019

	Capital Projects Funds				
	Capital Improvements SB-9 Fund #31701	Ed Technology Equipment Act Fund #31900	Total Non-Major Capital Projects Funds	Ed Tech Debt Service Fund #43000	Total Nonmajor Governmental Funds
Assets					
Cash and cash equivalents	$ 2,159,609	$ 728,445	$ 4,047,634	$ 3,233,972	$ 9,773,701
Receivables:					
Property taxes	190,647	-	190,647	81,414	272,061
Grant	-	-	-	-	2,240,659
Due from other governments	38,733	-	38,733	40,989	79,722
Food inventory	-	-	-	-	76,754
Restricted:					
Cash and cash equivalents	-	363,581	363,581	-	363,581
Total assets	$ 2,388,989	$ 1,092,026	$ 4,640,595	$ 3,356,375	$ 12,806,478
Liabilities, deferred inflows and fund balance					
Liabilities:					
Accounts payable	$ 103,814	$ 83,146	$ 186,960	$ -	$ 203,281
Due to other funds	-	-	-	-	1,847,261
Total liabilities	103,814	83,146	186,960	-	2,050,542
Deferred inflows of resources:					
Advances of federal, state, and local grants	-	-	-	-	22,525
Delinquent property taxes	161,902	-	161,902	50,803	212,705
Total deferred inflows of resources	161,902	-	161,902	50,803	235,230
Fund balance:					
Non-spendable:					
Inventories	-	-	-	-	76,754
Restricted for:					
Special revenue funds	-	-	-	-	2,846,647
Capital projects funds	2,123,273	1,008,880	4,291,733	-	4,291,733
Debt service	-	-	-	3,305,572	3,305,572
Total fund balance	2,123,273	1,008,880	4,291,733	3,305,572	10,520,706
Total liabilities, deferred inflows of resources, and fund balance	$ 2,388,989	$ 1,092,026	$ 4,640,595	$ 3,356,375	$ 12,806,478

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

NON-MAJOR GOVERNMENTAL FUNDS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2019

	Special Revenue Funds				
	Food Service Fund #21000	Athletics Fund #22000	Activities Fund #23000	Javits Gifted & Talented Fund #24102	New Mexico Autism Fund #24108
Revenues:					
Taxes:					
Property	$ -	$ -	$ -	$ -	$ -
Oil and gas	-	-	-	-	-
Intergovernmental - federal grants	3,699,338	-	-	-	-
Intergovernmental - state grants	28,920	-	-	-	-
Contributions - private grants	-	-	-	-	-
Charges for services	819,162	454,190	1,312,904	-	-
Investment and interest income	137	-	-	-	-
Miscellaneous	861	-	-	-	-
Total revenues	4,548,418	454,190	1,312,904	-	-
Expenditures:					
Current:					
Instruction	-	417,171	645,265	-	-
Support services:					
Students	-	-	-	-	-
Instruction	-	-	-	-	-
General Administration	-	-	-	-	-
School Administration	-	-	-	-	-
Central Services	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-
Student transportation	-	-	-	-	-
Food services operations	4,569,279	-	-	-	-
Community services	-	-	-	-	-
Capital outlay	5,992	8,836	77,738	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Bond interest paid	-	-	-	-	-
Total expenditures	4,575,271	426,007	723,003	-	-
Excess (deficiency) of revenues over expenditures	(26,853)	28,183	589,901	-	-
Other financing uses:					
Transfers In	-	-	-	-	-
Net change in fund balance	(26,853)	28,183	589,901	-	-
Fund balance at beginning of the year	442,721	214,708	270,943	-	-
Fund balance at end of the year	$ 415,868	$ 242,891	$ 860,844	$ -	$ -

(cont'd; 1 of 12)

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

NON-MAJOR GOVERNMENTAL FUNDS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2019

	Special Revenue Funds				
	Preschool IDEA-B Fund #24109	Education of Homeless Fund #24113	IDEA-B Private Schools Fund #24115	Fresh Fruits and Vegetables Fund #24118	21st Century Community Learning Centers Fund #24119
Revenues:					
Taxes:					
Property	$ -	$ -	$ -	$ -	$ -
Oil and gas	-	-	-	-	-
Intergovernmental - federal grants	78,600	17,925	6,224	77,334	173,402
Intergovernmental - state grants	-	-	-	-	-
Contributions - private grants	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment and interest income	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	78,600	17,925	6,224	77,334	173,402
Expenditures:					
Current:					
Instruction	77,438	17,660	-	-	136,403
Support services:					
Students	-	-	6,224	-	9,183
Instruction	-	-	-	-	-
General Administration	1,162	265	-	-	24,066
School Administration	-	-	-	-	-
Central Services	-	-	-	-	3,000
Operation & Maintenance of Plant	-	-	-	-	-
Student transportation	-	-	-	-	-
Food services operations	-	-	-	77,334	-
Community services	-	-	-	-	750
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Bond interest paid	-	-	-	-	-
Total expenditures	78,600	17,925	6,224	77,334	173,402
Excess (deficiency) of revenues over expenditures	-	-	-	-	-
Other financing uses:					
Transfers In	-	-	-	-	-
Net change in fund balance	-	-	-	-	-
Fund balance at beginning of the year	-	-	-	-	-
Fund balance at end of the year	$ -	$ -	$ -	$ -	$ -

(cont'd; 2 of 12)

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

NON-MAJOR GOVERNMENTAL FUNDS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2019

	Special Revenue Funds				
	Title I - 1003g Fund #24124	IDEA-B Student Success Fund #24132	Title III English Language Fund #24153	Title II Teacher Quality Fund #24154	Carl D Perkins - JAG Fund #24171
Revenues:					
Taxes:					
Property	$ -	$ -	$ -	$ -	$ -
Oil and gas	-	-	-	-	-
Intergovernmental - federal grants	315,879	19,204	99,844	528,608	52,646
Intergovernmental - state grants	-	-	-	-	-
Contributions - private grants	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment and interest income	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	315,879	19,204	99,844	528,608	52,646
Expenditures:					
Current:					
Instruction	287,162	19,204	7,751	368,689	-
Support services:					
Students	13,748	-	90,617	173,187	51,868
Instruction	-	-	-	-	-
General Administration	4,668	-	1,476	10,487	778
School Administration	10,301	-	-	-	-
Central Services	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-
Student transportation	-	-	-	-	-
Food services operations	-	-	-	-	-
Community services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Bond interest paid	-	-	-	-	-
Total expenditures	315,879	19,204	99,844	552,363	52,646
Excess (deficiency) of revenues over expenditures	-	-	-	(23,755)	-
Other financing uses:					
Transfers In	-	-	-	23,755	-
Net change in fund balance	-	-	-	-	-
Fund balance at beginning of the year	-	-	-	-	-
Fund balance at end of the year	$ -	$ -	$ -	$ -	$ -

(cont'd; 3 of 12)

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

NON-MAJOR GOVERNMENTAL FUNDS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2019

	Special Revenue Funds				
	Carl D Perkins Fund #24174	Carl D Perkins Secondary Fund #24175	Carl D Perkins Secondary Redistribution Fund #24176	Carl D Perkins HSTW - Current Fund #24180	Carl D Perkins HSTW - PY Unliq. Oblig Fund #24181
Revenues:					
Taxes:					
Property	$ -	$ -	$ -	$ -	$ -
Oil and gas	-	-	-	-	-
Intergovernmental - federal grants	86,908	-	17,820	-	-
Intergovernmental - state grants	-	-	-	-	-
Contributions - private grants	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment and interest income	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	86,908	-	17,820	-	-
Expenditures:					
Current:					
Instruction	68,494	-	11,186	-	-
Support services:					
Students	-	-	-	-	-
Instruction	-	-	-	-	-
General Administration	804	-	166	-	-
School Administration	-	-	-	-	-
Central Services	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-
Student transportation	-	-	-	-	-
Food services operations	-	-	-	-	-
Community services	-	-	-	-	-
Capital outlay	17,610	-	6,468	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Bond interest paid	-	-	-	-	-
Total expenditures	86,908	-	17,820	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-	-
Other financing uses:					
Transfers In	-	-	-	-	-
Net change in fund balance	-	-	-	-	-
Fund balance at beginning of the year	-	-	-	-	-
Fund balance at end of the year	$ -	$ -	$ -	$ -	$ -

(cont'd; 4 of 12)

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

NON-MAJOR GOVERNMENTAL FUNDS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2019

	Special Revenue Funds				
	Carl D Perkins HSTW - Redistribution Fund #24182	IDEA-B Stay in School Fund #24188	Academic Enrichment Fund #24189	Title I Comprehensive Support & Improvement Fund #24190	Title I - HS Redesign Fund #24191
Revenues:					
Taxes:					
Property	$ -	$ -	$ -	$ -	$ -
Oil and gas	-	-	-	-	-
Intergovernmental - federal grants	-	215,255	69,778	10,991	64,722
Intergovernmental - state grants	-	-	-	-	-
Contributions - private grants	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment and interest income	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	-	215,255	69,778	10,991	64,722
Expenditures:					
Current:					
Instruction	-	25,977	63,166	10,860	53,705
Support services:					
Students	-	189,278	-	-	3,152
Instruction	-	-	-	-	-
General Administration	-	-	1,035	131	956
School Administration	-	-	5,577	-	6,909
Central Services	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-
Student transportation	-	-	-	-	-
Food services operations	-	-	-	-	-
Community services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Bond interest paid	-	-	-	-	-
Total expenditures	-	215,255	69,778	10,991	64,722
Excess (deficiency) of revenues over expenditures	-	-	-	-	-
Other financing uses:					
Transfers In	-	-	-	-	-
Net change in fund balance	-	-	-	-	-
Fund balance at beginning of the year	-	-	-	-	-
Fund balance at end of the year	$ -	$ -	$ -	$ -	$ -

(cont'd; 5 of 12)

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

NON-MAJOR GOVERNMENTAL FUNDS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2019

	Special Revenue Funds				
	ARRA - IDEA-B CEIS Fund #24212	Johnson O'Malley Fund #25131	Impact Aid Special Education Fund #25145	Impact Aid Indian Education Fund #25147	Title XIX Medicaid Fund #25153
Revenues:					
Taxes:					
Property	$ -	$ -	$ -	$ -	$ -
Oil and gas	-	-	-	-	-
Intergovernmental - federal grants	-	244,607	-	-	891,188
Intergovernmental - state grants	-	-	-	-	-
Contributions - private grants	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment and interest income	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	-	244,607	-	-	891,188
Expenditures:					
Current:					
Instruction	-	86,212	-	129	-
Support services:					
Students	-	140,226	-	1,630	399,846
Instruction	-	-	-	-	60,436
General Administration	-	13,617	-	26	37,426
School Administration	-	4,552	-	-	-
Central Services	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-
Student transportation	-	-	-	-	-
Food services operations	-	-	-	-	-
Community services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Bond interest paid	-	-	-	-	-
Total expenditures	-	244,607	-	1,785	497,708
Excess (deficiency) of revenues over expenditures	-	-	-	(1,785)	393,480
Other financing uses:					
Transfers In	-	-	-	-	-
Net change in fund balance	-	-	-	(1,785)	393,480
Fund balance at beginning of the year	-	-	863	34,463	843,133
Fund balance at end of the year	$ -	$ -	$ 863	$ 32,678	$ 1,236,613

(cont'd; 6 of 12)

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

NON-MAJOR GOVERNMENTAL FUNDS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2019

	Special Revenue Funds				
	Indian Ed Formula Grant Fund #25184	Mentoring for Safe Schools Fund #25187	Native American Program Fund #25248	Kellogg Foundation Fund #26121	Dual Credit Instructional Materials Fund #27103
Revenues:					
Taxes:					
Property	$ -	$ -	$ -	$ -	$ -
Oil and gas	-	-	-	-	-
Intergovernmental - federal grants	616,848	1	360,894	-	-
Intergovernmental - state grants	-	-	-	-	48,704
Contributions - private grants	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment and interest income	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	616,848	1	360,894	-	48,704
Expenditures:					
Current:					
Instruction	55,478	-	3,802	-	48,704
Support services:					
Students	357,607	-	351,793	-	-
Instruction	-	-	-	-	-
General Administration	82,281	-	5,299	-	-
School Administration	121,481	-	-	-	-
Central Services	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-
Student transportation	-	-	-	-	-
Food services operations	-	-	-	-	-
Community services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Bond interest paid	-	-	-	-	-
Total expenditures	616,847	-	360,894	-	48,704
Excess (deficiency) of revenues over expenditures	1	1	-	-	-
Other financing uses:					
Transfers In	-	-	-	-	-
Net change in fund balance	1	1	-	-	-
Fund balance at beginning of the year	56,814	-	-	14,452	-
Fund balance at end of the year	$ 56,815	$ 1	$ -	$ 14,452	$ -

(cont'd; 7 of 12)

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

NON-MAJOR GOVERNMENTAL FUNDS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2019

	Special Revenue Funds				
	Libraries GO Bond 2012 Fund #27107	Reads to Lead Fund #27114	Excellence in Teaching Fund #27125	Recruitment Support Fund #27128	Pre-K Initiative Fund #27149
Revenues:					
Taxes:					
Property	$ -	$ -	$ -	$ -	$ -
Oil and gas	-	-	-	-	-
Intergovernmental - federal grants	-	-	-	-	-
Intergovernmental - state grants	80,343	187,328	446,365	-	655,377
Contributions - private grants	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment and interest income	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	80,343	187,328	446,365	-	655,377
Expenditures:					
Current:					
Instruction	-	110,574	446,365	-	581,886
Support services:					
Students	-	76,754	-	-	-
Instruction	80,343	-	-	-	-
General Administration	-	-	-	-	-
School Administration	-	-	-	-	491
Central Services	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-
Student transportation	-	-	-	-	73,000
Food services operations	-	-	-	-	-
Community services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Bond interest paid	-	-	-	-	-
Total expenditures	80,343	187,328	446,365	-	655,377
Excess (deficiency) of revenues over expenditures	-	-	-	-	-
Other financing uses:					
Transfers In	-	-	-	-	-
Net change in fund balance	-	-	-	-	-
Fund balance at beginning of the year	-	-	-	-	-
Fund balance at end of the year	$ -	$ -	$ -	$ -	$ -

(cont'd; 8 of 12)

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

NON-MAJOR GOVERNMENTAL FUNDS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2019

	Special Revenue Funds				
	Indian Education Act Fund #27150	Breakfast for Elementary Students Fund #27155	Libraries GO Bond 2006 Fund #27170	New Mexico Grown Fund #27183	4R Future Individual Fund #27188
Revenues:					
Taxes:					
Property	$ -	$ -	$ -	$ -	$ -
Oil and gas	-	-	-	-	-
Intergovernmental - federal grants	-	-	-	-	-
Intergovernmental - state grants	17,773	33,024	-	20,000	-
Contributions - private grants	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment and interest income	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	17,773	33,024	-	20,000	-
Expenditures:					
Current:					
Instruction	5,006	-	-	-	-
Support services:					
Students	12,438	-	-	-	-
Instruction	-	-	-	-	-
General Administration	-	-	-	-	-
School Administration	329	-	-	-	-
Central Services	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-
Student transportation	-	-	-	-	-
Food services operations	-	33,024	-	20,000	-
Community services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Bond interest paid	-	-	-	-	-
Total expenditures	17,773	33,024	-	20,000	-
Excess (deficiency) of revenues over expenditures	-	-	-	-	-
Other financing uses:					
Transfers In	-	-	-	-	-
Net change in fund balance	-	-	-	-	-
Fund balance at beginning of the year	-	2,729	2,431	-	-
Fund balance at end of the year	$ -	$ 2,729	$ 2,431	$ -	$ -

(cont'd; 9 of 12)

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

NON-MAJOR GOVERNMENTAL FUNDS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2019

	Special Revenue Funds				
	4R Future Group Fund #27190	Youth Conservation Corp Fund #28133	Tutoring Fund #28178	Westmeath Foundation Fund #29102	Total Nonmajor Special Revenue Funds
Revenues:					
Taxes:					
Property	$ -	$ -	$ -	$ -	$ -
Oil and gas	-	-	-	-	-
Intergovernmental - federal grants	-	-	-	-	7,648,016
Intergovernmental - state grants	-	119,101	-	-	1,636,935
Contributions - private grants	-	-	-	21,937	21,937
Charges for services	-	-	-	-	2,586,256
Investment and interest income	-	-	-	-	137
Miscellaneous	-	-	-	-	861
Total revenues	-	119,101	-	21,937	11,894,142
Expenditures:					
Current:					
Instruction	-	91,312	-	16,874	3,656,473
Support services:					
Students	-	-	-	1,116	1,878,667
Instruction	-	-	-	-	140,779
General Administration	-	-	-	-	184,643
School Administration	-	-	-	-	149,640
Central Services	-	-	-	-	3,000
Operation & Maintenance of Plant	-	-	-	-	-
Student transportation	-	-	-	-	73,000
Food services operations	-	-	-	-	4,699,637
Community services	-	-	-	-	750
Capital outlay	-	-	-	-	116,644
Debt service:					
Principal retirement	-	-	-	-	-
Bond interest paid	-	-	-	-	-
Total expenditures	-	91,312	-	17,990	10,903,233
Excess (deficiency) of revenues over expenditures	-	27,789	-	3,947	990,909
Other financing uses:					
Transfers In	-	-	-	-	23,755
Net change in fund balance	-	27,789	-	3,947	1,014,664
Fund balance at beginning of the year	-	23,826	1,546	108	1,908,737
Fund balance at end of the year	$ -	$ 51,615	$ 1,546	$ 4,055	$ 2,923,401

(cont'd; 10 of 12)

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

NON-MAJOR GOVERNMENTAL FUNDS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2019

	Capital Projects Funds				
	Special Capital Outlay - Local Fund #31300	Special Capital Outlay - State Fund #31400	State SB-9 Match Fund #31700	Capital Improvements SB-9 Fund #31701	Ed Technology Equipment Act Fund #31900
Revenues:					
Taxes:					
Property	$ -	$ -	$ -	$ 2,941,986	$ -
Oil and gas	-	-	-	185,890	-
Intergovernmental - federal grants	-	-	-	-	-
Intergovernmental - state grants	-	1,140,290	-	-	-
Contributions - private grants	-	-	-	-	-
Charges for services	390	-	-	-	-
Investment and interest income	-	-	-	-	20,588
Miscellaneous	-	-	-	-	-
Total revenues	390	1,140,290	-	3,127,876	20,588
Expenditures:					
Current:					
Instruction	-	-	-	-	-
Support services:					
Students	-	-	-	-	-
Instruction	-	-	-	-	-
General Administration	-	-	-	29,323	-
School Administration	-	-	-	-	-
Central Services	-	-	-	-	-
Operation & Maintenance of Plant	13,542	-	-	4,431,705	1,302,341
Student transportation	-	-	-	-	-
Food services operations	-	-	-	-	-
Community services	-	-	-	-	-
Capital outlay	-	1,140,290	-	110,622	-
Debt service:					
Principal retirement	-	-	-	-	-
Bond interest paid	-	-	-	-	-
Total expenditures	13,542	1,140,290	-	4,571,650	1,302,341
Excess (deficiency) of revenues over expenditures	(13,152)	-	-	(1,443,774)	(1,281,753)
Other financing uses:					
Transfers In	-	-	-	-	-
Net change in fund balance	(13,152)	-	-	(1,443,774)	(1,281,753)
Fund balance at beginning of the year	944,840	48,375	179,517	3,567,047	2,290,633
Fund balance at end of the year	$ 931,688	$ 48,375	$ 179,517	$ 2,123,273	$ 1,008,880

(cont'd; 11 of 12)

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

NON-MAJOR GOVERNMENTAL FUNDS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2019

	Total Nonmajor Capital Projects Funds	Ed Tech Debt Service Fund #43000	Total Nonmajor Governmental Funds
Revenues:			
Taxes:			
Property	$ 2,941,986	$ 3,040,029	$ 5,982,015
Oil and gas	185,890	122,968	308,858
Intergovernmental - federal grants	-	-	7,648,016
Intergovernmental - state grants	1,140,290	-	2,777,225
Contributions - private grants	-	-	21,937
Charges for services	390	-	2,586,646
Investment and interest income	20,588	420	21,145
Miscellaneous	-	-	861
Total revenues	4,289,144	3,163,417	19,346,703
Expenditures:			
Current:			
Instruction	-	-	3,656,473
Support services:			
Students	-	-	1,878,667
Instruction	-	-	140,779
General Administration	29,323	30,338	244,304
School Administration	-	-	149,640
Central Services	-	-	3,000
Operation & Maintenance of Plant	5,747,588	-	5,747,588
Student transportation	-	-	73,000
Food services operations	-	-	4,699,637
Community services	-	-	750
Capital outlay	1,250,912	-	1,367,556
Debt service:			
Principal retirement	-	3,200,000	3,200,000
Bond interest paid	-	151,532	151,532
Total expenditures	7,027,823	3,381,870	21,312,926
Excess (deficiency) of revenues over expenditures	(2,738,679)	(218,453)	(1,966,223)
Other financing uses:			
Transfers In	-	-	23,755
Net change in fund balance	(2,738,679)	(218,453)	(1,942,468)
Fund balance at beginning of the year	7,030,412	3,524,025	12,463,174
Fund balance at end of the year	$ 4,291,733	$ 3,305,572	$ 10,520,706

OTHER SUPPLEMENTAL INFORMATION

(NONMAJOR GOVERNMENTAL FUNDS – BUDGETARY PRESENTATION)

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

FOOD SERVICE FUND - NO. 21000

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Intergovernmental - federal grants	$ 4,200,000	$ 4,200,000	$ 2,960,548	$ (1,239,452)
Intergovernmental - state grants	-	-	28,920	28,920
Charges for services	1,606,000	1,606,000	819,162	(786,838)
Investment and interest income	400	400	137	(263)
Miscellaneous	3,500	3,500	861	(2,639)
Total revenues	5,809,900	5,809,900	3,809,628	(2,000,272)
Expenditures:				
Current:				
Food services operations	5,734,900	5,734,900	4,216,454	1,518,446
Capital outlay	75,000	75,000	5,992	69,008
Total expenditures	5,809,900	5,809,900	4,222,446	1,587,454
Excess (deficiency) of revenues over expenditures	-	-	(412,818)	(412,818)
Fund balance at beginning of the year	-	-	442,721	442,721
Fund balance at end of the year	$ -	$ -	29,903	$ 29,903
RECONCILIATION TO GAAP BASIS:				
Change in inventory			(45,605)	
Change in grant receivable			430,443	
Change in payables			1,127	
Fund balance at end of the year (GAAP basis)			$ 415,868	

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

ATHLETICS FUND - NO. 22000

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Charges for services	$ 274,698	$ 441,899	$ 454,190	$ 12,291
Expenditures:				
Current:				
Instruction	269,777	434,978	417,171	17,807
Capital outlay	4,921	6,921	8,836	(1,915)
Total expenditures	274,698	441,899	426,007	15,892
Excess of revenues over expenditures	-	-	28,183	28,183
Fund balance at beginning of the year	-	-	214,708	214,708
Fund balance at end of the year	$ -	$ -	242,891	$ 242,891
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			$ 242,891	

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

ACTIVITIES FUND - NO. 23000

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Charges for services	$ 1,024,400	$ 1,024,400	$ 1,312,904	$ 288,504
Expenditures:				
Current:				
Instruction	864,400	864,400	637,101	227,299
Capital outlay	160,000	160,000	77,738	82,262
Total expenditures	1,024,400	1,024,400	714,839	309,561
Excess of revenues over expenditures	-	-	598,065	598,065
Fund balance at beginning of the year	-	-	270,943	270,943
Fund balance at end of the year	$ -	$ -	869,008	$ 869,008
RECONCILIATION TO GAAP BASIS:				
Change in payables			(8,164)	
Fund balance at end of the year (GAAP basis)			$ 860,844	

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

JAVITS GIFTED & TALENTED FUND - NO. 24102

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Intergovernmental - federal grants	$ -	$ -	$ -	$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	$ -	$ -	-	$ -
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			$ -	

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

NEW MEXICO AUTISM FUND - NO. 24108

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Intergovernmental - federal grants	$ -	$ 7,353	$ 5,998	$ (1,355)
Expenditures:				
Current:				
Instruction	-	695	-	695
Support services:				
Students	-	6,658	-	6,658
Total expenditures	-	7,353	-	7,353
Excess of revenues over expenditures	-	-	5,998	5,998
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	$ -	$ -	5,998	$ 5,998
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(5,998)	
Fund balance at end of the year (GAAP basis)			$ -	

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

PRESCHOOL IDEA-B FUND - NO. 24109

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Intergovernmental - federal grants	$ -	$ 124,236	$ 42,290	$ (81,946)
Expenditures:				
Current:				
Instruction	-	120,912	77,438	43,474
Support services:				
Students	-	2,500	-	2,500
General Administration	-	824	1,162	(338)
Total expenditures	-	124,236	78,600	45,636
Excess (deficiency) of revenues over expenditures	-	-	(36,310)	(36,310)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	$ -	$ -	(36,310)	$ (36,310)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			23,753	
Change in deferred revenue			12,557	
Fund balance at end of the year (GAAP basis)			$ -	

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

EDUCATION OF HOMELESS FUND - NO. 24113

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Intergovernmental - federal grants	$ -	$ 18,000	$ 19,789	$ 1,789
Expenditures:				
Current:				
Instruction	-	17,660	17,660	-
Support services:				
General Administration	-	340	265	75
Total expenditures	-	18,000	17,925	75
Excess of revenues over expenditures	-	-	1,864	1,864
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	$ -	$ -	1,864	$ 1,864
RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			(1,864)	
Fund balance at end of the year (GAAP basis)			$ -	

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

IDEA-B PRIVATE SCHOOLS FUND - NO. 24115

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Intergovernmental - federal grants	$ -	$ 6,224	$ -	$ (6,224)
Expenditures:				
Current:				
Support services:				
Students	-	6,224	6,224	-
Excess (deficiency) of revenues over expenditures	-	-	(6,224)	(6,224)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	$ -	$ -	(6,224)	$ (6,224)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			6,224	
Fund balance at end of the year (GAAP basis)			$ -	

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

FRESH FRUITS AND VEGETABLES FUND - NO. 24118

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Intergovernmental - federal grants	$ -	$ 87,963	$ 92,219	$ 4,256
Expenditures:				
Current:				
Food services operations	-	87,963	77,334	10,629
Excess of revenues over expenditures	-	-	14,885	14,885
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	$ -	$ -	14,885	$ 14,885
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(14,885)	
Fund balance at end of the year (GAAP basis)			$ -	

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

21ST CENTURY COMMUNITY LEARNING CENTERS FUND - NO. 24119

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Intergovernmental - federal grants	$ 175,767	$ 189,807	$ 170,487	$ (19,320)
Expenditures:				
Current:				
Instruction	136,128	149,961	136,403	13,558
Support services:				
Students	9,532	9,532	9,183	349
General Administration	24,658	24,865	24,066	799
Central Services	3,300	3,300	3,000	300
Community services	2,149	2,149	750	1,399
Total expenditures	175,767	189,807	173,402	16,405
Excess (deficiency) of revenues over expenditures	-	-	(2,915)	(2,915)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	$ -	$ -	(2,915)	$ (2,915)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			2,915	
Fund balance at end of the year (GAAP basis)			$ -	

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

TITLE I - 1003G FUND - NO. 24124

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Intergovernmental - federal grants	$ -	$ 393,789	$ 300,622	$ (93,167)
Expenditures:				
Current:				
Instruction	-	363,519	287,162	76,357
Support services:				
Students	-	15,778	13,748	2,030
General Administration	-	5,592	4,668	924
School Administration	-	8,900	10,301	(1,401)
Total expenditures	-	393,789	315,879	77,910
Excess (deficiency) of revenues over expenditures	-	-	(15,257)	(15,257)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	$ -	$ -	(15,257)	$ (15,257)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			15,257	
Fund balance at end of the year (GAAP basis)			$ -	

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

IDEA-B STUDENT SUCCESS FUND - NO. 24132

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Intergovernmental - federal grants	$ -	$ 22,000	$ -	$ (22,000)
Expenditures:				
Current:				
Instruction	-	22,000	19,204	2,796
Excess (deficiency) of revenues over expenditures	-	-	(19,204)	(19,204)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	$ -	$ -	(19,204)	$ (19,204)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			19,204	
Fund balance at end of the year (GAAP basis)			$ -	

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

TITLE III ENGLISH LANGUAGE FUND - NO. 24153

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Intergovernmental - federal grants	$ 103,431	$ 160,741	$ 107,067	$ (53,674)
Expenditures:				
Current:				
Instruction	17,000	21,500	7,751	13,749
Support services:				
Students	84,902	137,712	90,617	47,095
General Administration	1,529	1,529	1,476	53
Total expenditures	103,431	160,741	99,844	60,897
Excess of revenues over expenditures	-	-	7,223	7,223
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	$ -	$ -	7,223	$ 7,223
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(7,223)	
Fund balance at end of the year (GAAP basis)			$ -	

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

TITLE II TEACHER QUALITY FUND - NO. 24154

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Intergovernmental - federal grants	$ 478,577	$ 901,150	$ 421,830	$ (479,320)
Expenditures:				
Current:				
Instruction	471,398	491,186	379,189	111,997
Support services:				
Students	-	396,540	173,187	223,353
General Administration	7,179	13,424	10,487	2,937
Total expenditures	478,577	901,150	562,863	338,287
Excess (deficiency) of revenues over expenditures	-	-	(141,033)	(141,033)
Other financing uses:				
Transfers In	-	-	23,755	23,755
Net change in fund balance	-	-	(117,278)	(117,278)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	$ -	$ -	(117,278)	$ (117,278)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			106,778	
Change in payables			10,500	
Fund balance at end of the year (GAAP basis)			$ -	

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

CARL D PERKINS - JAG FUND - NO. 24171

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Intergovernmental - federal grants	$ -	$ 60,000	$ 29,999	$ (30,001)
Expenditures:				
Current:				
Support services:				
Students	-	59,100	51,868	7,232
General Administration	-	900	778	122
Total expenditures	-	60,000	52,646	7,354
Excess (deficiency) of revenues over expenditures	-	-	(22,647)	(22,647)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	$ -	$ -	(22,647)	$ (22,647)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			22,647	
Fund balance at end of the year (GAAP basis)			$ -	

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

CARL D PERKINS FUND - NO. 24174

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Intergovernmental - federal grants	$ 86,654	$ 96,500	$ 52,583	$ (43,917)
Expenditures:				
Current:				
Instruction	83,929	76,129	68,494	7,635
Support services:				
General Administration	2,725	2,725	804	1,921
Capital outlay	-	17,646	17,610	36
Total expenditures	86,654	96,500	86,908	9,592
Excess (deficiency) of revenues over expenditures	-	-	(34,325)	(34,325)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	$ -	$ -	(34,325)	$ (34,325)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			29,274	
Change in deferred revenue			5,051	
Fund balance at end of the year (GAAP basis)			$ -	

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

CARL D PERKINS SECONDARY FUND - NO. 24175

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Intergovernmental - federal grants	$ -	$ -	$ -	$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	$ -	$ -	-	$ -
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			$ -	

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

CARL D PERKINS SECONDARY REDISTRIBUTION FUND - NO. 24176

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Intergovernmental - federal grants	$ -	$ 17,920	$ 19,935	$ 2,015
Expenditures:				
Current:				
Instruction	-	11,186	11,186	-
Support services:				
General Administration	-	266	166	100
Capital outlay	-	6,468	6,468	-
Total expenditures	-	17,920	17,820	100
Excess of revenues over expenditures	-	-	2,115	2,115
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	$ -	$ -	2,115	$ 2,115
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(2,115)	
Fund balance at end of the year (GAAP basis)			$ -	

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

CARL D PERKINS HSTW - CURRENT FUND - NO. 24180

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Intergovernmental - federal grants	$ -	$ -	$ -	$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	$ -	$ -	-	$ -
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			$ -	

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

CARL D PERKINS HSTW - PY UNLIQ. OBLIG FUND - NO. 24181

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Intergovernmental - federal grants	$ -	$ -	$ -	$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	$ -	$ -	-	$ -
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			$ -	

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

CARL D PERKINS HSTW - REDISTRIBUTION FUND - NO. 24182

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Intergovernmental - federal grants	$ -	$ -	$ -	$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	$ -	$ -	-	$ -
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			$ -	

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

IDEA-B STAY IN SCHOOL FUND - NO. 24188

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Intergovernmental - federal grants	$ -	$ 271,050	$ 99,558	$ (171,492)
Expenditures:				
Current:				
Instruction	-	63,677	25,977	37,700
Support services:				
Students	-	207,373	189,278	18,095
Total expenditures	-	271,050	215,255	55,795
Excess (deficiency) of revenues over expenditures	-	-	(115,697)	(115,697)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	$ -	$ -	(115,697)	$ (115,697)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			115,697	
Fund balance at end of the year (GAAP basis)			$ -	

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

ACADEMIC ENRICHMENT FUND - NO. 24189

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Intergovernmental - federal grants	$ -	$ 362,384	$ 34,164	$ (328,220)
Expenditures:				
Current:				
Instruction	-	325,157	63,166	261,991
Support services:				
General Administration	-	5,227	1,035	4,192
School Administration	-	32,000	5,577	26,423
Total expenditures	-	362,384	69,778	292,606
Excess (deficiency) of revenues over expenditures	-	-	(35,614)	(35,614)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	$ -	$ -	(35,614)	$ (35,614)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			35,614	
Fund balance at end of the year (GAAP basis)			$ -	

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

TITLE I COMPREHENSIVE SUPPORT & IMPROVEMENT FUND - NO. 24190

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Intergovernmental - federal grants	$ -	$ 191,000	$ -	$ (191,000)
Expenditures:				
Current:				
Instruction	-	146,750	8,710	138,040
Support services:				
General Administration	-	12,500	131	12,369
Capital outlay	-	31,750	-	31,750
Total expenditures	-	191,000	8,841	182,159
Excess (deficiency) of revenues over expenditures	-	-	(8,841)	(8,841)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	$ -	$ -	(8,841)	$ (8,841)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			10,991	
Change in payables			(2,150)	
Fund balance at end of the year (GAAP basis)			$ -	

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

TITLE I - HS REDESIGN FUND - NO. 24191

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Intergovernmental - federal grants	$ -	$ 100,000	$ 20,206	$ (79,794)
Expenditures:				
Current:				
Instruction	-	71,500	53,705	17,795
Support services:				
Students	-	7,500	3,152	4,348
General Administration	-	4,000	956	3,044
School Administration	-	-	6,909	(6,909)
Capital outlay	-	17,000	-	17,000
Total expenditures	-	100,000	64,722	35,278
Excess (deficiency) of revenues over expenditures	-	-	(44,516)	(44,516)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	$ -	$ -	(44,516)	$ (44,516)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			44,516	
Fund balance at end of the year (GAAP basis)			$ -	

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

ARRA - IDEA-B CEIS FUND - NO. 24212

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Intergovernmental - federal grants	$ -	$ -	$ -	$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	$ -	$ -	-	$ -
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			$ -	

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

JOHNSON O'MALLEY FUND - NO. 25131

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Intergovernmental - federal grants	$ -	$ 295,852	$ 231,128	$ (64,724)
Expenditures:				
Current:				
Instruction	-	118,837	86,212	32,625
Support services:				
Students	-	155,983	140,226	15,757
General Administration	-	15,265	13,617	1,648
School Administration	-	5,767	4,552	1,215
Total expenditures	-	295,852	244,607	51,245
Excess (deficiency) of revenues over expenditures	-	-	(13,479)	(13,479)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	$ -	$ -	(13,479)	$ (13,479)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			13,479	
Fund balance at end of the year (GAAP basis)			$ -	

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

IMPACT AID SPECIAL EDUCATION FUND - NO. 25145

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Intergovernmental - federal grants	$ -	$ -	$ -	$ -
Expenditures:				
Current:				
Support services:				
Students	-	863	-	863
Excess (deficiency) of revenues over expenditures	-	(863)	-	863
Beginning cash balance budgeted	-	863	-	(863)
Fund balance at beginning of the year	-	-	863	863
Fund balance at end of the year	$ -	$ -	863	$ 863
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			$ 863	

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

IMPACT AID INDIAN EDUCATION FUND - NO. 25147

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Intergovernmental - federal grants	$ -	$ -	$ -	$ -
Expenditures:				
Current:				
Instruction	-	14,000	129	13,871
Support services:				
Students	-	19,900	1,630	18,270
General Administration	-	563	26	537
Total expenditures	-	34,463	1,785	32,678
Excess (deficiency) of revenues over expenditures	-	(34,463)	(1,785)	32,678
Beginning cash balance budgeted	-	34,463	-	(34,463)
Fund balance at beginning of the year	-	-	34,463	34,463
Fund balance at end of the year	$ -	$ -	32,678	$ 32,678
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			$ 32,678	

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

TITLE XIX MEDICAID FUND - NO. 25153

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Intergovernmental - federal grants	$ -	$ 236,410	$ 891,188	$ 654,778
Expenditures:				
Current:				
Support services:				
Students	-	736,410	399,845	336,565
Instruction	-	200,000	60,436	139,564
General Administration	-	143,133	36,328	106,805
Total expenditures	-	1,079,543	496,609	582,934
Excess (deficiency) of revenues over expenditures	-	(843,133)	394,579	1,237,712
Beginning cash balance budgeted	-	843,133	-	(843,133)
Fund balance at beginning of the year	-	-	843,133	843,133
Fund balance at end of the year	$ -	$ -	1,237,712	$ 1,237,712
RECONCILIATION TO GAAP BASIS:				
Change in payables			(1,099)	
Fund balance at end of the year (GAAP basis)			$ 1,236,613	

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

INDIAN ED FORMULA GRANT FUND - NO. 25184

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Intergovernmental - federal grants	$ -	$ 753,414	$ 550,625	$ (202,789)
Expenditures:				
Current:				
Instruction	-	346,346	55,478	290,868
Support services:				
Students	-	392,584	357,607	34,977
General Administration	-	84,293	81,980	2,313
School Administration	-	131,947	121,481	10,466
Operation & Maintenance of Plant	-	2,058	-	2,058
Total expenditures	-	957,228	616,546	340,682
Excess (deficiency) of revenues over expenditures	-	(203,814)	(65,921)	137,893
Beginning cash balance budgeted	-	203,814	-	(203,814)
Fund balance at beginning of the year	-	-	56,814	56,814
Fund balance at end of the year	$ -	$ -	(9,107)	$ (9,107)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			66,223	
Change in payables			(301)	
Fund balance at end of the year (GAAP basis)			$ 56,815	

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

MENTORING FOR SAFE SCHOOLS FUND - NO. 25187

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Intergovernmental - federal grants	$ -	$ -	$ -	$ -
Expenditures:				
Instruction	-	-	-	-
Excess (deficiency) of revenues				
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	$ -	$ -	-	$ -
RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			1	
Fund balance at end of the year (GAAP basis)			$ 1	

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

NATIVE AMERICAN PROGRAM FUND - NO. 25248

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Intergovernmental - federal grants	$ -	$ 279,059	$ 329,080	$ 50,021
Expenditures:				
Current:				
Instruction	-	59,500	3,802	55,698
Support services:				
Students	-	390,933	349,447	41,486
General Administration	-	6,860	5,299	1,561
Total expenditures	-	457,293	358,548	98,745
Excess (deficiency) of revenues over expenditures	-	(178,234)	(29,468)	148,766
Beginning cash balance budgeted	-	178,234	-	(178,234)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	$ -	$ -	(29,468)	$ (29,468)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			7,645	
Change in payables			(2,346)	
Change in deferred revenue			24,169	
Fund balance at end of the year (GAAP basis)			$ -	

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

KELLOGG FOUNDATION FUND - NO. 26121

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Contributions - private grants	$ -	$ -	$ -	$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	14,452	14,452
Fund balance at end of the year	$ -	$ -	14,452	$ 14,452
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			$ 14,452	

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

DUAL CREDIT INSTRUCTIONAL MATERIALS FUND - NO. 27103

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Intergovernmental - state grants	$ -	$ 48,704	$ 38,675	$ (10,029)
Expenditures:				
Current:				
Instruction	-	48,704	48,704	-
Excess (deficiency) of revenues over expenditures	-	-	(10,029)	(10,029)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	$ -	$ -	(10,029)	$ (10,029)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			10,029	
Fund balance at end of the year (GAAP basis)			$ -	

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

LIBRARIES GO BOND 2012 FUND - NO. 27107

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Intergovernmental - state grants	$ 82,603	$ 82,603	$ 74,868	$ (7,735)
Expenditures:				
Current:				
Support services:				
Instruction	82,603	82,603	80,343	2,260
Excess (deficiency) of revenues over expenditures	-	-	(5,475)	(5,475)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	$ -	$ -	(5,475)	$ (5,475)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			5,475	
Fund balance at end of the year (GAAP basis)			$ -	

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

READS TO LEAD FUND - NO. 27114

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Intergovernmental - state grants	$ 202,229	$ 202,229	$ 248,268	$ 46,039
Expenditures:				
Current:				
Instruction	114,150	114,150	110,573	3,577
Support services:				
Students	86,073	86,073	76,754	9,319
General Administration	2,006	2,006	-	2,006
Total expenditures	202,229	202,229	187,327	14,902
Excess of revenues over expenditures	-	-	60,941	60,941
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	$ -	$ -	60,941	$ 60,941
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(60,941)	
Fund balance at end of the year (GAAP basis)			$ -	

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

EXCELLENCE IN TEACHING FUND - NO. 27125

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Intergovernmental - state grants	$ -	$ 446,748	$ 446,365	$ (383)
Expenditures:				
Current:				
Instruction	-	446,748	446,365	383
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	$ -	$ -	-	$ -
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			$ -	

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

RECRUITMENT SUPPORT FUND - NO. 27128

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Intergovernmental - state grants	$ -	$ -	$ 20,203	$ 20,203
Expenditures:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	20,203	20,203
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	$ -	$ -	20,203	$ 20,203
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(20,203)	
Fund balance at end of the year (GAAP basis)			$ -	

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

PRE-K INITIATIVE FUND - NO. 27149

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Intergovernmental - state grants	$ 883,612	$ 883,612	$ 564,375	$ (319,237)
Expenditures:				
Current:				
Instruction	829,612	802,112	581,886	220,226
Support services:				
General Administration	4,000	7,500	-	7,500
School Administration	-	1,000	491	509
Student transportation	50,000	73,000	73,000	-
Total expenditures	883,612	883,612	655,377	228,235
Excess (deficiency) of revenues over expenditures	-	-	(91,002)	(91,002)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	$ -	$ -	(91,002)	$ (91,002)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			91,002	
Fund balance at end of the year (GAAP basis)			$ -	

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

INDIAN EDUCATION ACT FUND - NO. 27150

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Intergovernmental - state grants	$ -	$ 22,700	$ 10,725	$ (11,975)
Expenditures:				
Current:				
Instruction	-	5,352	5,006	346
Support services:				
Students	-	16,879	12,438	4,441
School Administration	-	469	329	140
Total expenditures	-	22,700	17,773	4,927
Excess (deficiency) of revenues over expenditures	-	-	(7,048)	(7,048)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	$ -	$ -	(7,048)	$ (7,048)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			7,048	
Fund balance at end of the year (GAAP basis)			$ -	

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

BREAKFAST FOR ELEMENTARY STUDENTS FUND - NO. 27155

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Intergovernmental - state grants	$ -	$ 33,024	$ 26,197	$ (6,827)
Expenditures:				
Current:				
Food services operations	-	33,024	33,024	-
Excess (deficiency) of revenues over expenditures	-	-	(6,827)	(6,827)
Fund balance at beginning of the year	-	-	2,729	2,729
Fund balance at end of the year	$ -	$ -	(4,098)	$ (4,098)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			6,827	
Fund balance at end of the year (GAAP basis)			$ 2,729	

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

LIBRARIES GO BOND 2006 FUND - NO. 27170

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Intergovernmental - state grants	$ -	$ -	$ -	$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	2,431	2,431
Fund balance at end of the year	$ -	$ -	2,431	$ 2,431
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			$ 2,431	

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

NEW MEXICO GROWN FUND - NO. 27183

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Intergovernmental - state grants	$ -	$ 20,000	$ 20,000	$ -
Expenditures:				
Current:				
Food services operations	-	20,000	20,000	-
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	$ -	$ -	-	$ -
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			$ -	

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

4R FUTURE INDIVIDUAL FUND - NO. 27188

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Intergovernmental - state grants	$ -	$ -	$ -	$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Other financing uses:				
Transfers out	-	-	(164,166)	(164,166)
Net change in fund balance	-	-	(164,166)	(164,166)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	$ -	$ -	(164,166)	$ (164,166)
RECONCILIATION TO GAAP BASIS:				
Change in receivables			164,166	
Fund balance at end of the year (GAAP basis)			$ -	

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

4R FUTURE GROUP FUND - NO. 27190

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Intergovernmental - state grants	$ -	$ -	$ -	$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Other financing uses:				
Transfers In	-	-	164,166	164,166
Net change in fund balance	-	-	164,166	164,166
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	$ -	$ -	164,166	$ 164,166
RECONCILIATION TO GAAP BASIS:				
Change in payables			(164,166)	
Fund balance at end of the year (GAAP basis)			$ -	

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

YOUTH CONSERVATION CORP FUND - NO. 28133

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Intergovernmental - state grants	$ -	$ 91,312	$ 119,101	$ 27,789
Expenditures:				
Current:				
Instruction	-	91,312	91,312	-
Excess of revenues over expenditures	-	-	27,789	27,789
Fund balance at beginning of the year	-	-	23,826	23,826
Fund balance at end of the year	$ -	$ -	51,615	$ 51,615
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			$ 51,615	

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

TUTORING FUND - NO. 28178

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Intergovernmental - state grants	$ -	$ -	$ -	$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	1,546	1,546
Fund balance at end of the year	$ -	$ -	1,546	$ 1,546
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			$ 1,546	

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

WESTMEATH FOUNDATION FUND - NO. 29102

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Contributions - private grants	$ -	$ 71,938	$ 21,938	$ (50,000)
Expenditures:				
Current:				
Instruction	-	67,036	16,875	50,161
Support services:				
Students	-	4,902	1,116	3,786
Total expenditures	-	71,938	17,991	53,947
Excess of revenues over expenditures	-	-	3,947	3,947
Fund balance at beginning of the year	-	-	108	108
Fund balance at end of the year	$ -	$ -	4,055	$ 4,055
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			$ 4,055	

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

SPECIAL CAPITAL OUTLAY - LOCAL FUND - NO. 31300

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Charges for services	$ 1,263	$ 1,263	$ 390	$ (873)
Investment and interest income	18	18	-	(18)
Total revenues	1,281	1,281	390	(891)
Expenditures:				
Current:				
Support services:				
Operation & Maintenance of Plant	451,933	451,933	13,542	438,391
Capital outlay	472,016	472,016	-	472,016
Total expenditures	923,949	923,949	13,542	910,407
Excess (deficiency) of revenues over expenditures	(922,668)	(922,668)	(13,152)	909,516
Beginning cash balance budgeted	922,668	922,668	-	(922,668)
Fund balance at beginning of the year	-	-	944,840	944,840
Fund balance at end of the year	$ -	$ -	931,688	$ 931,688
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			$ 931,688	

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

SPECIAL CAPITAL OUTLAY - STATE FUND - NO. 31400

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Intergovernmental - state grants	$ -	$ -	$ -	$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	48,375	48,375
Fund balance at end of the year	$ -	$ -	48,375	$ 48,375
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			$ 48,375	

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

STATE SB-9 MATCH FUND - NO. 31700

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Intergovernmental - state grants	$ 342,115	$ 657,274	$ -	$ (657,274)
Expenditures:				
Current:				
Support services:				
Operation & Maintenance of Plant	-	315,159	-	315,159
Capital outlay	342,115	342,115	-	342,115
Total expenditures	342,115	657,274	-	657,274
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	179,517	179,517
Fund balance at end of the year	$ -	$ -	179,517	$ 179,517
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			$ 179,517	

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

CAPITAL IMPROVEMENTS SB-9 FUND - NO. 31701

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Taxes:				
Property	$ 2,848,948	$ 2,848,948	$ 2,932,280	$ 83,332
Oil and gas	99,321	99,321	213,265	113,944
Total revenues	2,948,269	2,948,269	3,145,545	197,276
Expenditures:				
Current:				
Support services:				
General Administration	28,489	29,489	29,323	166
Operation & Maintenance of Plant	2,226,442	4,425,442	4,366,190	59,252
Capital outlay	1,491,242	2,013,536	110,622	1,902,914
Total expenditures	3,746,173	6,468,467	4,506,135	1,962,332
Excess (deficiency) of revenues over expenditures	(797,904)	(3,520,198)	(1,360,590)	2,159,608
Beginning cash balance budgeted	797,904	3,520,198	-	(3,520,198)
Fund balance at beginning of the year	-	-	3,567,047	3,567,047
Fund balance at end of the year	$ -	$ -	2,206,457	$ 2,206,457
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			(14,607)	
Change in due from other governments			(10,132)	
Change in payables			(65,515)	
Change in deferred property taxes			7,070	
Fund balance at end of the year (GAAP basis)			$ 2,123,273	

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

ED TECHNOLOGY EQUIPMENT ACT FUND - NO. 31900

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Investment and interest income	$ 7,375	$ 7,375	$ 20,588	$ 13,213
Expenditures:				
Current:				
Support services:				
Operation & Maintenance of Plant	4,212,877	4,212,877	1,219,195	2,993,682
Capital outlay	19,021	19,021	-	19,021
Total expenditures	4,231,898	4,231,898	1,219,195	3,012,703
Excess (deficiency) of revenues over expenditures	(4,224,523)	(4,224,523)	(1,198,607)	3,025,916
Beginning cash balance budgeted	4,224,523	4,224,523	-	(4,224,523)
Fund balance at beginning of the year	-	-	2,290,633	2,290,633
Fund balance at end of the year	$ -	$ -	1,092,026	$ 1,092,026
RECONCILIATION TO GAAP BASIS:				
Change in payables			(83,146)	
Fund balance at end of the year (GAAP basis)			$ 1,008,880	

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

ED TECH DEBT SERVICE FUND - NO. 43000

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Taxes:				
Property	$ 3,203,827	$ 3,203,827	$ 3,033,823	$ (170,004)
Oil and gas	147,179	147,179	127,354	(19,825)
Investment and interest income	212	212	420	208
Total revenues	3,351,218	3,351,218	3,161,597	(189,621)
Expenditures:				
Current:				
Support services:				
General Administration	32,038	33,038	30,338	2,700
Debt service:				
Principal retirement	3,200,000	3,200,000	3,200,000	-
Bond interest paid	151,006	150,006	151,532	(1,526)
Debt service reserves	2,396,656	2,396,656	-	2,396,656
Total expenditures	5,779,700	5,779,700	3,381,870	2,397,830
Excess (deficiency) of revenues over expenditures	(2,428,482)	(2,428,482)	(220,273)	2,208,209
Beginning cash balance budgeted	2,428,482	2,428,482	-	(2,428,482)
Fund balance at beginning of the year	-	-	3,524,025	3,524,025
Fund balance at end of the year	$ -	$ -	3,303,752	$ 3,303,752
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			(142,869)	
Change in due from other governments			(1,573)	
Change in deferred property taxes			146,262	
Fund balance at end of the year (GAAP basis)			$ 3,305,572	

OTHER SUPPLEMENTAL INFORMATION

(CAPITAL ASSETS)

Supplemental schedules of capital assets to provide additional analysis.

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS - BY SOURCE

June 30, 2019

Governmental funds capital assets:	
Land	$ 4,142,761
Buildings and improvements	321,123,021
Improvements other than buildings	4,448,663
Equipment	12,239,293
Construction in progress	436,003
Total governmental funds capital assets:	$ 342,389,741

Investment in governmental funds capital assets by source:	
General funds	$ 7,314,841
Special revenue funds	2,377,522
Capital projects funds	332,697,378
Total governmental funds capital assets:	$ 342,389,741

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATIONS OF
GOVERNMENTAL FUNDS - BY FUNCTION AND ACTIVITY

June 30, 2019

Function and Activity	Land	Buildings and Improvements	Improvements other than buildings	Equipment	Construction in progress	Total
Educational services:						
Instruction	$ -	$ -	$ 26,766	$ 1,116,145	$ -	$ 1,142,911
Support services:						
Students	-	-	-	110,502	-	110,502
Instruction	-	-	-	22,539	-	22,539
General Administration	-	-	-	269,020	-	269,020
School Administration	-	82,941	-	134,393	-	217,334
Central Services	-	-	-	62,020	-	62,020
Operation & Maintenance of Plant	650,000	-	-	1,275,653	-	1,925,653
Student Transportation	-	-	-	7,049,059	-	7,049,059
Other Support Services	-	-	-	37,700	-	37,700
Non-instructional services:						
Food Services Operations	-	-	-	1,109,740	-	1,109,740
Capital Outlay	3,492,761	321,040,080	4,421,897	1,052,522	436,003	330,443,263
	$ 4,142,761	$ 321,123,021	$ 4,448,663	$ 12,239,293	$ 436,003	$ 342,389,741

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS - CHANGES BY FUNCTION AND ACTIVITY

June 30, 2019

Function and Activity	Balance June 30, 2018	Reclassification	Additions	Deletions	Balance June 30, 2019
Educational services:					
Instruction	$ 1,102,797	$ -	$ 51,144	$ (11,030)	$ 1,142,911
Support services:					
Students	110,502	-	-	-	110,502
Instruction	7,354	-	15,185	-	22,539
General Administration	293,665	-	-	(24,645)	269,020
School Administration	255,534	-	-	(38,200)	217,334
Central Services	62,020	-	-	-	62,020
Operation & Maintenance of Plant	1,971,017	-	-	(45,364)	1,925,653
Student Transportation	6,984,713	-	86,060	(21,714)	7,049,059
Other Support Services	37,700	-	-	-	37,700
Non-instructional services:					
Food Services Operations	1,110,148	-	5,992	(6,400)	1,109,740
Capital Outlay	323,603,362	-	7,421,999	(582,098)	330,443,263
	$335,538,812	$ -	$ 7,580,380	$ (729,451)	$342,389,741

OTHER SUPPLEMENTAL INFORMATION

(STATE REQUIRED DISCLOSURES)

Supplemental schedules required by the State of
New Mexico to provide additional analysis.

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

FIDUCIARY FUNDS

Schedule of Changes in Assets and Liabilities - All Agency Funds

Year Ended June 30, 2019

ASSETS	Balance June 30, 2018	Receipts	Disbursements	Balance June 30, 2019
Cash and cash equivalents:				
Central Office	$ 911,882	$ 443,102	$ 674,610	$ 680,374
Farmington HS	348,969	144,991	393,258	100,702
Piedra Vista HS	275,080	392,414	470,417	197,077
	$ 1,535,931	$ 980,507	$ 1,538,285	$ 978,153
LIABILITIES				
Deposits held for others	$ 1,535,931	$ 980,507	$ 1,538,285	$ 978,153

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

SCHEDULE OF PLEDGED COLLATERAL

June 30, 2019

	Wells Fargo Bank	Citizens Bank	Bank of the Southwest	New Mexico Finance Authority	Total
Cash on deposit at June 30, 2019:					
Checking and savings	$ 26,122,765	$ 1,407,525	$ 12,243	$ 6,471,356	$ 34,013,889
Less: FDIC coverage	(250,000)	(250,000)	(12,243)	-	(512,243)
Uninsured funds	$ 25,872,765	$ 1,157,525	$ -	$ 6,471,356	$ 33,501,646
Amount requiring pledged collateral:					
50% collateral requirement	$ 12,936,383	$ 578,763	$ -	$ 3,235,678	$ 16,750,824
Pledged collateral	15,591,210	5,303,179	-	6,161,295	27,055,684
Excess (deficiency) of pledged collateral	$ 2,654,827	$ 4,724,416	$ -	$ 2,925,617	$ 10,304,860

Pledged collateral of financial institutions consists of the following at June 30, 2019

	Maturity	CUSIP #	Market Value
Wells Fargo Bank:			
FNMA Uniform MBS Pool #AQ4034	4/1/2042	3138MKPU4	$ 15,371,510
FNMA Uniform MBS Pool #AS7462	6/1/2031	3138WHJG8	219,700
			$ 15,591,210

The above securities are held at Bank of New York Mellon, New York, NY.

Citizens Bank:			
FNMA Ser 2011-105 CL 5-PB	10/25/2041	3136A1MJ1	$ 5,303,179

The above securities are held at Federal Home Loan Bank in Dallas, TX.

State of New Mexico:
Detail of the pledged collateral to the District is unavailable because the bank commingles pledged collateral for all state funds it holds. However, the State Treasurer's Office Collateral Bureau monitors the pledged collateral for all state funds.

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

SCHEDULE OF DEPOSIT AND INVESTMENT ACCOUNTS

Year Ended June 30, 2019

	Account Type	Account Classification	Bank Amount
WELLS FARGO BANK:			
Operational	Checking - Interest	Cash and Cash Equivalents	$ 7,856,712
Op Invest	Checking - Interest	Cash and Cash Equivalents	12,932
Transportation	Checking - Interest	Cash and Cash Equivalents	455
Secondary Athletic	Checking - Interest	Cash and Cash Equivalents	243,136
FHS Scorp Activity	Checking - Interest	Agency Funds	103,338
NonBudgeted	Checking - Interest	Cash and Cash Equivalents	863,596
PV Activity Acct	Checking - Interest	Agency Funds	199,921
Debt	Checking - Interest	Cash and Cash Equivalents	12,105,222
Debt	Checking - Interest	Cash and Cash Equivalents	775,254
Employee Benefits	Checking - Interest	Cash and Cash Equivalents	2,383,306
Accounts payable	Checking - Interest	Cash and Cash Equivalents	132,142
Payroll Clearing	Checking - Interest	Cash and Cash Equivalents	1,446,751
Subtotal			$ 26,122,765
CITIZENS BANK OF FARMINGTON:			
Activities	Checking - Interest	Agency Funds	$ 679,095
Tech Bonds	Checking - Interest	Cash and Cash Equivalents	728,430
Subtotal			$ 1,407,525
BANK OF SOUTHWEST:			
School Lunch	Checking - Interest	Cash and Cash Equivalents	$ 12,243
NEW MEXICO FINANCE AUTHORITY:			
Ed Tech Debt Service	Escrow	Restricted Cash and Cash Equivalents	$ 1,367
Ed Tech Debt Service	Escrow	Restricted Cash and Cash Equivalents	145,335
Debt Service	Escrow	Restricted Cash and Cash Equivalents	4,131
Bond Building	Escrow	Restricted Cash and Cash Equivalents	3
Bond Building	Escrow	Restricted Cash and Cash Equivalents	6,103,641
Ed Tech Debt Service	Escrow	Restricted Cash and Cash Equivalents	216,879
Subtotal			$ 6,471,356
TOTAL DEPOSITS			$ 34,013,889

Adjustments to cash:	
Bank Balance	$ 34,013,889
Cash on hand	40
Outstanding deposits	693,703
Outstanding checks	(5,117,273)
Written checks held at yearend	1,501,745
Total adjusted cash	$ 31,092,104

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

CASH RECONCILIATION

Year Ended June 30, 2019

	Beginning Cash	Receipts	Distributions	Other	Net Cash End of Period	Adjustments to the report	Total Cash on Report
Operations	$ 4,225,639	$ 80,160,844	$ 79,299,830	$ (2,987,414)	$ 2,099,239	$ 1,510,168	$ 3,609,407
Transportation	30,119	3,262,948	3,119,306	-	173,761	-	173,761
Instructional Materials	132,828	370,113	64,174	-	438,767	-	438,767
Food Services	322,251	3,809,629	4,222,448	102,886	12,318	-	12,318
Athletics	214,708	454,189	426,006	-	242,891	-	242,891
Activity Funds	270,943	1,312,904	714,839	-	869,008	-	869,008
Federal Flowthrough Funds	(22,715)	4,131,749	7,134,116	3,047,607	22,525	-	22,525
Federal Direct Funds	959,443	2,002,020	1,718,095	27,886	1,271,254	-	1,271,254
Local Grants	14,452	-	-	-	14,452	-	14,452
State Flowthrough Funds	166,597	1,449,677	1,488,915	(124,928)	2,431	-	2,431
State Direct Funds	25,372	119,101	91,312	-	53,161	-	53,161
Local/State	108	21,938	17,991	-	4,055	-	4,055
Bond Building	101,391	135,435	9,044,450	14,908,723	6,101,099	3,000	6,104,099
Special Capital Outlay - Local	944,840	390	13,542	-	931,688	-	931,688
Special Capital Outlay - State	48,375	-	-	-	48,375	-	48,375
State SB-9 Match	179,517	-	-	-	179,517	-	179,517
Capital Improvements SB-9	3,520,199	3,145,545	4,506,135	-	2,159,609	-	2,159,609
Ed Technology Equipment Act	2,290,633	20,588	1,219,195	-	1,092,026	-	1,092,026
Debt Service	9,816,380	8,077,582	8,243,327	-	9,650,635	-	9,650,635
Ed Tech Debt Service	3,454,243	3,161,599	3,381,870	-	3,233,972	-	3,233,972
Agency Funds	-	-	-	-	-	978,153	978,153
Total	$ 26,695,323	$ 111,636,251	$ 124,705,551	$ 14,974,760	$ 28,600,783	$ 2,491,321	$ 31,092,104

Adjustments to report:	
Agency funds	$ 978,153
Interfund loans - pooled cash [1]	3,000
Interfund loans - pooled cash [1]	(3,000)
Clearing account	11,423
Written checks held at yearend	1,501,745
Total adjustment to the report	$ 2,491,321

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OTHER SUPPLEMENTAL INFORMATION

(COMPONENT UNIT)

Component unit financial statements and schedules required by the State of New Mexico.

STATE OF NEW MEXICO

NEW MEXICO VIRTUAL AADEMY CHARTER SCHOOL

(COMPONENT UNIT OF FARMINGTON MUNICIPAL SCHOOLS)

STATEMENT OF NET POSITION

June 30, 2019

	Governmental Activities
Assets	
Cash and cash equivalents	$ 404,065
Receivables:	
Grant	37,541
Due from primary government	50,549
Total Assets	492,155
Deferred Outflows of Resources:	
Contributions to pension subsequent to the measurement date	136,667
Difference between expected and actual pension experience	2,586
Net difference between projected and actual investment earnings on pension plan investments	7,845
Net change in pension assumptions	730,323
Net change in proportionate share of pension liability	225,461
Contributions to OPEB subsequent to the measurement date	19,658
Net change in proportionate share of OPEB liability	6,886
Total Deferred Outflows of Resources	1,129,426
Liabilities	
Accounts payable	109,071
Aggregate net pension liability	3,543,617
Aggregate OPEB liability	847,929
Total Liabilities	4,500,617
Deferred Inflows of Resources	
Difference between expected and actual pension experience	67,441
Difference between expected and actual OPEB experience	50,203
Net difference between projected and actual investment earnings on OPEB plan investments	10,582
Net change in OPEB assumptions	158,305
Total Deferred Inflows of Resources	286,531
Net Position	
Restricted for:	
Special revenue funds	1,965
Unrestricted	(3,167,532)
Total Net Position	$ (3,165,567)

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

STATE OF NEW MEXICO

NEW MEXICO VIRTUAL AADEMY CHARTER SCHOOL

(COMPONENT UNIT OF FARMINGTON MUNICIPAL SCHOOLS)

STATEMENT OF ACTIVITIES

Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contibutions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Primary government:					
Governmental activities:					
Instruction	$ 2,972,222	$ -	$ 78,890	$ -	$ (2,893,332)
Support Services - Students	216,005	-	5,733	-	(210,272)
Support Services - Instruction	136,553	-	3,624	-	(132,929)
Support Services - General Administration	161,631	-	4,290	-	(157,341)
Support Services - School Administration	134,848	-	3,579	-	(131,269)
Central Services	76,221	-	2,023	-	(74,198)
Operations & Maintenance of Plant	99,004	-	2,628	-	(96,376)
Total governmental activities	$ 3,796,484	$ -	$ 100,767	$ -	(3,695,717)
General revenues:					
Grants and contributions not restricted					3,251,216
Miscellaneous income					696
Total general revenues					3,251,912
Change in net position					(443,805)
Net position - beginning					(2,721,762)
Net position - ending					$ (3,165,567)

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

STATE OF NEW MEXICO

NEW MEXICO VIRTUAL AADEMY CHARTER SCHOOL

(COMPONENT UNIT OF FARMINGTON MUNICIPAL SCHOOLS)

GOVERNMENTAL FUNDS

Balance Sheet

June 30, 2019

	General Funds			Special Revenue Funds				
	Operational Fund #11000	Instructional Materials Fund #14000	General Fund	Activities Fund #23000	Entitlement IDEA-B Fund #24106	Libraries GO Bond 2012 Fund #27107	Total Non-Major Special Revenue Funds	Total Governmental Funds
Assets								
Cash and cash equivalents	$ 365,931	$ 36,169	$ 402,100	$ 1,965	$ -	$ -	$ -	$ 404,065
Receivables:								
Grant	-	1,269	1,269	-	36,272	-	-	37,541
Due from other funds	83,415	-	83,415	-	-	-	-	83,415
Due from primary government	-	-	-	-	50,549	-	-	50,549
Total assets	$ 449,346	$ 37,438	$ 486,784	$ 1,965	$ 86,821	$ -	$ -	$ 575,570
Liabilities, deferred inflows, and fund balance								
Liabilities:								
Accounts payable	$ 105,665	$ -	$ 105,665	$ -	$ 3,406	$ -	$ -	$ 109,071
Due to other funds	-	-	-	-	83,415	-	-	83,415
Total liabilities	105,665	-	105,665	-	86,821	-	-	192,486
Fund balance:								
Restricted for:								
Special revenue funds	-	-	-	1,965	-	-	-	1,965
Unassigned	343,681	37,438	381,119	-	-	-	-	381,119
Total fund balance	343,681	37,438	381,119	1,965	-	-	-	383,084
Total liabilities and fund balance	$ 449,346	$ 37,438	$ 486,784	$ 1,965	$ 86,821	$ -	$ -	$ 575,570

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

STATE OF NEW MEXICO

NEW MEXICO VIRTUAL AADEMY CHARTER SCHOOL

(COMPONENT UNIT OF FARMINGTON MUNICIPAL SCHOOLS)

RECONCILIATION OF THE BALANCE SHEET - ALL GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

June 30, 2019

Amounts reported for governmental activities in the statement of net position are different because:		
Fund balances - total governmental funds	$	383,084
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Deferred outflow of resources are not financial resources, and therefore are not reported in the funds and include:		
Contributions to pension subsequent to the measurement date		136,667
Difference between expected and actual pension experience		2,586
Net difference between projected and actual investment earnings on pension plan investment		7,845
Net change in pension assumptions		730,323
Net change in proportionate share of pension liability		225,461
Contributions to OPEB subsequent to the measurement date		19,658
Net change in proportionate share of OPEB liability		6,886
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds		
Net pension liability		(3,543,617)
Net OPEB liability		(847,929)
Deferred inflow of resources are not financial resources, and therefore are not reported in the funds and include:		
Difference between expected and actual pension experience		(67,441)
Difference between expected and actual OPEB experience		(50,203)
Net difference between projected and actual investment earnings on OPEB plan investment		(10,582)
Net change in OPEB assumptions		(158,305)
Net position of governmental activities	$	(3,165,567)

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

STATE OF NEW MEXICO

NEW MEXICO VIRTUAL AADEMY CHARTER SCHOOL

(COMPONENT UNIT OF FARMINGTON MUNICIPAL SCHOOLS)

GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2019

	General Funds			Special Revenue Funds				
	Operational Fund #11000	Instructional Materials Fund #14000	General Fund	Activities Fund #23000	Entitlement IDEA-B Fund #24106	Libraries GO Bond 2012 Fund #27107	Total Non-Major Special Revenue Funds	Total Governmental Funds
Revenues:								
Intergovernmental - federal grants	$ -	$ -	$ -	$ -	$ 82,666	$ -	$ 82,666	$ 82,666
Intergovernmental - state grants	3,250,220	18,101	3,268,321	-	-	-	-	3,268,321
Contributions - private grants	-	-	-	996	-	-	996	996
Miscellaneous	696	-	696	-	-	-	-	696
Total revenues	3,250,916	18,101	3,269,017	996	82,666	-	83,662	3,352,679
Expenditures:								
Current:								
Instruction	2,423,646	3,119	2,426,765	484	-	-	484	2,427,249
Support services:								
Students	129,184	-	129,184	-	86,821	-	86,821	216,005
Instruction	136,553	-	136,553	-	-	-	-	136,553
General Administration	161,631	-	161,631	-	-	-	-	161,631
School Administration	134,848	-	134,848	-	-	-	-	134,848
Central Services	76,221	-	76,221	-	-	-	-	76,221
Operation & Maintenance of Plant	99,004	-	99,004	-	-	-	-	99,004
Total expenditures	3,161,087	3,119	3,164,206	484	86,821	-	87,305	3,251,511
Excess (deficiency) of revenues over expenditures	89,829	14,982	104,811	512	(4,155)	-	(3,643)	101,168
Fund balance at beginning of the year	253,852	22,456	276,308	1,453	4,155	-	5,608	281,916
Fund balance at end of the year	$ 343,681	$ 37,438	$ 381,119	$ 1,965	$ -	$ -	$ 1,965	$ 383,084

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

STATE OF NEW MEXICO

NEW MEXICO VIRTUAL AADEMY CHARTER SCHOOL

(COMPONENT UNIT OF FARMINGTON MUNICIPAL SCHOOLS)

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES ALL GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year Ended June 30, 2019

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balance - total governmental funds	$	101,168
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 the governmental funds.		
Deferred contributions to pension plan		136,667
Deferred contributions to OPEB plan		19,658
Pension expense		(700,964)
OPEB expense		(334)
Change in net position of governmental activities	$	(443,805)

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

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NEW MEXICO VIRTUAL ACADEMY
(COMPONENT UNIT OF FARMINGTON MUNICIPAL SCHOOLS)

General Funds

Special revenue funds are operating funds used to account for the proceeds of specific revenue sources that are intended for specific purposes other than special assessments or major capital projects.

Operating (Fund No. 11000) Minimum Balance: None

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

Instructional Materials (Fund No. 14000) Minimum Balance: None

Accounts for all the Instructional Materials funds received through the state for the purpose of acquiring study materials for the students.

Special Revenue Funds

Special revenue funds are operating funds used to account for the proceeds of specific revenue sources that are intended for specific purposes other than special assessments or major capital projects.

Activities (Fund No. 23000) Minimum Balance: None

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

Entitlement IDEA-B (Fund No. 24106) Minimum Balance: None

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

Library GO Bonds 2012 (Fund No. 27107) Minimum Balance: None

Funds to be used for library books and library resources for public school libraries statewide. Library resources include computers, software, projectors, televisions, other related hardware and software, shelving, desks, chairs, and book trucks/carts. Senate Bill 66, Laws of 2012, 2nd Session, Chapter 54, Section 10.B.(3).

STATE OF NEW MEXICO

NEW MEXICO VIRTUAL AADEMY CHARTER SCHOOL

(COMPONENT UNIT OF FARMINGTON MUNICIPAL SCHOOLS)

OPERATIONAL FUND - NO. 11000

Schedule of Revenues, Expenditures, and

Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)

Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Intergovernmental - state grants	$ 3,231,811	$ 3,280,601	$ 3,274,441	$ (6,160)
Miscellaneous	-	696	696	-
Total revenues	3,231,811	3,281,297	3,275,137	(6,160)
Expenditures:				
Current:				
Instruction	2,621,141	2,853,581	2,558,804	294,777
Support services:				
Students	95,425	131,550	127,995	3,555
Instruction	112,925	143,625	142,824	801
General Administration	152,620	182,704	152,217	30,487
School Administration	79,824	142,819	135,224	7,595
Central Services	76,935	80,313	80,267	46
Operation & Maintenance of Plant	107,941	110,717	98,984	11,733
Other Support services	-	50,000	-	50,000
Total expenditures	3,246,811	3,695,309	3,296,315	398,994
Excess (deficiency) of revenues over expenditures	(15,000)	(414,012)	(21,178)	392,834
Beginning cash balance budgeted	15,000	414,012	-	(414,012)
Fund balance at beginning of the year	-	-	253,852	253,852
Fund balance at end of the year	$ -	$ -	232,674	$ 232,674
RECONCILIATION TO GAAP BASIS:				
Change in payables			111,007	
Fund balance at end of the year (GAAP basis)			$ 343,681	

STATE OF NEW MEXICO

NEW MEXICO VIRTUAL AADEMY CHARTER SCHOOL

(COMPONENT UNIT OF FARMINGTON MUNICIPAL SCHOOLS)

INSTRUCTIONAL MATERIALS FUND - NO. 14000

Schedule of Revenues, Expenditures, and

Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)

Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Intergovernmental - state grants	$ 16,832	$ 18,101	$ 16,831	$ (1,270)
Expenditures:				
Current:				
Instruction	36,484	40,557	3,118	37,439
Excess (deficiency) of revenues over expenditures	(19,652)	(22,456)	13,713	36,169
Beginning cash balance budgeted	19,652	22,456	-	(22,456)
Fund balance at beginning of the year	-	-	22,456	22,456
Fund balance at end of the year	$ -	$ -	36,169	$ 36,169
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			1,269	
Fund balance at end of the year (GAAP basis)			$ 37,438	

STATE OF NEW MEXICO

NEW MEXICO VIRTUAL AADEMY CHARTER SCHOOL

(COMPONENT UNIT OF FARMINGTON MUNICIPAL SCHOOLS)

ACTIVITIES FUND - NO. 23000

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Contributions - private grants	$ -	$ 484	$ 996	$ 512
Expenditures:				
Current:				
Instruction	-	484	484	-
Excess of revenues over expenditures	-	-	512	512
Fund balance at beginning of the year	-	-	1,453	1,453
Fund balance at end of the year	$ -	$ -	1,965	$ 1,965
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			$ 1,965	

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

STATE OF NEW MEXICO

NEW MEXICO VIRTUAL AADEMY CHARTER SCHOOL

(COMPONENT UNIT OF FARMINGTON MUNICIPAL SCHOOLS)

ENTITLEMENT IDEA-B FUND - NO. 24106

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Intergovernmental - federal grants	$ -	$ 93,660	$ 81,767	$ (11,893)
Expenditures:				
Current:				
Support services:				
Students	-	93,660	86,821	6,839
Excess (deficiency) of revenues over expenditures	-	-	(5,054)	(5,054)
Fund balance at beginning of the year	-	-	4,155	4,155
Fund balance at end of the year	$ -	$ -	(899)	$ (899)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			5,054	
Change in payables			(4,155)	
Fund balance at end of the year (GAAP basis)			$ -	

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

STATE OF NEW MEXICO

NEW MEXICO VIRTUAL AADEMY CHARTER SCHOOL

(COMPONENT UNIT OF FARMINGTON MUNICIPAL SCHOOLS)

LIBRARIES GO BOND 2012 FUND - NO. 27107

Schedule of Revenues, Expenditures, and

Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)

Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Intergovernmental - state grants	$ 3,951	$ 3,951	$ -	$ (3,951)
Expenditures:				
Current:				
Support services:				
Instruction	3,951	3,951	-	3,951
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	$ -	$ -	-	$ -
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			$ -	

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

OTHER SUPPLEMENTAL INFORMATION

(COMPONENT UNIT)

(STATE REQUIRED DISCLOSURES)

Supplemental schedules required by the State of New Mexico to provide additional analysis.

STATE OF NEW MEXICO

NEW MEXICO VIRTUAL AADEMY CHARTER SCHOOL

SCHEDULE OF PLEDGED COLLATERAL

June 30, 2019

	Citizens Bank
Cash on deposit at June 30, 2019:	
Checking and savings	$ 583,479
Less: FDIC coverage	(250,000)
Uninsured funds	$ 333,479
Amount requiring pledged collateral:	
50% collateral requirement	$ 166,740
Pledged collateral	1,038,820
Excess (deficiency) of pledged collateral	$ 872,080

Pledged collateral of financial institutions consists of the following at June 30, 2019

Citizens Bank:	Maturity	CUSIP #	Market Value
FHLB	9/13/2024	3130A2UW4	$ 1,038,820

The above securities are held at Bank of Federal Home Loan Bank, Dallas TX.

STATE OF NEW MEXICO

NEW MEXICO VIRTUAL AADEMY CHARTER SCHOOL

CASH RECONCILIATION

Year Ended June 30, 2019

	Beginning Cash	Receipts	Distributions	Other	Net Cash End of Period	Adjustments to the report	Total Cash on Report
Operations	$ 524,557	$ 3,275,167	$ 3,293,398	$ (56,980)	$ 449,346	$ (83,415)	$ 365,931
Instructional Materials	22,456	16,831	3,118	-	36,169	-	36,169
Activity Funds	1,453	996	484	-	1,965	-	1,965
Federal Flowthrough Funds	(77,612)	81,767	86,821	(749)	(83,415)	83,415	-
Total	$ 470,854	$ 3,374,761	$ 3,383,821	$ (57,729)	$ 404,065	$ -	$ 404,065

Account Name	Account Type	Bank Name	Bank Amount
Operational	Checking - Interest	Citizens	$ 583,479

Adjustments to cash:	
Bank Balance	$ 583,479
Outstanding deposits	-
Outstanding checks	(179,414)
Errors	-
Total adjusted cash	$ 404,065

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STATISTICAL SECTION

This part of Farmington Municipal School District No. 5's comprehensive annual financial report presents 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.

FINANCIAL TRENDS
Page 201

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

§

REVENUE CAPACITY
Page 209

These schedules contain information to help the reader assess the District's most significant local revenue source, the sales tax.

§

DEBT CAPACITY
Page 215

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

§

DEMOGRAPHIC AND ECONOMIC INFORMATION
Page 218

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

§

OPERATING INFORMATION
Page 221

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

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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)

	2010	2011	2012	2013	2014
Governmental Activities					
Net investment in capital assets	$ 44,326,970	$ 44,134,648	$ 41,429,758	$ 87,888,998	$ 97,274,871
Restricted	15,247,416	15,877,450	15,416,710	17,180,682	18,167,016
Unrestricted	17,178,375	21,449,047	22,960,900	24,352,282	22,634,154
Total governmental activities net position	$ 76,752,761	$ 81,461,145	$ 79,807,368	$ 129,421,962	$ 138,076,041

	2015	2016	2017	2018	2019
Governmental Activities					
Net investment in capital assets	$ 105,039,068	$ 89,528,046	$ 139,517,254	$ 138,081,745	$ 143,915,447
Restricted	24,781,118	51,226,513	19,496,768	26,459,741	19,479,173
Unrestricted	(102,994,068)	(90,715,061)	(117,826,116)	(159,994,947)	(237,074,262)
Total governmental activities net position	$ 26,826,118	$ 50,039,498	$ 41,187,906	$ 4,546,539	$ (73,679,642)

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

Note: GASB 68 Pension liability recorded beginning in 2015

Note: GASB 75 OPEB liability recorded beginning in 2018

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)

	2010	2011	2012	2013	2014
Expenses					
Governmental Activities:					
Instruction	$ 52,940,094	$ 50,181,718	$ 48,705,662	$ 50,490,205	$ 56,300,845
Support services:	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	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	3,134,259	3,495,334	3,873,724	3,843,284	4,018,871
Community services			134,934	13,502	7,408
Bond Interest Payable					
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	17,149,315	14,373,083			
Athletics	366,917	280,813			
Interest on long-term obligations	1,320,460	1,001,828	1,194,295	1,373,015	1,106,616
Refunds					
Total governmental activities expenses	$ 97,293,113	$ 94,517,940	$ 98,559,002	$ 97,966,914	$ 96,043,379
Program Revenues					
Governmental Activities:					
Charges for services:					
General government	$ 721,172	$ 841,094	$ 740,797	$ 910,475	$ 1,061,757
Food Services	836,626	872,545	940,227	906,651	884,881
Operating grants and contributions	18,451,821	16,238,340	12,483,985	12,844,998	13,334,879
Capital grants and contributions	414,564	226,196	16,536	242,271	1,255,020
Total governmental activities program revenues	$ 20,424,183	$ 18,178,175	$ 14,181,545	$ 14,904,395	$ 16,536,537
Net (expense)/revenue					
Governmental activities	$ 76,868,930	$ 76,339,765	$ 84,377,457	$ 83,062,519	$ 79,506,842

Note [1]: 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.

(cont'd; 1 of 2)

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)

	2015	2016	2017	2018	2019
Expenses					
Governmental Activities:					
Instruction	$ 63,425,766	$ 44,969,217	$ 67,974,302	$ 85,009,241	$ 87,053,866
Support services:					
Students	12,557,987	11,530,356	12,021,053	12,067,974	14,139,258
Instruction - support	1,916,013	1,753,666	1,083,434	1,101,248	1,845,725
General Administrative	1,460,323	1,454,979	1,736,695	1,746,195	2,115,811
School Administrative	5,326,590	5,699,925	5,290,922	5,889,246	6,414,784
Central Services	1,484,713	1,287,846	1,198,927	1,194,223	1,243,222
Operations & Maintenance of Plant	15,893,619	24,372,188	15,185,927	18,364,623	19,383,839
Student Transportation	4,317,667	3,418,076	2,732,618	2,996,842	3,207,815
Other support services	93,603	25,774	7,678	4,456	-
Non-instructional services:					-
Food services	4,402,077	4,802,086	4,862,251	4,922,690	4,914,113
Community services	8,332	56,904	11,345	8,922	13,602
Bond Interest Payable					
Facilities, supplies and materials					
Depreciation - unallocated					
Operation of non-instructional services					
Athletics					
Interest on long-term obligations	1,534,093	2,162,706	2,235,099	2,207,630	2,251,692
Refunds			211,546	-	-
Total governmental activities expenses	$ 112,420,783	$ 101,533,723	$ 114,551,797	$ 135,513,290	$ 142,583,727
Program Revenues					
Governmental Activities:					
Charges for services:					
General government	$ 829,598	$ 1,045,498	$ 812,746	$ 822,994	$ 1,853,297
Food Services	811,223	921,586	815,159	522,852	819,162
Operating grants and contributions	19,138,864	17,181,976	16,352,428	17,066,457	18,258,821
Capital grants and contributions	11,982,223	15,336,594	19,082,712	6,966,441	1,297,914
Total governmental activities program revenues	$ 32,761,908	$ 34,485,654	$ 37,063,045	$ 25,378,744	$ 22,229,194
Net (expense)/revenue					
Governmental activities	$ 79,658,875	$ 67,048,069	$ 77,488,752	$ 110,134,546	$ 120,354,533

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)

	2010	2011	2012	2013	2014
Net (expense)/revenue					
Governmental activities	$ 76,868,930	$ 76,339,765	$ 84,377,457	$ 83,062,519	$ 79,506,842
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes, general purpose	$ 590,775	$ 583,549	$ 571,308	$ 579,898	$ 590,888
Property taxes, debt service	10,554,810	9,983,458	11,156,818	10,762,854	11,034,174
Property taxes, capital projects	2,787,701	3,136,308	2,510,503	2,892,633	2,942,681
Oil & Gas					
Unrestricted grants and contributions	64,409,185	67,228,446	68,459,802	70,013,110	73,575,299
Miscellaneous Income	330,227	116,388	25,249	23,467	17,879
Gain/(Loss) on sale of capital assets	492,941	-			
Total government activities	$ 79,165,639	$ 81,048,149	$ 82,723,680	$ 84,271,962	$ 88,160,921
Change in Net Position					
Governmental activities	$ 2,296,709	$ 4,708,384	$ (1,653,777)	$ 1,209,443	$ 8,654,079

	2015	2016	2017	2018	2019
Net (expense)/revenue					
Governmental activities	$ 79,658,875	$ 67,048,069	$ 77,488,752	$ 110,134,546	$ 120,354,533
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes, general purpose	$ 528,737	$ 540,502	$ 551,471	$ 558,562	$ 571,340
Property taxes, debt service	9,794,142	9,950,029	2,814,485	10,794,816	10,803,256
Property taxes, capital projects	3,524,200	3,173,781	10,607,097	2,858,482	2,934,916
Oil & Gas	1,439,430	613,830	594,547	510,604	536,257
Unrestricted grants and contributions	75,837,173	75,897,873	72,116,655	75,622,445	79,112,920
Miscellaneous Income	256,983	85,434	305,034	251,914	200,182
Gain/(Loss) on sale of capital assets	(240,758)	-	-	-	-
Total government activities	$ 91,139,907	$ 90,261,449	$ 86,989,289	$ 90,596,823	$ 94,158,871
Change in Net Position					
Governmental activities	$ 11,481,032	$ 23,213,380	$ 9,500,537	$ (19,537,723)	$ (26,195,662)

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	2010	2011	2012	2013	2014
General Fund					
Unassigned	$ 5,318,316	$ 9,384,014	$ 10,714,472	$ 12,179,526	$ 9,665,269
Inventories					
Total general fund	5,318,316	9,384,014	10,714,472	12,179,526	9,665,269
All other governmental funds					
Unassigned	$ -	$ -	$ -	$ -	$ -
Inventories	-	-	-	-	-
Restricted:					
Special revenue funds	924,709	1,094,888	1,225,957	1,453,776	1,787,908
Capital projects funds	11,157,362	20,427,036	25,286,190	10,016,368	28,055,811
Debt service funds	10,652,904	10,779,975	10,911,578	12,248,617	14,208,070
Total all other governmental funds	22,734,975	32,301,899	37,423,725	23,718,761	44,051,789
Total fund balance	$ 28,053,291	$ 41,685,913	$ 48,138,197	$ 35,898,287	$ 53,717,058

	2015	2016	2017	2018	2019
General Fund					
Unassigned	$ 8,135,166	$ 6,671,858	$ 4,743,157	$ 6,915,798	$ 7,962,176
Inventories	138,041	134,821	120,499	104,400	174,568
Total general fund	8,273,207	6,806,679	4,863,656	7,020,198	8,136,744
All other governmental funds					
Unassigned	$ -	$ -	$ (5,586)	$ -	$ -
Inventories	-	-	81,619	122,358	76,754
Restricted:					
Special revenue funds	1,803,991	1,622,470	1,426,681	1,786,378	2,846,647
Capital projects funds	8,720,466	32,703,331	11,406,417	110,040,526	9,873,768
Debt service funds	14,118,620	16,765,891	13,627,652	13,478,972	13,136,488
Total all other governmental funds	24,643,077	51,091,692	26,536,783	125,428,234	25,933,657
Total fund balance	$ 32,916,284	$ 57,898,371	$ 31,400,439	$ 132,448,432	$ 34,070,401

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)

	2010	2011	2012	2013	2014
Revenues					
Federal Sources:					
Federal grants	$ 18,117,216	$ 15,572,955	$ 11,724,519	$ 11,305,163	$ 11,505,683
Total federal sources	18,117,216	15,572,955	11,724,519	11,305,163	11,505,683
State Sources:					
State equalization quarantee	60,836,533	64,288,193	65,310,556	66,548,033	69,945,424
Transportation	3,158,507	2,520,300	2,698,211	2,769,972	2,877,620
State instructional materials	414,145	419,953	451,035	695,105	752,255
State grants	749,169	891,581	542,632	1,539,869	2,440,227
Total state sources	65,158,354	68,120,027	69,002,434	71,552,979	76,015,526
Local Sources:					
District school tax levy	13,357,629	13,474,931	13,782,009	13,986,761	14,400,614
Fees and activities	1,557,798	1,713,639	1,679,873	1,817,126	1,946,638
Earnings from investments	330,227	116,388	24,150	23,467	17,879
Other revenue	-	-	235,620	242,237	643,989
Total local sources	15,245,654	15,304,958	15,721,652	16,069,591	17,009,120
Total revenues	$ 98,521,224	$ 98,997,940	$ 96,448,605	$ 98,927,733	$ 104,530,329
Expenditures					
Instruction	$ 50,753,301	$ 48,611,814	$ 48,645,538	$ 50,500,144	$ 56,171,307
Support services:	18,854,030	18,292,277			
Students			10,484,641	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	2,683,042	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	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	10,385,256	9,855,378	-	-	-
Athletics	279,746	263,334	-	-	-
Capital outlay	9,858,461	10,312,236	19,420,335	17,539,355	14,939,280
Debt service:					
Principal	10,861,286	14,305,648	9,044,230	8,598,102	7,985,000
Interest	1,362,600	1,100,745	1,218,681	1,345,245	1,224,129
Capital lease issuance costs	-		106,313	-	33,265
Total expenditures	$ 108,137,112	$ 108,910,992	$ 111,655,543	$ 111,167,643	$ 117,197,671
Revenues over (under) expenditures	$ (9,615,888)	$ (9,913,052)	$ (15,206,938)	$ (12,239,910)	$ (12,667,342)
Other Financing Sources (Uses)					
Sale of capital assets	$ 492,941	$ -	$ -	$ -	$ -
Bonds issued	-	22,710,000	14,000,000	-	33,530,000
Premium on bonds issued	-	835,674	909,222	-	486,113
Capital lease	-	-	6,750,000	-	-
Payments to refunded debt escrow	-	-	-	-	(3,530,000)
Total other financing sources (uses)	$ 492,941	$ 23,545,674	$ 21,659,222	$ -	$ 30,486,113
Net Change in Fund Balances	$ (9,122,947)	$ 13,632,622	$ 6,452,284	$ (12,239,910)	$ 17,818,771
Debt Service as a Percentage of Noncapital Expenditures	11.7%	14.6%	9.9%	9.7%	9.2%

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

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

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

(cont'd; 1 of 2)

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)

	2015	2016	2017	2018	2019
Revenues					
Federal Sources:					
Federal grants	$ 12,899,475	$ 12,016,822	$ 11,484,316	$ 11,917,824	$ 12,922,565
Total federal sources	12,899,475	12,016,822	11,484,316	11,917,824	12,922,565
State Sources:					
State equalization guarantee	74,607,143	75,496,685	72,051,469	75,622,445	79,112,920
Transportation	3,178,562	2,830,628	2,532,756	2,856,023	3,262,948
State instructional materials	778,480	778,264	768,191	345,047	370,113
State grants	14,435,313	16,861,994	20,527,767	8,750,972	2,732,048
Total state sources	92,999,498	95,967,571	95,880,183	87,574,487	85,478,029
Local Sources:					
District school tax levy	14,771,824	14,189,088	14,497,486	14,693,025	15,008,679
Fees and activities	1,640,821	1,967,084	1,627,905	1,345,846	2,672,459
Earnings from investments	8,257	30,862	121,838	59,985	157,624
Other revenue	1,308,013	486,622	370,492	354,961	311,619
Total local sources	17,728,915	16,673,656	16,617,721	16,453,817	18,150,381
Total revenues	$ 123,627,888	$ 124,658,049	$ 123,982,220	$ 115,946,128	$ 116,550,975
Expenditures					
Instruction	$ 59,071,009	$ 58,657,865	$ 56,969,232	$ 54,463,988	$ 57,006,184
Support services:					
Students	11,995,208	11,519,452	11,415,346	11,598,818	13,522,150
Instruction - support	1,884,372	1,729,713	1,130,118	1,054,104	1,640,248
General Administrative	1,394,879	1,428,319	1,649,188	1,678,310	2,023,466
School Administrative	5,087,882	5,687,386	5,024,327	5,660,295	6,134,811
Central Services	1,418,176	1,281,644	1,138,516	1,147,796	1,188,962
Operations & Maintenance of Plant	15,181,355	18,079,740	14,420,751	16,984,637	18,397,889
Student Transportation	4,124,173	2,924,893	2,594,929	2,880,336	3,067,810
Other support services	89,408	25,774	7,291	4,283	1,443
Non-instructional services:					
Food services	4,204,800	4,656,749	4,617,256	4,731,315	4,699,637
Community services	7,959	8,402	10,773	8,575	13,008
Operation of non-instructional services					
Athletics					
Capital outlay	29,135,384	27,254,511	37,369,387	18,513,249	7,580,380
Debt service:					
Principal	9,400,000	8,375,000	11,200,000	10,830,000	8,925,000
Interest	1,434,057	2,105,108	2,721,492	2,509,851	2,589,519
Capital lease issuance costs	-	388,470	-	302,578	138,500
Total expenditures	$ 144,428,662	$ 144,123,026	$ 150,268,606	$ 132,368,135	$ 126,929,007
Revenues over (under) expenditures	$ (20,800,774)	$ (19,464,977)	$ (26,286,386)	$ (16,422,007)	$ (10,378,032)
Other Financing Sources (Uses)					
Sale of capital assets	$ -	$ -	$ -	$ -	$ -
Bonds issued	-	41,700,000	-	18,470,000	11,000,000
Premium on bonds issued	-	2,747,064	-	-	-
Capital lease	-	-	-	-	-
Payments to refunded debt escrow	-		(211,546)	-	-
Total other financing sources (uses)	$ -	$ 44,447,064	$ (211,546)	$ 18,470,000	$ 11,000,000
Net Change in Fund Balances	$ (20,800,774)	$ 24,982,087	$ (26,497,932)	$ 2,047,993	$ 621,968
Debt Service as a Percentage of Noncapital Expenditures	9.4%	9.0%	12.3%	11.7%	9.7%

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STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year	Local Assessed	Central Assessed	Oil & Gas Assessed	Total Assessed Value	Exemptions	Total Taxable Assessed Value[1]	Estimated Actual Taxable Value	Total Direct Tax Rate
2019	$ 1,682,524,039	$ 75,861,603	$ 28,403,859	$ 1,786,789,501	$ 294,022,486	$ 1,492,767,015	$ 4,478,748,920	9.946
2018	1,682,524,039	77,992,122	61,512,537	1,822,028,698	294,022,486	1,528,006,212	4,584,477,084	9.946
2017	1,660,751,578	71,832,801	49,660,581	1,782,244,960	293,098,717	1,489,146,243	4,467,885,518	9.947
2016	1,628,353,760	78,630,781	61,125,886	1,768,110,427	283,132,549	1,484,977,878	4,455,379,172	9.921
2015	1,600,883,002	74,064,669	125,310,176	1,800,257,847	283,214,249	1,517,043,598	4,551,585,953	9.939
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	9.931
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
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
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
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

[1] 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 MILLAGE RATES
LAST TEN FISCAL YEARS

		Farmington Municipal Schools Millage Rates					Overlapping Millage Rates				
Fiscal Year		Operational	Debt Service	Capital Improvement	Ed Tech Debt Service	Total Direct Rate	State Debt Service	San Juan County	City of Farmington	San Juan College	Total Direct & Overlapping
2019	City of Farmington Residential	0.327	5.390	2.000	2.056	9.773	1.360	6.700	1.425	3.992	23.250
	City of Farmington Commercial/Oil & Gas	0.500	5.390	2.000	2.056	9.946	1.360	8.500	2.225	5.100	27.131
	San Juan County Residential	0.327	5.390	2.000	2.056	9.773	1.360	6.700	0.000	3.992	21.825
	San Juan County Commercial/Oil & Gas	0.500	5.390	2.000	2.056	9.946	1.360	8.500	0.000	5.100	24.906
2018	City of Farmington Residential	0.327	5.390	2.000	2.056	9.773	1.360	6.700	1.425	3.992	23.250
	City of Farmington Commercial/Oil & Gas	0.500	5.390	2.000	2.056	9.946	1.360	8.500	2.225	5.100	27.131
	San Juan County Residential	0.327	5.390	2.000	2.056	9.773	1.360	6.700	0.000	3.992	21.825
	San Juan County Commercial/Oil & Gas	0.500	5.390	2.000	2.056	9.946	1.360	8.500	0.000	5.100	24.906
2017	City of Farmington Residential	0.320	5.258	1.956	2.189	9.723	1.360	6.545	1.394	3.914	22.936
	City of Farmington Commercial/Oil & Gas	0.500	5.258	2.000	2.189	9.947	1.360	8.500	2.225	5.100	27.132
	San Juan County Residential	0.320	5.258	1.956	2.189	9.723	1.360	6.545	0.000	3.914	21.542
	San Juan County Commercial/Oil & Gas	0.500	5.258	2.000	2.189	9.947	1.360	8.500	0.000	5.100	24.907
2016	City of Farmington Residential	0.319	5.167	1.951	2.254	9.691	1.360	6.529	1.392	3.863	22.835
	City of Farmington Commercial/Oil & Gas	0.500	5.167	2.000	2.254	9.921	1.360	8.500	2.209	5.100	27.090
	San Juan County Residential	0.319	5.167	1.951	2.254	9.691	1.360	6.529	0.000	3.863	21.443
	San Juan County Commercial/Oil & Gas	0.500	5.167	2.000	2.254	9.921	1.360	8.500	0.000	5.100	24.881
2015	City of Farmington Residential	0.323	4.656	1.974	2.783	9.736	1.360	6.231	1.410	3.714	22.451
	City of Farmington Commercial/Oil & Gas	0.500	4.656	2.000	2.783	9.939	1.360	8.500	2.225	5.100	27.124
	San Juan County Residential	0.323	4.656	1.974	2.783	9.736	1.360	6.231	0.000	3.714	21.041
	San Juan County Commercial/Oil & Gas	0.500	4.656	2.000	2.783	9.939	1.360	8.500	0.000	5.100	24.899
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

(cont'd; 1 of 2)

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION MILLAGE RATES
LAST TEN FISCAL YEARS

		Farmington Municipal Schools Millage Rates					Overlapping Millage Rates				
Fiscal Year		Operational	Debt Service	Capital Improvement	Ed Tech Debt Service	Total Direct Rate	State Debt Service	San Juan County	City of Farmington	San Juan College	Total Direct & Overlapping
2013	City of Farmington Residential	0.326	5.760	1.994	1.666	9.746	1.360	6.310	1.426	3.754	22.596
	City of Farmington Commercial/Oil & Gas	0.500	5.760	2.000	1.666	9.926	1.360	8.500	2.225	5.100	27.111
	San Juan County Residential	0.326	5.760	1.994	1.666	9.746	1.360	6.310	0.000	3.754	21.170
	San Juan County Commercial/Oil & Gas	0.500	5.760	2.000	1.666	9.926	1.360	8.500	0.000	5.100	24.886
2012	City of Farmington Residential	0.327	5.199	2.000	2.225	9.751	1.360	6.326	1.431	3.582	22.450
	City of Farmington Commercial/Oil & Gas	0.500	5.199	2.000	2.225	9.924	1.360	8.500	2.225	4.920	26.929
	San Juan County Residential	0.327	5.199	2.000	2.225	9.751	1.360	6.326	0.000	3.582	21.019
	San Juan County Commercial/Oil & Gas	0.500	5.199	2.000	2.225	9.924	1.360	8.500	0.000	4.920	24.704
2011	City of Farmington Residential	0.324	4.976	1.873	2.447	9.620	1.362	6.267	1.419	3.733	22.401
	City of Farmington Commercial	0.500	4.976	2.000	2.447	9.923	1.362	8.500	2.128	5.100	27.013
	City of Farmington Oil & Gas	0.500	4.976	2.000	2.447	9.923	1.362	8.500	2.225	5.100	27.110
	San Juan County Residential	0.324	4.976	1.873	2.447	9.620	1.362	6.267	0.000	3.733	20.982
	San Juan County Commercial/Oil & Gas	0.500	4.976	2.000	2.447	9.923	1.362	8.500	0.000	5.100	24.885
2010	City of Farmington Residential	0.332	5.065	1.920	2.356	9.673	1.530	6.425	1.457	3.812	22.897
	City of Farmington Commercial	0.500	5.065	2.000	2.356	9.921	1.530	8.500	1.950	5.100	27.001
	City of Farmington Oil & Gas	0.500	5.065	2.000	2.356	9.921	1.530	8.500	2.225	5.100	27.276
	San Juan County Residential	0.332	5.065	1.920	2.356	9.673	1.530	6.425	0.000	3.812	21.440
	San Juan County Commercial/Oil & Gas	0.500	5.065	2.000	2.356	9.921	1.530	8.500	0.000	5.100	25.051

Source: County Tax Collector

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION DEBT

	2019 Assessed Valuation	G/O Debt Outstanding	Percent Applicable	Amount
Overlapping Debt				
State of New Mexico	$ 61,126,458,199	$ 411,525,000	2.49%	$ 10,266,687
San Juan County	3,680,556,471	-	41.43%	-
San Juan College	3,680,556,471	14,345,000	41.43%	5,943,611
City of Farmington	1,190,562,006	-	100.00%	-
Total Overlapping Debt				16,210,298
Direct Debt				
Farmington Schools	1,524,977,124	89,415,000	100.00%	89,415,000
Total Direct and Overlapping Debt				$ 105,625,298.20

Percent Applicable is calculated based on Assessed Valuation (i.e. Farmington Municipal Schools AV / State of NM AV = 2.51%

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND TEN YEARS AGO

		2019			2010		
Taxpayer	Type of Business	Assessed Valuation	Rank	Percentage of Assessed Valuation	Assessed Valuation	Rank	Percentage of Assessed Valuation
San Regional Medical Center	Healthcare	$ 10,130,806	1	0.70%			
Animas Valley Mall LLC	Retail	9,999,194	2	0.70%			
Compressco Leasing	Pipeline	9,938,063	3	0.70%			
Transwestern Pipeline	Pipeline	9,458,823	4	0.60%			
HILCORP San Juan LP	Pipeline	9,130,444	5	0.60%			
XTO Energy Inc.	Oil Field Services	8,736,462	6	0.60%			
Gas Company of New Mexico	Utility	7,621,809	7	0.50%	$ 280,983,192	2	1.81%
Enterprise Field Services LLC	Oil Field Services	7,059,460	8	0.50%	205,986,196	6	1.33%
Archrock Partners/Services	Pipeline	6,120,093	9	0.40%			
Animas Valley Leasing LLC	Real Estate	5,959,098	10	0.40%			
Transwestern Pipeline	Pipeline				122,034,376	9	0.79%
San Juan Coal Company	Coal				285,161,168	1	1.84%
BHP Navajo Coal Co	Coal				279,930,478	3	1.80%
Arizona Public Service Co	Utility				247,084,327	4	1.59%
Williams Four Corners LLC	Oil Field Services				226,297,252	5	1.46%
Tucson Electric Power Co	Utility				157,816,947	7	1.02%
Southern California Edison Co	Utility				140,844,244	8	0.91%
El Paso Field Service	Oil Field Services				119,044,574	10	0.77%
Total		$ 84,154,252		5.70%	$ 1,946,138,180		13.30%
District's Assessed Valuation		$ 1,528,006,212		100.00%	$ 1,439,118,979		100.00%

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

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOLS DISTRICT NO. 5

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collection in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2019	$ 14,432,659	$ 13,976,218	96.84%	$ -	$ 13,841,232	95.90%
2018	14,210,750	13,658,912	96.12%	243,130	13,902,042	97.83%
2017	13,934,874	13,382,726	96.04%	325,333	13,708,059	98.37%
2016	13,695,728	13,118,514	95.79%	357,750	13,476,264	98.40%
2015	13,395,584	12,901,875	96.31%	416,509	13,318,384	99.42%
2014	13,112,805	12,608,715	96.16%	474,904	13,083,619	99.78%
2013	12,817,489	12,264,550	95.69%	543,871	12,808,421	99.93%
2012	12,367,075	11,802,343	95.43%	562,259	12,364,602	99.98%
2011	12,128,833	11,498,161	94.80%	626,495	12,124,656	99.97%
2010	11,883,483	11,209,714	94.33%	671,949	11,881,663	99.98%

Source: San Juan County Treasurer.

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOLS DISTRICT NO. 5

OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

	Governmental Activities			
	General Obligation Bonds	Total Primary Government	Percentage of Personal Income[1]	Per Capita[2]
2019	$ 92,383,320	$ 92,383,320	N/A	$ 1,856
2018	90,609,181	90,609,181	N/A	1,766
2017	83,373,177	83,373,177	N/A	1,588
2016	94,880,483	94,880,483	N/A	1,789
2015	58,885,194	58,885,194	5.566%	1,099
2014	68,835,981	68,835,981	5.878%	1,230
2013	46,575,397	46,575,397	3.549%	815
2012	55,394,028	55,394,028	3.660%	954
2011	42,949,855	42,949,855	2.499%	745
2010	33,838,121	33,838,121	1.927%	583

Notes:

1.) NA = Not Available

2.) New Mexico state statute authorizes school districts to issue debt and impose a property tax for the purpose of financing technology leases.

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

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOLS DISTRICT NO. 5

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service fund	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2019	$ 92,383,320	$ 12,884,607	$ 79,498,713	-10.18%	$ 1,715
2018	90,609,181	13,270,624	77,338,557	5.19%	1,508
2017	83,373,177	13,377,216	69,995,961	-8.96%	1,624
2016	94,880,483	16,516,851	78,363,632	-10.03%	1,740
2015	58,885,194	13,858,533	45,026,661	4.34%	961
2014	68,835,981	13,861,821	54,974,160	4.94%	1,145
2013	46,575,397	11,949,971	34,625,426	2.84%	703
2012	55,394,028	10,768,985	44,625,043	3.28%	834
2011	42,949,855	10,472,588	32,477,267	2.23%	565
2010	33,838,121	10,334,379	23,503,742	1.71%	398

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN YEARS

	2010	2011	2012	2013	2014
Debt Limit	$ 82,446,479	$ 84,749,696	$ 87,238,742	$ 85,645,705	$ 88,302,824
Total net debt applicable to limit	33,467,980	41,872,331	53,578,102	44,980,000	66,975,000
Legal debt margin	$ 48,978,499	$ 42,877,365	$ 33,660,640	$ 40,665,705	$ 21,327,824
Total net debt applicable to the limit as a percentage of debt limit	41%	49%	61%	53%	76%

	2015	2016	2017	2018	2019
Debt Limit	$ 90,429,785	$ 91,022,616	$ 89,348,775	$ 89,666,646	$ 91,498,627
Total net debt applicable to limit	57,575,000	90,900,000	79,700,000	87,340,000	89,415,000
Legal debt margin	$ 32,854,785	$ 122,616	$ 9,648,775	$ 2,326,646	$ 2,083,627
Total net debt applicable to the limit as a percentage of debt limit	64%	100%	89%	97%	98%

Legal Debt Limit Calculation for Fiscal Year 2018

Assessed Value	$ 1,524,977,124
Debt limit (6% of total assessed value)	$ 91,498,627
Debt applicable to limit: General Obligation Bonds	89,415,000
Legal debt margin	$ 2,083,627

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

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

Calendar Year	Population	Personal Income	Per Capita Income [1]	Unemployment Rate [2]
2019	49,788	N/A	N/A	6.90%
2018	51,300	N/A	N/A	7.40%
2017	52,506	N/A	N/A	8.00%
2016	53,037	1,379,008,802	26,001	9.10%
2015	53,572	2,066,451,466	38,573	7.70%
2014	55,980	2,026,293,878	36,197	7.40%
2013	57,180	1,928,809,136	33,732	7.60%
2012	58,051	1,958,762,376	33,742	7.70%
2011	57,623	1,893,557,815	32,861	8.60%
2010	58,076	1,756,276,316	30,241	9.80%

Notes: NA=Not available - 2017 to be released in December 2018

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

[2] United States Bureau of Labor Statistics

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO

	2019			2010		
Employer	**Employees**	**Rank**	**Percentage of Total Employment**	**Employees**	**Rank**	**Percentage of Total Employment**
San Juan Medical Center	1,930	1	3.87%	1,450	2	2.48%
Farmington Municipal School District No.5	1,257	2	2.52%	1,488	1	2.54%
Central Consolidated Schools	1,200	3	2.40%	1,205	3	2.06%
City of Farmington	1,100	4	2.20%	1,093	4	1.87%
San Juan College	900	5	1.80%	1,000	6	1.71%
San Juan County	770	6	1.54%			
Basin Home Health/Basin Coord.	756	7	1.52%			
Wal-Mart	655	8	1.31%	896	7	1.53%
Bloomfield Schools	453	9	0.91%			
Raytheon	450	10	0.90%			
BHP Billiton				1,010	5	1.73%
Arizona Public Service Company				590	9	1.01%
Conoco Phillips				812	8	1.39%
Bloomfield Schools				500	10	0.85%
	9,471		18.97%	10,044		17.17%

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

FULL-TIME-EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

	Full-time Equivalent Employees as of June 30									
	2019	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**
Instruction:										
Teachers	628	623	663	708	710	696	659	651	644	685
Instructional Aides	170	157	179	183	185	178	211	175	184	112
Support services:										
Students	187	169	163	165	123	157	155	155	160	154
Instruction - support	17.3	18	19	21	23	21	26	23	23	21
General Administrative	16	10	9	9	9	7	11	14	12	13
School Administrative	61	59	50	54	65	50	42	47	47	50
Central Services	13	13	14	14	17	14	11	9	9	11
Operations & Maintenance of Plant	105	104	92	90	97	92	105	90	97	100
Student Transportation	57	63	61	59	58	60	63	64	64	87
Food Services Operations	3	3	3	4	4	4	4	3	4	4
Total	1,257	1,219	1,253	1,307	1,291	1,279	1,287	1,231	1,244	1,237

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.

Source: Actuals Expenditure Rollup Report

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
2019	10,964	79,299,830	7,233	6.69%	113,080,356	10,314	0.30%	628	17.46	44.40%
2018	10,958	74,291,727	6,780	-1.34%	112,685,658	10,283	-4.68%	623	17.59	68.65%
2017	10,919	75,030,807	6,872	-3.90%	117,795,535	10,788	-1.03%	663	16.47	62.04%
2016	10,928	78,137,653	7,150	1.73%	119,123,975	10,901	-2.30%	708	15.44	57.43%
2015	11,069	77,800,382	7,029	5.36%	123,498,205	11,157	17.15%	710	15.59	55.20%
2014	10,923	72,871,616	6,671	6.29%	104,025,142	9,523	0.27%	696	15.69	56.08%
2013	10,686	67,074,652	6,277	2.49%	101,490,733	9,498	-0.46%	659	16.22	55.22%
2012	10,648	65,213,440	6,124	6.35%	101,592,359	9,541	9.86%	651	16.36	55.90%
2011	10,572	60,880,957	5,759	-1.37%	91,811,663	8,684	-4.91%	644	16.42	52.58%
2010	10,517	61,407,778	5,839	-9.67%	96,050,751	9,133	-5.39%	685	15.35	49.21%

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

School	2015	2016	2017	2018	2019
Elementary					
Animas (1963)					
Square Feet	56,678	56,678	56,678	56,678	56,678
Capacity	528	528	528	528	528
Enrollment	451	426	445	471	453.5
Apache (1956)					
Square Feet	59,712	59,712	59,712	59,712	59,712
Capacity	594	594	594	594	594
Enrollment	520	494	472	459	467.5
Bluffview (1961)					
Square Feet	61,197	61,197	61,197	61,197	61,197
Capacity	578	578	578	578	578
Enrollment	460	427	409	410	406
Country Club (1959)					
Square Feet	59,164	59,164	59,164	59,164	59,164
Capacity	578	578	578	578	578
Enrollment	555	576	555	570	597
Esperanza (1995)					
Square Feet	79,284	79,284	79,284	79,284	79,284
Capacity	660	660	660	660	660
Enrollment	612	612	593	566	519
Ladera (1963)					
Square Feet	59,159	59,159	59,159	59,159	59,159
Capacity	561	561	561	561	561
Enrollment	602	604	595	572	554
McCormick (1954)					
Square Feet	57,474	57,474	57,474	66,267	66,267
Capacity	578	578	578	578	578
Enrollment	497	496	444	429	442
McKinley (1954)					
Square Feet	73,192	73,192	73,192	73,192	73,192
Capacity	644	644	644	644	644
Enrollment	604	583	587	572	577
Mesa Verde (1963)					
Square Feet	54,131	54,131	54,131	54,131	54,131
Capacity	578	578	578	578	578
Enrollment	582	524	502	470	445
Northeast (1963)					
Square Feet	55,923	76,928	76,928	76,928	76,928
Capacity	578	578	580	580	580
Enrollment	564	533	626	631	599.5

Source: School District's Master Facility Survey

(cont'd; 1 of 2)

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

SCHOOL BUILDING INFORMATION
LAST FIVE YEARS

School	2015	2016	2017	2018	2019
Middle School					
Heights (1971)					
Square Feet	88,229	88,229	88,229	88,229	88,229
Capacity	1100	1100	1100	1100	1100
Enrollment	700	706	692	704	701
Hermosa (1960)					
Square Feet	85,849	94,466	94,466	94,466	94,466
Capacity	1025	1025	1025	1025	1025
Enrollment	571	583	603	644	635.5
Mesa View (1994)					
Square Feet	100,987	100,987	100,987	100,987	100,987
Capacity	1080	1080	1080	1080	1080
Enrollment	620	587	544	503	517
Tibbetts (2014)					
Square Feet	113,217	113,217	113,217	113,217	113,217
Capacity	1160	1160	1160	1160	1160
Enrollment	575	587	621	656	666.5
High School					
Farmington (1955)					
Square Feet	262,628	262,628	180,598	317,044	317,044
Capacity	2334	2334	2334	2334	2334
Enrollment	1404	1392	1322	1325	1373
Piedra Vista (1998)					
Square Feet	247,138	247,138	247,138	253,238	253,238
Capacity	1821	1821	1821	1821	1821
Enrollment	1379	1412	1430	1401	1433.5
Rocinante (1996)					
Square Feet	24,187	24,187	24,187	24,187	24,187
Capacity	333	333	333	333	333
Enrollment	178	184	207	228	227.5
San Juan College HS (2016)					
Square Feet			8,322	8,322	8,322
Capacity			88	88	88
Enrollment			74	148	231
Preschool					
FS Preschool (1991)					
Square Feet	13,505	13,505	13,505	13,505	13,505
Capacity	92	92	92	92	92
Enrollment	147	164	173	168	168
Cate Center (1949)					
Square Feet	52,191	52,191	52,191	52,191	52,191
Capacity	719	719	719	719	719
Enrollment	200	200	200	200	200

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COMPLIANCE SECTION

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

§

Report on Compliance for Each Major Federal Program and
Report on Internal Control Over Compliance
Required By Uniform Guidance

§

Schedule of Findings and Questioned Costs:
Summary of Auditor's Results
Financial Statement Findings
Federal Award Findings

§

Summary Schedule of Prior Year Audit Findings

§

Schedule of Expenditures of Federal Awards
Notes to the Schedule of Expenditures of Federal Awards

§

Required Disclosure

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

INDEPENDENT AUDITORS' REPORT

Brian S. Colón, Esq., State Auditor and
The Board of Education and Audit Committee of
Farmington Municipal School District No. 5

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, discretely presented component unit, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds, of the Farmington Municipal School District No. 5 as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Farmington Municipal School District No. 5's basic financial statements, and the combining and individual funds and related budgetary comparisons of Farmington Municipal School District No. 5, presented as supplemental information, and have issued our report thereon dated November 6, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit, of the financial statements, we considered Farmington Municipal School District No. 5's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Farmington Municipal School District No. 5's internal control. Accordingly, we do not express an opinion on the effectiveness of Farmington Municipal School District No. 5's internal control.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses to be material weaknesses. Finding 2019-001 and 2019-002.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies. Finding 2019-003 and 2019-004.

Compliance and other matters

As part of obtaining reasonable assurance about whether Farmington Municipal School District No. 5'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. We also noted certain other matters that are required to be reported pursuant to *Government Auditing Standards* and pursuant to Section 12-6-5, NMSA 1978, which are described in the accompanying schedule of findings and questioned costs as finding 2019-005 through 2019-008.

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Brian S. Colón, Esq., State Auditor and
The Board of Education and Audit Committee of
Farmington Municipal School District No. 5

Farmington Municipal School District No. 5's Response to Findings

Farmington Municipal School District No. 5 responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Farmington Municipal School District No. 5's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Farmington Municipal School District No. 5'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Accounting & Financial Solutions, LLC
Farmington, New Mexico
November 6, 2019

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

INDEPENDENT AUDITOR'S REPORT

Brian S. Colón, Esq., State Auditor and
The Board of Education and Audit Committee of
Farmington Municipal School District No. 5

Report on Compliance for Each Major Federal Program

We have audited Farmington Municipal School District No. 5's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Farmington Municipal School District No. 5's major federal programs for the year ended June 30, 2019. Farmington Municipal School District No. 5'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 Farmington Municipal School District No. 5's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Farmington Municipal School District No. 5'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 Farmington Municipal School District No. 5's compliance.

Opinion on Each Major Federal Program

In our opinion, Farmington Municipal School District No. 5 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, 2019.

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Brian S. Colón, Esq., State Auditor and
The Board of Education and Audit Committee of
Farmington Municipal School District No. 5

Report on Internal Control Over Compliance

Management of Farmington Municipal School District No. 5 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 Farmington Municipal School District No. 5's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Farmington Municipal School District No. 5'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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Accounting & Financial Solutions, LLC
Farmington, New Mexico
November 6, 2019

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

OF

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

AS OF AND FOR THE YEAR ENDED

JUNE 30, 2019

STATE OF NEW MEXICO

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2019

Federal Grantor/Pass - Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed To Subrecipients	Cluster Programs	Federal Expenditures
U.S. Department of Agriculture:					
Pass-Through Program From:					
New Mexico Department of Education:					
Child Nutrition Cluster:					
USDA National School Lunch Program	10.555	21000	$ -	$ 2,748,967	
USDA School Breakfast Program	10.553	21000	-	642,024	
Total Child Nutrition Cluster					3,390,991
Fresh Fruits and Vegetables	10.582	24118	-		77,334
Pass-Through Program From:					
New Mexico Human Service Department:					
USDA Commodities Program	10.565	21000	-		308,347
Total U.S. Department of Agriculture					3,776,672
U.S. Department of Interior					
Pass-Through Programs From:					
Office of the Navajo Nation:					
Johnson O'Malley	15.130	25131	-		244,607
U.S. Department of Education:					
Direct Programs:					
Impact Aid Indian Education	84.041	11000	-		-
Impact Aid Indian Education	84.041	25147	-		1,785
Indian Ed Formula Grant	84.060	25184	-		616,847
Native American Program	84.060	25248	-		360,894
Subtotal Direct Programs					979,526
Pass-Through Programs From:					
New Mexico Department of Education:					
Special Education (IDEA) Cluster:					
Entitlement IDEA-B	84.027	24106	82,666	$ 2,879,024	
Preschool IDEA-B	84.173	24109	-	78,600	
IDEA-B Private Schools	84.027	24115	-	6,224	
IDEA-B Student Success	84.027A	24132	-	19,204	
IDEA-B Stay in School	84.027A	24188	-	215,255	
Total Special Education (IDEA) Cluster					3,198,307
Title I	84.010	24101	-		2,275,147
Education of Homeless	84.196	24113	-		17,925
21st Century Community Learning Centers	84.287C	24119	-		173,402
Title I - 1003g	84.377	24124	-		315,879
Title III English Language	84.365	24153	-		99,844
Title II Teacher Quality	84.367	24154	-		552,363
Carl D Perkins - JAG	84.048	24171	-		52,646
Carl D Perkins	84.048	24174	-		86,908
Carl D Perkins Secondary Redistribution	84.048	24176	-		17,820
Academic Enrichment	84.424A	24189	-		69,778
Title I Comprehensive Support & Improvement	84.010A	24190	-		10,991
Title I - HS Redesign	84.010A	24191	-		64,722
Subtotal Pass-Through Programs					6,935,732
Total U.S. Department of Education					7,915,258
Total Expenditures of Federal Awards			$ 82,666		$ 11,936,537

See the accompanying notes to the Schedule of Expenditures of Federal Awards.

I. SCOPE OF AUDIT PURSUANT TO OMB UNIFORM GRANT GUIDANCE

All federal grant operations of Farmington Municipal Schools (the "District") are included in the scope of the Office of Management and Budget ("OMB") Uniform Grant Guidance audit (the "Single Audit"). The Single Audit was performed in accordance with the provisions of the OMB Circular Compliance Supplement (Revised August 2019 the "Compliance Supplement"). Compliance testing of all requirements are described in the Compliance Supplement, was performed for the grants programs noted below. These programs represent all federal award programs and other grants with fiscal year 2019 cash and non-cash expenditures to ensure coverage of at least 20% (LOW risk auditee) of federally granted funds. Actual coverage is approximately 31% of total cash and non-cash federal award program expenditures. Total cash expenditures were in the amount of $11,628,190 and all non-cash expenditures amounted to $308,347.

MAJOR FEDERAL PROGRAM	CFDA NO.	EXPENDITURE
Cash Assistance:		
Special Education (IDEA) Cluster	84.027(A) & 84.173(A)	$ 3,198,307
Title II Teacher Quality	84.367	552,363
Total		$ 3,750,670

The District did not have any federal programs considered to be a High-Risk Type A program for the year ended June 30, 2019. The U.S. Department of Education is the District's oversight agency for single audit.

Basis of presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of the District under programs of the federal government for the year ended June 30, 2019. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Uniform Grant Guidance. Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position and changes in net position of the District. All federal programs considered active during the year ended June 30, 2019, are reflected on the Schedule. An active federal program is defined as a federal program for which there were receipts or disbursements of funds or accrued (deferred) grant revenue adjustments during the fiscal year or a federal program considered as not completed or closed out at the beginning of the fiscal year. The Schedule is prepared using the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the District has met the qualifications for the respective grant. Grant revenues for the Food Donation Program are based upon commodities received, at amounts per standard price listing, published quarterly by the United States Department of Agriculture (the "USDA"). In addition, there is no federal insurance in effect during the year and loan or loan guarantee outstanding at year end.

Accrued and deferred reimbursements

Various reimbursement procedures are used for Federal awards received by the District. Consequently, timing differences between expenditures and program reimbursements can exist at the beginning and end of the year. Accrued balances at year end represent an excess of reimbursable expenditures over receipts to date. Deferred balance at year-end represent an excess of cash receipts over reimbursable expenditure to date. Generally, accrued or deferred balances covered by differences in the timing of cash receipts and expenditures will be reversed in the remaining grant period.

II. INDIRECT COSTS

The District has not elected to use the 10% de minimis indirect cost.

III. RECONCILIATION OF FEDERAL AWARDS TO EXPENDITURE OF FEDERAL AWARDS

The differences between the federal awards received (Intergovernmental sources – federal) during the year ended June 30, 2019 and the federal awards expended during the year are as follows:

	AMOUNT
Federal Sources	$ 12,922,565
Indirect costs from federal programs	(120,378)
Revenues received as vendor	(891,188)
Unexpended federal sources from current year	(89,494)
Prior year federal sources expended	115,032
Total Expenditures of Federal Awards	$ 11,936,537

I. SUMMARY OF AUDIT RESULTS

	Yes	No	Occurrences
FINANCIAL STATEMENTS:			
Type of auditor's report issued: Unmodified			
Internal control over financial reporting:			
Material weakness(es) identified?	✓		2
Significant deficiency(ies) identified?	✓		2
Noncompliance material to financial statements noted?		✓	-
FEDERAL AWARDS:			
Internal control over major programs:			
Material weakness(es) identified?		✓	-
Significant deficiency(ies) identified?		✓	-
Type of auditor's report issued on compliance with major programs: Unmodified			
Any audit findings disclosed that are required to be reported in accordance with Section 200.516 of the Uniform Guidance?		✓	-

The programs treated as major programs include:

Name of Federal Program or Cluster	CFDA Number
Special Education (IDEA) Cluster	84.027(A) & 84.173(A)
Title II Teacher Quality	84.367

The threshold for distinguishing types A and B programs: $750,000			
Auditee qualified as low-risk auditee?	✓		
NEW MEXICO STATE REQUIREMENTS:			
Internal control over state requirements:			
Other non-compliance?	✓		4
Finding that does not rise to the level of significant deficiency?		✓	-

II. AUDIT FINDINGS - FINANCIAL STATEMENTS

FARMINGTON MUNICIPAL SCHOOLS

2019 – 001 SEGREGATION OF DUTIES
Material Weakness

Condition: During the inquiry or internal controls and review of cash disbursements it was discovered that there was a lack of segregation of duties over the controls of cash disbursements. The person that monitors purchase orders and prints accounts payable checks was also the accounting system administrator. The accounting system administrator has complete access to all of the components of the accounting system including the master files and the ability to override approval of purchase orders. There were indications that the process of purchase order approval had been overridden. The overrides gave authority to pay without the approvals of the comptroller and the Chief Financial Officer. The amounts of the overrides were undetermined.

Criteria: NMAC 6.20.2.11 "INTERNAL CONTROL STRUCTURE STANDARDS":

A. Each school district shall develop, establish and maintain a structure of internal accounting controls and written procedures to provide for segregation of duties, a system of authorization and recording procedures, and sound accounting practices in performance of duties and functions.

B. The duties to be segregated are the authorization to execute a transaction, recording the transaction, and custody of assets involved in the transaction.

(1) School district management must ensure that protection of the public trust is a major focus when granting the authorization to execute business of the school district.
(2) Employees handling significant amounts of cash must be adequately bonded. Access to assets is permitted only in accordance with school district authorization.
(3) Receipts, checks or warrants, purchase orders, and vouchers shall be sequentially pre-numbered.
(4) School districts shall have proper safeguards to protect unused checks and other pre-numbered forms, undeposited cash and other receipts, and facsimile signature plates.
(5) Transactions are to be recorded as necessary to permit preparation of financial statements in conformity with GAAP. In addition, school districts shall establish any other criteria applicable to such statements to maintain accountability for assets.
(6) School districts shall conduct independent checks on performance and proper valuation of recorded amounts, such as clerical checks, reconciliations, comparison of assets with recorded accountability, computer-programmed controls, management review of reports that summarize the detail of account balances, and user review of computer generated reports.

C. An internal control structure is required to demonstrate the school district's ability to record, process, summarize and report financial data consistent with the following financial statement assertions:

(1) rights and ownership;
(2) existence and occurrence;
(3) valuation and allocations;
(4) completeness; and,
(5) presentation and disclosure.

D. The internal control structure shall demonstrate that the school district identifies applicable laws and regulations, and that procedures are designed to provide reasonable assurance that the school district complies with those laws and regulations. Internal control procedures shall be established, implemented and documented through school district correspondence, manuals, training, and other additional methods. Appropriate internal control procedures shall be adopted by the local board within a school district to safeguard its assets, check the accuracy and reliability of its accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies. The internal control structure shall address all school district transactions.

II. AUDIT FINDINGS - FINANCIAL STATEMENTS (cont'd)

2019 – 001 SEGREGATION OF DUTIES (cont'd)
Material Weakness

NMAC 6.20.2.12 "ORGANIZATIONAL STRUCTURE": School districts shall develop, establish and maintain an effective organizational structure that includes the following:

A. Devise a system for the measurement of and accountability for employee performance.

B. Establish a policy in which the delegation of responsibility for employee actions is combined with sufficient authority to perform the assigned activities.

C. Create and maintain budgets and financial reports which facilitate the discharge of assigned responsibilities and monitors activities at each level of the organizational structure.

D. Develop a system of checks and balances which separates incompatible activities to preclude absolute control by any individual or unit and provides for supervision by higher levels of management and for the monitoring of overall school district activities.

Effect of condition: The District is in violation of state statutes and is susceptible to unauthorized purchases and/or misappropriations.

Cause: The duties of recording and authorization have not been adequately segregated in order to safeguard assets. The accounts payable position has been given access to the entire accounting system by being given the role of system administrator.

Recommendation: The District must train a new system administrator for the accounting system or have another person perform the accounts payable position. The system administrator of the accounting system should not serve any other role within the financial/accounting control structure.

Management's response: The Finance department is charged with the financial integrity of district resources to support the success of our students and provide support to other departments in the district to help them achieve their goals. The District utilizes an integrated financial management system with an automated workflow for purchase requests to identify the approver and the time of all approvals. Each approver in the workflow has a backup and a time limit of at least two days to approve a purchase request before it is sent on to the assigned backup. Once approved, the workflow notifies the originator through email and the request is converted into a purchase order.

In order to effectively change the system to safe guard against any future occurrence of this type the following procedure has been updated. Finance Department procedure on internal controls is based on separation of duties. Accordingly, no single person shall have authority to authorize a transaction, execute a transaction, record a transaction, and have custody of any resulting assets. No single person shall have access to the administrative console or be able to access master files within the finance software and also perform any cash disbursements duties within the department including authorizing, executing and/or recording any transaction.

In order to correct internal control procedures, the system administrator has been relieved of her cash disbursement duties to concentrate solely on the accounting system administration and another employee within the finance office has taken over accounts payable duties as of November 1st 2019. The Comptroller will monitor all cash disbursements and review and sign off on all payments made from accounts payable to assure accuracy. A review of the finance software security is scheduled for November 12th 2019 to review current workflow approvers, insure the backup approvers are current and to make adjustments in the system to notify originators if approval has not occurred within a certain amount of time. Reminders on the approval process and timelines for approving workflow items was sent to Directors, Principals and secretaries at all locations on November 7th 2019.

Responsible party(ies) for corrective action(s): Chief Financial Officer, Comptroller

Corrective action(s) timeline: 11/01/2019.

II. AUDIT FINDINGS - FINANCIAL STATEMENTS (cont'd)

2019 – 002 CONTROLS OVER INVENTORIES
Material Weakness

Condition: During our substantive procedures, the inventory for the Transportation Fund was requested to be provided for observance and verification of yearend counts. The inventory was not provided for review until September 25, 2019. We were able to determine the reasonableness of the amounts through additional procedures. The inventory amount at June 30, 2019 was $174,568.

Criteria: According to NMAC 6.20.2.11 "INTERNAL CONTROL STRUCTURE STANDARDS", every school district shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization, and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP. Also, School districts shall conduct independent checks on performance and proper valuation of recorded amounts, such as clerical checks, reconciliations, comparison of assets with recorded accountability, computer-programmed controls, management review of reports that summarize the detail of account balances, and user review of computer generated reports.

Additionally, NMAC 6.20.2.16 "WAREHOUSE/SUPPLY INVENTORY" states that at fiscal year-end, each school district shall take a physical inventory of remaining goods and materials of an expendable nature. School districts shall establish adequate internal accounting control procedures over supplies inventory in accordance with GAAP.

Effect of condition: The District is susceptible reporting errors when the inventory is not prepared and counted within a timely period at yearend. Additionally, the District is not fully complying with state statutes.

Cause: The inventory was not prepared and provided to the central office within a timeframe that allowed for efficient verification and timely reporting.

Recommendation: Policy should be written to ensure that inventories are provided to the Chief Financial Officer or comptroller on a monthly basis. The reports should be provided within a couple days after the end of the month. The reports should include item description, quantity on hand, amount per piece, total amount per item, and a grand total of inventory. Physical counts should be initiated as near year-end, possibly a day or two before yearend, to ensure timely reporting. The auditor should be notified when a count is going to be done so that the count can be observed if determined to be necessary.

Management's response: In June 2019 the District's email was converted to another system effectively taking away the ability to retrieve the Transportation Fund inventory. The IT department was able to retrieve the information on September 25th 2019. To replace the inventory system connected with the obsolete email the district has implemented a cloud-based inventory system that will go live on November 4th 2019. This system will tie each piece of the inventory to the location, amount of inventory, if used which bus it was put on, low quantity alerts, along with many other benefits. This is a separate software system that is cloud based where retrieval of information will be immediate.

Responsible party(ies) for corrective action(s): Chief Financial Officer

Corrective action(s) timeline: 11/04/2019.

II. AUDIT FINDINGS - FINANCIAL STATEMENTS (cont'd)

NEW MEXICO VIRTUAL ACADEMY (Component Unit)

2019 – 003 UNTIMELY PAYMENT OF INVOICES (Original Finding No. 2016-005)
Significant Deficiency

Condition: During the search for unrecorded liabilities we found that there was significant number of invoices that had not been paid within 30 days of the invoice date. The Charter School is incurring late fees, and the utilities had a disconnect notice, due to late payment of invoices.

Invoice Date	Check Number	Check Date	Amount	Number of Days
5/31/2018	2464	8/2/2018	21.21	63
4/30/2018	2481	8/22/2018	200.00	114
8/3/2018	2516	9/10/2018	622.75	38
9/4/2018	2695	1/23/2019	93.50	141

Status from prior year: This was a decrease in occurrence from the prior year which had eleven occurrences. The amount of the disbursements was $157,073.

Criteria: Disbursement payments made in remittance for products and/or services received by the Charter School should be made in a timely manner as part of sound accounting practices. Payment should be made within vendor terms or within thirty days of the invoice date.

Cause: The Charter School does not have effective controls in place to ensure that purchases are paid within a reasonable time.

Effect of condition: Late fees can be added to the cost of purchases made that are not paid for in a timely manner. Payment of such late fees is not an allowable cost under the guidelines established by the federal government.

Recommendation: A system should be implemented to ensure that invoices are processed and paid within a period not to exceed thirty days from the invoice date. The system should allow for payment of invoices at least twice a month.

Management's Response: This school is now closed.

Person/positions responsible for overseeing corrective actions: n/a

Timeline for corrective actions: 6/30/19

II. AUDIT FINDINGS - FINANCIAL STATEMENTS (cont'd)

NEW MEXICO VIRTUAL ACADEMY (Component Unit)

2019 – 004 INTERNAL CONTROLS
Significant Deficiency

Condition: During the testing process we selected twenty disbursements to be tested, and 10 alternate disbursements to replace any voids. We received a total of 17 disbursements to be tested out of a mix of original disbursements and alternative without documentation for why the alternate disbursement was sent to be tested.

The following were the items found:

- One purchase was made prior to the approval of the purchase orders.
- One of the purchase orders was for $57 and the disbursement was for $116, without an explanation of why the overage, or a modification.
- There was lack of back up for a disbursement (missing invoice).
- There was a disbursement for staff shirts without documentation of the purpose of the shirts since this is a virtual academy.
- For two of the disbursements there should have been some form of verification that the items ordered were received

Criteria: In accordance with 6.20.2.11 NMAC 1978: INTERNAL CONTROL STRUCTURE STANDARDS:

A. Every school district shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP, and that state and federal programs are managed in compliance with applicable laws and regulations. The internal control structure shall include written administrative controls (rules, procedures and practices, and policies that affect the organization) and accounting controls (activity cycles, financial statement captions, accounting applications including computer systems) that are in accordance with GAAP.

B. Each school district shall develop, establish and maintain a structure of internal accounting controls and written procedures to provide for segregation of duties, a system of authorization and recording procedures, and sound accounting practices in performance of duties and functions. The duties to be segregated are the authorization to execute a transaction, recording the transaction, and custody of assets involved in the transaction.

(1) School district management must ensure that protection of the public trust is a major focus when granting the authorization to execute business of the school district.

(2) Employees handling significant amounts of cash must be adequately bonded. Access to assets is permitted only in accordance with school district authorization.

(3) Receipts, checks or warrants, purchase orders, and vouchers shall be sequentially pre-numbered.

(4) School districts shall have proper safeguards to protect unused checks and other pre-numbered forms, undeposited cash and other receipts, and facsimile signature plates.

(5) Transactions are to be recorded as necessary to permit preparation of financial statements in conformity with GAAP. In addition, school districts shall establish any other criteria applicable to such statements to maintain accountability for assets.

(6) School districts shall conduct independent checks on performance and proper valuation of recorded amounts, such as clerical checks, reconciliations, comparison of assets with recorded accountability, computer-programmed controls, management review of reports that summarize the detail of account balances, and user review of computer generated reports.

Cause: The Charter School is not maintaining adequate internal controls over disbursements.

Effect of condition: The Charter School is out of compliance with requirements for 1978 NMSA 6-20-2.11.

Recommendation: The Charter School needs to set up a internal control system which allows for the School to accurately provide documentation of the expenditures of the School

Management's Response: This school is now closed.

Person/positions responsible for overseeing corrective actions: n/a

Timeline for corrective actions: 6/30/19

III. AUDIT FINDINGS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

There were not any findings to be reported.

IV. AUDIT FINDINGS – SECTION 12-6-5 NMSA 1978

FARMINGTON MUNICIPAL SCHOOLS

2019 – 005 PURCHASES MADE PRIOR TO APPROVAL (Original No. 2016-003)
(Repeat of prior year finding; updated and revised)
Other Noncompliance

Condition: Of the Thirty disbursements tested, four purchases in the amount of $164,687 were made prior to the approval of purchase orders. Purchase orders are used to control cash and to authorize the purchases in accordance with the authorized budget.

Status from prior year: This was an increase in occurrences from the prior year which had two occurrences in the amount of $1,674.

Criteria: Authorization for a purchase is acquired through the completion of a purchase order, which is signed by a person given authority over purchase control. The purchase order must be approved prior to the purchase or ordering of goods as per PSAB Supplement 13. NMAC 6.20.14(E) states the school district shall verify that there is sufficient cash and budget prior to the disbursement of cash. A revenue ledger is required for each revenue code as approved in the finalized budget, and additional revenue ledgers may be added as necessary.

Cause: Personnel initiated and/or completed purchases prior to obtaining approval for the purchase in accordance with established policies and regulations.

Effect of condition: Any purchases made without prior authorization have the potential to cause cash deficits in the funds from which they are made or violations of the approved budget.

Recommendation: The importance of cash controls and adequate planning need to be made clear to all personnel that will be making purchases for the school.

Management's response: The district has developed a report that searches the database for purchase orders dated after the invoice date. All locations receive the report and are required to explain why the purchase order was issued late and provide their corrective action plan to avoid future occurrences. Training will be provided where necessary to assist employees in correcting the issue.

Person/positions responsible for overseeing corrective actions: Chief Procurement Officer

Timeline for corrective actions: Corrective action and training will begin effective immediately, November 1st 2019.

FARMINGTON MUNICIPAL SCHOOLS

2019 – 006 CONTROLS OVER CASH RECEIPTING
Other Noncompliance

Condition: During the review of the thirty cash receipts selected for testing the following was identified:

Twenty-four of the receipts tested were not deposited into the bank within one banking day from the time of receipt. The deposits totaled $103,036.

There were 15 receipts that could not be identified to the deposit slip. The amount of the effected deposits was $71,911.

Some receipts were not issued to a person. The line intended for the name of the person making the payment or delivering the cash was completed with a club name, purpose of payment, or left blank. The three receipts totaled $362.

There was one receipt in the amount of $3,784 that was not dated to record the day the money was received.

One receipt selected was not available for review.

Criteria: NMAC 6.20.2.14 CASH CONTROL STANDARDS:

A. School districts shall establish and maintain a cash management program to safeguard cash and provide prompt and accurate reporting that adheres to cash management requirements of the office of management and budget (OMB) Circular A-102, and applicable state and federal laws and regulations.
B. The school district shall issue a factory pre-numbered receipt for all money received. Pre-numbered receipts are to be controlled and secured. If a receipt is voided, all copies shall be marked "VOID" and retained in the receipt book.
C. Money received and receipted shall be deposited in the bank within twenty-four (24) hours or one banking day. If the distance to the bank is considerable, or the cash collection is limited to small amounts and/or low volume and it is impractical to meet the twenty-four hour/one banking day requirement, the local board may request approval from the department for an alternative plan. The bank deposit slip shall have the numbers from applicable receipts entered on it or attached as a reference.
D. A cash receipts journal is to be used for each fiscal year beginning July 1 and ending June 30, and is to be presented to the school district's auditor during the annual audit.

Effect of condition: The District is in violation of NMAC 6.20.2.14. Cash retained by management for extended periods of time are susceptible to misuse or fraud.

Cause: Deposits at times were taking more than 24 hours to be deposited in the bank. Receipts for cash collections are not being completed accurately or enough information to provide a detailed record of the transaction.

Recommendation: On an annual basis, staff members that have responsibilities of collecting and depositing cash receipts should be informed of the legal requirements of depositing cash within one banking day, as well as the District's policies regarding cash collections. Deposit slips should be completed with enough detail to provide an audit trail of each cash collection from the initiation (collection) of a transaction to the completion (reconciliation).

Management's response: The District will review the cash receipt procedures in place at each location to ensure compliance with district internal control policies and state law. Corrective actions will be taken at each location that are found to be out of compliance.

The BusinessPlus accounting system was updated in March of 2019 with an automated receipt numbering process implemented to improve controls. We will continue to document when a receipt number is issued out of sequence in error to provide an explanation for the occurrence. Receipt numbers will be written on the corresponding deposit slip for all receipts and deposits made within the district. The District has employed an online payment program beginning September 10th 2019 to alleviate the late deposits and the need for written receipts. The Comptroller will review receipts periodically to assure the proper procedures are being followed.

Responsible party(ies) for corrective action(s): Chief Financial Officer, Comptroller

Corrective action(s) timeline: 11/01/2019

IV. AUDIT FINDINGS – SECTION 12-6-5 NMSA 1978 (cont'd)

NEW MEXICO VIRTUAL ACADEMY (Component Unit)

2019 – 007 BACKGROUND CHECK NOT AVAILABLE (Original No. 2017-006)
(Repeat of prior year findings; updated and revised)
Other Noncompliance

Condition: Ten payroll checks were selected, three were duplicate employees of the seven personnel files reviewed there were not any background checks provided.

Status from prior year: There was an increase from the prior year which had one occurrence.

Criteria: In accordance with 1978 NMSA 22-10A-5, all employees who have access to children are required to have a background check completed and approved.

Cause: The Charter School is not maintaining adequate controls over employee hiring.

Effect of condition: The Charter School is out of compliance with requirements for 1978 NMSA 22-10A-5.

Recommendation: The Charter School should not employ any individual without prior receipt of the cleared background check.

Management's Response: This school is now closed.

Person/positions responsible for overseeing corrective actions: n/a

Timeline for corrective actions: 6/30/19

IV. AUDIT FINDINGS – SECTION 12-6-5 NMSA 1978 (cont'd)

NEW MEXICO VIRTUAL ACADEMY (Component Unit)

2019 – 008 REPRESENTATIVE NOT PRESENT AT AUDIT EXIT
Other Noncompliance

Condition: There was not a representative for the charter school at the exit conference for annual audit.

Criteria: NMAC 2.2.2.10(M) requires representatives of the agency's governing authority and top management including representatives of any component units to be present at the audit exit conference. 1978 NMSA 22-8-12.3. Local school board finance subcommittee; audit committee; membership; duties section D(3) state that it is the duty of the audit committee to attend the exit conference for the annual audit.

Cause: The Charter School has ceased operations with the exception of activities necessary to finalize the closing of the charter school. Representatives felt it was unnecessary to attend an exit conference.

Effect of condition: The Charter School is out of compliance with state requirements.

Recommendation: Although the charter school is closing, someone should represent the charter school until all operations have ceased.

Management's Response: This school is now closed.

Person/positions responsible for overseeing corrective actions: n/a

Timeline for corrective actions: 6/30/19

I. PRIOR YEAR FINDINGS - NOT RESOLVED

FARMINGTON MUNICIPAL SCHOOLS

2018 – 002 PURCHASES MADE PRIOR TO APPROVAL (Original No. 2016-003)
Current Status: Not resolved. Repeated in the current year as finding 2019-005.

NEW MEXICO VIRTUAL ACADEMY (Component Unit)

2018 – 004 UNTIMELY PAYMENT OF INVOICES (Original No. 2016-005)
Current Status: Not resolved. Repeated in the current year as finding 2019-003.

2018 – 005 BACKGROUND CHECKS (Original No. 2017-006)
Current Status: Not resolved. Repeated in the current year as finding 2019-007.

II. PRIOR YEAR FINDINGS - RESOLVED

FARMINGTON MUNICIPAL SCHOOLS

2018 – 001 INTERNAL CONTROL STRUCTURE
Current Status: Resolved. Not repeated in the current year.

2018 – 003 LACK OF TIMELY MONITORING OF BUDGET (Original No. 2017-003)
Current Status: Resolved. Not repeated in the current year.

NEW MEXICO VIRTUAL ACADEMY (Component Unit)

2018 – 006 UNAUTHORIZED TEMPORARY INTER-FUND LOANS (Original No. 2017-007)
Current Status: Resolved. Not repeated in the current year.

2018 – 007 MISSING OR INCOMPLETE FORM I-9
Current Status: Resolved. Not repeated in the current year.

The independent public accountants assisted in the preparation of the financial statements. The accompanying financial statements are the responsibility of the District and are based on information from the District's financial records.

An exit conference was held November 8, 2019 and was attended by the following individuals:

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5

Keith Corley	Member, Board of Education / Audit Committee
Stephanie Thompson	Member, Board of Education / Audit Committee
Eugene Schmidt	Superintendent; Member, Audit Committee
Phil Valdez	Deputy Superintendent; Member, Finance Committee
Bobbi Newland	Chief Financial Officer; Member, Audit Committee
Malinda Fowler	Comptroller; Member, Audit Committee

ACCOUNTING & FINANCIAL SOLUTIONS, LLC

Terry Ogle, CPA	Partner