

**FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

Year Ended June 30, 2010

**Prepared by
D'rese Sutherland, Assistant Superintendent of Finance
and
The Business Office**

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INTRODUCTORY SECTION

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**STATE OF NEW MEXICO
FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
LIST OF PRINCIPAL OFFICIALS
June 30, 2010**

Sandy Schumacher Board President

Mike Isaacson..... Board Vice President

Nancy DeLong..... Board Secretary

Bill Young Board Deputy Secretary

Steve Nelson Board Member

Janel Ryan..... Superintendent

Frank Stimac Assistant Superintendent of Campus Programs

James Barfoot Assistant Superintendent of Operations

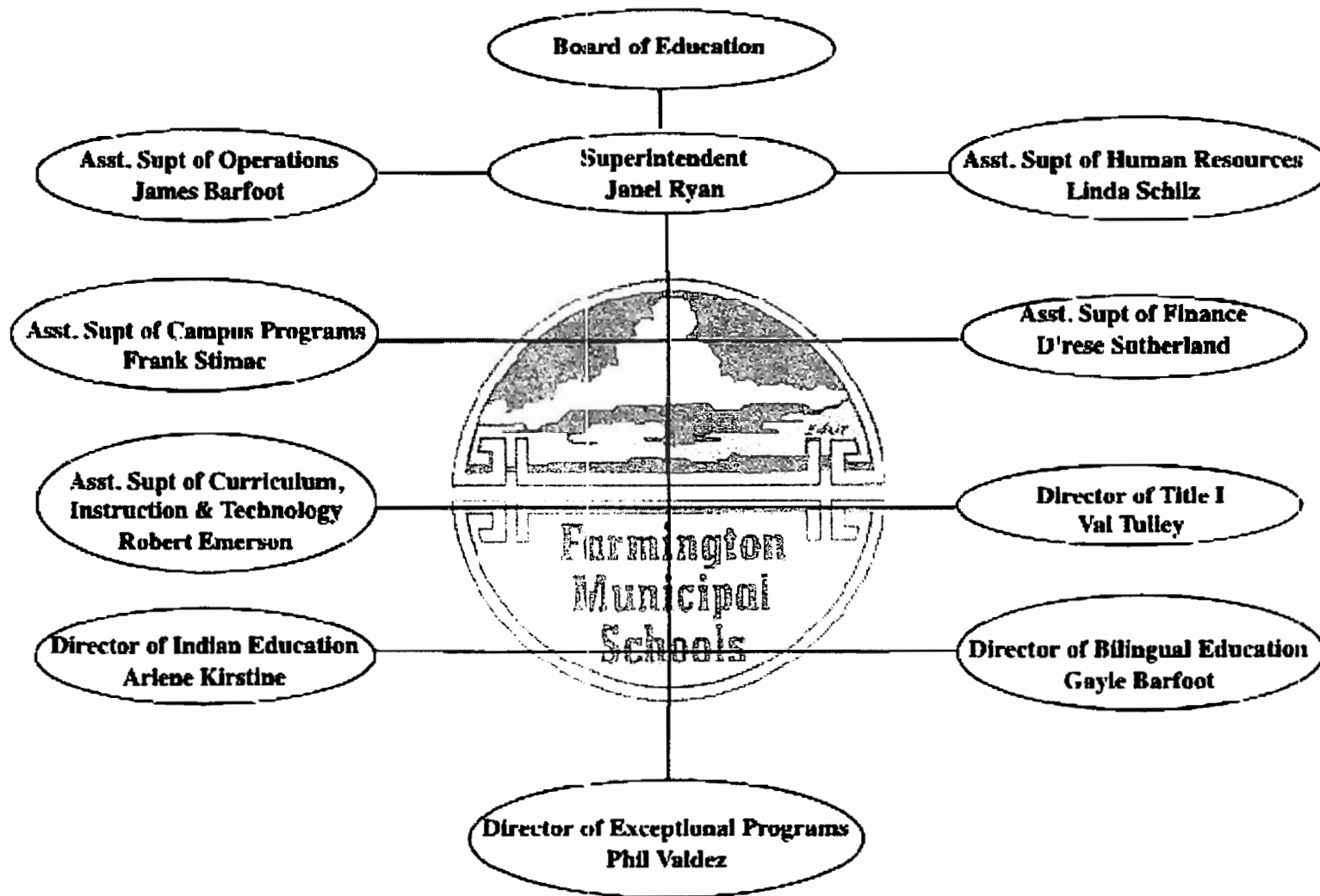
Linda Schilz Assistant Superintendent of Human Resources

Robert Emerson Assistant Superintendent of Technology, Assessment & Accountability

D'rese Sutherland..... Assistant Superintendent of Finance

Michael Vallejo Assistant Superintendent of Curriculum and Instruction

Farmington Municipal Schools Organizational Structure



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, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



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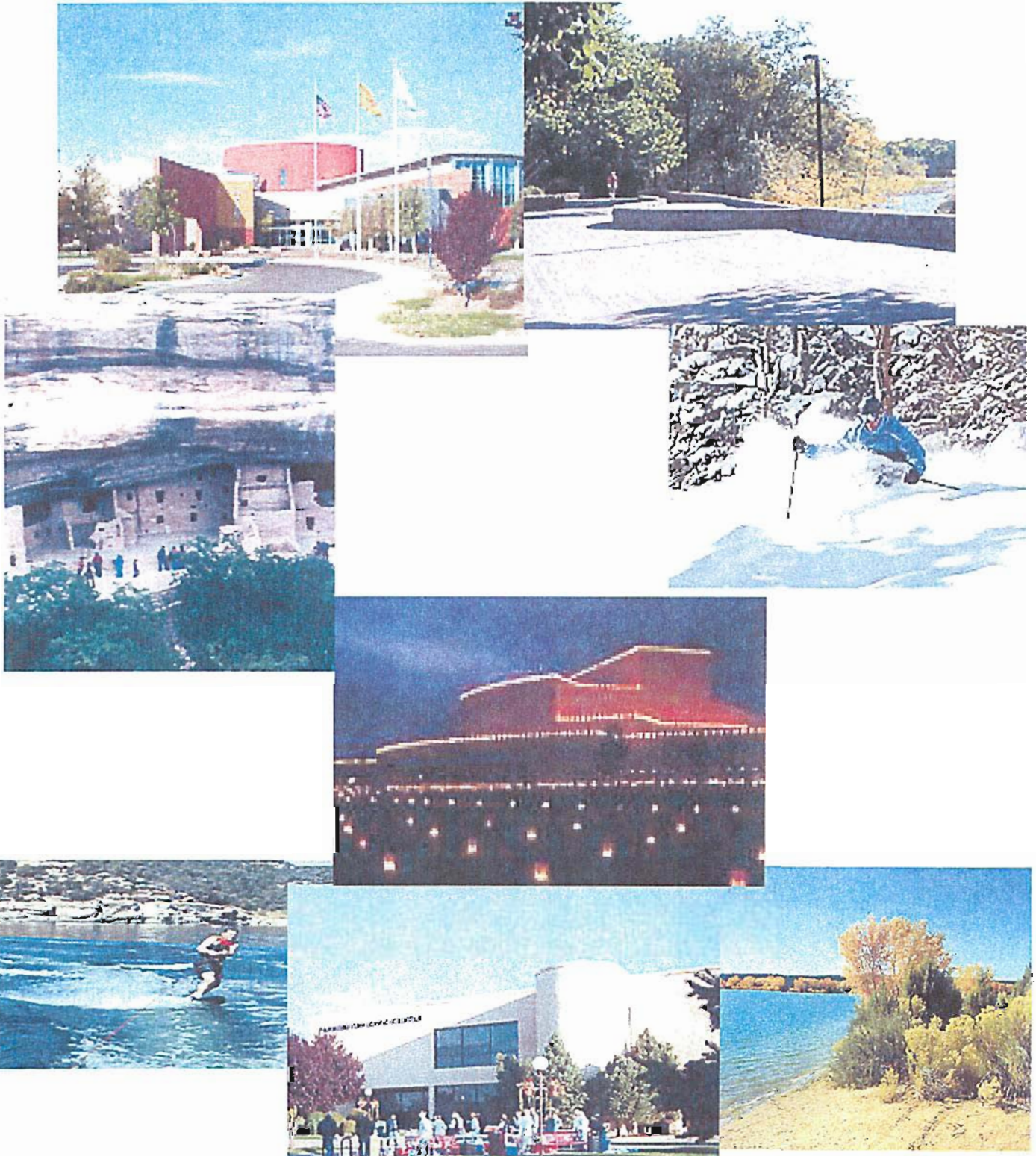
President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

*FARMINGTON MUNICIPAL SCHOOLS
MISSION STATEMENT*

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





Farmington Municipal Schools

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

ADMINISTRATIVE OFFICES

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

October 31, 2010

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, 2010.

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, 2010.

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

The Farmington Municipal School District's financial statements have been audited by David Berry, CPA, PC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Farmington Municipal School District for the fiscal year ended June 30, 2010, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Farmington Municipal School

District's financial statements for the fiscal year ended June 30, 2010, 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 10,517 students. There are 10 elementary schools, 4 middle schools, an alternative junior-senior high school, two senior high schools and two pre-schools within the District. The District's educational program also includes vocational, technical and occupational training. The District provides education services for the detainees of the County Juvenile Detention Center, which averages approximately 30 students.

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

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

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

Currently, the District operates and maintains a variety of facilities in meeting its obligations to provide an education program for the school-age children residing within its boundaries. The District operates 19 school sites. The capacity of the school facilities is estimated at 10,000 students (FTE basis).

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

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

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

On or before July 1 of each year, the Public Education Department must approve and certify to the District an approved budget for use by the District based upon the estimated budget fixed by the District. No school board, officer or employee of a school district may make expenditure or incur any obligation for the expenditure of public funds unless such expenditure is made in accordance with an operating budget approved by the Public Education Department, but this does not prohibit the transfer of funds between line items within an object of a budget. Approved budgets may not be altered or amended after approval by the Public Education Department except upon request to the Public Education Department by the District. Instances in which such requests will be approved include a change within the budget, which does not increase the total amount of the budget. Additional budget items may also be approved if the District is to receive unanticipated revenues. Finally, if it becomes necessary to increase the District’s budget by more than \$1,000 for any reason other than those listed above, the Public Education Department may order a special public hearing to consider the requested increase.

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

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

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is found on pages 24-25 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 page 27 and pages 67-130.

Factors Affecting Financial Condition

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

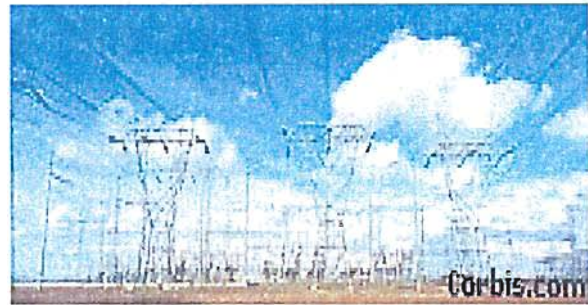
Local economy. The Farmington Municipal School District (the "District") is located in the mineral rich "Four Corners" area in northwestern New Mexico. The economy of the area is dependent upon trade, electric power generation, oil, gas and coal production, government, tourism and agriculture. The State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

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

Within the past 2 years, Farmington has seen the addition of the San Juan Regional Cancer Center, Red Brick Pizza, Three Rivers Pizzeria and an Olive Garden Restaurant as well as several smaller franchise businesses.



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



Arizona Public Service Company operates Four Corners Power Plant, a five-unit, 2,050-megawatt coal-fired plant. Located 20 miles west of Farmington, the plant employs 568 full-time and part-time men and women, more than 73 percent of who are members of the Navajo Tribe. The plant payroll is about \$42 million annually. BHP Minerals, Navajo Coal Company provides coal under a long-term agreement. Coal usage is approximately 10 million tons per year. The Plant is one of the largest generating stations in the U.S. The plant is equipped with all necessary pollution control equipment and delivers power through its switchyard to utilities in Arizona, California, New Mexico and Texas. The plant ranks among the lowest in the region for power costs and operating economy.

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

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

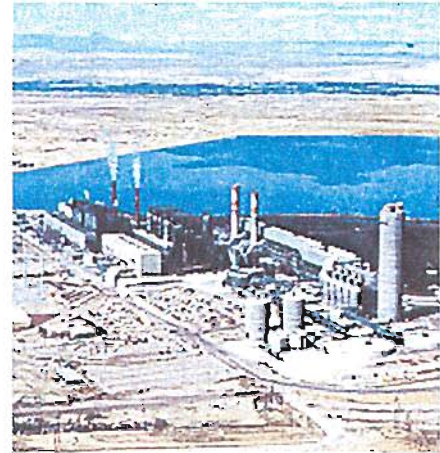
New Mexico oil and natural gas reserves are estimated at 730 million barrels of oil and 19.1 trillion cubic feet of natural gas, according to the State of New Mexico, Department of Energy, Minerals and Natural Resources, Mining and Minerals Division. New Mexico is ranked third nationally in natural gas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

San Juan County has been ranked first in gas production in New Mexico and third in oil production for the past three years and these rankings are not expected to change in the foreseeable future. Recent exploration for natural gas in coal seams throughout the San Juan Basin has increased potential reserves by as much as 70 trillion cubic feet. Federal tax credits for coal seam gas expired December 31, 1992.

The Oil Conservation Division of the State Energy, Minerals and Natural Resources Department reports 23,181 producing oil wells and over 27,400 active producing gas wells in San Juan County as of September 2008.

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

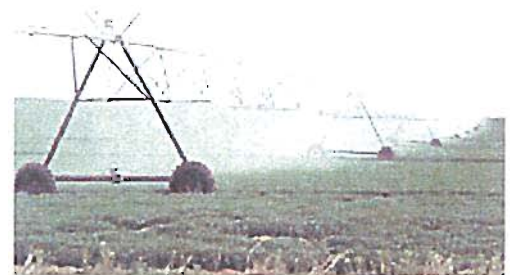
The State of New Mexico is facing budget deficits due the reduction in revenue from oil and gas taxes. Those state revenues affect the amount the state allocates to public education through the state equalization formula. The reduction in public education funding could be significant as education funding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



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

Employment is approximately 910 at all mines (as of December 2006) and the annual payroll is approximately \$65,000,000.

Navajo Indian Irrigation Project The Navajo Indian Irrigation Project (NIIP), representing a joint federal and tribal investment, is farmed by the Navajo Agricultural Products Industry (NAPI), an enterprise of the Navajo Nation. The 2007 farming season has approximately 60,000 acres under cultivation and an additional 40,000 acres still to be developed, bringing the total area to 100,000 acres. NAPI produces high value crops such as potatoes, onions, beans, alfalfa, pumpkins, barley, corn and wheat. The enterprise also includes a 12,000-head feedlot and an industrial park. NAPI employs 150 full-time and 800 seasonal employees. Most of the employees are Navajo with about 33 percent women. NAPI is also involved in several other joint ventures including a bean processing plant, production of Hrbi sod, an orchard, a pallet mill operation, a fresh pack operation and a potato storage facility.





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



Tourism The Four Corners area boasts internationally known tourist attractions including Mesa Verde, Canyon de Chelly, Monument Valley and Lake Powell. Equally worthy attractions within the County include Chaco Cultural National Historic Park (a major Anasazi cultural center during the 12th and 13th centuries), Aztec Ruins National Monument (500 room Indian community ruin with reconstructed Kiva), white water river rafting and nationally renowned trout fishing on the San Juan River just below Navajo Lake. Tourist visits to Aztec Ruins have increased 38 percent in the past five years. The Connie Mack Baseball World Championship Tournament is held in Farmington each summer. Navajo rugs, Indian jewelry, paintings and sculpture are available at local trading posts and shops.

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

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

Financial planning for the district has been driven by the No Child Left Behind education act and state mandates that result from this reform requiring greater accountability for student success.

AWARDS AND ACKNOWLEDGEMENTS

Mrs. Ryan recognized Mrs. Sutherland and her 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 1999.

CURRENT PROJECTS

On August 29, 2006 voters approved issuing \$25,000,000 in bonds to fund replacement of McKinley Elementary, Phase II of a Career & Technical Center, a new Central Kitchen and numerous improvement projects.



The District has received Public School Critical Capital Outlay funds in the amount of \$5,800,000 to help with construction of McKinley Elementary.

INDEPENDENT AUDIT

As required by New Mexico State law, an annual audit of the financial records, books of account and the transactions of all administrative departments of the Farmington Municipal School District No. 5 have been made by an independent auditor. The independent auditor's opinion as prepared by David Berry, CPA, PC is included within the Financial Section of this report. The 2009 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, 2009. This was the (18) consecutive year (1993-2009) that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENT

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

We would also like to thank President Sandy Schumacher and members of the Board of Education for their continuing interest and support in conducting the financial affairs of this school district for the 2009-2010 fiscal year, thereby advancing the effort toward excellence in education in the Farmington Municipal School District.

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

Respectfully submitted,

A handwritten signature in black ink that reads "D'rese Sutherland". The signature is written in a cursive style with a large initial "D".

D'rese Sutherland
Assistant Superintendent of Finance

FINANCIAL SECTION

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Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, each major fund, the budgetary comparisons for the general fund and the aggregate remaining fund information of the Farmington Municipal School District No. 5 (District), as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's nonmajor governmental funds including the budgetary comparisons for the nonmajor governmental funds and fiduciary funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2010, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2010, and the respective changes in financial position, thereof, and the respective budgetary comparisons for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental and fiduciary fund of the District, as of June 30, 2010, and the respective changes in financial position, thereof and the respective budgetary comparisons for the major capital project funds, debt service funds, and all nonmajor funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2010, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Audit Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis, on pages 7 through 15, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the basic financial statements, and the combining, individual fund financial statements and budgetary comparisons. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by US Office of Management and Budget Circular A-133, Audit of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. The additional schedules listed as "other supplementary information" in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The information included in the accompanying introductory section and statistical section is presented for the purposes of additional analysis and is not a required part of the basic financial statements. This information has not been subject to the auditing procedures applied in our audit of the basic financial statements and, accordingly, we express no opinion on it.



Farmington, New Mexico
October 22, 2010

**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

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Management's Discussion and Analysis

As management of the Farmington Municipal School District, we offer readers of Farmington Municipal School District's financial statements this narrative overview and analysis of the financial activities of the Farmington Municipal School District for the fiscal year ended June 30, 2010. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages xiv – xxiv.

Financial Highlights

- The assets of the Farmington Municipal School District exceeded liabilities at the close of the most recent fiscal year by \$76,752,761 (*net assets*). Of this amount, \$18,103,084 (*Unrestricted net assets*) may be used to meet the School District's ongoing obligations.
- As of the close of the current fiscal year, Farmington Municipal School District's governmental funds reported combined ending fund balances of \$28,053,291, a decrease of \$9,122,947 in comparison with the prior year. Approximately 60% of this total amount, \$16,824,541 is *available for spending* at the district's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$4,742,470 or 8% of the total general fund expenditures.
- The Farmington Municipal School District's total net debt decreased by \$10,861,286 or 25% during the current fiscal year. The district retired \$10,861,286 of debt and issued no new debt this fiscal year.

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 assets* presents information on all of the Farmington Municipal School District's assets and liabilities, with the difference between the two reported as *net assets*.

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 assets changed during the most recent fiscal year. All changes in net assets 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 19 and 20 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 58 governmental funds are combined into a single, aggregated presentation. Individual fund data for these non-major governmental funds is provided in the form of *combining statements* following the notes to the financial statements (pages 55-66).

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 statement because of the resources of those funds are *not* available to support the Farmington Municipal Schools' own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 29 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 31-45 of this report.

Government-wide Financial Analysis

As noted earlier, over time, net assets may serve as a useful indicator of a government's financial position. In the case of Farmington Municipal School District, assets exceeded liabilities by \$76,752,761 at the close of the most recent fiscal year.

A portion (58%) of Farmington Municipal School District's net assets 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 Assets

Farmington Municipal School District's Net Assets

	Governmental Activities		Total	
	FY 2010	FY 2009	FY 2010	FY 2009
Current and other assets	\$ 45,583,550	\$ 53,234,506	\$ 45,583,550	\$ 53,234,506
Capital assets	\$ 70,677,531	\$ 70,704,241	\$ 70,677,531	\$ 70,704,241
Total assets	\$ 116,261,081	\$ 123,938,747	\$ 116,261,081	\$ 123,938,747
Long-term liabilities outstanding	\$ 34,217,379	\$ 44,691,252	\$ 34,217,379	\$ 44,691,252
Other liabilities	\$ 5,290,941	\$ 4,790,993	\$ 5,290,941	\$ 4,790,993
Total liabilities	\$ 39,508,320	\$ 49,482,245	\$ 39,508,320	\$ 49,482,245
Net assets:				
Invested in capital assets, net of related debt	\$ 44,326,970	\$ 41,520,127	\$ 44,326,970	\$ 41,520,127
Restricted	\$ 14,322,707	\$ 15,679,099	\$ 14,322,707	\$ 15,679,099
Unrestricted	\$ 18,103,084	\$ 17,256,886	\$ 18,103,084	\$ 17,256,886
Total net assets	\$ 76,752,761	\$ 74,456,112	\$ 76,752,761	\$ 74,456,112

Farmington Municipal School District's Net Assets

A large portion of Farmington Municipal School District's net assets (19%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$18,103,084) may be used to meet the district's ongoing obligations.

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

Farmington Municipal School District's net assets increased by \$2,296,709 during the current fiscal year. Total assets decreased due to reduced cash revenues from state sources and the spending of bond proceeds received in the previous fiscal year. Long-term liabilities decreased due to the retirement of debt.

Governmental activities. Governmental activities increased Farmington Municipal School District's net assets by \$2,296,709. Key elements of this increase are as follows:

- Operating grants & contributions for governmental activities increased due to the fact that the district received a 58% increase in the amount of federal funding largely due to Educational Stimulus Funds received by the district to offset the 9.6% reduction in state equalization revenue as shown in the comparison of grants and contributions not restricted to specific programs.

- The district realized a gain on the sale of a vocational building in the current fiscal year.

The increase in expenses for the district resulted from an increase in operation of non-instruction services costs. This increase was largely due to construction expenses of a new elementary school and a new central kitchen.

Farmington Municipal School District's Changes in Net Assets

	Governmental Activities		Total	
	FY2010	FY2009	FY 2010	FY 2009
Revenues:				
Program Revenues:				
Charges for services	\$ 1,557,798	\$ 1,993,085	\$ 1,557,798	\$ 1,993,085
Operating grants & contributions	\$ 18,451,821	\$ 11,739,989	\$ 18,451,821	\$ 11,739,989
Capital grants & contributions	\$ 414,564	\$ 15,789	\$ 414,564	\$ 15,789
General Revenues:			\$ -	\$ -
Property taxes-general purpose	\$ 590,775	\$ 606,564	\$ 590,775	\$ 606,564
Property taxes-debt service	\$ 10,554,810	\$ 10,858,918	\$ 10,554,810	\$ 10,858,918
Property taxes-capital projects	\$ 2,787,701	\$ 2,889,531	\$ 2,787,701	\$ 2,889,531
Grants and contributions not restricted to specific programs	\$ 64,409,185	\$ 71,133,055	\$ 64,409,185	\$ 71,133,055
Other:				
Earnings from investments	\$ 330,227	\$ 118,635	\$ 330,227	\$ 118,635
Gain on sale of capital asset	\$ 492,941	\$ -	\$ 492,941	\$ -
Total Revenues	\$ 99,589,822	\$ 99,355,566	\$ 99,589,822	\$ 99,355,566
Expenses:				
Direct instruction	\$ 52,940,094	\$ 51,556,881	\$ 52,940,094	\$ 51,556,881
Support Services	\$ 19,176,000	\$ 27,915,022	\$ 19,176,000	\$ 27,915,022
Operation of non-instruction services	\$ 17,149,315	\$ 1,852,097	\$ 17,149,315	\$ 1,852,097
Food services	\$ 3,134,259	\$ 3,113,562	\$ 3,134,259	\$ 3,113,562
Athletics	\$ 366,917	\$ 304,874	\$ 366,917	\$ 304,874
Pupil transportation	\$ 3,206,068	\$ 3,023,738	\$ 3,206,068	\$ 3,023,738
Other	\$ 1,320,460	\$ 1,099,819	\$ 1,320,460	\$ 1,099,819
Total Expenses	\$ 97,293,113	\$ 88,865,993	\$ 97,293,113	\$ 88,865,993
Increase in net assets	\$ 2,296,709	\$ 10,489,573	\$ 2,296,709	\$ 10,489,573
Net assets - Beginning	\$ 74,456,052	\$ 63,966,479	\$ 74,456,052	\$ 63,966,479
Net assets - Ending	\$ 76,752,761	\$ 74,456,052	\$ 76,752,761	\$ 74,456,052

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 \$28,053,291 a decrease in comparison with the prior year. Approximately 60% of this total amount (\$16,824,541) constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed 1) to pay debt service (\$10,652,904) and 2) for a variety of other restricted purposes (\$575,846).

The general fund is the chief operating fund of Farmington Municipal School District. At the end of the current fiscal year, unreserved fund balance of the general funds was \$4,742,470, which is also the total fund balance. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved represents 7.8% percent of the total general fund expenditures, and the total fund balance represents 7.8% as well since none of the general fund balance was reserved at 6/30/10.

The fund balance of Farmington Municipal School District's general fund increased by \$423,404 during the current fiscal year. Farmington Municipal School District's board and management were committed to increasing the cash balance of the district at the end of the fiscal year in order to meet increasing state mandates while maintaining the district's high bond rating. Therefore, the district budget reflected a larger portion of the revenues from the state equalization guarantee be set aside in cash reserves. The current fiscal year budget reflects a slight increase in the cash balance. The fund balance is expected to remain at the current level or increase slightly this next fiscal year.

The district's debt service fund's total fund balance was \$7,877,211 that is reserved for the payment of debt service. This is a net decrease in fund balance of \$3,777,951. The decrease during the current year resulted from a decrease in cash that was used to retire debt obligations of the district.

The educational technical debt service fund balance was \$2,775,693. The total amount is reserved for the payment of debt service. This is a net increase in fund balance of \$1,630,079. The increase is the result of increased tax collections for the purpose of debt payment.

There was a decrease of \$6,831,367 in the fund balance of the bond building capital fund resulting in a fund balance of \$7,294,424. The decrease was the result of the spending of previous years bond proceeds for construction projects in the current fiscal year.

General Fund Budgetary Highlights

Differences between the original budgeted revenues and the final amended budgeted revenues were resulted in a budget reduction of \$2,630,941, which can be briefly summarized as follows:

- The difference resulted from a mid-year 4.1% reduction in revenue from the state in state equalization funds.
- Expenditures were reduced to balance the budget.
- Additional cash from 6/30/09 was carried forward and budgeted in 2009-2010.

Capital Asset and Debt Administration

Capital assets. Farmington Municipal School District's investment in capital assets for its governmental activities as of June 30, 2010 amounts to \$70,677,531 (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 \$70,677,531 was determined as the current value of all the capital assets owned by the District.

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

- Student laptops were purchased for high school students as part of the district's technology master plan.
- The district sold land and a building that was no longer needed for vocational education.
- Construction was completed on a new elementary school and a central kitchen.

Additional information on Farmington Municipal School District's capital assets can be found in note "C" on page 40 of this report.

	Government Activities		Total	
	FY2010	FY2009	FY2010	FY2009
Land	\$ 3,444,131	\$ 3,444,131	\$ 3,444,131	\$ 3,444,131
Construction in progress	\$ -	\$ 4,856,000	\$ -	\$ 4,856,000
Land improvements	\$ 748,132	\$ 2,428,683	\$ 748,132	\$ 2,428,683
Buildings and improvements	\$ 60,711,120	\$ 53,353,613	\$ 60,711,120	\$ 53,353,613
Machinery and equipment	\$ 5,774,148	\$ 6,621,814	\$ 5,774,148	\$ 6,621,814
Total	\$ 70,677,531	\$ 70,704,241	\$ 70,677,531	\$ 70,704,241

Long-term debt. At the end of the current fiscal year, Farmington Municipal School District had total bonded debt outstanding of \$33,467,980. 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 2010	Total FY 2009
General obligation bonds	\$33,467,980	\$44,329,266

Farmington Municipal School District's total debt decreased by \$10,861,286 during the current fiscal year. The district issued no new debt during the current fiscal year. The amount of debt retired during the current fiscal year was \$10,861,286.

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

State statute limits the amount of general obligation debt a governmental entity may issue to 6% of its total assessed valuation. The current debt limitation for Farmington Municipal School District is \$87,977,020, which is significantly in excess of Farmington Municipal School District's outstanding general obligation debt.

More information of Farmington Municipal School District's debt can be found in note "D" of this report on pages 41-42.

Economic Factors and Next Year's Budget

Farmington Municipal School District is located in San Juan County. San Juan County, like the rest of New Mexico and the nation, has experienced a declining economy. Due to the economic factors affecting the entire country in 2009-2010 the State of New Mexico and San Juan County have seen a rise in unemployment and a slow down of the oil and gas economy. The taxes on oil and gas in New Mexico are a vital revenue factor in the state's budget. 98% of Farmington Municipal Schools' operating revenue comes from the state and the district anticipates a reduction in funding allocated for schools in FY 2011. The board of education

San Juan County's population continues to increase (25% between 1990 and 2000 census) and Farmington Municipal Schools experienced an increase in enrollment for the current fiscal year. The current enrollment is up approximately 129 students mostly in the elementary grades. The projections are that the enrollment will remain relatively flat over the next two to three years.

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 \$3,269,066 of its unreserved fund balance for spending in the 2011 fiscal year budget and the remaining \$1,050,000 was put into the district's emergency reserve fund. The \$3,269,066 budgeted into direct classroom instruction to fund additional staff needed to meet the state mandated class sizes while accommodating the slight growth in the elementary student population.

Requests for information

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

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BASIC FINANCIAL STATEMENTS

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STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 STATEMENT OF NET ASSETS
 June 30, 2010

	<u>Primary Government Governmental Activities</u>
<u>ASSETS:</u>	
Cash and cash equivalents	\$ 31,866,940
Receivables (net, where applicable, of allowances for uncollectibles):	
Property taxes	12,671,564
Due from other governments	907,834
Inventories	137,212
Capital assets not being depreciated:	
Land	3,444,131
Capital assets (net of accumulated depreciation):	
Buildings and improvements	60,711,120
Improvements other than buildings	748,132
Equipment	5,774,148
Total assets	116,261,081
<u>LIABILITIES:</u>	
Accounts payable	917,010
Accrued payroll, taxes and benefits	2,189,503
Accrued interest payable	412,346
Deferred revenue	-
Unearned revenue	1,752,182
Current portion of compensated absences	19,900
Current portion of long-term debt	8,747,527
Noncurrent liabilities:	
Compensated absences, net of current portion	379,259
Long-term debt, net of current portion	25,090,593
Total liabilities	39,508,320
<u>NET ASSETS:</u>	
Invested in capital assets, net of related debt	44,326,970
Restricted for:	
Capital projects	3,669,803
Debt Service	10,652,904
Unrestricted	18,103,084
Total net assets	\$ 76,752,761

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, 2010

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental activities:					
Instruction	\$ 52,940,094	\$ -	\$ 5,705,903	\$ 414,564	\$ (46,819,627)
Support services	19,176,000	-	6,632,073	-	(12,543,927)
Operation of non-instructional services:	17,149,315	464,122	3,658,442	-	(13,026,751)
Food services	3,134,259	836,626	2,455,403	-	157,770
Athletics	366,917	257,050	-	-	(109,867)
Pupil transportation	3,206,068	-	-	-	(3,206,068)
Interest on long-term obligations	1,320,460	-	-	-	(1,320,460)
Total governmental activities	97,293,113	1,557,798	18,451,821	414,564	(76,868,930)
General revenues:					
Taxes:					
Property taxes, levied for general purposes					590,775
Property taxes, levied for debt service					10,554,810
Property taxes, levied for capital projects					2,787,701
Federal and state grants not restricted for specific programs					
General					64,409,185
Earnings from investments					330,227
Gain on sale of capital assets					492,941
Total general revenues					79,165,639
Change in net assets					2,296,709
Net assets - beginning					74,456,052
Net assets - ending					\$ 76,752,761

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 June 30, 2010

	General	Transportation	Instructional Materials	Debt Service	Educational Technical	Bond Building	SB-9 Capital Improvements	Educational Technical Equipment	Other Governmental Funds	Total Governmental Funds
	11000	13000	14000	41000	43000	31100	31700	31900		
ASSETS										
Pooled cash and investments	\$ 7,080,052	\$ 294,545	\$ 144,089	\$ 7,638,490	\$ 2,695,889	\$ 7,689,737	\$ 1,984,408	\$ 375,165	\$ 3,964,565	\$ 31,866,940
Property taxes receivables	523,225	-	-	6,539,377	3,080,063	-	2,528,899	-	-	12,671,564
Due from other governments	19,250	-	-	238,721	79,804	-	84,360	-	485,679	907,834
Due from other funds	-	-	-	-	-	-	-	-	485,679	485,679
Inventories	-	137,212	-	-	-	-	-	-	-	137,212
Total assets	\$ 7,622,527	\$ 431,757	\$ 144,089	\$ 14,416,588	\$ 5,855,756	\$ 7,689,737	\$ 4,597,687	\$ 375,165	\$ 4,935,923	\$ 46,069,229
LIABILITIES AND FUND BALANCES										
Liabilities:										
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 485,679	\$ 485,679
Accounts payable	167,329	-	-	-	-	395,313	141,467	182,030	30,871	917,010
Accrued payroll, taxes and benefits	2,189,503	-	-	-	-	-	-	-	-	2,189,503
Deferred revenue	523,225	-	-	6,539,377	3,080,063	-	2,528,899	-	-	12,671,564
Unearned revenue	-	-	-	-	-	-	-	-	1,752,182	1,752,182
Property taxes	-	-	-	-	-	-	-	-	-	-
Total liabilities	2,880,057	-	-	6,539,377	3,080,063	395,313	2,670,366	182,030	2,268,732	18,015,938
Fund balances:										
Reserved:										
Inventories	-	137,212	-	-	-	-	-	-	-	137,212
Debt service	-	-	-	7,877,211	2,775,693	-	-	-	-	10,652,904
General fund	-	294,545	144,089	-	-	-	-	-	-	438,634
Unreserved, reported in:										
General fund	4,742,470	-	-	-	-	-	-	-	-	4,742,470
Special revenue fund	-	-	-	-	-	-	-	-	924,709	924,709
Capital projects fund	-	-	-	-	-	7,294,424	1,927,321	193,135	1,742,482	11,157,362
Total fund balances	4,742,470	431,757	144,089	7,877,211	2,775,693	7,294,424	1,927,321	193,135	2,667,191	28,053,291
Total liabilities and fund balances	\$ 7,622,527	\$ 431,757	\$ 144,089	\$ 14,416,588	\$ 5,855,756	\$ 7,689,737	\$ 4,597,687	\$ 375,165	\$ 4,935,923	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	70,677,531
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	12,671,564
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(34,649,625)</u>
Net assets of governmental activities	\$ 76,752,761

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 Year Ended June 30, 2010

	General	Transportation	Instructional Materials	Debt Service	Educational Technical	Bond Building	SB-9 Capital Improvements	Educational Technical Equipment	Other Governmental Funds	Total Governmental Funds
	11000	13000	14000	41000	43000	31100	31700	31900		
Revenues:										
Intergovernmental:										
State equalization guarantee	\$ 60,836,533	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,836,533
Transportation	-	3,158,507	-	-	-	-	-	-	-	3,158,507
State instructional material	-	-	414,145	-	-	-	-	-	-	414,145
Grants	215,627	-	-	-	-	-	386,072	-	18,264,686	18,866,385
Taxes - property	558,988	-	-	6,832,991	3,307,861	-	2,657,789	-	-	13,357,629
Fees and activities	115,517	-	-	-	-	-	-	-	1,442,281	1,557,798
Earnings from investments	98,517	-	-	24,117	78	200,098	2,183	-	5,234	330,227
Total revenue	61,825,182	3,158,507	414,145	6,857,108	3,307,939	200,098	3,046,044	-	19,712,201	98,521,224
Expenditures:										
Current:										
Instruction	44,568,409	-	694,616	-	-	-	-	-	5,490,276	50,753,301
Support services	11,787,011	-	-	59,810	29,223	-	-	-	6,977,986	18,854,030
Operation of										
non-instructional services	5,046,358	-	-	-	-	-	1,637,081	43,375	3,658,442	10,385,256
Food services	-	-	-	-	-	-	-	-	3,099,390	3,099,390
Athletics	-	-	-	-	-	-	-	-	279,746	279,746
Pupil transportation	-	2,683,042	-	-	-	-	-	-	-	2,683,042
Capital outlay	-	539,360	-	-	-	7,031,465	1,114,307	1,144,837	28,482	9,858,461
Debt service:										
Principal retirement	-	-	-	9,435,000	1,426,286	-	-	-	-	10,861,286
Bond interest paid	-	-	-	1,140,249	222,351	-	-	-	-	1,362,600
Total expenditures	61,401,778	3,222,402	694,616	10,635,059	1,677,860	7,031,465	2,751,388	1,188,212	19,534,332	108,137,112
Excess (deficiency) of revenues over expenditures	423,404	(63,895)	(280,471)	(3,777,951)	1,630,079	(6,831,367)	294,656	(1,188,212)	177,869	(9,615,888)
Other financing sources (uses)										
Sale of capital assets	-	-	-	-	-	-	-	-	492,941	492,941
Total other financing sources (uses)	-	-	-	-	-	-	-	-	492,941	492,941
Net change in fund balances	423,404	(63,895)	(280,471)	(3,777,951)	1,630,079	(6,831,367)	294,656	(1,188,212)	670,810	(9,122,947)
Fund balances at beginning	4,319,066	495,652	424,560	11,655,162	1,145,614	14,125,791	1,632,665	1,381,347	1,996,381	37,176,238
Fund balances at ending	4,742,470	431,757	144,089	7,877,211	2,775,693	7,294,424	1,927,321	193,135	2,667,191	28,053,291

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 RECONCILIATION OF STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 Year Ended June 30, 2010

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

Net change in fund balances - total governmental funds (page 22)	\$ (9,122,947)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	(26,710)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	575,657
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	10,853,132
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>17,577</u>
Change in net assets of governmental activities (page 20)	<u>\$ 2,296,709</u>

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 OPERATING FUND - 11000
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Public Law 874	\$ 103,997	\$ 103,997	\$ 188,776	\$ 84,779
Federal flowthrough grants	-	-	26,851	26,851
Total federal revenues	103,997	103,997	215,627	111,630
State sources:				
State equalization guarantee	63,462,914	60,831,973	60,836,533	4,560
Local sources:				
District school tax levy	562,383	562,383	558,548	(3,835)
Fees and activities	64,000	64,000	59,131	(4,869)
Earnings from investments	50,000	50,000	98,516	48,516
Miscellaneous	200,000	200,000	56,386	(143,614)
Total local revenues	876,383	876,383	772,581	(103,802)
Total revenues	64,443,294	61,812,353	61,824,741	12,388
Instruction:				
Personnel services	34,226,359	34,146,788	33,591,433	555,355
Employee benefits	11,361,759	11,061,759	10,474,997	586,762
Purchased services	622,809	411,154	245,929	165,225
Supplies and materials	715,559	436,192	268,599	167,593
Total instruction	46,926,486	46,055,893	44,580,958	1,474,935
Support Services:				
Personnel services	9,820,046	8,245,716	7,876,866	368,850
Employee benefits	3,136,114	3,183,864	2,883,255	300,609
Purchased services	1,499,176	1,089,941	828,932	261,009
Supplies and materials	498,139	346,969	214,041	132,928
Total support services	14,953,475	12,866,490	11,803,094	1,063,396
Operation of Non-Instructional Services:				
Personnel services	3,121,038	3,520,788	3,248,661	272,127
Employee benefits	1,183,678	1,111,203	1,024,825	86,378
Purchased services	800,428	802,290	715,834	86,456
Supplies and materials	12,500	10,000	4,147	5,853
Total operation of non-instructional services	5,117,644	5,444,281	4,993,467	450,814

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 OPERATING FUND - 11000
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Capital outlay	-	-	-	-
Non-operating reserves	1,002,214	1,002,214	-	1,002,214
Total expenditures	<u>67,999,819</u>	<u>65,368,878</u>	<u>61,377,519</u>	<u>3,991,359</u>
Excess (deficiency) of revenues over expenditures	(3,556,525)	(3,556,525)	447,222	4,003,747
Beginning cash balance budgeted	4,443,327	4,443,327	-	(4,443,327)
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>4,319,066</u>	<u>4,319,066</u>
Fund balances at end of the year	<u>\$ 886,802</u>	<u>\$ 886,802</u>	4,766,288	<u>\$ 3,879,486</u>
RECONCILIATION TO GAAP BASIS:				
Change in receivables			31,787	
Change in due from other governments			440	
Changes in payables			(24,258)	
Change in deferred revenue			<u>(31,787)</u>	
			<u>\$ 4,742,470</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 TRANSPORTATION FUND - 13000
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
State sources:				
Transportation	\$ 2,574,782	\$ 3,337,727	\$ 3,158,507	\$ (179,220)
Expenditures:				
Current:				
Pupil transportation:				
Personnel services	1,481,219	1,486,219	1,477,476	8,743
Employee benefits	592,760	616,759	582,641	34,118
Purchased services	125,500	128,600	116,741	11,859
Supplies and materials	375,303	566,789	506,184	60,605
Total pupil transportation	2,574,782	2,798,367	2,683,042	115,325
Capital outlay	-	539,360	539,360	-
Total expenditures	2,574,782	3,337,727	3,222,402	115,325
Excess (deficiency) of revenues over expenditures	-	-	(63,895)	(63,895)
Fund balances at beginning of the year	-	-	495,652	495,652
Fund balances at end of the year	\$ -	\$ -	431,757	\$ 431,757
RECONCILIATION TO GAAP BASIS:				
Change in Inventories			-	
Change in due from other governments			-	
Changes in payables			-	
			\$ 431,757	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 INSTRUCTIONAL MATERIALS FUND - 14000
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State instructional material	\$ 393,324	\$ 558,011	\$ 414,145	\$ (143,866)
Expenditures:				
Current:				
Instruction:				
Supplies and materials	674,136	838,823	694,616	144,207
Excess (deficiency) of revenues over expenditures	(280,812)	(280,812)	(280,471)	341
Fund balances at beginning of the year	-	-	424,560	424,560
Fund balances (deficit) at end of the year	\$ (280,812)	\$ (280,812)	144,089	\$ 341
RECONCILIATION TO GAAP BASIS:				
Changes in payables			-	
Change in unearned revenue			-	
			\$ 144,089	

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

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STATE OF NEW MEXICO
FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
STATEMENT OF FIDUCIARY NET ASSETS - AGENCY FUNDS
June 30, 2010

	<u>Student Activities</u>
<u>ASSETS</u>	
Pooled cash and investments	<u>\$ 2,348,262</u>
<u>LIABILITIES</u>	
Deposits held in trust for others	<u>2,348,262</u>
Total liabilities	<u>\$ 2,348,262</u>

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

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STATE OF NEW MEXICO
FARMINGTON MUNICIPAL SCHOOL DISTRICT NO.5
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

Blended component units

The District had no blended component units during the fiscal year ended June 30, 2010.

Discretely presented component units

The District had no discrete component units during the fiscal year ended June 30, 2010.

B. Government-wide and fund financial statements

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

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. Taxes and 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 and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Property taxes, fees and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

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

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

The *Instructional Materials Fund* is used to account for the monies received from the Public Education Department (PED) for the purposes of purchasing instructional materials (books, manuals, periodicals, etc.) used in the education of students. This is considered by PED to be a sub-fund of the General Fund.

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

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

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

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

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

Additionally, the District reports the following fund type:

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed by government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB.

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

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

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

A school district's program costs are determined through the use of various formulas using "program units" which take into consideration 1) early childhood education; 2) basic education; 3) special education; 4) bilingual-multicultural education, 5) size, etc. Payment is made from the public school fund under the authority of the Director of Public School Finance. The District received \$60,836,533 in state equalization guarantee distributions during the year ended June 30, 2010.

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 \$3,158,507 in transportation distributions during the year ended June 30, 2010.

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

D. Assets, liabilities and net assets or equity

1. *Deposits and investments*

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

State statutes authorize the District to invest in obligations of the U.S. Treasury, repurchase agreements and the State Treasurer's Investment Pool.

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

2. Receivables and payables

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

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

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

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

3. Inventories and prepaid items

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

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

4. Capital assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Such assets, have higher limits that must be met before they are capitalized. Computer software costs, whether externally purchased or developed in-house, shall be capitalized if the total cost of the software exceeds \$1,000 and has a estimated useful life in excess of one year. Library books are not capitalized.

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

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

5. *Compensated absences*

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

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 assets. Bond premiums and discounts as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Debt issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

7. *Fund equity*

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

8. *Net Assets*

In the government-wide financial statements, restricted net assets are legally restricted by outside parties for a specific purpose. None of the District's net assets are restricted as a result of enabling legislation adopted by the District. Invested in capital assets, net of related debt, represents the District's investment in the book value of capital assets, less any outstanding debt that was issued to construct or acquire the capital asset. The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

9. *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.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The governmental fund balance sheet includes a reconciliation between *fund balance-total governmental funds* and *net assets-governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities,

including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$34,649,625 difference are as follows:

Bonds payable	\$ 26,550,000
Plus: Issuance premium (to be amortized as interest expense)	433,408
Less: Deferred charge on refunding (to be amortized as interest expense)	(63,267)
Capital lease	6,917,979
Accrued interest payable	412,346
Compensated absences	<u>399,159</u>
Net adjustment to reduce <i>fund balance-total governmental funds</i> to arrive at net assets – governmental activities	<u>\$ 34,649,625</u>

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

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balance-total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this (\$26,710) difference are as follows:

Capital outlay	\$ 3,891,138
Depreciation expense	<u>(3,917,848)</u>
Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ (26,710)</u>

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$10,853,132 difference are as follows:

Bond principal repayments	\$ 9,435,000
Capital lease repayments	1,426,286
Amortization of issuance premiums	55,146
Amortization on refunding	<u>(63,300)</u>
Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 10,853,132</u>

Another element of that reconciliation states that “some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this 17,577 difference are as follows:

Compensated absences	\$ (24,563)
Accrued interest	<u>42,140</u>
Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 17,577</u>

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary information

Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are prepared by management and are approved by the local Board of Education and the School Budget and Planning Unit of the Department of Education. Student activity accounts are not budgeted.

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

The Board of Education may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. New Mexico state law prohibits a Governmental Agency from exceeding an individual line item.

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

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

1. In April or May, the superintendent submits to the Board of Education a proposed operating budget of the fiscal year commencing the following July. The operating budget includes proposed expenditures and the means of financing them, and has approval by the Department of Education.
2. In May or June, the budget is approved by the Board of Education.
3. The school board meeting, while not intended for the general public, is open for the general public unless a closed meeting has been called for.
4. The superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the school board and the State of New Mexico Department of Education.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds.
6. Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are adopted on a basis not consistent with generally accepted accounting principles (GAAP). Encumbrances are treated the same way for GAAP purposes and for Budget purposes.

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

B. Excess of expenditures over appropriations

For the year ended June 30, 2010 expenditures did not exceed appropriations in any function level of an individual fund which is the legal level of budgetary control.

C. Deficit Fund Equity

As of June 30, 2010, there are no District funds with a deficit fund balance.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and investments

At the end of the current fiscal year, the District had the following deposits and investments:

Bank deposits – non-interest bearing	\$ 31,256,350
Bank deposits – interest bearing	761,170
Certificates of deposit	872,045
State Treasurer's Office Local Government Investment Pool	1,325,637
Total	<u>\$ 34,215,202</u>

Deposits

Custodial credit risk. In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. State Statutes require that bank deposits be 50% collateralized and repurchase agreements be 102% collateralized. As of June 30, 2010, the District was in compliance with state statute. As of June 30, 2010, the District's carrying amount of deposits was \$32,889,565 and the bank balance was \$34,496,132. Of the bank balance, \$1,272,045 was covered by federal depository insurance. \$23,902,472 was collateralized with securities held by the pledging financial institution's trust department or agent in the District's name, and \$9,321,615 was uninsured and uncollateralized, and subject to custodial credit risk.

Investments

The District has investments in the State Treasurer's Office Local Government Investment Pool (LGIP). The investments are valued at fair value based on quoted market prices as of June 30, 2010. The LGIP Pool is not SEC registered. Section 6-10-10 I, NMSA 1978, empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment fund in securities that are issued by the United States government or by its departments or agencies and are either direct obligations of the United States or are backed by the full faith and credit of the United States government or are agencies sponsored by the United States government. The LGIP investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments. The pool does not have unit shares. Per Section 6-10-10.1F, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the amounts were invested. Participation in the LGIP is voluntary. The pool has a AAAM rating by Standard & Poor's.

Interest rate risk. Interest rate risk is the risk that interest rate variations may adversely affect the fair value of an investment. An acceptable method for reporting interest rate risk is weighted average maturity (WAM). The State Treasurer's Office uses this method for reporting purposes for the Local Government Investment Pool. The weighted average maturity at June 30, 2010 was 50 days. In accordance with its investment policy, the government manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than twelve months.

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

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

LGIP Investment in The Reserve Primary Fund

As of June 30, 2009, the District had \$104,371 (Fund 11000 - \$85,571 and Fund 41000 - \$18,800) in the LGIP Investment in the Reserve Contingencies Fund, a non-performing investment. The District recorded an investment loss of \$104,371 for the year ended June 30, 2009.

During the year ended June 30, 2010 the District recorded recoveries from the LGIP Reserve Contingencies Fund totaling \$90,555. The remaining Reserve contingencies fund to be recovered in future years is \$13,816 as of June 30, 2010. If the State Treasurer's Office recovers and pays to the District any of The Reserve Contingencies Fund amount then the District will record the recovery as investment income in the period of the recovery. As of June 30, 2010, earnings from investments recorded on the financial statements consist of the following:

Earnings from investments before recovery	\$239,672
Recovery of loss from LGIP Reserve Primary Fund	<u>90,555</u>
Earnings from investments	<u>\$330,227</u>

B. Receivables

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

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
<i>Receivables:</i>					
Property taxes Receivable	\$ 523,225	\$ -	\$9,619,440	\$2,528,899	\$12,671,564
Due from other governments	\$ 19,250	\$ 485,679	\$ 318,525	\$ 84,380	\$ 907,834

The District considers the receivables to be fully collectible.

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

Unbilled and delinquent property taxes	<u>\$ 12,671,564</u>	<u>Unearned</u>
Grant proceeds not yet earned	-	\$ -
Total deferred / unearned revenue for governmental funds	<u>\$ 12,671,564</u>	<u>\$1,752,182</u>

Due from / to Other Funds

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

	<u>Due From</u>	<u>Due To</u>
Nonmajor special revenue funds	\$ 485,679	\$ 485,679

C. Capital assets

Capital asset activity for the year ended June 30, 2010 was as follows:

	<u>Balance</u> <u>July 1, 2009</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2010</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 3,444,131	\$ -	\$ -	\$ 3,444,131
Construction in progress	4,856,000	-	(4,856,000)	-
Total capital assets, not being depreciated	<u>8,300,131</u>	<u>-</u>	<u>(4,856,000)</u>	<u>3,444,131</u>
Capital assets, being depreciated:				
Buildings and improvements	84,072,526	7,621,899	-	91,694,425
Improvements other than buildings	6,506,107	984	-	6,507,091
Equipment	20,447,371	1,124,255	(149,116)	21,422,510
Total capital assets being depreciated	<u>111,026,004</u>	<u>8,747,138</u>	<u>(149,116)</u>	<u>119,624,026</u>
Less accumulated depreciation for:				
Buildings and improvements	(30,718,913)	(264,392)	-	(30,983,305)
Improvements other than buildings	(4,077,424)	(1,681,535)	-	(5,758,959)
Equipment	(13,825,557)	(1,971,921)	149,116	(15,648,362)
Total accumulated depreciation	<u>(48,621,894)</u>	<u>(3,917,848)</u>	<u>149,116</u>	<u>(52,390,626)</u>
Total capital assets, being depreciated, net	<u>62,404,110</u>	<u>4,829,290</u>	<u>-</u>	<u>67,233,400</u>
Governmental activities capital assets, net	<u>\$ 70,704,241</u>	<u>\$ 4,829,290</u>	<u>\$ (4,856,000)</u>	<u>\$ 70,677,531</u>

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

Governmental activities:	
Instruction	\$ 988,901
Support services	313,816
Operation of non-instructional services	1,970,065
Food services	34,869
Athletics	87,171
Pupil transportation	523,026
Total depreciation expense – governmental activities	<u>\$3,917,848</u>

Construction commitments

The District did not have any significant active construction projects as of June 30, 2010. The District is involved in several long-term construction projects as part of their master plan for upgrading the district buildings. The amount of \$11,157,362 in the capital projects funds designated for subsequent years expenditures is committed for funding these projects.

D. Long-term debt

General Obligation bonds

The District issues general obligation bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities. The original amount of general obligation bonds issued was \$52,910,000.

General Obligation Bonds - The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. Bonds are direct obligations and pledge the full faith and credit of the District. The bonds will be paid from taxes levied against property owners living within the School District boundaries. The details of the bonds as of June 30, 2010 are as follows:

	<u>Original Amount</u>	<u>Interest Rates</u>	<u>Balance June 30, 2010</u>
Series 2001 General Obligation Bonds	10,225,000	4.25% to 5.00%	\$ 1,750,000
Series 2002 General Obligation Bonds	6,000,000	2.10%	3,600,000
Series 2004 General Obligation Bonds	4,500,000	1.91% to 4.4%	1,750,000
Series 2005 General Obligation Refunding	7,185,000	2.5% to 4.0%	3,550,000
Series 2007 General Obligation Bonds	9,000,000	3.7% to 5.1%	5,500,000
Series 2009 General Obligation Bonds	16,000,000	3.0% to 5.0%	<u>10,400,000</u>
			26,550,000
Add (less) deferred amounts:			
For issuance premiums			433,408
On refunding			<u>(63,267)</u>
Total General Obligation Bonds			<u>\$ 26,920,141</u>

Maturities of long-term debt as of June 30, 2010 are as follows:

<u>General Obligation Bonds</u>			
<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirements</u>
2011	\$ 6,610,000	\$ 943,455	\$ 7,553,455
2012	5,165,000	635,231	5,800,231
2013	2,550,000	492,268	3,042,268
2014	2,675,000	402,810	3,077,810
2015	2,225,000	342,544	2,567,544
2016-2020	6,050,000	903,328	6,953,328
2021-2022	1,275,000	105,403	1,380,403
Total	<u>\$ 26,550,000</u>	<u>\$ 3,825,039</u>	<u>\$ 30,375,039</u>

Capital Lease Obligation

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

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

The assets acquired through the capital lease are equipment with a cost basis of \$4,500,000 and \$4,750,000 during the fiscal years ended June 30, 2009 and 2008, respectively. The related accumulated depreciation was \$3,306,000 and \$1,456,000, as of June 30, 2010 and 2009, respectively.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2010, were as follows:

<u>Year Ended June 30,</u>	<u>2008 Issue</u> <u>Payments</u>	<u>2009 Issue</u> <u>Payments</u>	<u>Total</u>
2011	\$ 1,011,148	\$ 1,318,625	\$ 2,329,773
2012	1,011,148	1,091,375	2,102,523
2013	505,574	1,210,375	1,715,949
2014	-	1,171,563	1,171,563
Total	<u>2,527,870</u>	<u>4,791,938</u>	<u>7,319,808</u>
Less: amount representing interest	<u>(109,890)</u>	<u>(291,938)</u>	<u>(401,828)</u>
Net	<u>\$ 2,417,980</u>	<u>\$ 4,500,000</u>	<u>\$ 6,917,980</u>

Changes in Long-term Liabilities

Changes in Long-term Liabilities - During the year ended June 30, 2010, the following changes occurred in liabilities:

	<u>Balance</u> <u>June 30, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2010</u>	<u>Due Within</u> <u>One Year</u>
Bonds Payable:					
General obligation bonds payable	\$ 35,985,000	\$ -	\$ 9,435,000	\$ 26,550,000	\$ 6,610,000
Add (less) deferred amounts:					
For issuance premiums	488,554	-	55,146	433,408	55,146
On refunding	<u>(126,567)</u>	<u>-</u>	<u>(63,300)</u>	<u>(63,267)</u>	<u>(63,267)</u>
Total bonds payable	36,346,987	-	9,426,846	26,920,141	6,601,879
Capital lease	<u>8,344,265</u>	<u>-</u>	<u>1,426,286</u>	<u>6,917,979</u>	<u>2,145,648</u>
Total	44,691,252	-	10,853,132	33,838,120	8,747,527
Compensated absences	<u>374,596</u>	<u>406,352</u>	<u>381,789</u>	<u>399,159</u>	<u>19,900</u>
Total	<u>\$ 45,065,848</u>	<u>\$ 406,352</u>	<u>\$ 11,234,921</u>	<u>\$ 34,237,279</u>	<u>\$ 8,767,427</u>

V. OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injury to employees; and natural disasters. The New Mexico Public Schools Insurance Authority (NMSIA) was formed on April 5, 1985 under the New Mexico Public Schools Insurance Authority Act, Chapter 22, Section 2 of the New Mexico Statutes Annotated (NMSA 1978), as amended, as an insurance fund to provide health, disability and life insurance coverage (benefits coverage), and property, casualty and workers' compensation insurance coverage (risk coverage) to participating public schools, school board members, public school employees, and retirees within the State of New Mexico. The District is one of 91 members that participate in NMPSIA. Participation in NMPSIA is mandatory for all K-12 public schools except those with enrollment exceeding 60,000 students. Participation is voluntary for other public education institutions. The District pays an annual premium to the pool for its general insurance coverage. The agreement for formation of NMPSIA provides that the pool will be self-sustaining through member premiums. NMPSIA establishes self insured retentions by line of coverage and procures insurance or reinsurance, where indicated, in excess of the self insured retention on a per occurrence basis. NMPSIA will publish its own financial report for the year ended June 30, 2010.

B. Contingent liabilities

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

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

C. Other Post Employment Benefits

Plan Description. The District contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

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

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

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

The 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. The statute requires each participating employer to contribute 1.3% of each participating employee's annual salary; each participating employee is required to contribute .65% of their salary. Employers joining the program after 1/1/98 are required to make a surplus-amount contributions to the RHCA based on one of two formulas at agreed-upon intervals.

The RCHA plan is financed on a pay-as-you-go basis. The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the contributions can be changed by the New Mexico State Legislature.

The District's and employee's contributions to the RHCA for the years ended June 30, 2010, 2009 and 2008 were \$1,018,055, \$1,017,243 and \$958,255, respectively, which equal the required contributions each year.

D. Pension Plan – Educational Retirement Board

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

Funding Policy. Plan members are required to contribute 7.42% of their gross salary. The District is required to contribute 10.9% of the gross covered salary. Effective July 1, 2008, plan members are required to contribute 7.9% of their gross salary. The employer contribution will increase .75% each year until July 1, 2011 when the employer contribution will be 13.9%. 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 ERA for the fiscal years ended June 30, 2010, 2009 and 2008 were: \$5,816,798, \$5,965,408, and \$5,267,652 respectively, which equal the amount of the required contributions for each fiscal year.

E. Subsequent Events

Debt Issued

On August 24, 2010, the District issued \$5,310,000 in General Obligation Education Technology Notes, Series 2010. The District will use the proceeds for the acquisition of technology equipment. The debt is a direct obligation and a pledge of 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.

Debt Refunded

Also on August 24, 2010, the District issued \$4,900,000 in General Obligation Refunding Bonds, Series 2010. The District will use the proceeds to refund the remaining outstanding bonds of the Series 2001, Series 2003 and Series 2004 Bonds. The debt is a direct obligation and a pledge of 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.

Subsequent Accounting Standard Pronouncements

In February 2009, the GASB adopted Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, which is effective for financial statements for periods beginning after June 15, 2010. This statement establishes fund balance classifications that comprise a hierarchy based on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. The District does not expect the statement will have any effect on its financial statements.

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SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

All funds are authorized by the State Department of Education.

SPECIAL REVENUE FUNDS

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

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

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

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

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

IDEA-B Entitlement 24106 - The IDEA-B Entitlement/Competitive program is to provide grants to states, that flow-through to schools, to assist them in providing a free appropriate public education to all children with disabilities. The program is funded by the United States government, under the Individuals with Disabilities Education Act, Part B, Sections 611-617, and part D, Section 674 as amended, 20 U.S.C. 1711-1417 and 1420.

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

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

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

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

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

Enhancing Education Through Technology 24133 – To provide technology resources to support student achievement. Funding is provided by the Federal Government through Title III, Part A, Subpart 2, Section 3132 Public Law 103-382.

CSRD Grant 24135 - Provide professional training, onsite demonstrations and support on “Baldrige in the Classroom” techniques to the staff. Funding is provided by the Federal Government through Title I, Part F.

Title VI-A 24150 – 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.

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

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

Drug Free Schools 24157 – The program was enacted to provide funding to local agencies for drug and alcohol abuse prevention, and education programs. Funding is provided by the Federal Government through the New Mexico State Department of Education, under the Drug-free Schools and Communities Act of 1986, Title V, Part B; Elementary and Secondary Education Act, as amended, Public Laws 99-570, 100-297, 100-690, 101-226, and 101-647.

21st Century 24159 – The grant is to assist students at risk of educational failure through provisions of after school academic support. The target district schools are Apache and Esperanza Schools. These were selected because of high numbers of low income families. Students at each school are selected by low NWEA test results and teacher referral.

School Improvements 24162 – To support school improvement activities in accordance with Title I regulations. These funds enable the District to carry out its approved school improvement plan.

Immigrant Grant 24163 – The immigrant grant is award based upon a significant increase in the immigrant student population in our district. It is calculated upon on average of the past three years. The goals of the grant are to help students increase their performance on district and state tests, increase parental involvement, provide after school services, obtain support materials, and provide other instructional services and parents.

NM Reading First 24167 – To build reading capacity necessary for improving the reading achievement of New Mexico students. Funding is provided by the Federal Government through the USDE/ESEA Act of 1965, as amended 2001.

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

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

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

Title I ARRA 24201 – To help Local Educational Agencies (LEA) and schools improve the teaching and learning of children failing, or most at-risk of failing, to meet challenging State academic achievement standards.

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

IDEA-B Preschool ARRA 24209 – To provide grants to States to make available special education and related services for children with disabilities ages three - five years, and at a State's discretion, two-year old children with disabilities who will reach age three during the school year.

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

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

Alcohol Abuse Reduction 25111 – To provide counselors who will be responsible for integrating alcohol reduction activities, continue school based POC to screen and assist at-risk students and conduct secondary prevention and intervention groups. Recruit students in the Project Venture course.

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

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

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

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

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

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

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

SEG ARRA 25250 – To support and restore funding for elementary, secondary and postsecondary education and, as applicable, early childhood education programs and services in States and local educational agencies.

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

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

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

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

Incentives for School Improvements 27138 – Funding for “high improving” public schools which have shown the most improvements in test scores from prior year. The “high improving” designations are an opportunity to congratulate and reward schools for outstanding improvements in student achievement.

Indian Education Act 27150 – To support and assist schools through collaboration to improve the achievement of all students. This is in keeping with the intent of the Indian Education Act and the Mission Statement of the Priority Schools Bureau.

Teacher Mentoring 27154 – Funding to address the high attrition rate and demand for teachers. The grant provides scholarship to those pursuing a teaching degree and a mentor, new teacher training, and support in their first years of teaching.

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

CORE 27160 – The CORE K-6 program is to develop standards based instructional units in educating grades K-5 that include common grade level assessments and school wide academic vocabulary lists for each curricular area. The goal is to significantly improve student achievement scores as measured by the NM Standards Based Assessment and to prepare students for high level learning in secondary and post secondary education.

21st Century State Grant 27167 – The 21st Century Grant provides after school services at Apache Elementary. It is a joint project between the school district and the Boys and Girls Club of Farmington.

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

Library Book Fund Allocations 27549 – To support the purchase of school library books. The acquisition of school library books is the only authorized purchase allowed under this funding.

Tobacco Free 28122 - To provide funds to promote tobacco prevention efforts with youths, parents and community.

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

Right Start Family 28142 - To provide targeted evidence-based prevention services to children from birth to 6th grade and their families directed at reducing identified risk factors for alcohol, tobacco and drug abuse.

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

CAPITAL PROJECTS FUNDS

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

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

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2010

	Special Revenue									
	Food Services	Athletics	Activities	Title I	Javits - Gifted and Talented	IDEA-B Entitlement	IDEA-B Discretionary	IDEA-B Preschool	Homeless Grant	IDEA-B Private School Share
	21000	22000	23000	24101	24102	24106	24107	24109	24113	24115
ASSETS										
Pooled cash and investments	\$ 535,874	\$ 76,941	\$ 342,765	\$ 106,036	\$ 1,610	\$ -	\$ -	\$ 17,060	\$ 27,901	\$ -
Receivables:										
Property taxes	-	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	317,475	-	-	-	-
Total assets	<u>\$ 535,874</u>	<u>\$ 76,941</u>	<u>\$ 342,765</u>	<u>\$ 106,036</u>	<u>\$ 1,610</u>	<u>\$ 317,475</u>	<u>\$ -</u>	<u>\$ 17,060</u>	<u>\$ 27,901</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES										
Liabilities:										
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	30,871	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	106,036	1,610	317,475	-	17,060	27,901	-
Total liabilities	<u>30,871</u>	<u>-</u>	<u>-</u>	<u>106,036</u>	<u>1,610</u>	<u>317,475</u>	<u>-</u>	<u>17,060</u>	<u>27,901</u>	<u>-</u>
Fund balances (deficit):										
Unreserved - designated for subsequent year's expenditures	-	-	-	-	-	-	-	-	-	-
Unreserved - undesignated (deficit)	505,003	76,941	342,765	-	-	-	-	-	-	-
Total fund balances	<u>505,003</u>	<u>76,941</u>	<u>342,765</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 535,874</u>	<u>\$ 76,941</u>	<u>\$ 342,765</u>	<u>\$ 106,036</u>	<u>\$ 1,610</u>	<u>\$ 317,475</u>	<u>\$ -</u>	<u>\$ 17,060</u>	<u>\$ 27,901</u>	<u>\$ -</u>

(continued)

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2010

	Special Revenue									
	Fresh Fruit and Vegetable 24118	Enhancing Ed Technology 24133	CSRD Grant 24135	Title VI-A 24150	Eng Language Acquisition 24153	Title II-A 24154	Drug Free Schools 24157	21st Century 24159	School Improvements 24162	Immigrant Grant 24163
ASSETS										
Pooled cash and investments	\$ -	\$ 5,075	\$ 850	\$ 6,253	\$ 68,328	\$ -	\$ 18,321	\$ 3,671	\$ -	\$ -
Receivables:										
Property taxes	-	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	85,343	-	-	18,646	-
Due from other funds	-	-	-	-	-	-	-	-	-	-
Total assets	\$ -	\$ 5,075	\$ 850	\$ 6,253	\$ 68,328	\$ 85,343	\$ 18,321	\$ 3,671	\$ 18,646	\$ -
LIABILITIES AND FUND BALANCES										
Liabilities:										
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 85,343	\$ -	\$ -	\$ 18,646	\$ -
Accounts payable	-	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	5,075	850	6,253	68,328	-	18,321	3,671	-	-
Total liabilities	-	5,075	850	6,253	68,328	85,343	18,321	3,671	18,646	-
Fund balances (deficit):										
Unreserved - designated for subsequent year's expenditures	-	-	-	-	-	-	-	-	-	-
Unreserved - undesignated (deficit)	-	-	-	-	-	-	-	-	-	-
Total fund balances	-	-	-	-	-	-	-	-	-	-
Total liabilities and fund balances	\$ -	\$ 5,075	\$ 850	\$ 6,253	\$ 68,328	\$ 85,343	\$ 18,321	\$ 3,671	\$ 18,646	\$ -

(continued)

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2010

	Special Revenue										
	NM Reading	Carl	High Schools	High Schools	Title I	IDEA-B	IDEA-B	IDEA-B	Teaching	Alcohol	
	First	Perkins	that	that	ARRA	ARRA	Preschool	ARRA	American	Abuse	
24167	24174	Work	Work C/O	24201	24206	ARRA	24209	24212	History	Reduction	
24167	24174	24180	24182	24201	24206	24209	24212	25107	25111		
ASSETS											
Pooled cash and investments	\$ -	\$ 13,697	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1
Receivables:											
Property taxes	-	-	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	1,308	-	19,689	20,780	26,414	6,419	26,011	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-	-
Total assets	\$ -	\$ 13,697	\$ 1,308	\$ -	\$ 19,689	\$ 20,780	\$ 26,414	\$ 6,419	\$ 26,011	\$ 1	
LIABILITIES AND FUND BALANCES											
Liabilities:											
Due to other funds	\$ -	\$ -	\$ 1,308	\$ -	\$ 19,689	\$ 20,780	\$ 26,414	\$ 6,419	\$ 26,011	\$ -	
Accounts payable	-	-	-	-	-	-	-	-	-	-	
Deferred revenue	-	-	-	-	-	-	-	-	-	-	
Unearned revenue	-	13,697	-	-	-	-	-	-	-	1	
Total liabilities	-	13,697	1,308	-	19,689	20,780	26,414	6,419	26,011	1	
Fund balances (deficit):											
Unreserved - designated for subsequent year's expenditures	-	-	-	-	-	-	-	-	-	-	
Unreserved - undesignated (deficit)	-	-	-	-	-	-	-	-	-	-	
Total fund balances	-	-	-	-	-	-	-	-	-	-	
Total liabilities and fund balances	\$ -	\$ 13,697	\$ 1,308	\$ -	\$ 19,689	\$ 20,780	\$ 26,414	\$ 6,419	\$ 26,011	\$ 1	

(continued)

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2010

	Special Revenue									
	Johnson O'Malley 25131	Federal Impact Aid Special Ed 25145	Federal Impact Aid Indian Ed 25147	Medicaid 25153	Indian Education Act Title IX 25184	Navajo Medical Center 25209	Safe Schools Students 25243	Bilingual Education Title III 25248	SEG ARRA 25250	Parent Reaching Out 26174
ASSETS										
Pooled cash and investments	\$ -	\$ 9,515	\$ 82,007	\$ 347,867	\$ -	\$ 44,401	\$ -	\$ -	\$ 301,365	\$ 15,932
Receivables:										
Property taxes	-	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Due from other governments	49,307	-	-	-	43,971	-	160,834	6,956	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 49,307	\$ 9,515	\$ 82,007	\$ 347,867	\$ 43,971	\$ 44,401	\$ 160,834	\$ 6,956	\$ 301,365	\$ 15,932
LIABILITIES AND FUND BALANCES										
Liabilities:										
Due to other funds	\$ 49,307	\$ -	\$ -	\$ -	\$ 43,971	\$ -	\$ 160,834	\$ 6,956	\$ -	\$ -
Accounts payable	-	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	9,515	82,007	347,867	-	44,401	-	-	301,365	15,932
Total liabilities	49,307	9,515	82,007	347,867	43,971	44,401	160,834	6,956	301,365	15,932
Fund balances (deficit):										
Unreserved - designated for subsequent year's expenditures	-	-	-	-	-	-	-	-	-	-
Unreserved - undesignated (deficit)	-	-	-	-	-	-	-	-	-	-
Total fund balances	-	-	-	-	-	-	-	-	-	-
Total liabilities and fund balances	\$ 49,307	\$ 9,515	\$ 82,007	\$ 347,867	\$ 43,971	\$ 44,401	\$ 160,834	\$ 6,956	\$ 301,365	\$ 15,932

(continued)

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2010

	Special Revenue										
	Dual Credit	GO Bond	Technology	Incentives for	Indian	Teacher	Breakfast for		21st Century	Library	Library Book
	HB2	2008 SB333	Grant	School	Education	Mentoring	Elementary	CORE	State Grant	GO Bonds	Fund
	27103	27105	27117	Improvements	Act	27154	Students	27160	27167	27170	Allocations
	27103	27105	27117	27138	27150	27154	27155	27160	27167	27170	27549
ASSETS											
Pooled cash and investments	\$ -	\$ -	\$ 89,322	\$ 13,689	\$ -	\$ 12,565	\$ 4,582	\$ 244	\$ -	\$ -	\$ -
Receivables:											
Property taxes	-	-	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-
Due from other governments	-	19,152	-	-	-	-	-	-	-	849	-
Due from other funds	-	-	168,204	-	-	-	-	-	-	-	-
Total assets	\$ -	\$ 19,152	\$ 257,526	\$ 13,689	\$ -	\$ 12,565	\$ 4,582	\$ 244	\$ -	\$ 849	\$ -
LIABILITIES AND FUND BALANCES											
Liabilities:											
Due to other funds	\$ -	\$ 19,152	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 849	\$ -
Accounts payable	-	-	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	257,526	13,689	-	12,565	4,582	244	-	-	-
Total liabilities	-	19,152	257,526	13,689	-	12,565	4,582	244	-	849	-
Fund balances (deficit):											
Unreserved - designated for subsequent year's expenditures	-	-	-	-	-	-	-	-	-	-	-
Unreserved - undesignated (deficit)	-	-	-	-	-	-	-	-	-	-	-
Total fund balances	-	-	-	-	-	-	-	-	-	-	-
Total liabilities and fund balances	\$ -	\$ 19,152	\$ 257,526	\$ 13,689	\$ -	\$ 12,565	\$ 4,582	\$ 244	\$ -	\$ 849	\$ -

(continued)

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2010

	Special Revenue				Total Special Revenue	Capital Projects			Total Nonmajor Governmental Funds	
	Tobacco Free	Youth Conservation	Right Start Family	Tutoring		Special Building Local	Special Building State	Public Schools 20% Outlay		Total Capital Projects
	28122	28133	28142	28178		31300	31400	32100		
ASSETS										
Pooled cash and investments	\$ 25,411	\$ 18,000	\$ 32,030	\$ 770	\$ 2,222,083	\$ 1,538,372	\$ 104,237	\$ 99,873	\$ 1,742,482	\$ 3,964,565
Receivables:										
Property taxes	-	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	485,679	-	-	-	-	485,679
Due from other funds	-	-	-	-	485,679	-	-	-	-	485,679
Total assets	\$ 25,411	\$ 18,000	\$ 32,030	\$ 770	\$ 3,193,441	\$ 1,538,372	\$ 104,237	\$ 99,873	\$ 1,742,482	\$ 4,935,923
LIABILITIES AND FUND BALANCES										
Liabilities:										
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ 485,679	\$ -	\$ -	\$ -	\$ -	\$ 485,679
Accounts payable	-	-	-	-	30,871	-	-	-	-	30,871
Deferred revenue	-	-	-	-	-	-	-	-	-	-
Unearned revenue	25,411	18,000	32,030	770	1,752,182	-	-	-	-	1,752,182
Total liabilities	25,411	18,000	32,030	770	2,268,732	-	-	-	-	2,268,732
Fund balances (deficit):										
Unreserved - designated for subsequent year's expenditures	-	-	-	-	-	1,538,372	104,237	-	1,642,609	1,642,609
Unreserved - undesignated (deficit)	-	-	-	-	924,709	-	-	99,873	99,873	1,024,582
Total fund balances	-	-	-	-	924,709	1,538,372	104,237	99,873	1,742,482	2,667,191
Total liabilities and fund balances	\$ 25,411	\$ 18,000	\$ 32,030	\$ 770	\$ 3,193,441	\$ 1,538,372	\$ 104,237	\$ 99,873	\$ 1,742,482	\$ 4,935,923

(continued)

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year Ended June 30, 2010

	Special Revenue									
	Food Services	Athletics	Activities	Title I	Javits - Gifted and Talented	IDEA-B Entitlement	IDEA-B Discretionary	IDEA-B Preschool	Homeless Grant	IDEA-B Private School Share
	21000	22000	23000	24101	24102	24106	24107	24109	24113	24115
Revenues:										
Intergovernmental - grants	\$ 2,455,403	\$ -	\$ -	\$ 2,192,614	\$ -	\$ 2,154,408	\$ 5,000	\$ 59,947	\$ 14,023	\$ 7,592
Taxes - property	-	-	-	-	-	-	-	-	-	-
Fees and activities	836,626	257,050	346,384	-	-	-	-	-	-	-
Earnings from investments	357	221	2,994	-	-	-	-	-	-	-
Total revenues	3,292,386	257,271	349,378	2,192,614	-	2,154,408	5,000	59,947	14,023	7,592
Expenditures:										
Current:										
Instruction	-	-	-	1,936,515	-	1,066,614	2,069	59,947	14,023	2,446
Support services	-	-	345,913	256,099	-	1,087,794	2,931	-	-	5,146
Operation of non-instructional services	-	-	-	-	-	-	-	-	-	-
Food services	3,099,390	-	-	-	-	-	-	-	-	-
Athletics	-	279,746	-	-	-	-	-	-	-	-
Pupil transportation	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-
Debt Service:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Total expenditures	3,099,390	279,746	345,913	2,192,614	-	2,154,408	5,000	59,947	14,023	7,592
Excess (deficiency) of revenues over expenditures	192,996	(22,475)	3,465	-	-	-	-	-	-	-
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	192,996	(22,475)	3,465	-	-	-	-	-	-	-
Fund balance at beginning of year	312,007	99,416	339,300	-	-	-	-	-	-	-
Fund balance at end of year	\$ 505,003	\$ 76,941	\$ 342,765	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(continued)

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year Ended June 30, 2010

	Special Revenue									
	Fresh Fruit and Vegetable	Enhancing Ed Technology	CSR Grant	Title VI-A	Eng Language Acquisition	Title II-A	Drug Free Schools	21st Century	School Improvements	Immigrant Grant
	24118	24133	24135	24150	24153	24154	24157	24159	24162	24163
Revenues:										
Intergovernmental - grants	\$ -	\$ -	\$ -	\$ 87	\$ 127,764	\$ 356,007	\$ 83,613	\$ -	\$ 79,574	\$ 30,953
Taxes - property	-	-	-	-	-	-	-	-	-	-
Fees and activities	-	-	-	-	-	-	-	-	-	-
Earnings from investments	-	-	-	-	-	-	-	-	-	-
Total revenues	-	-	-	87	127,764	356,007	83,613	-	79,574	30,953
Expenditures:										
Current:										
Instruction	-	-	-	-	127,764	233,956	-	-	79,574	30,953
Support services	-	-	-	87	-	122,051	83,613	-	-	-
Operation of non-instructional services	-	-	-	-	-	-	-	-	-	-
Food services	-	-	-	-	-	-	-	-	-	-
Athletics	-	-	-	-	-	-	-	-	-	-
Pupil transportation	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-
Debt Service:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Total expenditures	-	-	-	87	127,764	356,007	83,613	-	79,574	30,953
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-	-	-	-
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	-	-	-	-	-	-
Fund balance at beginning of year	-	-	-	-	-	-	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(continued)

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year Ended June 30, 2010

	Special Revenue									
	NM Reading First 24167	Carl Perkins 24174	High Schools that Work 24180	High Schools that Work C/O 24182	Title I ARRA 24201	IDEA-B ARRA 24206	IDEA-B Preschool ARRA 24209	IDEA-B EIS ARRA 24212	Teaching American History 25107	Alcohol Abuse Reduction 25111
Revenues:										
Intergovernmental - grants	\$ -	\$ 88,202	\$ 22,085	\$ 26,652	\$ 778,689	\$ 707,816	\$ 46,240	\$ 65,909	\$ 367,226	\$ 17,594
Taxes - property	-	-	-	-	-	-	-	-	-	-
Fees and activities	-	-	-	-	-	-	-	-	-	-
Earnings from investments	-	-	-	-	-	-	-	-	-	-
Total revenues	-	88,202	22,085	26,652	778,689	707,816	46,240	65,909	367,226	17,594
Expenditures:										
Current:										
Instruction	-	88,202	22,085	26,652	761,129	228,786	19,623	-	-	-
Support services	-	-	-	-	17,560	479,030	26,617	65,909	367,226	17,594
Operation of non-instructional services	-	-	-	-	-	-	-	-	-	-
Food services	-	-	-	-	-	-	-	-	-	-
Athletics	-	-	-	-	-	-	-	-	-	-
Pupil transportation	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-
Debt Service:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Total expenditures	-	88,202	22,085	26,652	778,689	707,816	46,240	65,909	367,226	17,594
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-	-	-	-
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	-	-	-	-	-	-
Fund balance at beginning of year	-	-	-	-	-	-	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(continued)

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year Ended June 30, 2010

	Special Revenue									
	Johnson O'Malley 25131	Federal Impact Aid Special Ed 25145	Federal Impact Aid Indian Ed 25147	Medicaid 25153	Indian Education Act Title IX 25184	Navajo Medical Center 25209	Safe Schools Healthy Students 25243	Bilingual Education Title III 25248	SEG ARRA 25250	Parent Reaching Out 26174
Revenues:										
Intergovernmental - grants	\$ 295,020	\$ 52,112	\$ 10,306	\$ 225,604	\$ 621,146	\$ 27,693	\$ 1,310,340	\$ 147,594	\$ 5,109,812	\$ 5,499
Taxes - property	-	-	-	-	-	-	-	-	-	-
Fees and activities	-	-	-	-	-	-	-	-	-	-
Earnings from investments	-	-	-	-	-	-	-	-	-	-
Total revenues	295,020	52,112	10,306	225,604	621,146	27,693	1,310,340	147,594	5,109,812	5,499
Expenditures:										
Current:										
Instruction	90,832	-	10,306	-	418,451	-	-	60,230	-	-
Support services	204,188	52,112	-	225,604	202,695	27,693	1,310,340	87,364	1,451,370	5,499
Operation of non-instructional services	-	-	-	-	-	-	-	-	3,658,442	-
Food services	-	-	-	-	-	-	-	-	-	-
Athletics	-	-	-	-	-	-	-	-	-	-
Pupil transportation	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-
Debt Service:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Total expenditures	295,020	52,112	10,306	225,604	621,146	27,693	1,310,340	147,594	5,109,812	5,499
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-	-	-	-
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	-	-	-	-	-	-
Fund balance at beginning of year	-	-	-	-	-	-	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(continued)

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year Ended June 30, 2010

	Special Revenue										
	Dual Credit HB2	GO Bond 2008 SB333	Technology Grant	Incentives for School Improvements	Indian Education Act	Teacher Mentoring	Breakfast for Elementary Students	CORE	21st Century State Grant	Library GO Bonds	Library Book Fund Allocations
	27103	27105	27117	27138	27150	27154	27155	27160	27167	27170	27549
Revenues:											
Intergovernmental - grants	\$ 428	\$ 48,363	\$ 85,363	\$ -	\$ -	\$ 55,074	\$ -	\$ -	\$ -	\$ 5,144	\$ 31,640
Taxes - property	-	-	-	-	-	-	-	-	-	-	-
Fees and activities	-	-	-	-	-	-	-	-	-	-	-
Earnings from investments	-	-	-	-	-	-	-	-	-	-	-
Total revenues	428	48,363	85,363	-	-	55,074	-	-	-	5,144	31,640
Expenditures:											
Current:											
Instruction	-	-	-	-	-	55,074	-	-	-	-	-
Support services	428	48,363	85,363	-	-	-	-	-	-	5,144	31,640
Operation of non-instructional services	-	-	-	-	-	-	-	-	-	-	-
Food services	-	-	-	-	-	-	-	-	-	-	-
Athletics	-	-	-	-	-	-	-	-	-	-	-
Pupil transportation	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-	-
Debt Service:											
Principal	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	428	48,363	85,363	-	-	55,074	-	-	-	5,144	31,640
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-	-	-	-	-
Other financing sources (uses):											
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	-	-	-	-	-	-	-
Fund balance at beginning of year	-	-	-	-	-	-	-	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(continued)

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year Ended June 30, 2010

	Special Revenue				Total Special Revenue	Capital Projects			Total Nonmajor Governmental Funds	
	Tobacco Free	Youth Conservation	Right Start Family	Tutoring		Special Building Local	Special Building State	Public Schools 20% Capital Outlay		Total Capital Projects
	28122	28133	28142	28178		31300	31400	32100		
Revenues:										
Intergovernmental - grants	\$ 87,355	\$ 136,145	\$ 142,966	\$ 151,192	\$18,236,194	\$ -	\$ 28,492	\$ -	\$ 28,492	\$ 18,264,686
Taxes - property	-	-	-	-	-	-	-	-	-	-
Fees and activities	-	-	-	-	1,440,060	2,221	-	-	2,221	1,442,281
Earnings from investments	-	-	-	-	3,572	1,421	241	-	1,662	5,234
Total revenues	87,355	136,145	142,966	151,192	19,679,826	3,642	28,733	-	32,375	19,712,201
Expenditures:										
Current:										
Instruction	-	136,145	18,900	-	5,490,276	-	-	-	-	5,490,276
Support services	87,355	-	124,066	151,192	6,977,986	-	-	-	-	6,977,986
Operation of non-instructional services	-	-	-	-	3,658,442	-	-	-	-	3,658,442
Food services	-	-	-	-	3,099,390	-	-	-	-	3,099,390
Athletics	-	-	-	-	279,746	-	-	-	-	279,746
Pupil transportation	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	28,492	-	28,492	28,492
Debt Service:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Total expenditures	87,355	136,145	142,966	151,192	19,505,840	-	28,492	-	28,492	19,534,332
Excess (deficiency) of revenues over expenditures	-	-	-	-	173,986	3,642	241	-	3,883	177,869
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	492,941	-	-	492,941	492,941
Total other financing sources (uses)	-	-	-	-	-	492,941	-	-	492,941	492,941
Net change in fund balances	-	-	-	-	173,986	496,583	241	-	496,824	670,810
Fund balance at beginning of year	-	-	-	-	750,723	1,041,789	103,996	99,873	1,245,658	1,996,381
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -	\$ 924,709	\$ 1,538,372	\$ 104,237	\$ 99,873	\$ 1,742,482	\$ 2,667,191

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 DEBT SERVICE FUND - 41000
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Local sources:				
District school tax levy	\$ 10,575,252	\$ 10,575,252	\$ 6,840,027	\$ (3,735,225)
Earnings from investments	<u>25,000</u>	<u>25,000</u>	<u>24,117</u>	<u>(883)</u>
Total local revenues	<u>10,600,252</u>	<u>10,600,252</u>	<u>6,864,144</u>	<u>(3,736,108)</u>
Expenditures:				
Current:				
Support Services:				
Purchased services	<u>105,753</u>	<u>115,753</u>	<u>59,810</u>	<u>55,943</u>
Debt service:				
Principal	9,435,000	9,435,000	9,435,000	-
Interest	<u>1,140,252</u>	<u>1,140,252</u>	<u>1,140,249</u>	<u>3</u>
Total debt service	<u>10,575,252</u>	<u>10,575,252</u>	<u>10,575,249</u>	<u>3</u>
Total expenditures	<u>10,681,005</u>	<u>10,691,005</u>	<u>10,635,059</u>	<u>55,946</u>
Excess (deficiency) of revenues over expenditures	(80,753)	(90,753)	(3,770,915)	(3,680,162)
Beginning cash balance budgeted	9,996,604	9,986,604	-	(9,986,604)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>11,655,162</u>	<u>11,655,162</u>
Fund balance at end of the year	<u>\$ 9,915,851</u>	<u>\$ 9,895,851</u>	7,884,247	<u>\$ (2,011,604)</u>
RECONCILIATION TO GAAP BASIS:				
Change in receivables			348,577	
Change in due from other governments			(7,036)	
Change in deferred revenue			<u>(348,577)</u>	
			<u>\$ 7,877,211</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 EDUCATIONAL TECHNICAL DEBT SERVICE FUND - 43000
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Local sources:				
District school tax levy	\$ 1,648,637	\$ 1,648,637	\$ 3,291,816	\$ 1,643,179
Earnings from investments	<u>10,000</u>	<u>10,000</u>	<u>78</u>	<u>(9,922)</u>
Total revenues	<u>1,658,637</u>	<u>1,658,637</u>	<u>3,291,894</u>	<u>1,633,257</u>
Expenditures:				
Current:				
Support Services:				
Purchased services	<u>16,486</u>	<u>36,486</u>	<u>29,223</u>	<u>7,263</u>
Debt service:				
Principal	1,426,286	1,426,286	1,426,286	-
Interest	<u>222,351</u>	<u>222,351</u>	<u>222,351</u>	<u>-</u>
Total debt service	<u>1,648,637</u>	<u>1,648,637</u>	<u>1,648,637</u>	<u>-</u>
Total expenditures	<u>1,665,123</u>	<u>1,685,123</u>	<u>1,677,860</u>	<u>7,263</u>
Excess (deficiency) of revenues over expenditures	(6,486)	(26,486)	1,614,034	1,640,520
Beginning cash balance budgeted	124,494	104,494	-	(104,494)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>1,145,614</u>	<u>1,145,614</u>
Fund balance at end of the year	<u>\$ 118,008</u>	<u>\$ 78,008</u>	<u>2,759,648</u>	<u>\$ 2,681,640</u>
RECONCILIATION TO GAAP BASIS:				
Change in receivables			58,345	
Change in due from other governments			16,045	
Change in deferred revenue			<u>(58,345)</u>	
			<u>\$ 2,775,693</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 BOND BUILDING CAPITAL PROJECTS FUND - 31100
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Local sources:				
Earnings from investments	\$ 150,000	\$ 150,000	\$ 200,098	\$ 50,098
Expenditures:				
Capital outlay	14,685,679	14,685,679	6,636,152	8,049,527
Total expenditures	<u>14,685,679</u>	<u>14,685,679</u>	<u>6,636,152</u>	<u>8,049,527</u>
Excess (deficiency) of revenues over expenditures	<u>(14,535,679)</u>	<u>(14,535,679)</u>	<u>(6,436,054)</u>	<u>8,099,625</u>
Beginning cash balance budgeted	14,535,679	14,535,679	-	(14,535,679)
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>14,125,791</u>	<u>14,125,791</u>
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>7,689,737</u>	<u>\$ 7,689,737</u>
RECONCILIATION TO GAAP BASIS:				
Changes in payables			<u>(395,313)</u>	
			<u>\$ 7,294,424</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 SB-9 CAPITAL IMPROVEMENTS CAPITAL PROJECTS FUND - 31700
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State flow through grants	\$ 386,073	\$ 595,008	\$ 386,072	\$ (208,936)
Local sources:				
District school tax levy	\$ 2,673,932	\$ 2,673,932	\$ 2,655,672	\$ (18,260)
Earnings from investments	10,000	10,000	2,183	(7,817)
Total local revenues	<u>2,683,932</u>	<u>2,683,932</u>	<u>2,657,855</u>	<u>(26,077)</u>
Total revenues	<u>3,070,005</u>	<u>3,278,940</u>	<u>3,043,927</u>	<u>(235,013)</u>
Expenditures:				
Current:				
Operation of Non-Instructional Services:				
Purchased services	26,739	31,739	23,250	8,489
Supplies and materials	5,903,135	5,336,661	1,540,745	3,795,916
Total operation of non-instructional services	5,929,874	5,368,400	1,563,995	3,804,405
Capital outlay	1,284,318	2,054,727	1,150,527	904,200
Total expenditures	<u>7,214,192</u>	<u>7,423,127</u>	<u>2,714,522</u>	<u>4,708,605</u>
Excess (deficiency) of revenues over expenditures	(4,144,187)	(4,144,187)	329,405	4,473,592
Beginning cash balance budgeted	-	-	-	-
Fund balances at beginning of the year	-	-	1,632,665	1,632,665
Fund balances at end of the year	<u>\$ (4,144,187)</u>	<u>\$ (4,144,187)</u>	1,962,070	<u>\$ 6,106,257</u>
RECONCILIATION TO GAAP BASIS:				
Change in receivables			132,029	
Change in due from other governments			2,117	
Changes in payables			(36,866)	
Change in deferred revenue			<u>(132,029)</u>	
			<u>\$ 1,927,321</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 EDUCATIONAL TECHNICAL EQUIPMENT CAPITAL PROJECTS FUND - 31900
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Local sources:				
Earnings from investments	\$ 10,000	\$ 10,000	\$ -	\$ (10,000)
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>
Expenditures:				
Current:				
Operation of Non-Instructional Services:				
Purchased services	431,309	70,721	67,726	2,995
Supplies and materials	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total operation of non-instructional services	431,309	70,721	67,726	2,995
Capital outlay	<u>3,330,000</u>	<u>3,690,588</u>	<u>1,644,092</u>	<u>2,046,496</u>
Total expenditures	<u>3,761,309</u>	<u>3,761,309</u>	<u>1,711,818</u>	<u>2,049,491</u>
Excess (deficiency) of revenues over expenditures	(3,751,309)	(3,751,309)	(1,711,818)	2,039,491
Beginning cash balance budgeted	3,751,309	3,751,309	-	(3,751,309)
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>1,381,347</u>	<u>1,381,347</u>
Fund balances (deficit) at end of the year	<u>\$ -</u>	<u>\$ -</u>	(330,471)	<u>\$ (330,471)</u>
RECONCILIATION TO GAAP BASIS:				
Changes in payables			<u>523,606</u>	
			<u>\$ 193,135</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 FOOD SERVICES SPECIAL REVENUE FUND - 21000
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Food and milk reimbursements	\$ 2,300,000	\$ 2,300,000	\$ 2,384,560	\$ 84,560
USDA Commodities	-	-	-	-
Total federal revenues	<u>2,300,000</u>	<u>2,300,000</u>	<u>2,384,560</u>	<u>84,560</u>
Local sources:				
Fees and activities	865,000	865,000	836,626	(28,374)
Earnings from investments	750	750	357	(393)
Total local revenues	<u>865,750</u>	<u>865,750</u>	<u>836,983</u>	<u>(28,767)</u>
Total revenues	<u>3,165,750</u>	<u>3,165,750</u>	<u>3,221,543</u>	<u>55,793</u>
Expenditures:				
Current:				
Food services:				
Personnel services	105,000	105,000	92,439	12,561
Employee benefits	39,945	39,945	33,539	6,406
Purchased services	2,001,500	2,007,500	1,931,036	76,464
Supplies and materials	1,184,246	1,178,246	992,007	186,239
Total food services	<u>3,330,691</u>	<u>3,330,691</u>	<u>3,049,021</u>	<u>281,670</u>
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>3,330,691</u>	<u>3,330,691</u>	<u>3,049,021</u>	<u>281,670</u>
Excess (deficiency) of revenues over expenditures	<u>(164,941)</u>	<u>(164,941)</u>	<u>172,522</u>	<u>337,463</u>
Beginning cash balance budgeted	<u>164,941</u>	<u>164,941</u>	<u>-</u>	<u>(164,941)</u>
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>312,007</u>	<u>312,007</u>
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>484,529</u>	<u>\$ 484,529</u>
RECONCILIATION TO GAAP BASIS:				
Changes in payables			<u>20,474</u>	
			<u>\$ 505,003</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 ATHLETICS SPECIAL REVENUE FUND - 22000
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Local sources:				
Fees and activities	\$ 265,000	\$ 265,000	257,050	(7,950)
Earnings from investments	<u>200</u>	<u>200</u>	<u>221</u>	<u>21</u>
Total revenues	<u>265,200</u>	<u>265,200</u>	<u>257,271</u>	<u>(7,929)</u>
Expenditures:				
Current:				
Athletics:				
Personnel services	35,000	45,000	32,012	12,988
Employee benefits	5,510	7,717	5,298	2,419
Purchased services	204,899	255,899	203,598	52,301
Supplies and materials	<u>45,000</u>	<u>56,000</u>	<u>38,838</u>	<u>17,162</u>
Total athletics	290,409	364,616	279,746	84,870
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>290,409</u>	<u>364,616</u>	<u>279,746</u>	<u>84,870</u>
Excess (deficiency) of revenues over expenditures	(25,209)	(99,416)	(22,475)	76,941
Beginning cash balance budgeted	25,209	99,416	-	(99,416)
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>99,416</u>	<u>99,416</u>
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>76,941</u>	<u>\$ 76,941</u>
RECONCILIATION TO GAAP BASIS:				
Change in receivables			<u>-</u>	
			<u>\$ 76,941</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 ACTIVITIES SPECIAL REVENUE FUND - 23000
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Local sources:				
Fees and activities	\$ 381,000	\$ 381,000	346,384	(34,616)
Earnings from investments	-	-	2,994	2,994
Total local revenues	<u>381,000</u>	<u>381,000</u>	<u>349,378</u>	<u>(31,622)</u>
Expenditures:				
Current:				
Support Services:				
Personnel services	128,000	192,000	133,598	58,402
Employee benefits	18,255	26,675	22,534	4,141
Purchased services	340,731	124,361	38,208	86,153
Supplies and materials	<u>10,000</u>	<u>10,750</u>	<u>8,392</u>	<u>2,358</u>
Total support services	496,986	353,786	202,732	151,054
Capital outlay	-	<u>143,200</u>	<u>143,181</u>	<u>19</u>
Total expenditures	<u>496,986</u>	<u>496,986</u>	<u>345,913</u>	<u>151,073</u>
Excess (deficiency) of revenues over expenditures	(115,986)	(115,986)	3,465	119,451
Beginning cash balance budgeted	115,986	115,986	-	(115,986)
Fund balances at beginning of the year	-	-	<u>339,300</u>	<u>339,300</u>
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>342,765</u>	<u>\$ 342,765</u>
RECONCILIATION TO GAAP BASIS:				
Change in receivables			-	
			<u>\$ 342,765</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 TITLE I SPECIAL REVENUE FUND - 24101
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ 2,451,008	\$ 2,530,153	\$ 2,659,538	\$ 129,385
Expenditures:				
Current:				
Instruction:				
Personnel services	1,295,784	1,319,724	1,281,678	38,046
Employee benefits	640,156	585,481	441,385	144,096
Purchased services	151,578	233,778	130,249	103,529
Supplies and materials	56,367	84,047	83,203	844
Total instruction	<u>2,143,885</u>	<u>2,223,030</u>	<u>1,936,515</u>	<u>286,515</u>
Support Services:				
Personnel services	159,358	163,383	158,036	5,347
Employee benefits	81,813	76,688	42,524	34,164
Purchased services	61,952	63,052	53,868	9,184
Supplies and materials	4,000	4,000	1,671	2,329
Total support services	<u>307,123</u>	<u>307,123</u>	<u>256,099</u>	<u>51,024</u>
Capital outlay	-	-	-	-
Total expenditures	<u>2,451,008</u>	<u>2,530,153</u>	<u>2,192,614</u>	<u>337,539</u>
Excess (deficiency) of revenues over expenditures	-	-	466,924	466,924
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	466,924	<u>\$ 466,924</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			(360,888)	
Change in unearned revenue			<u>(106,036)</u>	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 JAVITS GIFTED AND TALENTED SPECIAL REVENUE FUND - 24102
 STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ -	\$ -	-
Expenditures:				
Current:				
Support Services:				
Purchased services	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
RECONCILIATION TO GAAP BASIS:				
Change in receivables			-	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 IDEA-B ENTITLEMENT SPECIAL REVENUE FUND - 24106
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ 2,302,326	\$ 2,536,711	\$ 2,295,249	\$ (241,462)
Expenditures:				
Current:				
Instruction:				
Personnel services	788,100	783,617	689,617	94,000
Employee benefits	204,935	282,095	208,404	73,691
Purchased services	48,000	58,000	32,268	25,732
Supplies and materials	86,400	146,700	136,325	10,375
Total instruction	1,127,435	1,270,412	1,066,614	203,798
Support Services:				
Personnel services	761,297	850,032	779,686	70,346
Employee benefits	225,243	231,508	179,592	51,916
Purchased services	148,351	157,759	113,089	44,670
Supplies and materials	40,000	27,000	15,427	11,573
Total support services	1,174,891	1,266,299	1,087,794	178,505
Capital outlay	-	-	-	-
Total expenditures	2,302,326	2,536,711	2,154,408	382,303
Excess (deficiency) of revenues over expenditures	-	-	140,841	140,841
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	140,841	\$ 140,841
RECONCILIATION TO GAAP BASIS:				
Changes in payables			-	
Change in unearned revenue			(140,841)	
			\$ -	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 IDEA-B DISCRETIONARY SPECIAL REVENUE FUND - 24107
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 5,000	\$ 95,133	\$ 90,133
Expenditures:				
Current:				
Instruction:				
Purchased services	-	2,069	2,069	-
Supplies and materials	-	-	-	-
Total instruction	-	2,069	2,069	-
Support Services:				
Purchased services	-	1,931	1,931	-
Supplies and materials	-	1,000	1,000	-
Total support services	-	2,931	2,931	-
Total expenditures	-	5,000	5,000	-
Excess (deficiency) of revenues over expenditures	-	-	90,133	90,133
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	90,133	\$ 90,133
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			(90,133)	
			\$ -	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 IDEA-B PRESCHOOL SPECIAL REVENUE FUND - 24109
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ 61,708	\$ 61,708	\$ 58,795	\$ (2,913)
Expenditures:				
Current:				
Instruction:				
Personnel services	44,000	43,640	42,335	1,305
Employee benefits	16,978	17,338	16,882	456
Purchased services	730	730	730	-
Supplies and materials	-	-	-	-
Total instruction	<u>61,708</u>	<u>61,708</u>	<u>59,947</u>	<u>1,761</u>
Excess (deficiency) of revenues over expenditures	-	-	(1,152)	(1,152)
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	(1,152)	<u>\$ (1,152)</u>
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			<u>1,152</u>	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 HOMELESS GRANT SPECIAL REVENUE FUND - 24113
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal direct grants	\$ -	\$ 20,570	\$ 13,250	\$ (7,320)
Expenditures:				
Current:				
Instruction:				
Personnel services	-	5,500	2,825	2,675
Employee benefits	-	2,500	756	1,744
Purchased services	-	1,000	283	717
Supplies and materials	-	11,570	10,159	1,411
Total instruction	-	20,570	14,023	6,547
Support Services:				
Purchased services	-	-	-	-
Total expenditures	-	20,570	14,023	6,547
Excess (deficiency) of revenues over expenditures	-	-	(773)	(773)
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	(773)	\$ (773)
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			773	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 IDEA-B PRIVATE SCHOOL SHARE SPECIAL REVENUE FUND - 24115
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal direct grants	\$ -	\$ 8,592	\$ 7,592	\$ (1,000)
Expenditures:				
Current:				
Instruction:				
Personnel services	-	2,200	2,200	-
Employee benefits	-	246	246	-
Purchased services	-	1,000	-	1,000
Total instruction	-	3,446	2,446	1,000
Support Services:				
Personnel services	-	3,700	3,700	-
Employee benefits	-	1,446	1,446	-
Total support services	-	5,146	5,146	-
Total expenditures	-	8,592	7,592	1,000
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	-	\$ -
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			-	
			\$ -	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 FRESH FRUIT AND VEGETABLE SPECIAL REVENUE FUND - 24118
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ -	\$ 23,065	\$ 23,065
Expenditures:				
Current:				
Operation of Non-Instructional Services:				
Purchased services	-	-	-	-
Supplies and materials	-	-	-	-
Total operation of non-instructional services	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	23,065	23,065
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	23,065	\$ 23,065
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			(23,065)	
			\$ -	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 ENHANCING ED THROUGH TECHNOLOGY - 24133
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction:				
Supplies and materials	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			-	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 CSRD GRANT SPECIAL REVENUE FUND - 24135
 STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction:				
Personnel services	-	-	-	-
Employee benefits	-	-	-	-
Total instruction	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			-	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 TITLE VI-A SPECIAL REVENUE FUND - 24150
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 1,601	\$ 87	\$ (1,514)
Expenditures:				
Current:				
Support Services:				
Personnel services	-	-	-	-
Employee benefits	-	-	-	-
Purchased services	-	-	-	-
Supplies and materials	-	1,601	87	1,514
Total expenditures	-	1,601	87	1,514
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	-	\$ -
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			-	
			\$ -	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 ENGLISH LANGUAGE ACQUISITION SPECIAL REVENUE FUND - 24153
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 202,368	\$ 150,291	\$ (52,077)
Expenditures:				
Current:				
Instruction:				
Personnel services	-	9,500	9,500	-
Employee benefits	-	-	-	-
Purchased services	-	40,312	35,805	4,507
Supplies and materials	-	152,556	82,459	70,097
Total expenditures	-	202,368	127,764	74,604
Excess (deficiency) of revenues over expenditures	-	-	22,527	22,527
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	22,527	\$ 22,527
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			(22,527)	
			\$ -	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 TITLE II-A SPECIAL REVENUE FUND - 24154
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ 524,639	\$ 584,167	\$ 324,660	\$ (259,507)
Expenditures:				
Current:				
Instruction:				
Personnel services	214,491	239,019	141,801	97,218
Employee benefits	102,400	102,400	49,085	53,315
Purchased services	37,800	47,800	40,587	7,213
Supplies and materials	<u>2,550</u>	<u>2,550</u>	<u>2,483</u>	<u>67</u>
Total instruction	<u>357,241</u>	<u>391,769</u>	<u>233,956</u>	<u>157,813</u>
Support Services:				
Personnel services	89,153	89,153	72,309	16,844
Employee benefits	43,855	43,855	28,212	15,643
Purchased services	33,390	50,690	17,617	33,073
Supplies and materials	<u>1,000</u>	<u>8,700</u>	<u>3,913</u>	<u>4,787</u>
Total support services	<u>167,398</u>	<u>192,398</u>	<u>122,051</u>	<u>70,347</u>
Total expenditures	<u>524,639</u>	<u>584,167</u>	<u>356,007</u>	<u>228,160</u>
Excess (deficiency) of revenues over expenditures	-	-	(31,347)	(31,347)
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	(31,347)	<u>\$ (31,347)</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			<u>31,347</u>	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 DRUG FREE SCHOOLS SPECIAL REVENUE FUND - 24157
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ 41,975	\$ 105,860	\$ 85,048	\$ (20,812)
Expenditures:				
Current:				
Support Services:				
Personnel services	16,500	17,300	17,300	-
Employee benefits	7,880	5,230	5,015	215
Purchased services	8,995	34,822	33,444	1,378
Supplies and materials	8,600	48,508	27,854	20,654
Total support services	<u>41,975</u>	<u>105,860</u>	<u>83,613</u>	<u>22,247</u>
Total expenditures	<u>41,975</u>	<u>105,860</u>	<u>83,613</u>	<u>22,247</u>
Excess (deficiency) of revenues over expenditures	-	-	1,435	1,435
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	1,435	<u>\$ 1,435</u>
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			<u>(1,435)</u>	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 21ST CENTURY SPECIAL REVENUE FUND - 24159
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ -	\$ 33,388	\$ 33,388
Expenditures:				
Current:				
Instruction:				
Personnel services	-	-	-	-
Employee benefits	-	-	-	-
Purchased services	-	-	-	-
Supplies and materials	-	-	-	-
Total instruction	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	33,388	33,388
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	33,388	<u>\$ 33,388</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			(29,717)	
Change in unearned revenue			<u>(3,671)</u>	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 SCHOOL IMPROVEMENTS SPECIAL REVENUE FUND - 24162
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 80,000	\$ 79,009	\$ (991)
Expenditures:				
Current:				
Instruction:				
Personnel services	-	10,952	10,895	57
Employee benefits	-	3,742	3,373	369
Purchased services	-	38,800	38,800	-
Supplies and materials	-	26,506	26,506	-
Total instruction	-	80,000	79,574	426
Support Services:				
Purchased services	-	-	-	-
Total expenditures	-	80,000	79,574	426
Excess (deficiency) of revenues over expenditures	-	-	(565)	(565)
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	(565)	\$ (565)
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			565	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 IMMIGRANT GRANT SPECIAL REVENUE FUND - 24163
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 31,000	\$ 33,774	\$ 2,774
Expenditures:				
Current:				
Instruction:				
Personnel services	-	-	-	-
Employee benefits	-	-	-	-
Purchased services	-	10,000	10,000	-
Supplies and materials	-	21,000	20,953	47
Total expenditures	-	31,000	30,953	47
Excess (deficiency) of revenues over expenditures	-	-	2,821	2,821
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	2,821	\$ 2,821
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			(2,821)	
			\$ -	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 NM READING FIRST SPECIAL REVENUE FUND - 24167
 STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction:				
Personnel services	-	-	-	-
Employee benefits	-	-	-	-
Total instruction	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			-	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 CARL PERKINS SPECIAL REVENUE FUND - 24174
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ 102,576	\$ 96,329	\$ 100,683	\$ 4,354
Expenditures:				
Current:				
Instruction:				
Personnel services	25,000	25,000	25,000	-
Employee benefits	8,479	8,479	8,479	-
Purchased services	14,000	17,760	14,797	2,963
Supplies and materials	55,097	45,090	39,926	5,164
Total instruction	102,576	96,329	88,202	8,127
Total expenditures	102,576	96,329	88,202	8,127
Excess (deficiency) of revenues over expenditures	-	-	12,481	12,481
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	12,481	\$ 12,481
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			-	
Change in unearned revenue			(12,481)	
			\$ -	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 HIGH SCHOOLS THAT WORK SPECIAL REVENUE FUND - 24180
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 30,171	\$ 25,361	\$ (4,810)
Expenditures:				
Current:				
Instruction:				
Purchased services	<u>-</u>	<u>30,171</u>	<u>22,085</u>	<u>8,086</u>
Excess (deficiency) of revenues over expenditures	-	-	3,276	3,276
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	3,276	<u>\$ 3,276</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			<u>(3,276)</u>	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 HIGH SCHOOLS THAT WORK C/O SPECIAL REVENUE FUND - 24182
 STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 26,652	\$ 26,652	\$ -
Expenditures:				
Current:				
Instruction:				
Purchased services	-	26,652	26,652	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			-	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 TITLE I ARRA SPECIAL REVENUE FUND - 24201
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ 711,239	\$ 1,415,068	\$ 759,000	\$ (656,068)
Expenditures:				
Current:				
Instruction:				
Personnel services	381,904	284,661	158,050	126,611
Employee benefits	6,175	165,800	50,434	115,366
Purchased services	231,000	634,850	284,115	350,735
Supplies and materials	76,753	295,453	268,530	26,923
Total instruction	695,832	1,380,764	761,129	619,635
Support Services:				
Purchased services	15,407	34,304	17,560	16,744
Supplies and materials	-	-	-	-
Total support services	15,407	34,304	17,560	16,744
Total expenditures	711,239	1,415,068	778,689	636,379
Excess (deficiency) of revenues over expenditures	-	-	(19,689)	(19,689)
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	(19,689)	\$ (19,689)
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			19,689	
			\$ -	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 IDEA-B ARRA SPECIAL REVENUE FUND - 24206
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 2,499,435	\$ 687,036	\$ (1,812,399)
Expenditures:				
Current:				
Instruction:				
Personnel services	-	767,195	80,589	686,606
Employee benefits	-	27,970	24,796	3,174
Purchased services	-	36,392	3,012	33,380
Supplies and materials	-	207,878	120,389	87,489
Total instruction	-	1,039,435	228,786	810,649
Support Services:				
Personnel services	-	1,127,210	195,453	931,757
Employee benefits	-	23,790	21,084	2,706
Purchased services	-	309,000	262,493	46,507
Supplies and materials	-	-	-	-
Total support services	-	1,460,000	479,030	980,970
Total expenditures	-	2,499,435	707,816	1,791,619
Excess (deficiency) of revenues over expenditures	-	-	(20,780)	(20,780)
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	(20,780)	\$ (20,780)
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			20,780	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 IDEA-B PRESCHOOL ARRA SPECIAL REVENUE FUND - 24209
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 103,191	\$ 19,826	\$ (83,365)
Expenditures:				
Current:				
Instruction:				
Personnel services	-	44,611	15,609	29,002
Employee benefits	-	10,778	4,014	6,764
Total instruction	-	55,389	19,623	35,766
Support Services:				
Personnel services	-	41,140	21,206	19,934
Employee benefits	-	6,662	5,411	1,251
Total support services	-	47,802	26,617	21,185
Total expenditures	-	103,191	46,240	56,951
Excess (deficiency) of revenues over expenditures	-	-	(26,414)	(26,414)
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	(26,414)	\$ (26,414)
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			26,414	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 IDEA-B EIS ARRA SPECIAL REVENUE FUND - 24212
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 244,800	\$ 59,490	\$ (185,310)
Expenditures:				
Current:				
Support Services:				
Personnel services	-	52,909	50,083	2,826
Employee benefits	-	23,583	10,942	12,641
Purchased services	-	16,625	2,566	14,059
Supplies and materials	-	151,683	2,318	149,365
Total support services	-	244,800	65,909	178,891
Total expenditures	-	244,800	65,909	178,891
Excess (deficiency) of revenues over expenditures	-	-	(6,419)	(6,419)
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	(6,419)	\$ (6,419)
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			6,419	
			\$ -	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 TEACHING AMERICAN HISTORY SPECIAL REVENUE FUND - 25107
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 696,214	\$ 345,000	\$ (351,214)
Expenditures:				
Current:				
Support Services:				
Personnel services	-	253,400	118,295	135,105
Employee benefits	-	71,084	34,390	36,694
Purchased services	-	352,831	208,648	144,183
Supplies and materials	-	18,899	5,893	13,006
Total support services	-	696,214	367,226	328,988
Excess (deficiency) of revenues over expenditures	-	-	(22,226)	(22,226)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(22,226)	\$ (22,226)
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			22,226	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 ALCOHOL ABUSE REDUCTION SPECIAL REVENUE FUND - 25111
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 17,594	\$ 15,923	\$ (1,671)
Expenditures:				
Current:				
Support Services:				
Purchased services	-	8,677	8,677	-
Supplies and materials	-	8,917	8,917	-
Total support services	-	17,594	17,594	-
Excess (deficiency) of revenues over expenditures	-	-	(1,671)	(1,671)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(1,671)	\$ (1,671)
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			1,671	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 JOHNSON O'MALLEY SPECIAL REVENUE FUND - 25131
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 301,546	\$ 318,382	\$ 16,836
Expenditures:				
Current:				
Instruction:				
Personnel services	-	3,574	3,574	-
Employee benefits	-	1,324	1,209	115
Purchased services	-	10,826	10,826	-
Supplies and materials	-	77,107	75,223	1,884
Total instruction	-	92,831	90,832	1,999
Support Services:				
Personnel services	-	128,490	128,490	-
Employee benefits	-	47,749	46,753	996
Purchased services	-	26,063	22,532	3,531
Supplies and materials	-	6,413	6,413	-
Total support services	-	208,715	204,188	4,527
Total expenditures	-	301,546	295,020	6,526
Excess (deficiency) of revenues over expenditures	-	-	23,362	23,362
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	23,362	\$ 23,362
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			(23,362)	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 FEDERAL IMPACT AID SPECIAL ED SPECIAL REVENUE FUND - 25145
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 61,626	\$ 59,400	\$ (2,226)
Expenditures:				
Current:				
Support Services:				
Personnel services	-	45,733	38,619	7,114
Employee benefits	-	15,913	13,493	2,420
Purchased services	-	-	-	-
Supplies and materials	-	-	-	-
Total expenditures	-	61,646	52,112	9,534
Excess (deficiency) of revenues over expenditures	-	(20)	7,288	7,308
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	<u>\$ -</u>	<u>\$ (20)</u>	7,288	<u>\$ 7,308</u>
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			<u>(7,288)</u>	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 FEDERAL IMPACT AID INDIAN ED SPECIAL REVENUE FUND - 25147
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 92,313	\$ 24,322	\$ (67,991)
Expenditures:				
Current:				
Instruction:				
Purchased services	-	77,813	10,306	67,507
Supplies and materials	-	14,500	-	14,500
Total instruction	-	92,313	10,306	82,007
Excess (deficiency) of revenues over expenditures	-	-	14,016	14,016
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	14,016	\$ 14,016
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			(14,016)	
			\$ -	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 MEDICAID SPECIAL REVENUE FUND - 25153
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 500,745	\$ 350,138	\$ (150,607)
Expenditures:				
Current:				
Support Services:				
Personnel services	-	158,647	145,698	12,949
Employee benefits	-	50,800	42,862	7,938
Purchased services	-	251,298	17,888	233,410
Supplies and materials	-	40,000	19,156	20,844
Total support services	-	500,745	225,604	275,141
Capital outlay	-	-	-	-
Total expenditures	-	500,745	225,604	275,141
Excess (deficiency) of revenues over expenditures	-	-	124,534	124,534
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	124,534	\$ 124,534
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			(124,534)	
			\$ -	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 INDIAN EDUCATION ACT (TITLE IX) SPECIAL REVENUE FUND - 25184
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 805,675	\$ 515,861	\$ (289,814)
Expenditures:				
Current:				
Instruction:				
Personnel services	-	294,000	293,845	155
Employee benefits	-	86,270	70,053	16,217
Purchased services	-	88,500	30,542	57,958
Supplies and materials	-	62,120	24,011	38,109
Total instruction	-	530,890	418,451	112,439
Support Services:				
Personnel services	-	164,850	145,194	19,656
Employee benefits	-	47,440	41,212	6,228
Purchased services	-	49,443	15,200	34,243
Supplies and materials	-	13,052	1,089	11,963
Total support services	-	274,785	202,695	72,090
Total expenditures	-	805,675	621,146	184,529
Excess (deficiency) of revenues over expenditures	-	-	(105,285)	(105,285)
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	(105,285)	\$ (105,285)
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			43,971	
Change in unearned revenue			61,314	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 NAVAJO MEDICAL CENTER SPECIAL REVENUE FUND - 25209
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 56,240	\$ 50,018	\$ (6,222)
Expenditures:				
Current:				
Support Services:				
Personnel services	-	4,016	4,016	-
Employee benefits	-	1,984	1,759	225
Purchased services	-	14,453	5,458	8,995
Supplies and materials	-	35,787	16,460	19,327
Total expenditures	-	56,240	27,693	28,547
Excess (deficiency) of revenues over expenditures	-	-	22,325	22,325
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	22,325	\$ 22,325
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			-	
Change in unearned revenue			(22,325)	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 SAFE SCHOOLS HEALTHY STUDENTS SPECIAL REVENUE FUND - 25243
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 2,937,740	\$ 1,149,406	\$ (1,788,334)
Expenditures:				
Current:				
Instruction:				
Personnel services	-	43,623	-	43,623
Employee benefits	-	6,060	-	6,060
Purchased services	-	-	-	-
Total instruction	-	49,683	-	49,683
Support Services:				
Personnel services	-	1,209,203	666,841	542,362
Employee benefits	-	633,729	179,338	454,391
Purchased services	-	896,474	436,344	460,130
Supplies and materials	-	148,651	27,817	120,834
Total support services	-	2,888,057	1,310,340	1,577,717
Total expenditures	-	2,937,740	1,310,340	1,627,400
Excess (deficiency) of revenues over expenditures	-	-	(160,934)	(160,934)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(160,934)	\$ (160,934)
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			160,834	
Change in unearned revenue			100	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 BILINGUAL EDUCATION TITLE III SPECIAL REVENUE FUND - 25248
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 250,638	\$ 140,000	\$ (110,638)
Expenditures:				
Current:				
Instruction:				
Personnel services	-	15,000	-	15,000
Employee benefits	-	3,450	-	3,450
Purchased services	-	58,500	36,726	21,774
Supplies and materials	-	49,098	23,504	25,594
Total instruction	-	126,048	60,230	65,818
Support Services:				
Personnel services	-	70,000	62,052	7,948
Employee benefits	-	26,870	23,330	3,540
Purchased services	-	27,720	1,982	25,738
Supplies and materials	-	-	-	-
Total support services	-	124,590	87,364	37,226
Total expenditures	-	250,638	147,594	103,044
Excess (deficiency) of revenues over expenditures	-	-	(7,594)	(7,594)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(7,594)	\$ (7,594)
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			6,956	
Change in unearned revenue			638	
			<u> -</u>	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 SEG ARRA SPECIAL REVENUE FUND - 25250
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ 4,482,880	\$ 5,934,250	\$ 5,411,177	\$ -
Expenditures:				
Current:				
Support Services:				
Personnel services	-	1,451,370	1,451,370	-
Total support services	-	1,451,370	1,451,370	-
Operation of Non-Instructional Services:				
Purchased services	4,482,880	4,482,880	3,658,442	824,438
Supplies and materials	-	-	-	-
Total operation of non-instructional services	4,482,880	4,482,880	3,658,442	824,438
Total expenditures	4,482,880	5,934,250	5,109,812	824,438
Excess (deficiency) of revenues over expenditures	-	-	301,365	824,438
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	301,365	\$ 824,438
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			(301,365)	
			\$ -	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 PARENT REACHING OUT SPECIAL REVENUE FUND - 26174
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State flow through grants	\$ -	\$ 45,806	\$ 15,625	\$ (30,181)
Expenditures:				
Current:				
Support Services:				
Personnel services	-	-	-	-
Employee benefits	-	-	-	-
Purchased services	-	9,750	495	9,255
Supplies and materials	-	36,056	5,004	31,052
Total expenditures	-	45,806	5,499	40,307
Excess (deficiency) of revenues over expenditures	-	-	10,126	10,126
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	10,126	\$ 10,126
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			-	
Change in unearned revenue			(10,126)	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 DUAL CREDIT HB2 SPECIAL REVENUE FUND - 27103
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State flow through grants	\$ -	\$ 15,000	\$ 428	\$ (14,572)
Expenditures:				
Current:				
Support Services:				
Supplies and materials	-	15,000	428	14,572
Total expenditures	-	15,000	428	14,572
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			-	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 GO BOND 2008 SB333 SPECIAL REVENUE FUND - 27105
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State flow through grants	\$ -	\$ 66,902	\$ 29,212	\$ (37,690)
Expenditures:				
Current:				
Support Services:				
Supplies and materials	-	66,902	48,363	18,539
Total expenditures	-	66,902	48,363	18,539
Excess (deficiency) of revenues over expenditures	-	-	(19,151)	(19,151)
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	(19,151)	\$ (19,151)
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			19,151	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 TECHNOLOGY GRANT SPECIAL REVENUE FUND - 27117
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State flow through grants	\$ -	\$ 338,645	\$ 70,635	\$ (268,010)
Expenditures:				
Current:				
Support Services:				
Personnel services	-	226,450	62,460	163,990
Employee benefits	-	112,195	22,903	89,292
Purchased services	-	-	-	-
Supplies and materials	-	-	-	-
Total expenditures	-	338,645	85,363	253,282
Excess (deficiency) of revenues over expenditures	-	-	(14,728)	(14,728)
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	(14,728)	\$ (14,728)
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			-	
Change in unearned revenue			14,728	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 INCENTIVES FOR SCHOOL IMPROVEMENTS SPECIAL REVENUE FUND - 27138
 STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State flow through grants	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Support Services:				
Personnel services	-	-	-	-
Employee benefits	-	-	-	-
Purchased services	-	-	-	-
Supplies and materials	-	-	-	-
Total support services	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			-	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 INDIAN EDUCATION ACT SPECIAL REVENUE FUND - 27150
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State flow through grants	\$ -	\$ -	\$ 226	\$ 226
Expenditures:				
Current:				
Instruction:				
Purchased services	-	-	-	-
Supplies and materials	-	-	-	-
Total instruction	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	226	226
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	226	\$ 226
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			(226)	
			\$ -	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 TEACHER MENTORING SPECIAL REVENUE FUND - 27154
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State flow through grants	\$ -	\$ 57,042	\$ 36,306	\$ (20,736)
Expenditures:				
Current:				
Instruction:				
Personnel services	-	35,950	35,300	650
Employee benefits	-	17,909	16,774	1,135
Purchased services	-	1,500	1,400	100
Supplies and materials	-	1,683	1,600	83
Total instruction	-	57,042	55,074	1,968
Excess (deficiency) of revenues over expenditures	-	-	(18,768)	(18,768)
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	(18,768)	\$ (18,768)
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			18,768	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 BREAKFAST FOR ELEMENTARY STUDENTS SPECIAL REVENUE FUND - 27155
 STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
Operation of Non-Instructional Services:				
Personnel services	-	-	-	-
Employee benefits	-	-	-	-
Purchased services	-	-	-	-
Supplies and materials	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			<u>-</u>	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 CORE SPECIAL REVENUE FUND - 27160
 STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State flow through grants	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction:				
Personnel services	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			-	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 21ST CENTURY STATE GRANT SPECIAL REVENUE FUND - 27167
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State flow through grants	\$ -	\$ -	\$ 9,033	\$ 9,033
Expenditures:				
Current:				
Instruction:				
Purchased services	-	-	-	-
Supplies and materials	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	9,033	9,033
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	9,033	<u>\$ 9,033</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			<u>(9,033)</u>	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 LIBRARY GO BONDS SPECIAL REVENUE FUND - 27170
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State flow through grants	\$ -	\$ 6,356	\$ 9,286	\$ 2,930
Expenditures:				
Current:				
Support Services:				
Supplies and materials	-	6,356	5,144	1,212
Total expenditures	-	6,356	5,144	1,212
Excess (deficiency) of revenues over expenditures	-	-	4,142	4,142
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	4,142	<u>\$ 4,142</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			<u>(4,142)</u>	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 LIBRARY BOOK FUND ALLOCATIONS SPECIAL REVENUE FUND - 27549
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State flow through grants	\$ -	\$ 31,640	\$ -	\$ (31,640)
Expenditures:				
Current:				
Support Services:				
Supplies and materials	-	31,640	31,640	-
Total expenditures	-	31,640	31,640	-
Excess (deficiency) of revenues over expenditures	-	-	(31,640)	(31,640)
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	(31,640)	\$ (31,640)
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			31,640	
			\$ -	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 TOBACCO FREE SPECIAL REVENUE FUND - 28122
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State flow through grants	\$ -	\$ 90,709	\$ 111,757	\$ 21,048
Expenditures:				
Current:				
Support Services:				
Personnel services	-	48,940	48,935	5
Employee benefits	-	12,485	11,504	981
Purchased services	-	13,539	12,141	1,398
Supplies and materials	-	15,745	14,775	970
Total expenditures	-	90,709	87,355	3,354
Excess (deficiency) of revenues over expenditures	-	-	24,402	24,402
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	24,402	\$ 24,402
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			(24,402)	
			\$ -	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 YOUTH CONSERVATION SPECIAL REVENUE FUND - 28133
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State flow through grants	\$ -	\$ 288,781	\$ 135,091	\$ (153,690)
Expenditures:				
Current:				
Instruction:				
Personnel services	-	222,000	112,690	109,310
Employee benefits	-	19,541	9,719	9,822
Purchased services	-	10,560	201	10,359
Supplies and materials	-	36,680	13,535	23,145
Total expenditures	-	288,781	136,145	152,636
Excess (deficiency) of revenues over expenditures	-	-	(1,054)	(1,054)
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	(1,054)	\$ (1,054)
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			1,054	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 RIGHT START FAMILY SPECIAL REVENUE FUND - 28142
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State flow through grants	\$ -	\$ 155,242	\$ 144,754	\$ (10,488)
Expenditures:				
Current:				
Instruction:				
Personnel services	-	13,000	11,476	1,524
Employee benefits	-	4,260	3,533	727
Purchased services	-	4,000	3,891	109
Total instruction	-	21,260	18,900	2,360
Support Services:				
Personnel services	-	65,990	65,037	953
Employee benefits	-	27,010	22,903	4,107
Purchased services	-	25,742	23,056	2,686
Supplies and materials	-	15,240	13,070	2,170
Total support services	-	133,982	124,066	9,916
Total expenditures	-	155,242	142,966	12,276
Excess (deficiency) of revenues over expenditures	-	-	1,788	1,788
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	1,788	\$ 1,788
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			(1,788)	
			\$ -	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 TUTORING SPECIAL REVENUE FUND - 28178
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State grant	\$ -	\$ 151,390	\$ 193,554	\$ 42,164
Expenditures:				
Current:				
Support Services:				
Personnel services	-	86,884	86,884	-
Employee benefits	-	6,982	6,978	4
Purchased services	-	32,088	31,984	104
Supplies and materials	-	25,436	25,346	90
Total expenditures	-	151,390	151,192	198
Excess (deficiency) of revenues over expenditures	-	-	42,362	42,362
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	42,362	\$ 42,362
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			(41,592)	
Change in unearned revenue			(770)	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 SPECIAL BUILDING LOCAL CAPITAL PROJECTS FUND - 31300
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Local sources:				
Fees and activities	\$ 15,000	\$ 15,000	\$ 2,221	\$ (12,779)
Earnings from investments	<u>1,500</u>	<u>1,500</u>	<u>1,421</u>	<u>(79)</u>
Total revenues	<u>16,500</u>	<u>16,500</u>	<u>3,642</u>	<u>(12,858)</u>
Expenditures:				
Capital outlay	<u>1,111,772</u>	<u>1,111,772</u>	<u>-</u>	<u>1,111,772</u>
Total expenditures	<u>1,111,772</u>	<u>1,111,772</u>	<u>-</u>	<u>1,111,772</u>
Excess (deficiency) of revenues over expenditures	(1,095,272)	(1,095,272)	3,642	1,098,914
Other sources (uses):				
Sale of capital assets	<u>1,095,272</u>	<u>1,095,272</u>	<u>443,241</u>	<u>(652,031)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	446,883	446,883
Beginning cash balance budgeted	-	-	-	-
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>1,041,789</u>	<u>1,041,789</u>
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>1,488,672</u>	<u>\$ 1,488,672</u>
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			<u>49,700</u>	
			<u>\$ 1,538,372</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 SPECIAL BUILDING STATE CAPITAL PROJECTS FUND - 31400
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ 28,492	\$ 28,492
Local sources:				
Earnings from investments	<u>1,500</u>	<u>1,500</u>	<u>241</u>	<u>(1,259)</u>
Total revenues	<u>1,500</u>	<u>1,500</u>	<u>28,733</u>	<u>27,233</u>
Expenditures:				
Capital outlay	<u>105,665</u>	<u>105,665</u>	<u>28,492</u>	<u>77,173</u>
Total expenditures	<u>105,665</u>	<u>105,665</u>	<u>28,492</u>	<u>77,173</u>
Excess (deficiency) of revenues over expenditures	(104,165)	(104,165)	241	104,406
Beginning cash balance budgeted	104,165	104,165	-	(104,165)
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>103,996</u>	<u>103,996</u>
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	104,237	<u>\$ 104,237</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			<u>-</u>	
			<u>\$ 104,237</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 PUBLIC SCHOOL 20% CAPITAL OUTLAY CAPITAL PROJECTS FUND - 32100
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources:				
District school tax levy	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Support Services:				
Purchased services	-	-	-	-
Capital outlay	<u>96,830</u>	<u>96,830</u>	-	<u>96,830</u>
Total expenditures	<u>96,830</u>	<u>96,830</u>	-	<u>96,830</u>
Excess (deficiency) of revenues over expenditures	(96,830)	(96,830)	-	96,830
Beginning cash balance budgeted	96,830	96,830	-	(96,830)
Fund balances at beginning of the year	-	-	<u>99,873</u>	<u>99,873</u>
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	99,873	<u>\$ 99,873</u>
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			<u>-</u>	
			<u>\$ 99,873</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 Year Ended June 30, 2009

	Balance June 30, <u>2009</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>2010</u>
<u>ASSETS</u>				
<u>Cash:</u>				
Central office, Junior high, elementary schools	\$ 1,395,555	\$ 2,266,367	\$ 1,836,620	\$ 1,825,302
Farmington High School	171,778	679,273	603,804	247,247
Farmington High School special activity	12,800	44,427	42,232	14,995
Piedra Vista High School	252,246	642,664	650,134	244,776
Piedra Vista High School special activity	<u>10,404</u>	<u>51,550</u>	<u>46,012</u>	<u>15,942</u>
 Total assets	 <u>\$ 1,842,783</u>	 <u>\$ 3,684,281</u>	 <u>\$ 3,178,802</u>	 <u>\$ 2,348,262</u>
<u>LIABILITIES</u>				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Deposits held for others	<u>1,842,783</u>	<u>3,684,281</u>	<u>3,178,802</u>	<u>2,348,262</u>
 Total liabilities	 <u>\$ 1,842,783</u>	 <u>\$ 3,684,281</u>	 <u>\$ 3,178,802</u>	 <u>\$ 2,348,262</u>

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

CAPITAL ASSETS – GOVERNMENTAL FUNDS

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STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS
 SCHEDULE BY SOURCE
 June 30, 2010

	2010
Governmental funds capital assets:	
Land	\$ 3,444,131
Construction in progress	-
Buildings and improvements	91,694,425
Improvements other than buildings	6,507,091
Equipment	21,422,510
 Total governmental funds capital assets	 \$ 123,068,157
 Investment in governmental funds capital assets by source:	
General fund	\$ 3,570,807
Special revenue fund	13,796,931
Capital projects fund	105,700,419
 Total governmental funds capital assets	 \$ 123,068,157

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS
 SCHEDULE BY FUNCTION AND ACTIVITY
 June 30, 2010

	<u>Land</u>	<u>Improvements</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Total</u>
FUNCTION AND ACTIVITY					
Educational services:					
Instruction	\$ 551,061	\$ 1,041,135	\$ 16,489,498	\$ 5,794,034	\$ 23,875,728
Support services	585,502	1,106,205	12,620,632	3,507,936	17,820,275
Operation of non-instructional services	1,687,625	3,188,474	49,221,273	8,402,523	62,499,895
Food services	34,441	65,071	742,390	198,194	1,040,096
Athletics	103,324	195,213	2,227,170	512,109	3,037,816
Pupil transportation	<u>482,178</u>	<u>910,993</u>	<u>10,393,462</u>	<u>3,007,714</u>	<u>14,794,347</u>
Total governmental funds					
capital assets	<u>\$ 3,444,131</u>	<u>\$ 6,507,091</u>	<u>\$ 91,694,425</u>	<u>\$ 21,422,510</u>	123,068,157
Construction in Progress					-
					<u>\$ 123,068,157</u>

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS
 SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
 Year Ended June 30, 2010

	General Capital Assets <u>July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	General Capital Assets <u>June 30, 2010</u>
FUNCTION AND ACTIVITY				
Educational services:				
Instruction	\$ 23,212,181	\$ 471,134	\$ -	\$ 23,683,315
Support services	14,789,197	148,521	-	14,937,718
Operation of non-instructional services	62,355,465	2,765,898	-	65,121,363
Food services	972,318	7,775	-	980,093
Athletics	2,951,758	-	-	2,951,758
Pupil transportation	<u>15,045,216</u>	<u>497,810</u>	<u>(149,116)</u>	<u>15,393,910</u>
Total governmental funds capital assets	<u>\$ 119,326,135</u>	<u>\$ 3,891,138</u>	<u>\$ (149,116)</u>	<u>\$ 123,068,157</u>

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

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NEW MEXICO STATE AUDITOR DISCLOSURES

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STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 SCHEDULE OF PLEDGED COLLATERAL
 June 30, 2010

	Wells Fargo	Bank of America	Citizens Bank of Farmington	Four Corners Community Bank	Bank of the Southwest	Total
Bank Deposits:						
Checking account - non-interest bearing	\$ 19,679,755	\$ -	\$ 12,621,905	\$ -	\$ 561,257	\$ 32,862,917
Certificates of deposit - interest bearing	-	22,045	-	850,000	-	872,045
Money Market Accounts - interest bearing	761,170	-	-	-	-	761,170
Deposits, at June 30, 2010	20,440,925	22,045	12,621,905	850,000	561,257	34,496,132
FDIC Insurance	500,000	22,045	250,000	250,000	250,000	1,272,045
Uninsured amount	\$ 19,940,925	\$ -	\$ 12,371,905	\$ 600,000	\$ 311,257	\$ 33,224,087
Pledged Collateral Required						
50 percent of uninsured amount	9,970,463	-	6,185,953	300,000	155,629	16,612,045
Pledged collateral at June 30, 2010	16,023,308	-	7,176,556	402,608	300,000	23,902,472
Excess (deficiency)	\$ 6,052,845	\$ -	\$ 990,603	\$ 102,608	\$ 144,371	\$ 7,290,427
Pledged collateral location						
	<u>Wells Fargo, California</u> <u>Sioux Falls, SD</u>		<u>Dallas, TX</u>	<u>Dallas, TX</u>	<u>Dallas, TX</u>	
Pledged collateral (market value) as of June 30, 2010:						
FNMA; #31408EG63; 01/01/36	11,163,726	-	-	-	-	11,163,726
FNMA; #31412EE36; 03/01/37	2,487,928	-	-	-	-	2,487,928
FNMA; #31412NWX5; 01/01/39	598,274	-	-	-	-	598,274
FNMA; #31416BL63; 02/01/38	1,773,380	-	-	-	-	1,773,380
FHLB; #51778FBK4; 05/01/15	-	-	504,646	-	-	504,646
FHLB; #31393QZK1; 10/15/21	-	-	478,626	-	-	478,626
FHLB; #311441GQ6; 09/01/13	-	-	902,871	-	-	902,871
FHLB; #31408DA95; 06/01/11	-	-	2,221,683	-	-	2,221,683
FHLB; #31331JRZ8; 06/15/20	-	-	3,068,730	-	-	3,068,730
Silver City NM School; #827513ES7; 08/01/12	-	-	-	302,027	-	302,027
Bloomfield NM; #094072BN4; 08/01/12	-	-	-	100,581	-	100,581
FHLB - Letter of Credit - 09/17/09	-	-	-	-	100,000	100,000
FHLB - Letter of Credit - 09/17/10	-	-	-	-	200,000	200,000
Totals	\$ 16,023,308	\$ -	\$ 7,176,556	\$ 402,608	\$ 300,000	\$ 23,902,472
Reconciliation to Financial Statements:						
Total per banks	\$ 20,440,925	\$ 22,045	\$ 12,621,905	\$ 850,000	\$ 561,257	\$ 34,496,132
Reconciling items	(1,710,679)	-	129,495	-	(25,383)	(1,606,567)
	\$ 18,730,246	\$ 22,045	\$ 12,751,400	\$ 850,000	\$ 535,874	32,889,565
Investments						1,325,637
Total cash and investments						\$ 34,215,202
Pooled cash and investments						31,866,940
Fiduciary cash and investments						2,348,262
Cash and investments per financial statements						\$ 34,215,202

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 SCHEDULE OF CASH ACCOUNTS AND INVESTMENTS
 June 30, 2010

<u>Account Name</u>	<u>Account Type</u>	<u>Bank Name</u>	<u>Bank Amount</u>	<u>Reconciling Items</u>	<u>Reconciled Amount</u>
Operating	Checking	Wells Fargo	\$ 3,823,556	\$ (72,920)	\$ 3,750,636
Employee Benefits Plan	Checking	Wells Fargo	2,189,503	-	2,189,503
Transportation	Checking	Wells Fargo	595,591	(301,046)	294,545
Non-Budgeted Activities	Checking	Wells Fargo	334,993	7,772	342,765
Federal Projects	Checking	Wells Fargo	1,022,374	(116,620)	905,754
State & Local	Checking	Wells Fargo	435,782	(75,034)	360,748
Building Fund	Checking	Wells Fargo	853,000	(32,283)	820,717
Payroll	Checking	Wells Fargo	1,121,335	(1,121,335)	-
Debt Service	Checking	Wells Fargo	8,779,999	1,293	8,781,292
Debt Service	Money Market	Wells Fargo	761,170	156	761,326
Special Activities	Checking	Wells Fargo	242,956	4,291	247,247
PVHS Special Activity Account	Checking	Wells Fargo	16,779	(1,784)	14,995
PVHS Activity Fund	Checking	Wells Fargo	245,949	(1,173)	244,776
Scorps Activity Fund	Checking	Wells Fargo	17,938	(1,996)	15,942
Total			<u>20,440,925</u>	<u>(1,710,679)</u>	<u>18,730,246</u>
Building Fund	Checking	Citizens	7,244,185	-	7,244,185
Special Building Local	Checking	Citizens	1,538,372	-	1,538,372
Capital Projects State	Checking	Citizens	104,261	(24)	104,237
Capital Improvement Mill	Checking	Citizens	1,829,236	155,172	1,984,408
Secondary Athletics	Checking	Citizens	54,971	(75)	54,896
Central Office Activity	Checking	Citizens	1,850,880	(25,578)	1,825,302
Total			<u>12,621,905</u>	<u>129,495</u>	<u>12,751,400</u>
Operating	Certificate of Deposit	Four Corners Community	850,000	-	850,000
Cafeteria	Checking	Bank of the Southwest	<u>561,257</u>	<u>(25,383)</u>	<u>535,874</u>
Scorpions CD	Certificate of Deposit	Bank of America	<u>22,045</u>	<u>-</u>	<u>22,045</u>
Total			<u>\$ 34,496,132</u>	<u>\$ (1,606,567)</u>	<u>\$ 32,889,565</u>
Operating	Investment	NM State Treasurer	533,876	-	533,876
Debt service	Investment	NM State Treasurer	<u>791,761</u>	<u>-</u>	<u>791,761</u>
Total			<u>\$ 1,325,637</u>	<u>\$ -</u>	<u>\$ 1,325,637</u>

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 Schedule of Cash Reconciliation
 June 30, 2010

	Beginning Cash	Receipts	Distributions	Other	Net Cash end of Period	Adjustments to the report	Total Cash on Report
Operational Account	\$ 4,443,327	\$ 61,824,741	\$ (61,377,519)	\$ -	4,890,549	\$ -	\$ 4,890,549
Transportation	358,440	3,158,507	(3,222,402)	-	294,545	-	294,545
Instructional Materials	424,560	414,145	(694,616)	-	144,089	-	144,089
Food Services	363,353	3,221,543	(3,049,020)	-	535,876	-	535,876
Athletics	99,416	257,270	(279,745)	-	76,941	-	76,941
Non-Instructional	336,499	345,585	(345,912)	-	336,172	-	336,172
Federal Flowthrough Grants	(282,074)	7,536,928	(6,847,177)	-	407,677	-	407,677
Federal Direct Grants	302,893	8,379,628	(8,184,445)	-	498,076	-	498,076
Local Grants	5,806	15,625	(5,499)	-	15,932	-	15,932
State Flowthrough Grants	339,494	364,886	(435,774)	-	268,606	-	268,606
State Direct Grants	8,713	585,156	(517,658)	-	76,211	-	76,211
Local/State Grants	-	-	-	-	-	-	-
Bond Building	14,125,791	200,098	(6,636,151)	-	7,689,738	-	7,689,738
Special Capital Outlay - Local	1,091,489	446,882	-	-	1,538,371	-	1,538,371
PSCOC	-	-	-	-	-	-	-
Special Capital Outlay - State	103,996	28,733	(28,492)	-	104,237	-	104,237
Capital Improvement SB - 9	1,655,003	3,043,927	(2,714,521)	-	1,984,409	-	1,984,409
Education Technology	2,086,983	-	(1,711,818)	-	375,165	-	375,165
PSCO - 20%	99,873	-	-	-	99,873	-	99,873
Debt Service	11,409,405	6,862,851	(10,635,059)	540,201	8,177,398	-	8,177,398
Ed Tech Debt Service	1,081,855	3,291,893	(1,677,859)	(540,201)	2,155,688	-	2,155,688
Agency	2,801	5,083	-	-	7,884	-	7,884
Total	38,057,623	\$ 99,983,481	\$ (108,363,667)	\$ -	\$ 29,677,437	\$ -	29,677,437
Non Department of Education Accounts:							
Employee benefits account	1,812,629						2,189,503
Agency	1,842,783						2,348,262
Total	\$ 41,713,035						\$ 34,215,202

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STATISTICAL SECTION

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

Contents	Page
Financial Trends <i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	144
Revenue Capacity <i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	149
Dept Capacity <i>These schedules present information to help the reader assess the affordability of the government's current level of outstanding debt and the government's ability to issue additional debt in the future.</i>	153
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	156
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	159

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

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

	<u>Fiscal Year</u>						
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2010</u>	<u>2010</u>
Governmental Activities							
Invested in capital assets, net of related debt	\$ 26,761,005	\$ 22,326,416	\$ 25,733,106	\$ 21,445,446	\$ 29,908,871	\$ 26,012,989	\$44,326,970
Restricted	7,557,915	9,016,136	11,698,902	10,666,308	10,273,313	12,800,776	\$14,322,707
Unrestricted	7,936,171	9,929,818	19,341,534	27,033,453	23,784,295	35,642,287	\$18,103,084
Total governmental activities net assets	\$ 42,255,091	\$ 41,272,370	\$56,773,542	\$ 59,145,207	\$ 63,966,479	\$ 74,456,052	\$76,752,761

Note: The district began to report accrual information when it implemented GASB 34 in fiscal year 2003

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

	Fiscal Year					
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u> ²	<u>2008</u>	<u>2009</u>
Expenses						
Governmental Activities:						
Instruction	\$ 38,918,969	\$ 40,346,948	\$43,430,362	\$48,281,471	\$50,679,984	\$51,556,881
Support services	24,219,781	23,394,475	24,308,684	25,064,662	25,720,684	27,915,022
Operation of non-instructional services	4,266,962	4,530,640	4,510,266	5,250,877	5,589,905	1,852,097
Food services	2,787,877	2,550,012	2,718,578	2,967,794	2,805,272	3,113,562
Athletics	980,466	1,022,332	1,023,958	469,366	553,966	304,874
Pupil Transportation	3,085,123	2,981,013	2,843,698	3,603,949	3,122,735	3,023,738
Interest on long-term obligations	1,417,602	1,205,605	1,329,330	1,216,796	1,105,550	1,099,819
Total governmental activities expenses	\$ 75,676,780	\$ 76,031,025	\$80,164,876	\$86,854,915	\$89,578,096	\$88,865,993
Program Revenues						
Governmental Activities:						
Charges for services:						
General government	\$ 795,932	\$ 894,145	\$ 747,161	\$ 882,564	\$ 1,086,221	\$ 874,480
Food Services	884,009	902,161	875,592	765,005	806,247	1,118,605
Operating grants and contributions	10,691,140	11,666,813	12,241,136	10,794,422	11,066,893	11,739,989
Capital grants and contributions	1,585,914	1,258,320	291,136	298,570	434,644	15,789
Total governmental activities program revenues	\$ 13,956,995	\$ 14,721,439	\$ 14,155,025	\$ 12,740,561	\$ 13,394,005	\$ 13,748,863
Net (expense)/revenue						
Governmental activities	\$ 61,719,785	\$ 61,309,586	\$ 66,009,851	\$ 74,114,354	\$ 76,184,091	\$ 75,117,130

Note 1: The district began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

Note 2: 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.

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

	Fiscal Year						
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Net (expense)/revenue							
Governmental activities	\$ 61,719,785	\$ 61,309,586	\$ 66,009,851	\$ 74,114,354	\$ 76,184,091	\$ 75,117,130	\$ 76,868,930
General Revenues and Other Changes in Net Assets							
Governmental activities:							
Taxes							
Property taxes, general purpose	\$ 301,045	\$ 321,151	\$ 478,090	\$ 481,236	\$ 552,995	\$ 606,564	\$ 590,775
Property taxes, debt service	7,146,982	7,335,464	9,891,805	9,941,059	10,039,044	10,858,918	10,554,810
Property taxes, capital projects	1,794,239	2,681,404	2,263,627	2,296,075	2,636,299	2,889,531	2,787,701
Unrestricted grants and contributions	53,046,341	55,335,082	60,820,387	62,759,755	66,897,642	71,133,055	64,409,185
Investment earnings	65,780	324,475	696,176	1,007,894	704,280	118,635	330,227
Gain on sale of capital assets	-	-	-	-	-	-	492,941
Total government activities	<u>\$ 62,354,387</u>	<u>\$ 65,997,576</u>	<u>\$ 74,150,085</u>	<u>\$ 76,486,019</u>	<u>\$ 80,830,260</u>	<u>\$ 85,606,703</u>	<u>\$ 79,165,639</u>
Change in Net Assets							
Governmental activities	<u>\$ 634,602</u>	<u>\$ 4,687,990</u>	<u>\$ 8,140,234</u>	<u>\$ 2,371,665</u>	<u>\$ 4,646,169</u>	<u>\$ 10,489,573</u>	<u>\$ 2,296,709</u>

Note: The district began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

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

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Fund										
Reserved	\$ 129,222	\$ 118,483	\$ 119,191	\$ 90,781	\$ 73,232	\$ 97,220	\$ 119,664	\$ 130,408	\$ 920,212	\$ 575,846
Unreserved	1,438,035	3,105,768	3,519,442	4,442,819	4,701,529	4,668,614	3,397,547	3,659,956	4,319,086	4,742,470
Total general fund	\$ 1,567,257	\$ 3,224,251	\$ 3,638,633	\$ 4,533,600	\$ 4,774,761	\$ 4,765,834	\$ 3,517,211	\$ 3,990,364	\$ 5,239,278	\$ 5,318,316
All other governmental funds										
Reserved	\$ 6,535,218	\$ 7,049,056	\$ 6,618,282	\$ 7,557,915	\$ 9,016,136	\$ 11,698,902	\$ 10,666,308	\$ 10,273,313	\$ 12,800,776	\$ 10,652,904
Unreserved, reported in:										
Special revenue fund	\$ 2,151,119	\$ 1,913,504	\$ 2,242,645	1,740,204	\$ 2,347,132	\$ 2,754,591	\$ 556,080	\$ 527,486	\$ 750,723	\$ 924,709
Capital projects fund	9,633,522	3,402,020	5,776,557	2,372,487	\$ 3,417,490	\$ 3,506,522	\$ 13,418,626	\$ 8,750,195	18,385,461	11,157,362
Total all other governmental funds	\$ 18,319,859	\$ 12,364,580	\$ 14,637,484	\$ 11,670,606	\$ 14,780,758	\$ 17,980,015	\$ 24,641,014	\$ 19,550,994	\$ 31,938,960	\$ 22,734,975

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

	Fiscal Year							
	2003 ¹	2004	2005	2006	2007 ²	2008	2009	2010
Revenues								
Federal Sources:								
Federal grants	\$ 8,064,735	\$ 10,440,166	\$ 10,993,164	\$ 10,989,835	\$ 10,217,871	\$ 10,189,633	\$ 10,340,525	\$ 18,117,216
Total federal sources	\$ 8,064,735	\$ 10,440,166	\$ 10,993,164	\$ 10,989,835	\$ 10,217,871	\$ 10,189,633	\$ 10,340,525	\$ 18,117,216
State Sources:								
State equalization guarantee	\$ 48,488,573	\$ 49,794,973	\$ 52,403,605	\$ 56,281,212	\$ 59,023,094	\$ 62,565,757	\$ 67,158,187	\$ 60,836,533
Transportation	\$ 1,789,313	\$ 2,158,327	\$ 2,201,596	\$ 3,592,442	\$ 2,620,544	\$ 3,330,992	\$ 2,766,280	\$ 3,158,507
State instructional materials	\$ 822,243	\$ 846,447	\$ 840,379	\$ 900,863	\$ 902,771	\$ 1,000,893	\$ 1,208,608	\$ 414,145
State grants	\$ 1,810,889	\$ 2,079,175	\$ 1,819,395	\$ 1,582,370	\$ 1,387,104	\$ 1,311,904	\$ 1,410,172	\$ 749,169
Total state sources	\$ 52,911,018	\$ 54,878,922	\$ 57,264,975	\$ 62,356,887	\$ 63,933,513	\$ 68,209,546	\$ 72,543,227	\$ 65,158,354
Local Sources:								
District school tax levy	\$ 8,313,426	\$ 9,324,636	\$ 9,528,421	\$ 10,286,058	\$ 11,469,129	\$ 12,536,566	\$ 13,327,597	\$ 13,357,629
Fees and activities	\$ 875,098	\$ 943,276	\$ 936,612	\$ 917,801	\$ 1,112,511	\$ 1,882,145	\$ 1,935,504	\$ 1,557,798
Earnings from investments	\$ 189,074	\$ 46,594	\$ 302,234	\$ 684,118	\$ 953,089	\$ 704,280	\$ 118,635	\$ 330,227
Other revenue	\$ 1,300,302	\$ 677,788	\$ 1,893,609	\$ 1,846,793	\$ 475,544	\$ 10,323	\$ 57,581	\$ -
Total local sources	\$ 10,677,898	\$ 10,992,294	\$ 12,460,876	\$ 13,714,770	\$ 14,010,273	\$ 15,133,314	\$ 15,439,317	\$ 15,245,654
Total revenues	\$ 71,653,851	\$ 78,311,382	\$ 80,719,015	\$ 87,061,492	\$ 88,161,657	\$ 93,532,493	\$ 98,323,069	\$ 98,521,224
Expenditures								
Instruction	\$36,060,232	\$ 37,720,657	\$ 39,474,013	\$ 42,841,934	\$ 47,072,766	\$ 48,829,221	\$ 50,606,964	\$ 50,753,301
Support services	\$20,922,933	\$ 22,263,009	\$ 22,877,894	\$ 24,902,432	\$ 24,387,234	\$ 24,885,397	\$ 27,457,142	\$ 18,854,030
Operation of non-instructional services	\$1,339,169	\$ 1,376,772	\$ 1,443,680	\$ 1,603,838	\$ 1,107,827	\$ 2,485,366	\$ 259,590	\$ 10,385,256
Food services	\$2,175,211	\$ 2,714,143	\$ 2,404,996	\$ 2,683,838	\$ 2,896,116	\$ 2,771,521	\$ 3,079,811	\$ 3,099,390
Athletics	\$882,424	\$ 783,132	\$ 884,793	\$ 937,107	\$ 310,337	\$ 309,539	\$ 220,497	\$ 279,746
Pupil transportation	\$1,950,210	\$ 1,979,114	\$ 2,155,774	\$ 2,322,595	\$ 2,528,779	\$ 2,616,475	\$ 2,517,478	\$ 2,683,042
Capital outlay	\$5,081,934	\$ 5,403,730	\$ 6,777,808	\$ 7,951,510	\$ 4,394,012	\$ 10,955,679	\$ 13,604,850	\$ 9,858,461
Debt service								
Principal	\$5,525,000	\$ 4,850,000	\$ 4,600,000	\$ 4,875,000	\$ 8,750,000	\$ 8,795,000	\$ 6,815,735	\$ 10,861,285
Interest	\$1,639,956	\$ 1,507,343	\$ 1,268,638	\$ 1,272,908	\$ 1,142,044	\$ 1,248,718	\$ 998,752	\$ 1,362,600
Capital lease issuance costs						\$ 22,444	\$ 118,716	\$ -
Total expenditures	\$ 75,577,069	\$ 78,377,900	\$ 82,007,796	\$ 89,391,162	\$ 92,589,115	\$ 102,899,360	\$ 105,677,535	#####
Revenues over (under) expenditures	\$ (3,923,418)	\$ (2,066,518)	\$ (1,288,781)	\$ (2,329,670)	\$ (4,427,458)	\$ (9,366,867)	\$ (7,354,466)	\$ (9,615,888)
Other Financing Sources (Uses)								
Sale of capital assets	607479	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 492,941
Bonds issued	6009295	\$ 3,827,607	\$ 4,500,000	\$ 5,500,000	\$ 10,100,000	\$ -	\$ 16,000,000	\$ -
Refunding bonds issued	\$ -	\$ -	\$ 7,185,000	\$ -	\$ -	\$ -	\$ -	\$ -
Premium on bonds issued	\$ -	\$ -	\$ 234,859	\$ -	\$ 58,471	\$ -	\$ 314,243	\$ -
Capital lease	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,750,000	\$ 4,500,000	\$ -
Payments to refunded debt escrow	\$ (3,800,000)	\$ (7,279,785)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total other financing sources (uses)	\$ 6,616,774	\$ 27,807	\$ 4,640,094	\$ 5,500,000	\$ 10,158,471	\$ 4,750,000	\$ 20,814,243	\$ 492,941
Net Change in Fund Balances	\$ 2,693,356	\$ (2,071,911)	\$ 3,351,313	\$ 3,170,330	\$ 5,731,013	\$ (4,616,867)	\$ 13,459,777	\$ (9,122,947)
Debt Service as a Percentage of Noncapital Expenditures								
	10.2%	8.4%	7.8%	7.5%	11.2%	10.9%	8.6%	12.4%

Note 1: The district did not begin reporting government-wide statements until it implemented GASB Statement 34 in 2003.

Note 2: 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.

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

<u>Fiscal Year</u>	<u>Local Assessed</u>	<u>Central Assessed</u>	<u>Oil & Gas Assessed</u>	<u>Exemptions</u>	<u>Total Taxable Valuation</u>	<u>Estimated Actual Taxable Value</u>	<u>Assessed Value (2)</u>	<u>Total Direct Tax Rate</u>
2001	610,110,186	74,966,621	130,421,353	61,031,469	815,498,160	754,466,691	251,463,748	\$ 10.637
2002	630,811,021	76,050,295	133,779,298	60,083,698	840,640,614	780,556,916	260,159,620	\$ 10.469
2003	769,931,542	75,562,784	95,224,656	64,448,866	940,718,982	876,270,116	292,060,830	\$ 9.887
2004	787,667,348	60,531,175	164,236,816	66,868,271	1,012,435,339	945,567,068	315,157,504	\$ 9.943
2005	844,203,928	62,816,997	200,661,997	70,005,454	1,107,682,922	1,037,677,468	345,857,900	\$ 9.961
2006	921,615,616	64,432,508	195,817,073	69,657,902	1,181,865,197	1,112,207,295	370,698,691	\$ 9.934
2007	975,740,712	62,552,707	235,836,931	54,641,688	1,274,130,350	1,219,488,662	406,455,571	\$ 9.953
2008	1,129,490,729	63,999,668	245,628,582	77,572,830	1,439,118,979	1,361,546,149	453,803,331	\$ 9.902
2009	1,230,768,674	82,737,036	238,830,914	98,012,298	1,552,336,624	1,454,324,326	484,726,298	\$ 9.915
2010	1,253,326,754	91,178,048	223,589,256	101,810,388	1,568,094,058	1,466,283,670	488,712,347	\$ 9.921

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

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

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Farmington School District										
Assessed Valuation	\$ 815,498,160	\$ 840,640,614	\$ 940,718,982	\$ 1,012,435,339	\$ 1,107,682,922	\$ 1,181,885,197	\$ 1,274,130,350	\$ 1,439,118,979	\$ 1,552,336,624	\$ 1,568,004,058
Total Direct Rate	10.637	10.469	9.887	9.943	9.961	9.934	9.827	9.902	9.915	9.921
General Obligation Debt	\$ 38,805,000	\$ 36,660,000	\$ 37,135,000	\$ 32,530,000	\$ 32,715,000	\$ 33,340,000	\$ 34,690,000	\$ 30,645,000	\$ 44,329,266	\$ 33,467,980
Percentage Applicable to District	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Direct and Overlapping Debt	\$ 38,805,000	\$ 36,660,000	\$ 37,135,000	\$ 32,530,000	\$ 32,715,000	\$ 33,340,000	\$ 34,690,000	\$ 30,645,000	\$ 44,329,266	\$ 33,467,980
City of Farmington										
Assessed Valuation	\$ 528,411,287	\$ 546,160,185	\$ 616,431,614	\$ 618,280,126	\$ 666,071,139	\$ 699,304,478	\$ 842,822,919	\$ 901,408,835	\$ 1,021,829,130	
Total Direct Rate										
General Obligation Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Percentage Applicable to District	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Direct and Overlapping Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
San Juan County										
Assessed Valuation	\$ 3,013,718,151	\$ 3,106,092,068	\$ 2,681,038,593	\$ 3,256,889,555	\$ 3,653,126,771	\$ 4,312,013,190	\$ 4,254,982,295	\$ 4,399,915,615	\$ 5,314,431,158	\$ 4,952,214,552
Total Direct Rate								8.500	8.500	8.500
General Obligation Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Percentage Applicable to District	27.060%	27.064%	35.088%	31.090%	30.322%	27.409%	29.944%	32.708%	29.210%	31.665%
Direct and Overlapping Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
San Juan College										
Assessed Valuation	\$ 3,013,958,367	\$ 3,106,092,068	\$ 2,681,038,593	\$ 3,256,889,555	\$ 3,653,126,771	\$ 4,312,013,190	\$ 4,254,982,295	\$ 4,399,915,615	\$ 5,314,431,158	\$ 4,952,214,552
Total Direct Rate								5.100	5.100	5.100
General Obligation Debt	\$ 19,800,000	\$ 19,150,000	\$ 18,300,000	\$ 17,400,000	\$ 16,475,000	\$ 25,825,000	\$ 24,858,649	\$ 22,950,420	\$ 20,240,000	\$ 18,890,000
Percentage Applicable to District	27.060%	27.064%	35.088%	31.090%	30.322%	27.409%	29.944%	29.944%	29.944%	29.944%
Direct and Overlapping Debt	\$ 5,357,880	\$ 5,182,804	\$ 6,421,104	\$ 5,409,660	\$ 4,995,468	\$ 7,078,374	\$ 7,443,674	\$ 6,872,274	\$ 6,060,666	\$ 5,656,422
Total Direct Debt	\$ 38,805,000	\$ 36,660,000	\$ 37,135,000	\$ 32,530,000	\$ 32,715,000	\$ 33,340,000	\$ 34,690,000	\$ 30,645,000	\$ 44,329,266	\$ 33,467,980
Total Overlapping Debt	\$ 5,357,880	\$ 5,182,804	\$ 6,421,104	\$ 5,409,660	\$ 4,995,468	\$ 7,078,374	\$ 7,443,674	\$ 6,872,274	\$ 6,060,666	\$ 5,656,422
Total Direct and Overlapping Debt	\$ 44,162,880	\$ 41,842,804	\$ 43,556,104	\$ 37,939,660	\$ 37,710,468	\$ 40,418,374	\$ 42,133,674	\$ 37,517,274	\$ 50,389,932	\$ 39,124,402
Total Direct Rate								23.502	23.515	23.521

Note: The Direct Tax Rates for taxing authorities other than the Farmington School District were not currently available for years prior to 2008.

Source: County Tax Assessor

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

Taxpayer	Type of Business	2010			2001		
		Assessed Valuation	Rank	Percentage of Assessed Valuation	Assessed Valuation	Rank	Percentage of Assessed Valuation
San Juan Coal Company	Coal	285,161,168	1	18.37%	35,101,542	1	0.053469966
New Mexico Gas Company	Utility	280,983,192	2	18.10%			0.00%
BHP Navajo Coal Co	Coal	279,930,478	3	18.03%			0.00%
Arizona Public Service Co	Utility	247,084,327	4	15.92%			0.00%
Williams Four Corners LLC	Telephone	226,297,252	5	14.58%			0.00%
Enterprise Field Service, LLC	Gas & Oil	205,986,196	6	13.27%			0.00%
Tucson Electric Power Co	Utility	157,816,947	7	10.17%			0.00%
Southern California Edison Co	Utility	140,844,244	8	9.07%			0.00%
Transwestern	Pipeline	122,034,376	9	7.86%	5,185,188	5	0.79%
El Paso Field Service	Oil Well Service	119,044,574	10	7.67%	6,071,310	4	0.92%
Qwest Communications	Telephone				7,760,834	2	1.18%
Price Development	Shopping Mall				6,606,663	3	1.01%
Bolack	Minerals				3,835,092	6	0.58%
Wal Mart/Sam's Club	Retail				3,417,190	7	0.52%
Trans Colorado	Pipeline				2,844,379	8	0.43%
El Paso Natural Gas	Utility				2,532,680	9	0.39%
Public Service of NM	Gas Utility				2481638	10	0.38%
Total		\$ 2,065,182,754		48.04%	\$ 75,836,516		6.21%
District's Assessed Valuation		1,552,336,624		100.00%	\$ 656,472,117		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
2001	\$ 7,163,696	\$ 7,152,146	99.8%	\$215,341	\$ 7,367,487	102.84%
2002	\$ 7,072,180	\$ 7,041,881	99.6%	\$201,987	\$ 7,243,868	102.43%
2003	\$ 8,884,326	\$ 7,292,653	82.1%	\$137,565	\$ 7,430,218	83.63%
2004	\$ 7,450,897	\$ 7,151,818	96.0%	\$411,060	\$ 7,562,878	101.50%
2005	\$ 7,743,379	\$ 7,420,233	95.8%	\$382,454	\$ 7,802,687	100.77%
2006	\$ 8,300,150	\$ 7,967,763	96.0%	\$357,326	\$ 8,325,089	100.30%
2007	\$ 8,953,626	\$ 8,609,233	96.2%	\$330,425	\$ 8,939,658	99.84%
2008	\$ 10,074,016	\$ 9,662,514	95.9%	\$346,985	\$ 10,009,498	99.36%
2009	\$ 10,796,218	\$ 10,386,217	96.2%	\$232,285	\$ 10,618,502	98.35%
2010	\$ 11,739,970	\$ 11,209,714	95.5%	n/a	n/a	n/a

(1) Source: San Juan County Treasurer.

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

	<u>Governmental Activities</u>			Total Primary <u>Government</u>	Percentage of Personal <u>Income</u> ²	Per <u>Capita</u> ²
	<u>General Obligation Bonds</u>	<u>Capital Lease</u>				
2001	38,805,000	-	\$	38,805,000	NA	837
2002	36,660,000	-	\$	36,660,000	NA	850
2003	37,135,000	-	\$	37,135,000	3.320%	824
2004	32,530,000	-	\$	32,530,000	2.719%	694
2005	32,715,000	-	\$	32,715,000	1.075%	681
2006	33,340,000	-	\$	33,340,000	1.001%	677
2007	34,690,000	-	\$	34,690,000	0.972%	676
2008	25,895,000	4,750,000	\$	30,645,000	0.794%	549
2009	35,985,000	8,344,266	\$	44,329,266	1.110%	771
2010	26,550,000	6,917,980	\$	33,467,980	0.873%	576

Notes:

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

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

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

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Service fund</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value of Property</u>	<u>Per Capita</u>
2001	38,805,000	5,370,069	33,434,931	4.43%	721.36
2002	36,660,000	6,535,218	30,124,782	3.86%	698.85
2003	37,135,000	6,525,649	30,609,351	3.49%	679.53
2004	32,530,000	7,557,915	24,972,085	2.64%	533.06
2005	32,715,000	9,016,136	23,698,864	2.28%	493.54
2006	33,340,000	10,660,435	22,679,565	2.04%	460.47
2007	34,690,000	9,525,393	25,164,607	2.06%	470.31
2008	30,645,000	10,137,502	20,507,498	1.51%	367.35
2009	44,329,266	12,491,260	31,838,006	2.19%	554.00

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt Limit	\$ 48,929,890	\$ 50,438,437	\$ 56,443,139	\$ 60,746,120	\$ 66,460,975	\$ 70,911,912	\$ 76,447,821	\$ 86,347,139	\$ 91,327,232	\$ 87,977,020
Total net debt applicable to limit	<u>\$ 38,805,000</u>	<u>\$ 36,660,000</u>	<u>\$ 37,135,000</u>	<u>\$ 32,530,000</u>	<u>\$ 32,715,000</u>	<u>\$ 33,340,000</u>	<u>\$ 34,690,000</u>	<u>\$ 30,645,000</u>	<u>\$ 44,329,266</u>	<u>\$ 33,467,980</u>
Legal debt margin	\$ 10,124,890	\$ 13,778,437	\$ 19,308,139	\$ 28,216,120	\$ 33,745,975	\$ 46,321,912	\$ 41,757,821	\$ 55,702,139	\$ 46,997,966	\$ 54,509,040
Total net debt applicable to the limit as a percentage of debt limit	79%	73%	66%	54%	49%	47%	45%	35%	49%	38%

Legal Debt Limit Calculation for Fiscal Year 2009

Assesed Value	#####
Debt limit (6% of total assessed value)	87,977,020
Debt applicable to limit:	
General Obligation Bonds	26,550,000
Capital Lease	<u>6,917,980</u>
Total Debt	<u>33,467,980</u>
Legal debt margin	\$ 54,509,040

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
2001	46,350	NA	NA	8.20%
2002	43,106	NA	NA	7.50%
2003	45,045	1,118,512,395	\$ 24,831	7.30%
2004	46,847	1,196,519,227	\$ 25,541	7.40%
2005	48,018	3,043,283,000	\$ 26,212	6.70%
2006	49,253	3,331,052,000	\$ 24,260	5.52%
2007	53,506	3,567,508,000	\$ 26,437	4.30%
2008	55,826	3,858,024,000	\$ 31,518	3.40%
2009	57,501	3,993,054,840	\$ 32,621	7.70%
2010	58,076	3,833,326,646	\$ 31,316	9.90%

Notes: NA=Not available

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

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

<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
San Juan Medical Center	1,583	2.71%
Farmington Municipal School District No.5	1,560	2.67%
Central Consolidated Schools	1,998	3.41%
City of Farmington	1,062	1.81%
BHP Billiton	1,010	1.73%
San Juan College	1,009	1.72%
Wal-Mart	896	1.53%
Conoco Phillips	756	1.29%
Arizona Public Service Company	590	1.01%
Bloomfield Schools	500	0.85%
	10,964	18.74%

Note: The information for 9 years ago was not available for comparison.

Source: Farmington Chamber of Commerce

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

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Supervisory										
Instructional administrators	4	4	4	4	4	4	6	7	7	7
Noninstructional administrators	5	5	5	5	5	5	5	5	5	5
Consultants/supervisors of instruction										
Principals	18	18	18	17	17	17	17	17	17	17
Assistant Principals	7	8	8	9	9	9	9	10	10	10
Total supervisory	34	35	35	35	35	35	37	39	39	39
Instruction										
Certified classroom teachers	611	615	620	616	621	623	625	630	646	614
Educational assistants	114	116	127	109	129	124	125	128	136	126
Total instruction	725	731	747	725	750	747	750	758	781	740
Student Services										
Guidance counselors	17	17	17	17	17	17	18	18	22	20
Social workers	1	1	1	1	1	1	1	1	1	1
Ancillary providers	30	32	35	35	35	34	32	32	32	31
Librarians	6	6	6	6	6	6	6	6	6	6
Nurses	6	6	6	6	6	6	6	6	9	9
Other professionals (non-instructional)										
Technicians	3	3	4	4	4	4	4	4	4	4
Total student services	63	65	69	69	69	68	67	67	73	67
Support and Administration										
Clerical/Secretarial	86	86	88	88	89	89	89	89	89	87
Maintenance	14	16	16	16	16	16	16	17	23	22
Custodial	78	80	80	80	80	78	78	78	72	70
Bus drivers	65	70	72	72	73	73	75	75	75	75
Total support and administration	243	252	256	256	258	256	258	259	259	254

Notes: Full-time instructional employees of the district are employed for all 182 scheduled school days, at 7.5 hours per day or 1,365 hours per year.

Source: District payroll records

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
2001	10,122	50,193,143	4,959	#REF!	59,067,369	5,836	n/a	611	16.57	41.39%
2002	10,108	55,467,499	5,487	10.66%	69,773,677	6,903	18.29%	615	16.44	43.45%
2003	10,055	51,632,617	5,135	-6.42%	68,412,113	6,804	-1.43%	620	16.22	48.72%
2004	9,993	52,993,977	5,303	3.27%	72,195,295	7,225	6.18%	616	16.22	51.64%
2005	10,044	56,186,623	5,594	5.49%	76,049,776	7,572	4.80%	621	16.17	48.61%
2006	10,250	61,888,410	6,038	7.93%	83,198,792	8,117	7.20%	623	16.45	45.88%
2007	10,120	65,360,277	6,459	6.97%	83,668,100	8,268	1.86%	625	16.19	42.56%
2008	10,215	67,943,902	6,651	2.99%	93,899,138	9,192	11.18%	630	16.21	42.38%
2009	10,441	67,490,728	6,464	-2.82%	97,786,811	9,366	1.89%	646	16.17	48.97%
2010	10,517	61,407,778	5,839	-9.67%	95,824,193	9,111	-2.72%	614	17.13	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
 CURRENT YEAR

<u>School</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>School</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Preschool						Middle School				
FS Preschool (1991)						Holghts (1971)				
Square Feet	6,745	6,745	6,745	6,745	6,745	Square Feet	88,229	88,229	88,229	88,229
Capacity	46	46	46	46	46	Capacity	1100	1100	1100	11000
Enrollment	51	49	48	70	70	Enrollment	629	664	686	702
Elementary						Hermosa (1960)				
Animas (1963)						Mesa View (1994)				
Square Feet	50,610	50,610	50,610	50,640	50,640	Square Feet	85,849	85,849	85,849	85,849
Capacity	539	539	539	539	539	Capacity	934	934	934	934
Enrollment	466	471	471	507	494	Enrollment	631	521	523	545
Apache (1956)						Tibbotts (1940)				
Square Feet	53,577	53,577	53,577	53,577	53,577	Square Feet	90,791	90,791	90,791	90,791
Capacity	580	580	580	580	580	Capacity	966	966	966	966
Enrollment	410	438	458	439	436	Enrollment	544	466	461	506
Bluffview (1961)						High School				
Square Feet	59,405	59,405	59,405	59,405	59,405	Farmington (1955)				
Capacity	632	632	632	632	632	Square Feet	206,786	206,786	206,786	206,786
Enrollment	477	498	539	555	556	Capacity	2334	2334	2334	2334
Country Club (1959)						Enrollment				
Square Feet	51,279	51,279	51,279	54,684	54,684	Enrollment	1617	1498	1488	1344
Capacity	529	529	529	551	551	Piedra Vista (1998)				
Enrollment	428	509	524	520	526	Square Feet	245,698	245,698	245,698	245,698
Esporanza (1995)						Capacity				
Square Feet	73,908	73,908	73,908	73,908	73,908	Capacity	1821	1821	1821	1821
Capacity	636	636	636	636	636	Enrollment	1205	1264	1271	1318
Enrollment	589	573	607	600	587	Rocinante (1996)				
Ladera (1963)						Enrollment				
Square Feet	52,662	52,662	53,665	55,597	55,597	Square Feet	24,187	24,187	24,187	24,187
Capacity	569	569	569	569	569	Capacity	333	333	333	333
Enrollment	512	581	545	575	588	Enrollment	173	157	151	157
McCormick (1954)						Cato Center (1949)				
Square Feet	50,908	50,908	50,908	53,858	53,858	Square Feet	52,191	52,191	52,191	52,191
Capacity	554	554	554	595	595	Capacity	719	719	719	719
Enrollment	445	428	438	413	400	Enrollment	200	200	200	200
McKinley (1954)										
Square Feet	43,029	43,029	43,029	59,744	59,744					
Capacity	511	511	511	600	600					
Enrollment	505	546	558	552	553					
Mesa Verde (1963)										
Square Feet	43,557	43,557	43,557	46,972	46,972					
Capacity	509	509	509	519	519					
Enrollment	449	474	518	526	525					
Northoast (1963)										
Square Feet	46,365	46,365	47,825	49,630	49,630					
Capacity	513	513	513	513	513					
Enrollment	392	459	515	515	521					

Notes: Data prior to the Master Facility Survey and Plan of 2006 is not available

Source: School District's Master Facility Survey and Plan 2009

SINGLE AUDIT SECTION

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended June 30, 2010

<u>Federal Grantor/Pass - Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>Child Nutrition Cluster:</u>			
U.S. Department of Agriculture:			
Pass-Through Program From:			
New Mexico Department of Education:			
USDA National School Lunch Program	10.555	21000	\$ 1,705,548
USDA School Breakfast Program	10.553	21000	<u>679,012</u>
Total USDA - Child Nutrition Cluster			<u>2,384,560</u>
<u>Early Intervention Services (IDEA) Cluster:</u>			
Department of Education:			
Pass-Through Program From:			
New Mexico Department of Education:			
ARRA-Special Education - Grants for Infants and Families	84.393	24212	<u>65,909</u>
<u>Impact Aid Cluster:</u>			
Department of Education Direct Programs:			
Impact Aid	84.041	11000 / 25145	<u>278,046</u>
<u>Innovative Education Program Strategies Cluster:</u>			
Department of Education:			
Pass-Through Program From:			
New Mexico Department of Education:			
State Grants for Innovative Programs	84.298	24150	<u>87</u>
<u>Medicaid Cluster:</u>			
Department of Health and Human Services:			
Pass-Through Program From:			
New Mexico Department of Education:			
Medical Assistance Program	93.778	25153	<u>225,604</u>
<u>Special Education (IDEA) Cluster:</u>			
Department of Education:			
Pass-Through Program From:			
New Mexico Department of Education:			
ARRA-Special Education - Preschool Grants	84.392	24209	46,240
ARRA-Special Education Grants to States	84.391	24206	707,816
Special Education Grants to States	84.027	24106 / 24107 / 24115	2,167,000
Special Education - Preschool Grants	84.173	24109	<u>59,947</u>
Total Special Education (IDEA) Cluster			(1) <u>2,981,003</u>
<u>State Fiscal Stabilization Fund Cluster:</u>			
Department of Education:			
Pass-Through Program From:			
New Mexico Department of Education:			
ARRA-State Fiscal Stabilization Fund - Education State Grants	84.394	25250	(1) <u>5,109,812</u>

See accompanying notes to Schedule of
 Expenditures of Federal Awards.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended June 30, 2010

<u>Federal Grantor/Pass - Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>Title I, Part A Cluster:</u>			
Department of Education:			
Pass-Through Program From:			
New Mexico Department of Education:			
Title I Grants to Local Educational Agencies	84.010	24101 / 24162	2,272,188
ARRA-Title I Grants to Local Educational Agencies	84.389	24201	<u>778,689</u>
 Total Title I, Part A Cluster			(1) <u>3,050,877</u>
 <u>Other Programs:</u>			
Department of the Interior:			
Pass-Through Program From:			
Navajo Nation			
Indian Education - Assistance to Schools	15.130	25131	295,020
Department of Education:			
Pass-Through Program From:			
New Mexico Department of Education:			
Fund for the Improvement of Education	84.215	25107	367,226
Indian Education - Grants to Local Educational Agencies	84.060	25184	621,146
Career and Technical Education - Basic Grants to States	84.048	24174 / 24180 / 24182	136,939
Education for Homeless Children and Youth	84.196	24113	14,023
English Language Acquisition Grants	84.365	24153 / 24163 / 25248	306,311
Improving Teacher Quality State Grants	84.367	24154	356,007
Safe and Drug-Free Schools and Communities - National Programs	84.184	25111 / 25243	1,327,934
Safe and Drug-Free Schools and Communities - State Grants	84.186	24157	83,613
Twenty-First Century Community Learning Centers	84.287	24159	3,671
 Department of Health and Human Services:			
Pass-Through Program From:			
New Mexico Department of Education:			
Special Diabetes Program for Indians	93.237	27693	27,693
 U.S. Department of Agriculture:			
New Mexico Human Service Department:			
USDA Commodities Program	10.550	21000	<u>70,843</u>
 Total Other Programs			<u>3,610,426</u>
 Total Expenditures of Federal Awards			<u>\$ 17,706,324</u>

(1) Denotes Major Federal Financial Assistance Program

See accompanying notes to Schedule of
 Expenditures of Federal Awards.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended June 30, 2010

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

All federal grant operations of Farmington Municipal School District No. 5 (the "District") are included in the scope of the Office of Management and Budget ("OMB") Circular A-133 audit (the "Single Audit"). The Single Audit was performed in accordance with the provisions of the OMB Circular Compliance Supplement. Compliance testing of all requirements as described in the Compliance Supplement was performed for the grant programs noted below. These programs represent all federal award programs and other grants with fiscal 2010 cash and non-cash expenditures to ensure coverage of at least 25 percent (low risk auditee) of federally granted funds. Actual coverage is 63% of total cash and non-cash federal award program expenditures.

Major Federal Award Program Description	<u>Fiscal Year 2010</u> <u>Expenditure</u>
Title I, Part A Cluster:	
84.010 – Title I Grants to Local Educational Agencies	\$2,272,188
84.389 – Title I Grants to Local Educational Agencies - ARRA	<u>778,689</u>
	<u>3,050,877</u>
Special Education Cluster:	
84.027 – Special Education – Grants to States	2,167,000
84.391 – Special Education – Grants to States - ARRA	707,816
84.173 – Special Education – Preschool Grants	59,947
84.392 – Special Education – Preschool Grants - ARRA	<u>46,240</u>
	<u>2,981,003</u>
State Fiscal Stabilization Fund Cluster:	
84.394 – State Fiscal Stabilization Fund – ARRA	<u>5,109,812</u>
	<u>\$ 11,141,692</u>

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of the District and is presented on the modified accrual basis of accounting, which is the same basis as was used to prepare the fund financial statements. The information in this Schedule is presented in accordance with the requirements of OMB Circular A133, Audits of States, Local Governments and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

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. Generally, accrued or deferred balances covered by differences in the timing of cash receipts and expenditures will be reversed in the remaining grant period.

Audits performed by other entities

There were no other audits performed by other organizations of the District's federal grant programs in 2010.

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

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

We have audited the financial statements of the governmental activities, each major fund, the budgetary comparisons for the general fund and the aggregate remaining fund information of the Farmington Municipal School District No. 5 (District), as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's nonmajor governmental funds including the budgetary comparisons for the nonmajor governmental funds and fiduciary funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2010, as listed in the table of contents. We have issued our report thereon dated October 22, 2010. 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.

Internal Control Over Financial Reporting

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

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 District's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Education, District management, the Office of the State Auditor, the New Mexico Legislature, and applicable federal grantors, and is not intended to be and should not be used by anyone other than these specified parties.

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

Farmington, New Mexico
October 22, 2010

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

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

Compliance

We have audited Farmington Municipal School District No. 5 (District) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2010. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

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

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

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

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



Farmington, New Mexico
October 22, 2010

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 SCHEDULE OF FINDINGS AND
 QUESTIONED COSTS
 Year Ended June 30, 2010

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the basic financial statements of the Farmington Municipal School District No. 5.
2. No significant deficiencies and no material weaknesses were noted during the audit of the financial statements in the 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*.
3. No instances of noncompliance material to the financial statements of the District were disclosed during the audit.
4. No significant deficiencies and no material weaknesses were disclosed during the audit of the major federal award programs as reported in the Independent Auditors' Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for the District expresses an unqualified opinion.
6. No audit findings relative to the major federal award programs for the District are reported in Part C. of this Schedule.
7. The programs tested as major programs included:

Major Federal Award Program Description	<u>Fiscal Year 2010</u> <u>Expenditure</u>
Title I, Part A Cluster:	
84.010 – Title I Grants to Local Educational Agencies	\$2,272,188
84.389 – Title I Grants to Local Educational Agencies - ARRA	<u>778,689</u>
	<u>3,050,877</u>
Special Education Cluster:	
84.027 – Special Education – Grants to States	2,167,000
84.391 – Special Education – Grants to States - ARRA	707,816
84.173 – Special Education – Preschool Grants	59,947
84.392 – Special Education – Preschool Grants - ARRA	<u>46,240</u>
	<u>2,981,003</u>
State Fiscal Stabilization Fund Cluster:	
84.394 – State Fiscal Stabilization Fund – ARRA	<u>5,109,812</u>
	<u>\$ 11,141,692</u>

8. The threshold for distinguishing Types A and B programs was \$531,190.
9. The District was determined to be a low-risk auditee.

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
SCHEDULE OF FINDINGS AND
QUESTIONED COSTS
Year Ended June 30, 2010

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

Prior Year Finding Description

None

Current Year Finding Description

None

C. FINDINGS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

**FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
EXIT CONFERENCE
Year Ended June 30, 2010**

An exit conference was held on October 28, 2010. In attendance were:

For the Farmington Municipal School District No. 5:

Janel Ryan	Superintendent of Schools
D'rese Sutherland	Assistant Superintendent of Finance
Bobbi Newland	Comptroller
Steve Nelson	Board Member
Sandy Schumacher	Audit Committee
Bill Young	Audit Committee

For David Berry, CPA, PC (auditors):

David Berry	CPA
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