

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

**Year Ended June 30, 2011**

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

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## INTRODUCTORY SECTION

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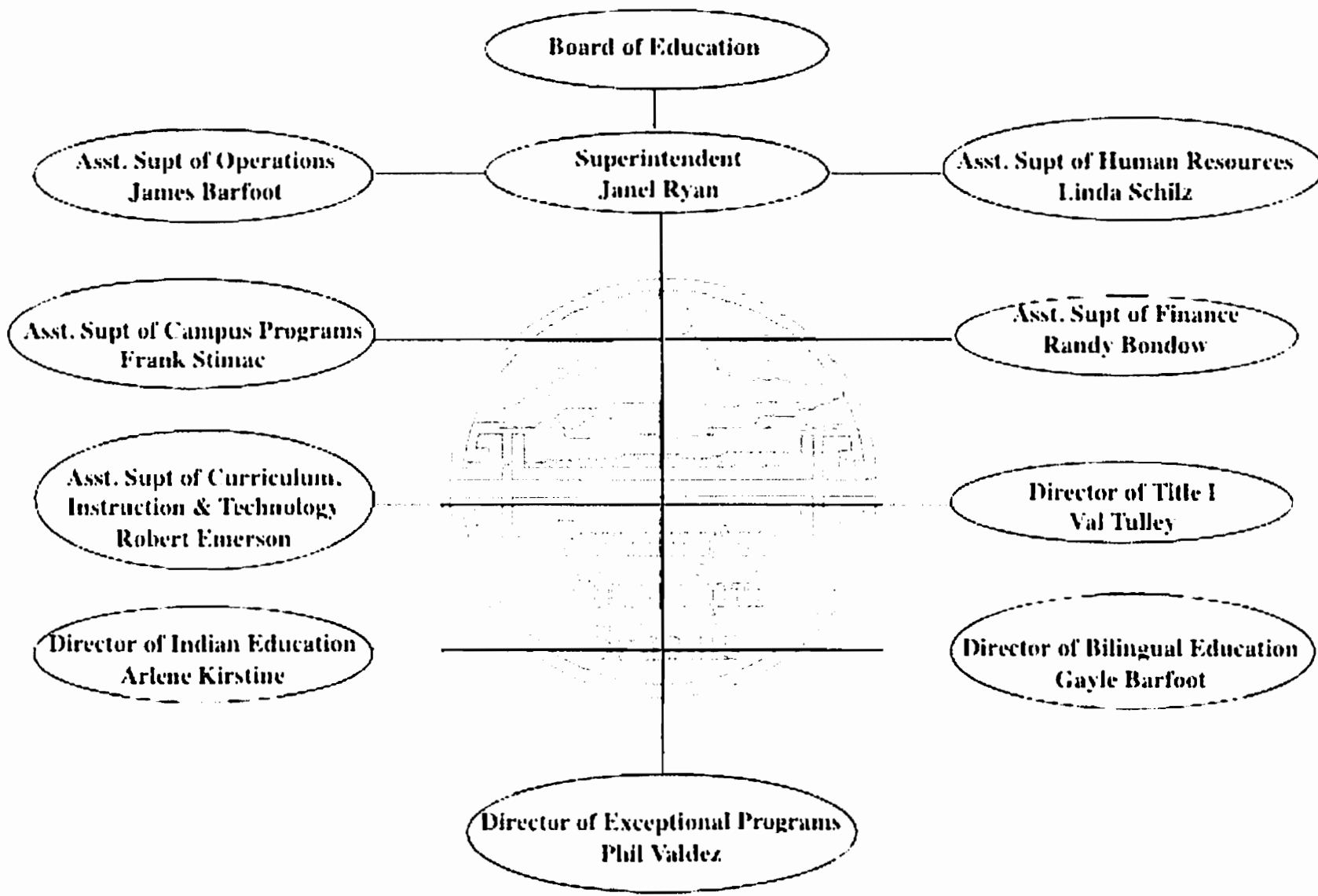
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STATE OF NEW MEXICO  
FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5  
LIST OF PRINCIPAL OFFICIALS  
June 30, 2011

Sandy Schumacher..... Board President  
Mike Isaacson ..... Board Vice President  
Nancy DeLong ..... Board Secretary  
Bill Young ..... Board Deputy Secretary  
Kyle Rhodes ..... 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  
Randall Bondow ..... Assistant Superintendent of Finance

# 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, 2010

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.

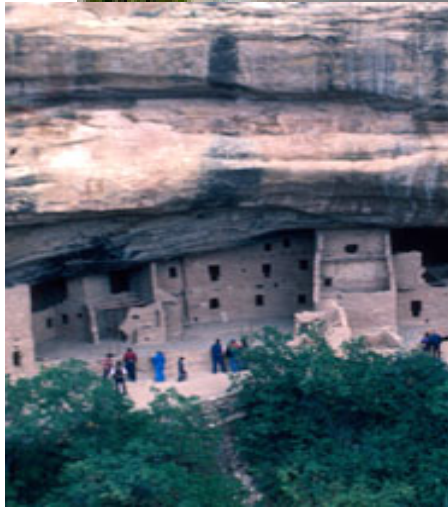


President

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, 2011

## **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, 2011.

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, 2011.

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, 2011, 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, 2011, 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 10,646 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 11,000 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 26 and pages 57-133.

### **Factors Affecting Financial Condition**

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

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

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



Within the past 2 years, Farmington has seen the addition of AT&T Wireless offices and a My Big Fat Greek 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 573 full-time and part-time men and women, more than 73 percent of who are members of the Navajo Tribe. The plant payroll is about \$42 million annually. BHP Minerals, Navajo Coal Company provides coal under a long-term agreement. Coal usage is approximately 10 million tons per year. The Plant is one of the largest generating stations in the U.S. The plant is equipped with all necessary pollution control equipment and delivers power through its switchyard to utilities in Arizona, California, New Mexico and Texas. The plant ranks among the lowest in the region for power costs and operating economy.

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

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

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

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

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

The Oil Conservation Division of the State Energy, Minerals and Natural Resources Department reports 25,761 producing oil wells and 29,934 active producing gas wells in San Juan County as of November 2010.

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 and the San Juan mine is northwest. Production is estimated at over 20 million tons of coal per year.

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

**Navajo Indian Irrigation Project** The Navajo Indian Irrigation Project (NIIP), representing a joint federal and tribal investment, is farmed by the Navajo Agricultural Products Industry (NAPI), an enterprise of the Navajo Nation. The 2007 farming season has approximately 60,000 acres under cultivation and an additional 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 12<sup>th</sup> and 13<sup>th</sup> 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 the Finance Department for again receiving the Certificate of Achievement for Excellence in Financial Reporting for its comprehensive

annual financial report. The District has received this honor every year since 1993.

## **CURRENT PROJECTS**

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



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

## **INDEPENDENT AUDIT**

As required by New Mexico State law, an annual audit of the financial records, books of account and the transactions of all administrative departments of the Farmington Municipal School District No. 5 have been made by an independent auditor. The independent auditor's opinion as prepared by David Berry, CPA, PC is included within the Financial Section of this report. The 2011 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, 2010. This was the (18) consecutive year (1993-2010) 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 2010-2011 fiscal year, thereby advancing the effort toward excellence in education in the Farmington Municipal School District.

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

Respectfully submitted,



Randall Bondow  
Assistant Superintendent of Finance

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**FINANCIAL SECTION**

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Independent Auditor's Report

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

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, 2011, 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, 2011, 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.

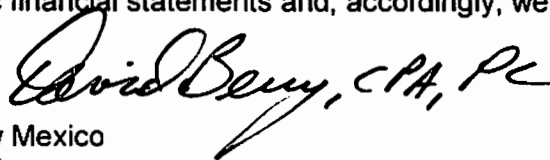
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2011, and the respective changes in financial 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, 2011**, 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 28, 2011, 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 28, 2011

**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, 2011. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages xiv – xxiv.

### Financial Highlights

- The assets of the Farmington Municipal School District exceeded liabilities at the close of the most recent fiscal year by \$81,461,145 (*net assets*). Of this amount, \$21,449,047 (*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 \$41,685,913, an increase of \$13,632,622 in comparison with the prior year. Approximately 23% of this total amount, \$9,384,014 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 \$9,384,014 or 15% of the total general fund expenditures.
- The Farmington Municipal School District's total net debt increased by \$8,404,352 or 25% during the current fiscal year. The district retired \$14,305,648 of debt while issuing new debt in the amount of \$22,710,000. The district issued \$5,310,000 in general obligation educational technology notes and \$4,900,000 in general obligation refunding bonds authorized by the board in 2010. The district issued \$12,500,000 in general obligation school building bonds authorized by the voters in 2010.

### 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 59 governmental funds are combined into a single, aggregated presentation. Individual fund data for these non-major governmental

funds is provided in the form of *combining statements* following the notes to the financial statements (pages 57-68).

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 \$81,461,145 at the close of the most recent fiscal year.

A portion (54%) 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

	Governmental Activities		Total	
	FY 2011	FY 2010	FY 2011	FY 2010
Current and other assets	\$ 60,445,211	\$ 45,583,550	\$ 60,445,211	\$ 45,583,550
Capital assets	\$ 70,660,053	\$ 70,677,531	\$ 70,660,053	\$ 70,677,531
Total assets	\$ 131,105,264	\$ 116,261,081	\$ 131,105,264	\$ 116,261,081
Current Liabilities	\$ 6,301,071	\$ 5,271,041	\$ 6,301,071	\$ 5,271,041
Noncurrent liabilities:				
Due within one year	\$ 9,594,349	\$ 8,767,427	\$ 9,594,349	\$ 8,767,427
Due in more than one year	\$ 33,748,699	\$ 25,469,852	\$ 33,748,699	\$ 25,469,852
Total liabilities	\$ 49,644,119	\$ 39,508,320	\$ 49,644,119	\$ 39,508,320
Net assets:				
Invested in capital assets, net of related debt	\$ 44,134,648	\$ 44,326,970	\$ 44,134,648	\$ 44,326,970
Restricted	\$ 15,877,450	\$ 15,247,416	\$ 15,877,450	\$ 15,247,416
Unrestricted	\$ 21,449,047	\$ 17,178,375	\$ 21,449,047	\$ 17,178,375
Total net assets	\$ 81,461,145	\$ 76,752,761	\$ 81,461,145	\$ 76,752,761

## 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* (\$21,449,047) 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 \$4,708,384 during the current fiscal year. Total assets increased due to increased cash revenues from state sources and the bond proceeds received in the current fiscal year. Long-term liabilities increased due to the issuance of additional debt.

**Governmental activities.** Governmental activities increased Farmington Municipal School District's net assets by \$4,708,384. Key elements of this increase are as follows:

- Operating grants & contributions for governmental activities decreased primarily due to a 42% reduction in the amount of federal funding from the Educational Stimulus Funds received by the district. The reduction was offset by a 3.3% increase in state

equalization revenue as shown in the comparison of grants and contributions not restricted to specific programs.

- Earnings from investments have declined due to the state of the economy and lower interest rates.

The decrease in expenses for the district resulted from a decrease in operation of non-instruction services costs. This decrease was largely due to fewer construction projects in the district.

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

	Governmental Activities		Total	
	FY2011	FY2010	FY2011	FY2010
<b>Revenues:</b>				
<b>Program Revenues:</b>				
Charges for services	\$ 1,713,639	\$ 1,557,798	\$ 1,713,639	\$ 1,557,798
Operating grants & contributions	\$ 16,238,340	\$ 18,451,821	\$ 16,238,340	\$ 18,451,821
Capital grants & contributions	\$ 226,196	\$ 414,564	\$ 226,196	\$ 414,564
<b>General Revenues:</b>			\$ -	\$ -
Property taxes-general purpose	\$ 583,549	\$ 590,775	\$ 583,549	\$ 590,775
Property taxes-debt service	\$ 9,983,458	\$ 10,554,810	\$ 9,983,458	\$ 10,554,810
Property taxes-capital projects	\$ 3,136,308	\$ 2,787,701	\$ 3,136,308	\$ 2,787,701
<b>Grants and contributions not restricted to specific programs</b>	\$ 67,228,446	\$ 64,409,185	\$ 67,228,446	\$ 64,409,185
<b>Other:</b>				
Earnings from investments	\$ 116,388	\$ 330,227	\$ 116,388	\$ 330,227
Gain on sale of capital asset	\$ -	\$ 492,941	\$ -	\$ 492,941
<b>Total Revenues</b>	\$ 99,226,324	\$ 99,589,822	\$ 99,226,324	\$ 99,589,822
<b>Expenses:</b>				
Direct instruction	\$ 50,181,718	\$ 52,940,094	\$ 50,181,718	\$ 52,940,094
Support Services	\$ 22,424,212	\$ 19,176,000	\$ 22,424,212	\$ 19,176,000
Operation of non-instruction services	\$ 14,373,083	\$ 17,149,315	\$ 14,373,083	\$ 17,149,315
Food services	\$ 3,495,334	\$ 3,134,259	\$ 3,495,334	\$ 3,134,259
Athletics	\$ 280,813	\$ 366,917	\$ 280,813	\$ 366,917
Pupil transportation	\$ 2,760,952	\$ 3,206,068	\$ 2,760,952	\$ 3,206,068
Other	\$ 1,001,828	\$ 1,320,460	\$ 1,001,828	\$ 1,320,460
<b>Total Expenses</b>	\$ 94,517,940	\$ 97,293,113	\$ 94,517,940	\$ 97,293,113
Increase in net assets	\$ 4,708,384	\$ 2,296,709	\$ 4,708,384	\$ 2,296,709
Net assets - Beginning	\$ 76,752,761	\$ 74,456,052	\$ 76,752,761	\$ 74,456,052
Net assets - Ending	\$ 81,461,145	\$ 76,752,761	\$ 81,461,145	\$ 76,752,761

## 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 \$41,685,913 an increase in comparison with the prior year. Approximately 23% of this total amount (\$9,384,014) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *restricted* to indicate that it is not available for new spending because it has already been committed 1) to pay debt service (\$10,779,975), 2) for capital projects (\$20,427,036) and 3) a variety of other restricted purposes (\$1,094,868).

The general fund is the chief operating fund of Farmington Municipal School District. At the end of the current fiscal year, unassigned fund balance of the general funds was \$9,118,856, which is also the total fund balance. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned represents 15% percent of the total general fund expenditures, and the total fund balance represents 15% as well since none of the general fund balance was restricted at June 30, 2011.

The fund balance of Farmington Municipal School District's general fund increased by \$4,376,386 during the current fiscal year. Farmington Municipal School District's board and management were committed to increasing the cash balance of the district at the end of the fiscal year in order to meet increasing state mandates while maintaining the district's high bond rating. The revenue reductions from the state did not materialize to the level forecasted by the state. The district reduced expenditures to meet the forecasted reduction and therefore, the district budget reflected a larger portion of the revenues from the state equalization guarantee be set aside in cash reserves. The current fiscal year budget reflects a slight decrease in the cash balance. The fund balance is expected to decrease slightly this next fiscal year as the district will replace some non-recurring expense items on an opportunistic basis.

The district's debt service fund's total fund balance was \$7,280,671 that is restricted for the payment of debt service. This is a net decrease in fund balance of \$596,540. 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 \$3,499,304. The total amount is restricted for the payment of debt service. This is a net increase in fund balance of \$723,611. The increase is the result of increased tax collections for the purpose of debt payment.

There was an increase of \$7,797,347 in the fund balance of the bond building capital fund resulting in a fund balance of \$15,091,771. The increase was the result of the \$12,500,000 debt issue in March 2011 offset by spending proceeds for construction projects in the current fiscal year.

The SB-9 capital improvement fund balance was \$2,256,804 that is used primarily for maintenance and repair of facilities and grounds. This is a net increase in fund balance of \$329,483. The expenditures in this fund can fluctuate depending on the number, complexity and cost of the maintenance work orders for any given year. This year revenues were flat compared to the prior year and expenditure decreased due to fewer high cost repairs.

### **General Fund Budgetary Highlights**

Differences between the original budgeted revenues and the final amended budgeted revenues were resulted in a budget reduction of \$1,600,403, which can be briefly summarized as follows:

- The difference resulted from a mid-year 2.6% reduction in revenue from the state in state equalization funds.
- Expenditures were reduced to balance the budget.
- Additional cash from 6/30/10 was carried forward and budgeted in 2010-2011.

### **Capital Asset and Debt Administration**

**Capital assets.** Farmington Municipal School District's investment in capital assets for its governmental activities as of June 30, 2011 amounts to \$70,660,053 (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 \$70,660,053 was determined as the current value of all the capital assets owned by the District.

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

- Student laptops were purchased for high school students as part of the district's technology master plan.

- Construction was completed on new restrooms at the two high schools and two elementary schools.
- Construction was completed on an addition to the preschool.

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	
	FY2011	FY2010	FY2011	FY2010
Land	\$ 3,444,131	\$ 3,444,131	\$ 3,444,131	\$ 3,444,131
Construction in progress	\$ -	\$ -	\$ -	\$ -
Land improvements	\$ 623,773	\$ 748,132	\$ 623,773	\$ 748,132
Buildings and improvements	\$ 61,500,322	\$ 60,711,120	\$ 61,500,322	\$ 60,711,120
Machinery and equipment	\$ 5,091,827	\$ 5,774,148	\$ 5,091,827	\$ 5,774,148
Total	\$ 70,660,053	\$ 70,677,531	\$ 70,660,053	\$ 70,677,531

**Long-term debt.** At the end of the current fiscal year, Farmington Municipal School District had total bonded debt outstanding of \$41,872,331. The total outstanding debt represents general obligation bonds secured solely by specified revenue sources (i.e., property tax collections).

**Farmington Municipal School District's Outstanding Debt**

General Obligation Bonds

**Governmental activities**

**Total**

**Total**

**FY 2011**

**FY 2010**

General obligation bonds

\$41,872,331

\$33,467,979

Farmington Municipal School District’s total debt increased by \$8,404,351 during the current fiscal year. The district retired \$14,305,649 of debt while issuing new debt in the amount of \$22,710,000. The district issued \$5,310,000 in general obligation educational technology notes and \$4,900,000 in general obligation refunding bonds authorized by the board in 2010. The district issued \$12,500,000 in general obligation school building bonds authorized by the voters in 2010.

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 \$84,749,696, 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 41-43.



## **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 2011-2012 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 2012. The board of education is being proactive and considering ways to significantly reduce expenditures and increasing the district's cash balance in preparation for reduced revenues.

San Juan County's population continues to increase (14% between 2000 and 2010 census) and Farmington Municipal Schools experienced an increase in enrollment for the current fiscal year. The current enrollment is up approximately 80 students mostly in the elementary grades. The projections are that the enrollment will remain relatively flat over the next two to three years pending the impact of a new charter school that the board recently approved. The charter school is under the Farmington Municipal Schools so enrollment may decline if students choose to attend the charter school scheduled to open for the 2012-2013 school year.

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

Farmington Municipal School District has appropriated \$9,118,856 of its unassigned fund balance for spending in the 2012 fiscal year budget. The \$9,118,856 budgeted primarily into direct classroom instruction to fund additional staff needed to meet the state mandated class sizes while accommodating the slight growth in the elementary student population.

## **Requests for information**

This financial report is designed to provide a general overview of Farmington Municipal School District's finances for all those with an interest in the district's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Assistant Superintendent 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, 2011

	Primary Government Governmental Activities
<b><u>ASSETS:</u></b>	
Cash and cash equivalents	\$ 45,874,247
Receivables (net, where applicable, of allowances for uncollectibles):	
Property taxes	12,899,948
Due from other governments	1,565,764
Inventories	105,252
Capital assets not being depreciated:	
Land	3,444,131
Construction in progress	-
Capital assets (net of accumulated depreciation):	
Buildings and improvements	61,500,322
Improvements other than buildings	623,773
Equipment	5,091,827
Total assets	131,105,264
<b><u>LIABILITIES:</u></b>	
Accounts payable	2,166,608
Accrued payroll, taxes and benefits	2,099,095
Accrued interest payable	441,721
Unearned revenue	1,593,647
Noncurrent liabilities:	
Due within one year	9,594,349
Due in more than one year	33,748,699
Total liabilities	49,644,119
<b><u>NET ASSETS:</u></b>	
Invested in capital assets, net of related debt	44,134,648
Restricted for:	
Special revenue funds	1,094,888
Capital projects funds	4,002,587
Debt Service funds	10,779,975
Unrestricted	21,449,047
Total net assets	\$ 81,461,145

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, 2011

<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	\$ 50,181,718	\$ -	\$ 5,066,697	\$ 226,196	\$ (44,888,825)
Support services	22,424,212	-	6,650,868	-	(15,773,344)
Operation of non-instructional services:	14,373,083	593,476	1,606,147	-	(12,173,460)
Food services	3,495,334	872,545	2,914,628	-	291,839
Athletics	280,813	247,618	-	-	(33,195)
Pupil transportation	2,760,952	-	-	-	(2,760,952)
Interest on long-term obligations	1,001,828	-	-	-	(1,001,828)
 Total governmental activities	 <u>94,517,940</u>	 <u>1,713,639</u>	 <u>16,238,340</u>	 <u>226,196</u>	 <u>(76,339,765)</u>
General revenues:					
Taxes:					
Property taxes, levied for general purposes					583,549
Property taxes, levied for debt service					9,983,458
Property taxes, levied for capital projects					3,136,308
Federal and state grants not restricted for specific programs					
General					67,228,446
Earnings from investments					<u>116,388</u>
 Total general revenues					 <u>81,048,149</u>
 Change in net assets					 4,708,384
 Net assets - beginning					 <u>76,752,761</u>
 Net assets - ending					 <u>\$ 81,461,145</u>

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, 2011

	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		
<b>ASSETS</b>										
Pooled cash and investments	\$ 11,478,082	\$ 63,538	\$ 125,997	\$ 7,064,440	\$ 3,408,148	\$ 15,937,256	\$ 2,429,625	\$ 2,029,971	\$ 3,337,190	\$ 45,874,247
Property taxes receivables	535,709	-	-	6,842,381	2,588,973	-	2,932,885	-	-	12,899,948
Due from other governments	18,996	-	-	216,231	91,156	-	88,892	-	1,150,489	1,565,764
Due from other funds	-	-	-	-	-	-	-	-	1,150,489	1,150,489
Inventories	-	105,252	-	-	-	-	-	-	-	105,252
<b>Total assets</b>	<b>\$ 12,032,787</b>	<b>\$ 168,790</b>	<b>\$ 125,997</b>	<b>\$ 14,123,052</b>	<b>\$ 6,088,277</b>	<b>\$ 15,937,256</b>	<b>\$ 5,451,402</b>	<b>\$ 2,029,971</b>	<b>\$ 5,638,168</b>	<b>\$ 61,595,700</b>
<b>LIABILITIES AND FUND BALANCES</b>										
<b>Liabilities:</b>										
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,150,489	\$ 1,150,489
Accounts payable	279,127	-	29,629	-	-	845,485	261,713	697,293	53,361	2,166,608
Accrued payroll, taxes and benefits	2,099,095	-	-	-	-	-	-	-	-	2,099,095
Deferred revenue	535,709	-	-	6,842,381	2,588,973	-	2,932,885	-	-	12,899,943
Unearned revenue	-	-	-	-	-	-	-	-	1,593,647	1,593,647
<b>Total liabilities</b>	<b>2,913,931</b>	<b>-</b>	<b>29,629</b>	<b>6,842,381</b>	<b>2,588,973</b>	<b>845,485</b>	<b>3,194,598</b>	<b>697,293</b>	<b>2,797,497</b>	<b>19,909,787</b>
<b>Fund balances:</b>										
<b>Restricted</b>										
Special revenue funds	-	-	-	-	-	-	-	-	1,094,888	1,094,888
Capital projects funds	-	-	-	-	-	15,091,771	2,256,804	1,332,678	1,745,783	20,427,036
Debt service funds	-	-	-	7,280,671	3,499,304	-	-	-	-	10,779,975
<b>Unassigned:</b>										
General fund	9,118,856	168,790	96,368	-	-	-	-	-	-	9,384,014
<b>Total fund balances</b>	<b>9,118,856</b>	<b>168,790</b>	<b>96,368</b>	<b>7,280,671</b>	<b>3,499,304</b>	<b>15,091,771</b>	<b>2,256,804</b>	<b>1,332,678</b>	<b>2,840,671</b>	<b>41,685,913</b>
<b>Total liabilities and fund balances</b>	<b>\$ 12,032,787</b>	<b>\$ 168,790</b>	<b>\$ 125,997</b>	<b>\$ 14,123,052</b>	<b>\$ 6,088,277</b>	<b>\$ 15,937,256</b>	<b>\$ 5,451,402</b>	<b>\$ 2,029,971</b>	<b>\$ 5,638,168</b>	

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.	70,660,053
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	12,899,948
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(43,784,769)
<b>Net assets of governmental activities</b>	<b>\$ 81,461,145</b>

STATE OF NEW MEXICO  
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 Year Ended June 30, 2011

	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		
<b>Revenues:</b>										
Intergovernmental:										
State equalization guarantee	\$ 64,288,193	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 64,288,193
Transportation	-	2,520,300	-	-	-	-	-	-	-	2,520,300
State instructional material	-	-	419,953	-	-	-	-	-	-	419,953
Grants	195,792	-	-	-	-	-	208,935	-	16,059,809	16,464,536
Taxes - property	571,319	-	-	7,020,835	3,154,967	-	2,727,810	-	-	13,474,931
Fees and activities	303,349	-	-	-	-	-	-	-	1,410,290	1,713,639
Earnings from investments	10,488	-	-	2,949	1,325	7,532	91,382	-	2,712	116,388
<b>Total revenue</b>	<b>65,369,141</b>	<b>2,520,300</b>	<b>419,953</b>	<b>7,023,784</b>	<b>3,156,292</b>	<b>7,532</b>	<b>3,028,127</b>	<b>-</b>	<b>17,472,811</b>	<b>98,997,940</b>
<b>Expenditures:</b>										
Current:										
Instruction	43,273,235	-	467,674	-	-	-	-	-	4,870,905	48,611,814
Support services	11,123,170	-	-	89,699	28,082	-	-	-	7,051,326	18,292,277
Operation of non-instructional services	6,596,350	-	-	-	-	-	1,332,872	320,009	1,606,147	9,855,378
Food services	-	-	-	-	-	-	-	-	3,490,358	3,490,358
Athletics	-	-	-	-	-	-	-	-	263,334	263,334
Pupil transportation	-	2,679,202	-	-	-	-	-	-	-	2,679,202
Capital outlay	-	104,065	-	-	-	4,710,185	1,365,772	4,114,953	17,261	10,312,236
Debt service:										
Principal retirement	-	-	-	12,160,000	2,145,648	-	-	-	-	14,305,648
Bond interest paid	-	-	-	841,794	258,951	-	-	-	-	1,100,745
<b>Total expenditures</b>	<b>60,992,755</b>	<b>2,783,267</b>	<b>467,674</b>	<b>13,091,493</b>	<b>2,432,681</b>	<b>4,710,185</b>	<b>2,698,644</b>	<b>4,434,962</b>	<b>17,299,331</b>	<b>108,910,992</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>4,376,386</b>	<b>(262,967)</b>	<b>(47,721)</b>	<b>(6,067,709)</b>	<b>723,611</b>	<b>(4,702,653)</b>	<b>329,483</b>	<b>(4,434,962)</b>	<b>173,480</b>	<b>(9,913,052)</b>
<b>Other financing sources (uses)</b>										
Bonds issued	-	-	-	4,900,000	-	12,500,000	-	5,310,000	-	22,710,000
Premium on debt issued	-	-	-	571,169	-	-	-	264,505	-	835,674
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,471,169</b>	<b>-</b>	<b>12,500,000</b>	<b>-</b>	<b>5,574,505</b>	<b>-</b>	<b>23,545,674</b>
<b>Net change in fund balances</b>	<b>4,376,386</b>	<b>(262,967)</b>	<b>(47,721)</b>	<b>(596,540)</b>	<b>723,611</b>	<b>7,797,347</b>	<b>329,483</b>	<b>1,139,543</b>	<b>173,480</b>	<b>13,632,622</b>
<b>Fund balances at beginning</b>	<b>4,742,470</b>	<b>431,757</b>	<b>144,089</b>	<b>7,877,211</b>	<b>2,775,693</b>	<b>7,294,424</b>	<b>1,927,321</b>	<b>193,135</b>	<b>2,667,191</b>	<b>28,053,291</b>
<b>Fund balances at ending</b>	<b>9,118,856</b>	<b>168,790</b>	<b>96,368</b>	<b>7,280,671</b>	<b>3,499,304</b>	<b>15,091,771</b>	<b>2,256,804</b>	<b>1,332,678</b>	<b>2,840,671</b>	<b>41,685,913</b>

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



STATE OF NEW MEXICO  
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5  
 RECONCILIATION OF STATEMENT OF REVENUES,  
 EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF ACTIVITIES  
 Year Ended June 30, 2011

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

Net change in fund balances - total governmental funds (page 22)	\$ 13,632,622
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.	(17,478)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	228,384
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.	(9,111,734)
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>(23,410)</u>
Change in net assets of governmental activities (page 20)	<u>\$ 4,708,384</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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Federal sources:</b>				
Public Law 874	\$ 97,290	\$ 97,290	\$ 117,654	\$ 20,364
Federal flowthrough grants	-	-	78,137	78,137
<b>Total federal revenues</b>	<u>97,290</u>	<u>97,290</u>	<u>195,791</u>	<u>98,501</u>
<b>State sources:</b>				
State equalization guarantee	65,866,329	64,265,926	64,288,193	22,267
<b>Local sources:</b>				
District school tax levy	625,941	625,941	571,573	(54,368)
Fees and activities	39,000	39,000	37,181	(1,819)
Earnings from investments	75,000	75,000	10,488	(64,512)
Miscellaneous	-	-	266,169	266,169
<b>Total local revenues</b>	<u>739,941</u>	<u>739,941</u>	<u>885,411</u>	<u>145,470</u>
<b>Total revenues</b>	<u>66,703,560</u>	<u>65,103,157</u>	<u>65,369,395</u>	<u>266,238</u>
<b>Instruction:</b>				
Personnel services	31,573,072	31,573,612	31,507,591	66,021
Employee benefits	11,908,175	11,908,175	10,237,536	1,670,639
Purchased services	402,059	495,412	267,075	228,337
Supplies and materials	560,524	565,697	1,249,506	(683,809)
<b>Total instruction</b>	<u>44,443,830</u>	<u>44,542,896</u>	<u>43,261,708</u>	<u>1,281,188</u>
<b>Support Services:</b>				
Personnel services	10,120,957	8,526,224	7,243,722	1,282,502
Employee benefits	3,206,607	3,206,607	2,615,307	591,300
Purchased services	1,609,525	1,600,575	1,122,431	478,144
Supplies and materials	312,760	316,935	122,228	194,707
<b>Total support services</b>	<u>15,249,849</u>	<u>13,650,341</u>	<u>11,103,688</u>	<u>2,546,653</u>
<b>Operation of Non-Instructional Services:</b>				
Personnel services	3,089,807	3,249,957	2,943,735	306,222
Employee benefits	1,192,271	1,192,271	961,589	230,682
Purchased services	5,802,697	5,632,719	2,596,778	3,035,941
Supplies and materials	12,500	14,250	13,459	791
<b>Total operation of non-instructional services</b>	<u>10,097,275</u>	<u>10,089,197</u>	<u>6,515,561</u>	<u>3,573,636</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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Capital outlay	363,500	271,617	-	271,617
Non-operating reserves	-	-	-	-
Total expenditures	70,154,454	68,554,051	60,880,957	7,673,094
Excess (deficiency) of revenues over expenditures	(3,450,894)	(3,450,894)	4,488,438	7,939,332
Beginning cash balance budgeted	3,450,894	3,450,894	-	(3,450,894)
Fund balances at beginning of the year	-	-	4,742,470	4,742,470
Fund balances at end of the year	\$ -	\$ -	9,230,908	\$ 9,230,908
RECONCILIATION TO GAAP BASIS:				
Change in receivables			12,484	
Change in due from other governments			(254)	
Changes in payables			(111,798)	
Change in deferred revenue			(12,484)	
			\$ 9,118,856	

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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
State sources:				
Transportation	\$ 2,602,170	\$ 2,814,845	\$ 2,520,300	\$ (294,545)
<b>Expenditures:</b>				
Current:				
Pupil transportation:				
Personnel services	1,525,380	1,485,380	1,465,943	19,437
Employee benefits	583,659	593,659	571,742	21,917
Purchased services	128,000	133,000	127,650	5,350
Supplies and materials	365,131	498,056	481,907	16,149
Total pupil transportation	2,602,170	2,710,095	2,647,242	62,853
Capital outlay	-	104,750	104,065	685
Total expenditures	2,602,170	2,814,845	2,751,307	63,538
Excess (deficiency) of revenues over expenditures	-	-	(231,007)	(231,007)
Fund balances at beginning of the year	-	-	431,757	431,757
Fund balances at end of the year	\$ -	\$ -	200,750	\$ 200,750
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in Inventories			(31,960)	
Change in due from other governments			-	
Changes in payables			-	
			\$ 168,790	

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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
State sources:				
State instructional material	\$ 364,612	\$ 456,669	\$ 419,953	\$ (36,716)
<b>Expenditures:</b>				
Current:				
Instruction:				
Supplies and materials	467,496	600,758	438,045	162,713
Excess (deficiency) of revenues over expenditures	(102,884)	(144,089)	(18,092)	125,997
Beginning cash balance budgeted	102,884	144,089		-
Fund balances at beginning of the year	-	-	144,089	144,089
Fund balances at end of the year	\$ -	\$ -	125,997	\$ 125,997
<b>RECONCILIATION TO GAAP BASIS:</b>				
Changes in payables			(29,629)	
Change in unearned revenue			-	
			<u>\$ 96,368</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  
STATEMENT OF FIDUCIARY NET ASSETS - AGENCY FUNDS  
June 30, 2011

	<u>Student Activities</u>
 <b><u>ASSETS</u></b>	
Pooled cash and investments	<u>\$ 2,312,684</u>
 <b><u>LIABILITIES</u></b>	
Deposits held in trust for others	<u>2,312,684</u>
Total liabilities	<u>\$ 2,312,684</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, 2011

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, 2011.

*Discretely presented component units*

The District had no discrete component units during the fiscal year ended June 30, 2011.

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.

*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 \$64,288,193 in state equalization guarantee distributions during the year ended June 30, 2011.

**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 \$2,520,300 in transportation distributions during the year ended June 30, 2011.

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 \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Such assets, have higher limits that must be met before they are capitalized. Computer software costs, whether externally purchased or developed in-house, shall be capitalized if the total cost of the software exceeds \$1,000 and has a estimated useful life in excess of one year. Library books are not capitalized.

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

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

## **5. *Compensated absences***

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

## **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 restricted and unassigned fund balances. Restricted fund balances represent amounts that are constrained externally by creditors (such as debt covenants), grantors, contributors, or laws of other governments.

## **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 \$43,784,769 difference are as follows:

Bonds payable	\$ 37,100,000
Plus: Issuance premium (to be amortized as interest expense)	1,077,523
Capital lease	4,772,331
Accrued interest payable	441,721
Compensated absences	<u>393,194</u>
Net adjustment to reduce <i>fund balance-total governmental funds</i> to arrive at <i>net assets – governmental activities</i>	<u>\$ 43,784,769</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 (\$17,478) difference are as follows:

Capital outlay	\$ 3,710,355
Depreciation expense	<u>(3,727,833)</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>\$ (17,478)</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 (\$9,111,734) difference are as follows:

Bonds issued	\$ (22,710,000)
Premium on bonds issued	(835,674)
Bond principal repayments	12,160,000
Capital lease repayments	2,145,648
Amortization of issuance premiums	<u>128,292</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>\$ (9,111,734)</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 (\$23,410) difference are as follows:

Compensated absences	\$ 5,965
Accrued interest	<u>(29,375)</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>\$ (23,410)</u>

### III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

#### A. Budgetary information

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

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

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

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

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

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

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

## B. Excess of expenditures over appropriations

For the year ended June 30, 2011, the District's expenditures exceeded approved budgetary authority in only one fund; the Educational Technical Equipment Capital Projects Fund (31900).

## C. Deficit Fund Equity

As of June 30, 2011, 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	\$ 43,663,049
Bank deposits – interest bearing	1,768,978
Certificates of deposit	1,422,157
State Treasurer's Office Local Government Investment Pool	1,332,747
Total	<u>\$ 48,186,931</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, 2011, the District was in compliance with state statute. As of June 30, 2011, the District's carrying amount of deposits was \$46,854,184 and the bank balance was \$48,616,926. Of the bank balance, \$46,497,948 was covered by federal depository insurance. \$1,281,697 was collateralized with securities held by the pledging financial institution's trust department or agent in the District's name, and \$837,281 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, 2011. 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, 2011 was 36 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 and 2011 the District recorded recoveries from the LGIP Reserve Contingencies Fund totaling \$90,555 and \$1,051, respectively. The remaining Reserve contingencies fund to be recovered in future years as of June 30, 2010 and 2011, was \$13,816 and \$12,765, respectively.

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, 2011, earnings from investments recorded on the financial statements consist of the following:

Earnings from investments before recovery	\$111,063
Recovery of loss from LGIP Reserve Primary Fund	<u>1,051</u>
Earnings from investments	<u>\$112,114</u>

**B. Receivables**

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

<i>Receivables:</i>	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Property taxes Receivable	\$ 535,709	\$ -	\$9,431,354	\$2,932,885	\$12,899,948
Due from other governments	18,996	1,150,489	307,387	88,892	1,565,764

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>Unavailable</u>	<u>Unearned</u>
Grant proceeds not yet earned	\$ 12,899,948	\$ -
Total deferred / unearned revenue for governmental funds	<u>\$ 12,899,948</u>	<u>\$ 1,593,647</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	\$1,150,489	\$1,150,489

## C. Capital assets

Capital asset activity for the year ended June 30, 2011 was as follows:

	<u>Balance</u> <u>July 1, 2010</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2011</u>
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 3,444,131	\$ -	\$ -	\$ 3,444,131
Construction in progress	-	-	-	-
Total capital assets, not being depreciated	<u>3,444,131</u>	<u>-</u>	<u>-</u>	<u>3,444,131</u>
Capital assets, being depreciated:				
Buildings and improvements	91,694,425	2,567,276	-	94,261,701
Improvements other than buildings	6,507,091	141,932	-	6,649,023
Equipment	<u>21,422,510</u>	<u>1,001,147</u>	<u>(367,232)</u>	<u>22,056,425</u>
Total capital assets being depreciated	<u>119,624,026</u>	<u>3,710,355</u>	<u>(367,232)</u>	<u>122,967,149</u>
Less accumulated depreciation for:				
Buildings and improvements	(30,983,305)	(1,778,074)	-	(32,761,379)
Improvements other than buildings	(5,758,959)	(266,291)	-	(6,025,250)
Equipment	<u>(15,648,362)</u>	<u>(1,683,468)</u>	<u>367,232</u>	<u>(16,964,598)</u>
Total accumulated depreciation	<u>(52,390,626)</u>	<u>(3,727,833)</u>	<u>367,232</u>	<u>(55,751,227)</u>
Total capital assets, being depreciated, net	<u>67,233,400</u>	<u>(17,478)</u>	<u>-</u>	<u>67,215,922</u>
Governmental activities capital assets, net	<u>\$ 70,677,531</u>	<u>\$ (17,478)</u>	<u>\$ -</u>	<u>\$ 70,660,053</u>

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

Governmental activities:	
Instruction	\$ 192,836
Support services	16,982
Operation of non-instructional services	3,413,810
Food services	4,976
Athletics	17,479
Pupil transportation	81,750
Total depreciation expense – governmental activities	<u>\$3,727,833</u>

Construction commitments

The District contracts with outside vendors for construction and renovation of various facilities. As of June 30, 2011, commitments and encumbrances outstanding for capital projects totaled \$2,400,000. The amount of \$20,427,036 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 \$54,895,000.

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, 2011 are as follows:

	<u>Original Amount</u>	<u>Interest Rates</u>	<u>Balance June 30, 2011</u>
Series 2005 General Obligation Refunding	7,185,000	2.5% to 4.0%	\$ 1,790,000
Series 2007 General Obligation Bonds	9,000,000	3.7% to 5.1%	5,000,000
Series 2009 General Obligation Bonds	16,000,000	3.0% to 5.0%	7,600,000
Series 2010 General Obligation Refunding	4,900,000	2.0% to 3.5%	4,900,000
Series 2010 General Obligation Tech Notes	5,310,000	2.0% to 3.0%	5,310,000
Series 2011 General Obligation Bonds	12,500,000	3.0% to 4.0%	12,500,000
			<u>37,100,000</u>
Add (less) deferred amounts:			
For issuance premiums			<u>1,077,523</u>
Total General Obligation Bonds			<u>\$ 38,177,523</u>

Maturities of long-term debt as of June 30, 2011 are as follows:

General Obligation Bonds

Year Ending June 30,	Principal	Interest	Total Requirements
2012	\$ 7,070,000	\$ 1,035,283	\$ 8,105,283
2013	4,450,000	914,792	5,364,792
2014	4,585,000	783,142	5,368,142
2015	4,150,000	650,573	4,800,573
2016	3,470,000	535,229	4,005,229
2017-2021	9,275,000	1,540,246	10,815,246
2022-2024	4,100,000	206,646	4,306,646
Total	<u>\$ 37,100,000</u>	<u>\$ 5,665,911</u>	<u>\$ 42,765,911</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, 2011 and 2009, respectively.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2011, were as follows:

<u>Year Ended June 30,</u>	<u>2008 Issue Payments</u>	<u>2009 Issue Payments</u>	<u>Total</u>
2012	\$ 1,011,148	\$ 1,091,375	\$ 2,102,523
2013	505,573	1,210,375	1,715,948
2014	-	1,171,563	1,171,563
Total	1,516,721	3,473,313	4,990,034
Less: amount representing interest	<u>(44,390)</u>	<u>(173,313)</u>	<u>(217,703)</u>
Net	<u>\$ 1,472,331</u>	<u>\$ 3,300,000</u>	<u>\$ 4,772,331</u>

## Changes in Long-term Liabilities

Changes in Long-term Liabilities - During the year ended June 30, 2011, the following changes occurred in liabilities:

	Balance <u>June 30, 2010</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2011</u>	Due Within <u>One Year</u>
<b>Bonds Payable:</b>					
General obligation bonds payable	\$ 26,550,000	\$ 22,710,000	\$ 12,160,000	\$ 37,100,000	\$ 7,070,000
Add (less) deferred amounts:					
For issuance premiums	433,408	835,674	191,559	1,077,523	170,819
On refunding	<u>(63,267)</u>	<u>-</u>	<u>(63,267)</u>	<u>-</u>	<u>-</u>
Total bonds payable	26,920,141	23,545,674	12,288,292	38,177,523	7,240,819
Capital lease	<u>6,917,979</u>	<u>-</u>	<u>2,145,648</u>	<u>4,772,331</u>	<u>1,974,230</u>
Total	33,838,120	23,545,674	14,433,940	42,949,854	9,215,049
Compensated absences	<u>399,159</u>	<u>400,241</u>	<u>406,206</u>	<u>393,194</u>	<u>379,300</u>
Total	<u>\$ 34,237,279</u>	<u>\$ 23,945,915</u>	<u>\$ 14,840,146</u>	<u>\$ 43,343,048</u>	<u>\$ 9,594,349</u>

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

## V. OTHER INFORMATION

### A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injury to employees; and natural disasters. The New Mexico Public Schools Insurance Authority (NMSIA) was formed on April 5, 1985 under the New Mexico Public Schools Insurance Authority Act, Chapter 22, Section 2 of the New Mexico Statutes Annotated (NMSA 1978), as amended, as an insurance fund to provide health, disability and life insurance coverage (benefits coverage), and property, casualty and workers' compensation insurance coverage (risk coverage) to participating public schools, school board members, public school employees, and retirees within the State of New Mexico. The District is one of 91 members that participate in NMPSIA. Participation in NMPSIA is mandatory for all K-12 public schools except those with enrollment exceeding 60,000 students. Participation is voluntary for other public education institutions. The District pays an annual premium to the pool for its general insurance coverage. The agreement for formation of NMPSIA provides that the pool will be self-sustaining through member premiums. NMPSIA establishes self insured retentions by line of coverage and procures insurance or reinsurance, where indicated, in excess of the self insured retention on a per occurrence basis. NMPSIA will publish its own financial report for the year ended June 30, 2011.

### 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](http://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. During the fiscal year ended June 30, 2011, the statute required each participating employer to contribute 1.666% of each participating employee's annual salary; each participating employee was required to contribute .8333% of their salary. In the fiscal years ending June 30, 2012 and June 30, 2013 the contribution rates for employees and employers will rise as follows:

<u>Fiscal year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
2012	1.834%	0.917%
2013	2.000%	1.000%

Also, 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 contributions to the RHCA for the years ended June 30, 2011, 2010 and 2009 were \$822,336, \$678,704 and \$678,162, respectively, which equal the required contributions each year.

#### D. Pension Plan – Educational Retirement Board

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

*Funding Policy.* Effective July 1, 2009 through June 30, 2011, plan members were required by statute to contribute 7.9% of their gross salary if they earned \$20,000 or less annually, and plan members earning more than \$20,000 annually were required to contribute 9.4% of their gross salary. The District was required to contribute 12.4% of the gross covered salary for employees earning \$20,000 or less, and 10.9% of the gross covered salary of employees earning more than \$20,000 annually. Effective July 1, 2011 plan members are required by statute to contribute 7.9% of their gross salary if they earned \$20,000 or less annually, and plan members earning more than \$20,000 annually are required to contribute 11.15% of their gross salary. The District is required to contribute 12.4% of the gross covered salary for employees earning \$20,000 or less, and 9.15% of the gross covered salary of employees earning more than \$20,000 annually. 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 contribution to ERB for the fiscal years ending June 30, 2011, 2010, and 2009 were \$5,486,968, \$5,816,798 and \$5,965,408, respectively, which equal the amount of the required contributions for each fiscal year.

#### E. Subsequent Events

In July 2011, the New Mexico Virtual Academy (NMVA) charter school applied for organization within the District. Charter school organization and management is set forth under 22.8B1 through 15, NMSA. This section of the law allows for charter schools to be formed and funded within an existing school district under specific criteria. The District's Board of Education is responsible for the review and approval of charter school applications. The Board of Education approved the application on September 22, 2011. NMVA will work on the start-up during the 2011-2012 fiscal year and is scheduled to begin operations in the 2012-2013 school year. Management of the District is analyzing the effect that the charter school will have on the District's 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 24115 – To provide grants to States to assist the States in providing a free appropriate public education to all children with disabilities.

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

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.

CSR 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.

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.

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

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

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

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

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.

Homeless ARRA 24213 - To ensure that all homeless children and youth have equal access to the same free, appropriate public education available to other children, the Education for Homeless Children and Youth program provides assistance to states, outlying areas, and the Bureau of Indian Education (BIE) to: (1) establish or designate an Office of Coordinator of Education of Homeless Children and Youths; (2) develop and carry out a State plan for the education of homeless children; and (3) make sub grants to local educational agencies to support the education of those children.

Graduate New Mexico 24292 - To provide competitive grants to (a) local educational agencies (LEAs) or (b) partnerships between a nonprofit organization and one or more LEAs or a consortium of schools with a record of improving student achievement and attainment in order to expand the implementation of, and investment in, innovative practices that are demonstrated to have an impact on improving student achievement or student growth, closing achievement gaps, decreasing dropout rates, increasing high school graduation rates, or increasing college enrollment and completion rates.

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.

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

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

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

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

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

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.

Education Job Fund 25255 - To provide funds to States to assist local educational agencies (LEAs) in saving or creating education jobs for school year 2010-2011.

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.

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.

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

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.

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

Right Start Family 28142 - To provide targeted evidence-based prevention services to children from birth to 6<sup>th</sup> 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.

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STATE OF NEW MEXICO  
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 June 30, 2011

	Special Revenue									
	Food Services 21000	Athletics 22000	Activities 23000	Title I 24101	Javits - Gifted and Talented 24102	IDEA-B Entitlement 24106	IDEA-B Discretionary 24107	IDEA-B Preschool 24109	Homeless Grant 24113	IDEA-B Private School Share 24115
<b>ASSETS</b>										
Pooled cash and investments	\$ 855,927	\$ 102,397	\$ 189,925	\$ 9,459	\$ 1,610	\$ -	\$ -	\$ 10,562	\$ 29,138	\$ -
Receivables:										
Property taxes	-	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	5,000	-	-	-
Due from other funds	-	-	-	123,348	-	580,883	-	-	-	-
<b>Total assets</b>	<b>\$ 855,927</b>	<b>\$ 102,397</b>	<b>\$ 189,925</b>	<b>\$ 132,807</b>	<b>\$ 1,610</b>	<b>\$ 580,883</b>	<b>\$ 5,000</b>	<b>\$ 10,562</b>	<b>\$ 29,138</b>	<b>\$ -</b>
<b>LIABILITIES AND FUND BALANCES</b>										
<b>Liabilities:</b>										
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ -
Accounts payable	53,361	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	132,807	1,610	580,883	-	10,562	29,138	-
<b>Total liabilities</b>	<b>53,361</b>	<b>-</b>	<b>-</b>	<b>132,807</b>	<b>1,610</b>	<b>580,883</b>	<b>5,000</b>	<b>10,562</b>	<b>29,138</b>	<b>-</b>
<b>Fund balances:</b>										
<b>Restricted:</b>										
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Special revenue funds	802,566	102,397	189,925	-	-	-	-	-	-	-
<b>Total fund balances</b>	<b>802,566</b>	<b>102,397</b>	<b>189,925</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 855,927</b>	<b>\$ 102,397</b>	<b>\$ 189,925</b>	<b>\$ 132,807</b>	<b>\$ 1,610</b>	<b>\$ 580,883</b>	<b>\$ 5,000</b>	<b>\$ 10,562</b>	<b>\$ 29,138</b>	<b>\$ -</b>

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STATE OF NEW MEXICO  
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 June 30, 2011

	Special Revenue									
	IDEA-B Redistribution 24120	Enhancing Ed Technology 24133	CSRD Grant 24135	Title VI-A 24150	Eng Language Acquisition 24153	Title II-A 24154	Drug Free Schools 24157	School Improvements 24162	Carl Perkins 24174	Carl Perkins Redistribution 24176
<b>ASSETS</b>										
Pooled cash and investments	\$ -	\$ 5,075	\$ 850	\$ 6,253	\$ 20,166	\$ -	\$ 21,992	\$ -	\$ 15,022	\$ -
Receivables:										
Property taxes	-	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Due from other governments	14,263	-	-	-	-	118,289	-	18,081	-	617
Due from other funds	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 14,263</b>	<b>\$ 5,075</b>	<b>\$ 850</b>	<b>\$ 6,253</b>	<b>\$ 20,166</b>	<b>\$ 118,289</b>	<b>\$ 21,992</b>	<b>\$ 18,081</b>	<b>\$ 15,022</b>	<b>\$ 617</b>
<b>LIABILITIES AND FUND BALANCES</b>										
<b>Liabilities:</b>										
Due to other funds	\$ 14,263	\$ -	\$ -	\$ -	\$ -	\$ 118,289	\$ -	\$ 18,081	\$ -	\$ 617
Accounts payable	-	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	5,075	850	6,253	20,166	-	21,992	-	15,022	-
<b>Total liabilities</b>	<b>14,263</b>	<b>5,075</b>	<b>850</b>	<b>6,253</b>	<b>20,166</b>	<b>118,289</b>	<b>21,992</b>	<b>18,081</b>	<b>15,022</b>	<b>617</b>
<b>Fund balances:</b>										
<b>Restricted:</b>										
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Special revenue funds	-	-	-	-	-	-	-	-	-	-
<b>Total fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 14,263</b>	<b>\$ 5,075</b>	<b>\$ 850</b>	<b>\$ 6,253</b>	<b>\$ 20,166</b>	<b>\$ 118,289</b>	<b>\$ 21,992</b>	<b>\$ 18,081</b>	<b>\$ 15,022</b>	<b>\$ 617</b>

(continued)

STATE OF NEW MEXICO  
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 June 30, 2011

	Special Revenue									
	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	Homeless ARRA 24213	Graduate New Mexico 24292	Teaching American History 25107	Alcohol Abuse Reduction 25111
<b>ASSETS</b>										
Pooled cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,902	\$ 1
Receivables:										
Property taxes	-	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Due from other governments	11,736	-	13,976	358,559	24,540	610	35	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 11,736</b>	<b>\$ -</b>	<b>\$ 13,976</b>	<b>\$ 358,559</b>	<b>\$ 24,540</b>	<b>\$ 610</b>	<b>\$ 35</b>	<b>\$ -</b>	<b>\$ 26,902</b>	<b>\$ 1</b>
<b>LIABILITIES AND FUND BALANCES</b>										
Liabilities:										
Due to other funds	\$ 11,736	\$ -	\$ 13,976	\$ 358,559	\$ 24,540	\$ 610	\$ 35	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	26,902	1
<b>Total liabilities</b>	<b>11,736</b>	<b>-</b>	<b>13,976</b>	<b>358,559</b>	<b>24,540</b>	<b>610</b>	<b>35</b>	<b>-</b>	<b>26,902</b>	<b>1</b>
Fund balances:										
Restricted:										
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Special revenue funds	-	-	-	-	-	-	-	-	-	-
<b>Total fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 11,736</b>	<b>\$ -</b>	<b>\$ 13,976</b>	<b>\$ 358,559</b>	<b>\$ 24,540</b>	<b>\$ 610</b>	<b>\$ 35</b>	<b>\$ -</b>	<b>\$ 26,902</b>	<b>\$ 1</b>

(continued)

STATE OF NEW MEXICO  
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 June 30, 2011

	Special Revenue												
	Johnson O'Malley	Federal Impact Aid Special Ed	Federal Impact Aid Indian Ed	Medicaid	Indian Education Act Title IX	Mentoring Safe Schools	Navajo Medical Center	Substance Abuse Mental Health	Safe Schools Students	Bilingual Education Title III	SEG ARRA	Education Job Fund	Parent Reaching Out
	25131	25145	25147	25153	25184	25187	25209	25238	25243	25248	25250	25255	26174
<b>ASSETS</b>													
Pooled cash and investments	\$ -	\$ 3,105	\$ -	\$ -	\$ 7,117	\$ -	\$ 27,886	\$ -	\$ -	\$ 2,966	\$ -	\$ -	\$ 20,874
Receivables:													
Property taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Due from other governments	39,178	-	-	-	-	2,727	-	617	4,877	-	1	491,560	-
Due from other funds	-	-	63,479	382,779	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 39,178</b>	<b>\$ 3,105</b>	<b>\$ 63,479</b>	<b>\$ 382,779</b>	<b>\$ 7,117</b>	<b>\$ 2,727</b>	<b>\$ 27,886</b>	<b>\$ 617</b>	<b>\$ 4,877</b>	<b>\$ 2,966</b>	<b>\$ 1</b>	<b>\$ 491,560</b>	<b>\$ 20,874</b>
<b>LIABILITIES AND FUND BALANCES</b>													
Liabilities:													
Due to other funds	\$ 39,178	\$ -	\$ -	\$ -	\$ -	\$ 2,727	\$ -	\$ 617	\$ 4,877	\$ -	\$ 1	\$ 491,560	\$ -
Accounts payable	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	3,105	63,479	382,779	7,117	-	27,886	-	-	2,966	-	-	20,874
<b>Total liabilities</b>	<b>39,178</b>	<b>3,105</b>	<b>63,479</b>	<b>382,779</b>	<b>7,117</b>	<b>2,727</b>	<b>27,886</b>	<b>617</b>	<b>4,877</b>	<b>2,966</b>	<b>1</b>	<b>491,560</b>	<b>20,874</b>
Fund balances:													
Restricted:													
Capital projects funds	-	-	-	-	-	-	-	-	-	-	-	-	-
Special revenue funds	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 39,178</b>	<b>\$ 3,105</b>	<b>\$ 63,479</b>	<b>\$ 382,779</b>	<b>\$ 7,117</b>	<b>\$ 2,727</b>	<b>\$ 27,886</b>	<b>\$ 617</b>	<b>\$ 4,877</b>	<b>\$ 2,966</b>	<b>\$ 1</b>	<b>\$ 491,560</b>	<b>\$ 20,874</b>

(continued)

STATE OF NEW MEXICO  
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 June 30, 2011

	Special Revenue										
	Dual Credit HB2 27103	GO Bond 2008 SB333 27105	Technology Grant 27117	Incentives for School Improvements 27138	Teacher Mentoring 27154	Breakfast for Elementary Students 27155	CORE 27160	Library GO Bonds 27170	Tobacco Free 28122	Youth Conservation 28133	CATCH Grant 28140
<b>ASSETS</b>											
Pooled cash and investments	\$ 445	\$ -	\$ 178,947	\$ 13,689	\$ 12,565	\$ 4,581	\$ 244	\$ 2,431	\$ -	\$ 21,278	\$ -
Receivables:											
Property taxes	-	-	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-
Due from other governments	-	8,868	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 445</b>	<b>\$ 8,868</b>	<b>\$ 178,947</b>	<b>\$ 13,689</b>	<b>\$ 12,565</b>	<b>\$ 4,581</b>	<b>\$ 244</b>	<b>\$ 2,431</b>	<b>\$ -</b>	<b>\$ 21,278</b>	<b>\$ -</b>
<b>LIABILITIES AND FUND BALANCES</b>											
Liabilities:											
Due to other funds	\$ -	\$ 8,868	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-	-
Unearned revenue	445	-	178,947	13,689	12,565	4,581	244	2,431	-	21,278	-
<b>Total liabilities</b>	<b>445</b>	<b>8,868</b>	<b>178,947</b>	<b>13,689</b>	<b>12,565</b>	<b>4,581</b>	<b>244</b>	<b>2,431</b>	<b>-</b>	<b>21,278</b>	<b>-</b>
Fund balances:											
Restricted:											
Capital projects funds	-	-	-	-	-	-	-	-	-	-	-
Special revenue funds	-	-	-	-	-	-	-	-	-	-	-
<b>Total fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 445</b>	<b>\$ 8,868</b>	<b>\$ 178,947</b>	<b>\$ 13,689</b>	<b>\$ 12,565</b>	<b>\$ 4,581</b>	<b>\$ 244</b>	<b>\$ 2,431</b>	<b>\$ -</b>	<b>\$ 21,278</b>	<b>\$ -</b>

(continued)

STATE OF NEW MEXICO  
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 June 30, 2011

	Special Revenue			Capital Projects				Total Nonmajor Governmental Funds
	Right Start Family	Tutoring	Total Special Revenue	Special Building Local	Special Building State	Public Schools 20% Outlay	Total Capital Projects	
	28142	28178		31300	31400	32100		
<b>ASSETS</b>								
Pooled cash and investments	\$ -	\$ -	1,591,407	\$ 1,541,478	\$ 104,432	\$ 99,873	\$ 1,745,783	\$ 3,337,190
Receivables:								
Property taxes	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Due from other governments	-	36,955	1,150,489	-	-	-	-	1,150,489
Due from other funds	-	-	1,150,489	-	-	-	-	1,150,489
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 36,955</b>	<b>\$ 3,892,385</b>	<b>\$ 1,541,478</b>	<b>\$ 104,432</b>	<b>\$ 99,873</b>	<b>\$ 1,745,783</b>	<b>\$ 5,638,168</b>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Due to other funds	\$ -	\$ 36,955	\$ 1,150,489	\$ -	\$ -	\$ -	\$ -	\$ 1,150,489
Accounts payable	-	-	53,361	-	-	-	-	53,361
Deferred revenue	-	-	-	-	-	-	-	-
Unearned revenue	-	-	1,593,647	-	-	-	-	1,593,647
<b>Total liabilities</b>	<b>-</b>	<b>36,955</b>	<b>2,797,497</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,797,497</b>
Fund balances:								
Restricted:								
Capital projects funds	-	-	-	1,541,478	104,432	99,873	1,745,783	1,745,783
Special revenue funds	-	-	1,094,888	-	-	-	-	1,094,888
<b>Total fund balances</b>	<b>-</b>	<b>-</b>	<b>1,094,888</b>	<b>1,541,478</b>	<b>104,432</b>	<b>99,873</b>	<b>1,745,783</b>	<b>2,840,671</b>
<b>Total liabilities and fund balances</b>	<b>\$ -</b>	<b>\$ 36,955</b>	<b>\$ 3,892,385</b>	<b>\$ 1,541,478</b>	<b>\$ 104,432</b>	<b>\$ 99,873</b>	<b>\$ 1,745,783</b>	<b>\$ 5,638,168</b>

(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, 2011

Special Revenue

	Food Services 21000	Athletics 22000	Activities 23000	Title I 24101	Javits - Gifted and Talented 24102	IDEA-B Entitlement 24106	IDEA-B Discretionary 24107	IDEA-B Preschool 24109	Homeless Grant 24113	IDEA-B Private School Share 24115
<b>Revenues:</b>										
Intergovernmental - grants	\$ 2,914,628	\$ -	\$ -	\$ 1,861,020	\$ -	\$ 722,747	\$ 5,000	\$ 58,744	\$ 12,399	\$ 5,279
Taxes - property	-	-	-	-	-	-	-	-	-	-
Fees and activities	872,545	288,561	247,618	-	-	-	-	-	-	-
Earnings from investments	748	229	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>3,787,921</b>	<b>288,790</b>	<b>247,618</b>	<b>1,861,020</b>	<b>-</b>	<b>722,747</b>	<b>5,000</b>	<b>58,744</b>	<b>12,399</b>	<b>5,279</b>
<b>Expenditures:</b>										
<b>Current:</b>										
Instruction	-	-	-	1,576,515	-	306,380	-	58,744	12,399	1,446
Support services	-	-	400,458	284,505	-	416,367	5,000	-	-	3,833
Operation of non-instructional services	-	-	-	-	-	-	-	-	-	-
Food services	3,490,358	-	-	-	-	-	-	-	-	-
Athletics	-	263,334	-	-	-	-	-	-	-	-
Pupil transportation	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-
<b>Debt Service:</b>										
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>3,490,358</b>	<b>263,334</b>	<b>400,458</b>	<b>1,861,020</b>	<b>-</b>	<b>722,747</b>	<b>5,000</b>	<b>58,744</b>	<b>12,399</b>	<b>5,279</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>297,563</b>	<b>25,456</b>	<b>(152,840)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at beginning of year</b>	<b>505,003</b>	<b>76,941</b>	<b>342,765</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 802,566</b>	<b>\$ 102,397</b>	<b>\$ 189,925</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

(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, 2011

Special Revenue

	IDEA-B Redistribution 24120	Enhancing Ed Technology 24133	CSRD Grant 24135	Title VI-A 24150	Eng Language Acquisition 24153	Title II-A 24154	Drug Free Schools 24157	Improvements 24162	Carl Perkins 24174	Carl Perkins Redistribution 24175
<b>Revenues:</b>										
Intergovernmental - grants	\$ 14,263	\$ -	\$ -	\$ -	\$ 167,134	\$ 656,540	\$ -	\$ -	\$ 82,246	\$ 6,184
Taxes - property	-	-	-	-	-	-	-	-	-	-
Fees and activities	-	-	-	-	-	-	-	-	-	-
Earnings from investments	-	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>14,263</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>167,134</b>	<b>656,540</b>	<b>-</b>	<b>-</b>	<b>82,246</b>	<b>6,184</b>
<b>Expenditures:</b>										
<b>Current:</b>										
Instruction	8,485	-	-	-	167,134	527,061	-	-	82,246	6,184
Support services	5,778	-	-	-	-	129,479	-	-	-	-
Operation of non-instructional services	-	-	-	-	-	-	-	-	-	-
Food services	-	-	-	-	-	-	-	-	-	-
Athletics	-	-	-	-	-	-	-	-	-	-
Pupil transportation	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-
<b>Debt Service:</b>										
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>14,263</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>167,134</b>	<b>656,540</b>	<b>-</b>	<b>-</b>	<b>82,246</b>	<b>6,184</b>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-	-	-	-
Fund balance at beginning of year	-	-	-	-	-	-	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(continued)

STATE OF NEW MEXICO  
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 Year Ended June 30, 2011

	Special Revenue									
	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	Homeless ARRA 24213	Graduate New Mexico 24292	Teaching American History 25107	Alcohol Abuse Reduction 25111
<b>Revenues:</b>										
Intergovernmental - grants	\$ 25,889	\$ 300	\$ 636,379	\$ 1,791,619	\$ 56,950	\$ 41,924	\$ 25,000	\$ 17,206	\$ 197,086	\$ -
Taxes - property	-	-	-	-	-	-	-	-	-	-
Fees and activities	-	-	-	-	-	-	-	-	-	-
Earnings from investments	-	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>25,889</b>	<b>300</b>	<b>636,379</b>	<b>1,791,619</b>	<b>56,950</b>	<b>41,924</b>	<b>25,000</b>	<b>17,206</b>	<b>197,086</b>	<b>-</b>
<b>Expenditures:</b>										
<b>Current:</b>										
Instruction	25,889	300	622,938	753,734	36,167	-	25,000	-	-	-
Support services	-	-	13,441	1,037,885	18,783	41,924	-	17,206	197,086	-
Operation of non-instructional services	-	-	-	-	-	-	-	-	-	-
Food services	-	-	-	-	-	-	-	-	-	-
Athletics	-	-	-	-	-	-	-	-	-	-
Pupil transportation	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-
<b>Debt Service:</b>										
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>25,889</b>	<b>300</b>	<b>636,379</b>	<b>1,791,619</b>	<b>56,950</b>	<b>41,924</b>	<b>25,000</b>	<b>17,206</b>	<b>197,086</b>	<b>-</b>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-	-	-	-
Fund balance at beginning of year	-	-	-	-	-	-	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(continued)

STATE OF NEW MEXICO  
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 Year Ended June 30, 2011

	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	Mentoring Safe Schools 25187	Navajo Medical Center 25209	Substance Abuse Mental Health 25238	Safe Schools Students 25243	Bilingual Education Title III 25248	SEG ARRA 25250	Education Job Fund 25255	Parent Reaching Out 26174
Revenues:													
Intergovernmental - grants	\$ 194,287	\$ 63,117	\$ 47,940	\$ 272,278	\$ 602,412	\$ 44,434	\$ 16,515	\$ 35,619	\$ 1,275,206	\$ 138,078	\$ 1,511,102	\$ 1,850,091	\$ 27,557
Taxes - property	-	-	-	-	-	-	-	-	-	-	-	-	-
Fees and activities	-	-	-	-	-	-	-	-	-	-	-	-	-
Earnings from investments	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>194,287</b>	<b>63,117</b>	<b>47,940</b>	<b>272,278</b>	<b>602,412</b>	<b>44,434</b>	<b>16,515</b>	<b>35,619</b>	<b>1,275,206</b>	<b>138,078</b>	<b>1,511,102</b>	<b>1,850,091</b>	<b>27,557</b>
Expenditures:													
Current:													
Instruction	22,196	-	46,097	-	385,488	-	-	2,413	-	56,332	-	-	-
Support services	172,091	63,117	1,843	272,278	216,924	44,434	16,515	33,206	1,275,206	81,746	-	1,850,091	27,557
Operation of													
non-instructional services	-	-	-	-	-	-	-	-	-	-	1,511,102	-	-
Food services	-	-	-	-	-	-	-	-	-	-	-	-	-
Athletics	-	-	-	-	-	-	-	-	-	-	-	-	-
Pupil transportation	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service:													
Principal	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>194,287</b>	<b>63,117</b>	<b>47,940</b>	<b>272,278</b>	<b>602,412</b>	<b>44,434</b>	<b>16,515</b>	<b>35,619</b>	<b>1,275,206</b>	<b>138,078</b>	<b>1,511,102</b>	<b>1,850,091</b>	<b>27,557</b>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-
Fund balance at beginning of yr	-	-	-	-	-	-	-	-	-	-	-	-	-
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, 2011

	Special Revenue										
	Dual Credit HB2 27103	GO Bond 2008 SB333 27105	Technology Grant 27117	Incentives for School Improvements 27138	Teacher Mentoring 27154	Breakfast for Elementary Students 27155	CORE 27160	GO Bonds 27170	Tobacco Free 28122	Youth Conservation 28133	CATCH Grant 28140
Revenues:											
Intergovernmental - grants	\$ 25,107	\$ 10,019	\$ 78,579	\$ -	\$ -	\$ 95,045	\$ -	\$ -	\$ 25,410	\$ 113,153	\$ 1,550
Taxes - property	-	-	-	-	-	-	-	-	-	-	-
Fees and activities	-	-	-	-	-	-	-	-	-	-	-
Earnings from investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>25,107</b>	<b>10,019</b>	<b>78,579</b>	<b>-</b>	<b>-</b>	<b>95,045</b>	<b>-</b>	<b>-</b>	<b>25,410</b>	<b>113,153</b>	<b>1,550</b>
Expenditures:											
Current:											
Instruction	-	-	-	-	-	-	-	-	-	113,153	1,550
Support services	25,107	10,019	78,579	-	-	-	-	25,410	-	-	-
Operation of non-instructional services	-	-	-	-	-	95,045	-	-	-	-	-
Food services	-	-	-	-	-	-	-	-	-	-	-
Athletics	-	-	-	-	-	-	-	-	-	-	-
Pupil transportation	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-	-
Debt Service:											
Principal	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>25,107</b>	<b>10,019</b>	<b>78,579</b>	<b>-</b>	<b>-</b>	<b>95,045</b>	<b>-</b>	<b>-</b>	<b>25,410</b>	<b>113,153</b>	<b>1,550</b>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-	-	-	-	-
Fund balance at beginning of year	-	-	-	-	-	-	-	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(continued)

STATE OF NEW MEXICO  
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 Year Ended June 30, 2011

	Special Revenue			Capital Projects				Total Nonmajor Governmental Funds
	Right Start	Tutoring	Total Special Revenue	Special Building	Special Building	Public Schools	Total Capital Projects	
	Family			Local	State	20% Capital Outlay		
	28142	28178		31300	31400	32100		
<b>Revenues:</b>								
Intergovernmental - grants	\$ 32,030	\$ 284,482	\$16,042,548	\$ -	\$ 17,261	\$ -	\$ 17,261	\$ 16,059,809
Taxes - property	-	-	-	-	-	-	-	-
Fees and activities	-	-	1,408,724	1,566	-	-	1,566	1,410,290
Earnings from investments	-	-	977	1,540	195	-	1,735	2,712
<b>Total revenues</b>	<b>32,030</b>	<b>284,482</b>	<b>17,452,249</b>	<b>3,106</b>	<b>17,456</b>	<b>-</b>	<b>20,562</b>	<b>17,472,811</b>
<b>Expenditures:</b>								
<b>Current:</b>								
Instruction	19,503	11,551	4,870,905	-	-	-	-	4,870,905
Support services	12,527	272,931	7,051,326	-	-	-	-	7,051,326
Operation of non-instructional services	-	-	1,606,147	-	-	-	-	1,606,147
Food services	-	-	3,490,358	-	-	-	-	3,490,358
Athletics	-	-	263,334	-	-	-	-	263,334
Pupil transportation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	17,261	-	17,261	17,261
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>32,030</b>	<b>284,482</b>	<b>17,282,070</b>	<b>-</b>	<b>17,261</b>	<b>-</b>	<b>17,261</b>	<b>17,299,331</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>-</b>	<b>-</b>	<b>170,179</b>	<b>3,106</b>	<b>195</b>	<b>-</b>	<b>3,301</b>	<b>173,480</b>
<b>Fund balance at beginning of year</b>	<b>-</b>	<b>-</b>	<b>924,709</b>	<b>1,538,372</b>	<b>104,237</b>	<b>99,873</b>	<b>1,742,482</b>	<b>2,667,191</b>
<b>Fund balance at end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,094,888</b>	<b>\$ 1,541,478</b>	<b>\$ 104,432</b>	<b>\$ 99,873</b>	<b>\$ 1,745,783</b>	<b>\$ 2,840,671</b>

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

STATE OF NEW MEXICO  
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5  
 DEBT SERVICE FUND - 41000  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Local sources:				
District school tax levy	\$ 7,496,987	\$ 7,496,987	\$ 7,043,325	\$ (453,662)
Earnings from investments	<u>25,000</u>	<u>25,000</u>	<u>2,949</u>	<u>(22,051)</u>
Total local revenues	<u>7,521,987</u>	<u>7,521,987</u>	<u>7,046,274</u>	<u>(475,713)</u>
<b>Expenditures:</b>				
Current:				
Support Services:				
Purchased services	<u>74,970</u>	<u>74,970</u>	<u>63,547</u>	<u>11,423</u>
Debt service:				
Principal	17,888,681	17,888,681	12,160,000	5,728,681
Interest	<u>886,988</u>	<u>886,988</u>	<u>841,794</u>	<u>45,194</u>
Total debt service	<u>18,775,669</u>	<u>18,775,669</u>	<u>13,001,794</u>	<u>5,773,875</u>
Total expenditures	<u>18,850,639</u>	<u>18,850,639</u>	<u>13,065,341</u>	<u>5,785,298</u>
Excess (deficiency) of revenues over expenditures	<u>(11,328,652)</u>	<u>(11,328,652)</u>	<u>(6,019,067)</u>	<u>5,309,585</u>
<b>Other financing sources (uses):</b>				
Bonds issued	-	-	4,900,000	4,900,000
Premium on bonds issued	<u>-</u>	<u>-</u>	<u>545,017</u>	<u>545,017</u>
Total other sources	<u>-</u>	<u>-</u>	<u>5,445,017</u>	<u>5,445,017</u>
Excess (deficiency) of revenues and other sources over expenditures	(11,328,652)	(11,328,652)	(574,050)	10,754,602
Beginning cash balance budgeted	11,328,652	11,328,652	-	(11,328,652)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>7,877,211</u>	<u>7,877,211</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>7,303,161</u>	<u>\$ 7,303,161</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in receivables			303,004	
Change in due from other governments			(22,490)	
Change in deferred revenue			<u>(303,004)</u>	
			<u>\$ 7,280,671</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, 2011

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Local sources:				
District school tax levy	\$ 2,329,773	\$ 2,329,773	\$ 3,143,615	\$ 813,842
Earnings from investments	-	-	1,325	1,325
<b>Total revenues</b>	<u>2,329,773</u>	<u>2,329,773</u>	<u>3,144,940</u>	<u>815,167</u>
<b>Expenditures:</b>				
Current:				
Support Services:				
Purchased services	<u>23,298</u>	<u>31,298</u>	<u>28,082</u>	<u>3,216</u>
Debt service:				
Principal	3,187,719	3,179,719	2,145,648	1,034,071
Interest	<u>184,125</u>	<u>184,125</u>	<u>258,951</u>	<u>(74,826)</u>
<b>Total debt service</b>	<u>3,371,844</u>	<u>3,363,844</u>	<u>2,404,599</u>	<u>959,245</u>
<b>Total expenditures</b>	<u>3,395,142</u>	<u>3,395,142</u>	<u>2,432,681</u>	<u>962,461</u>
Excess (deficiency) of revenues over expenditures	(1,065,369)	(1,065,369)	712,259	1,777,628
Beginning cash balance budgeted	1,065,369	1,065,369	-	(1,065,369)
Fund balance at beginning of the year	-	-	<u>2,775,693</u>	<u>2,775,693</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	3,487,952	<u>\$ 3,487,952</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in receivables			(491,090)	
Change in due from other governments			11,352	
Change in deferred revenue			<u>491,090</u>	
			<u>\$ 3,499,304</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, 2011

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Local sources:				
Earnings from investments	\$ 55,000	\$ 55,000	\$ 7,532	\$ (47,468)
Expenditures:				
Capital outlay	<u>6,635,791</u>	<u>6,635,791</u>	<u>4,260,013</u>	<u>2,375,778</u>
Excess (deficiency) of revenues over expenditures	(6,580,791)	(6,580,791)	(4,252,481)	2,328,310
Other financing sources (uses):				
Bonds issued	<u>-</u>	<u>-</u>	<u>12,500,000</u>	<u>12,500,000</u>
Net change in fund balances	(6,580,791)	(6,580,791)	8,247,519	14,828,310
Beginning cash balance budgeted	6,580,791	6,580,791	-	(6,580,791)
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>7,294,424</u>	<u>7,294,424</u>
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	15,541,943	<u>\$ 15,541,943</u>
RECONCILIATION TO GAAP BASIS:				
Changes in payables			<u>(450,172)</u>	
			<u>\$ 15,091,771</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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>State sources:</b>				
State flow through grants	\$ -	\$ 212,942	\$ 208,935	\$ (4,007)
<b>Local sources:</b>				
District school tax levy	\$ 2,926,610	\$ 2,926,610	\$ 2,812,190	\$ (114,420)
Earnings from investments	<u>10,000</u>	<u>10,000</u>	<u>2,490</u>	<u>(7,510)</u>
Total local revenues	<u>2,936,610</u>	<u>2,936,610</u>	<u>2,814,680</u>	<u>(121,930)</u>
Total revenues	<u>2,936,610</u>	<u>3,149,552</u>	<u>3,023,615</u>	<u>(125,937)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Operation of Non-Instructional Services:				
Purchased services	29,266	29,266	25,461	3,805
Capital outlay	<u>4,961,549</u>	<u>5,174,491</u>	<u>2,552,937</u>	<u>2,621,554</u>
Total expenditures	<u>4,990,815</u>	<u>5,203,757</u>	<u>2,578,398</u>	<u>2,625,359</u>
Excess (deficiency) of revenues over expenditures	(2,054,205)	(2,054,205)	445,217	2,499,422
Beginning cash balance budgeted	2,054,205	2,054,205	-	(2,054,205)
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>1,927,321</u>	<u>1,927,321</u>
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>2,372,538</u>	<u>\$ 2,372,538</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in receivables			403,986	
Change in due from other governments			4,512	
Changes in payables			(120,246)	
Change in deferred revenue			<u>(403,986)</u>	
			<u>\$ 2,256,804</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, 2011

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources:				
Earnings from investments	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Operation of Non-Instructional Services:				
Purchased services	-	-	193,564	(193,564)
Capital outlay	<u>581,983</u>	<u>581,983</u>	<u>3,726,135</u>	<u>(3,144,152)</u>
Total expenditures	<u>581,983</u>	<u>581,983</u>	<u>3,919,699</u>	<u>(3,337,716)</u>
Excess (deficiency) of revenues over expenditures	<u>(581,983)</u>	<u>(581,983)</u>	<u>(3,919,699)</u>	<u>(3,337,716)</u>
Other financing sources (uses):				
Bonds issued	-	-	5,310,000	5,310,000
Premium on bonds issued	<u>-</u>	<u>-</u>	<u>264,505</u>	<u>264,505</u>
Total other sources	<u>-</u>	<u>-</u>	<u>5,574,505</u>	<u>5,574,505</u>
Net change in fund balances	(581,983)	(581,983)	1,654,806	2,236,789
Beginning cash balance budgeted	581,983	581,983	-	(581,983)
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>193,135</u>	<u>193,135</u>
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>1,847,941</u>	<u>\$ 1,847,941</u>
RECONCILIATION TO GAAP BASIS:				
Changes in payables			<u>(515,263)</u>	
			<u>\$ 1,332,678</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, 2011

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Federal sources:</b>				
Food and milk reimbursements	\$ 2,300,000	\$ 2,300,000	\$ 2,695,532	\$ 395,532
USDA Commodities	-	-	-	-
<b>Total federal revenues</b>	<u>2,300,000</u>	<u>2,300,000</u>	<u>2,695,532</u>	<u>395,532</u>
<b>Local sources:</b>				
Fees and activities	865,000	865,000	872,545	7,545
Earnings from investments	300	300	748	448
<b>Total local revenues</b>	<u>865,300</u>	<u>865,300</u>	<u>873,293</u>	<u>7,993</u>
<b>Total revenues</b>	<u>3,165,300</u>	<u>3,165,300</u>	<u>3,568,825</u>	<u>403,525</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Food services:</b>				
Personnel services	145,000	145,000	128,475	16,525
Employee benefits	37,400	47,100	45,671	1,429
Purchased services	2,007,500	2,027,700	1,974,930	52,770
Supplies and materials	1,328,252	1,298,352	1,099,696	198,656
<b>Total expenditures</b>	<u>3,518,152</u>	<u>3,518,152</u>	<u>3,248,772</u>	<u>269,380</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(352,852)</b>	<b>(352,852)</b>	<b>320,053</b>	<b>672,905</b>
<b>Beginning cash balance budgeted</b>	<b>352,852</b>	<b>352,852</b>	<b>-</b>	<b>(352,852)</b>
<b>Fund balances at beginning of the year</b>	<u>-</u>	<u>-</u>	<u>505,003</u>	<u>505,003</u>
<b>Fund balances at end of the year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>825,056</u>	<u>\$ 825,056</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Changes in payables			<u>(22,490)</u>	
			<u>\$ 802,566</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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Local sources:				
Fees and activities	\$ 265,000	\$ 265,000	288,561	23,561
Earnings from investments	<u>100</u>	<u>100</u>	<u>229</u>	<u>129</u>
Total revenues	<u>265,100</u>	<u>265,100</u>	<u>288,790</u>	<u>23,690</u>
<b>Expenditures:</b>				
Current:				
Athletics:				
Personnel services	35,000	35,000	33,475	1,525
Employee benefits	5,375	5,375	4,783	592
Purchased services	151,000	203,750	184,642	19,108
Supplies and materials	<u>242,046</u>	<u>189,296</u>	<u>40,434</u>	<u>148,862</u>
Total expenditures	<u>433,421</u>	<u>433,421</u>	<u>263,334</u>	<u>170,087</u>
Excess (deficiency) of revenues over expenditures	(168,321)	(168,321)	25,456	193,777
Beginning cash balance budgeted	168,321	168,321	-	(168,321)
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>76,941</u>	<u>76,941</u>
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>102,397</u>	<u>\$ 102,397</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in receivables			<u>-</u>	
			<u>\$ 102,397</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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Local sources:				
Fees and activities	\$ 380,000	\$ 380,000	247,618	(132,382)
Earnings from investments	-	-	-	-
Total local revenues	<u>380,000</u>	<u>380,000</u>	<u>247,618</u>	<u>(132,382)</u>
<b>Expenditures:</b>				
Current:				
Support Services:				
Personnel services	106,000	161,000	135,120	25,880
Employee benefits	18,803	21,903	21,735	168
Purchased services	106,650	170,650	57,302	113,348
Supplies and materials	347,818	225,718	186,301	39,417
Total expenditures	<u>579,271</u>	<u>579,271</u>	<u>400,458</u>	<u>178,813</u>
Excess (deficiency) of revenues over expenditures	(199,271)	(199,271)	(152,840)	46,431
Beginning cash balance budgeted	199,271	199,271	-	(199,271)
Fund balances at beginning of the year	-	-	<u>342,765</u>	<u>342,765</u>
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	189,925	<u>\$ 189,925</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in receivables			-	
			<u>\$ 189,925</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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ 2,232,037	\$ 2,569,431	\$ 1,887,791	\$ (681,640)
Expenditures:				
Current:				
Instruction:				
Personnel services	1,201,334	1,270,934	1,007,981	262,953
Employee benefits	601,660	527,160	356,387	170,773
Purchased services	38,307	370,908	41,988	328,920
Supplies and materials	56,033	61,407	170,059	(108,652)
Total instruction	<u>1,897,334</u>	<u>2,230,409</u>	<u>1,576,415</u>	<u>653,994</u>
Support Services:				
Personnel services	185,143	185,143	178,655	6,488
Employee benefits	90,212	87,212	50,811	36,401
Purchased services	53,848	60,967	53,054	7,913
Supplies and materials	5,500	5,700	2,085	3,615
Total support services	<u>334,703</u>	<u>339,022</u>	<u>284,605</u>	<u>54,417</u>
Total expenditures	<u>2,232,037</u>	<u>2,569,431</u>	<u>1,861,020</u>	<u>708,411</u>
Excess (deficiency) of revenues over expenditures	-	-	26,771	26,771
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	26,771	<u>\$ 26,771</u>
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			<u>(26,771)</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, 2011

	<u>Budget Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Federal sources:				
Federal flowthrough grants	\$ -	\$ -	\$ -	-
<b>Expenditures:</b>				
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>
<b>RECONCILIATION TO GAAP BASIS:</b>				
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, 2011

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ 2,292,493	\$ 2,669,652	\$ 986,155	\$ (1,683,497)
Expenditures:				
Current:				
Instruction:				
Personnel services	873,500	1,050,659	203,411	847,248
Employee benefits	239,689	239,689	84,033	155,656
Purchased services	42,000	44,500	15,177	29,323
Supplies and materials	91,477	88,977	3,759	85,218
Total instruction	<u>1,246,666</u>	<u>1,423,825</u>	<u>306,380</u>	<u>1,117,445</u>
Support Services:				
Personnel services	640,000	879,360	243,797	635,563
Employee benefits	236,797	215,097	77,500	137,597
Purchased services	146,530	120,670	74,629	46,041
Supplies and materials	22,500	30,700	20,441	10,259
Total support services	<u>1,045,827</u>	<u>1,245,827</u>	<u>416,367</u>	<u>829,460</u>
Total expenditures	<u>2,292,493</u>	<u>2,669,652</u>	<u>722,747</u>	<u>1,946,905</u>
Excess (deficiency) of revenues over expenditures	-	-	263,408	263,408
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	263,408	<u>\$ 263,408</u>
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			<u>(263,408)</u>	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO  
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5  
 IDEA-B DISCRETIONARY SPECIAL REVENUE FUND - 24107  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 5,000	\$ -	\$ (5,000)
Expenditures:				
Current:				
Support Services:				
Purchased services	-	4,000	4,000	-
Supplies and materials	-	1,000	1,000	-
Total support services	-	5,000	5,000	-
Total expenditures	-	5,000	5,000	-
Excess (deficiency) of revenues over expenditures	-	-	(5,000)	(5,000)
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	(5,000)	\$ (5,000)
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			5,000	
			\$ -	

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

STATE OF NEW MEXICO  
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5  
 IDEA-B 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, 2011

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ 62,627	\$ 79,350	\$ 52,247	\$ (27,103)
Expenditures:				
Current:				
Instruction:				
Personnel services	45,649	62,372	32,821	29,551
Employee benefits	<u>16,978</u>	<u>16,978</u>	<u>25,923</u>	<u>(8,945)</u>
Total instruction	<u>62,627</u>	<u>79,350</u>	<u>58,744</u>	<u>20,606</u>
Excess (deficiency) of revenues over expenditures	-	-	(6,497)	(6,497)
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	(6,497)	<u>\$ (6,497)</u>
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			<u>6,497</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, 2011

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Federal sources:				
Federal direct grants	\$ 15,000	\$ 25,809	\$ 13,636	\$ (12,173)
<b>Expenditures:</b>				
Current:				
Instruction:				
Personnel services	5,500	5,500	2,420	3,080
Employee benefits	2,500	2,500	652	1,848
Purchased services	7,000	17,809	9,327	8,482
Supplies and materials	-	-	-	-
Total instruction	<u>15,000</u>	<u>25,809</u>	<u>12,399</u>	<u>13,410</u>
Excess (deficiency) of revenues over expenditures	-	-	1,237	1,237
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	1,237	<u>\$ 1,237</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in unearned revenue			<u>(1,237)</u>	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO  
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5  
 IDEA-B PRIVATE SCHOOL SHARE SPECIAL REVENUE FUND - 24115  
 STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Federal sources:				
Federal direct grants	\$ 5,279	\$ 5,279	\$ 5,279	\$ -
<b>Expenditures:</b>				
Current:				
Instruction:				
Personnel services	1,000	1,000	1,000	-
Employee benefits	246	246	246	-
Purchased services	<u>200</u>	<u>200</u>	<u>200</u>	<u>-</u>
Total instruction	<u>1,446</u>	<u>1,446</u>	<u>1,446</u>	<u>-</u>
Support Services:				
Personnel services	2,500	2,500	2,500	-
Employee benefits	<u>1,333</u>	<u>1,333</u>	<u>1,333</u>	<u>-</u>
Total support services	<u>3,833</u>	<u>3,833</u>	<u>3,833</u>	<u>-</u>
Total expenditures	<u>5,279</u>	<u>5,279</u>	<u>5,279</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>
<b>RECONCILIATION TO GAAP BASIS:</b>				
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  
 IDEA-B REDISTRIBUTION SPECIAL REVENUE FUND - 24120  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
<b>Federal sources:</b>				
Federal direct grants	\$ -	\$ 22,140	\$ -	\$ (22,140)
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Supplies and materials	-	12,140	8,485	3,655
<b>Total instruction</b>	-	12,140	8,485	3,655
<b>Support Services:</b>				
Personnel services	-	9,200	5,367	3,833
Employee benefits	-	800	411	389
<b>Total support services</b>	-	10,000	5,778	4,222
<b>Total expenditures</b>	-	22,140	14,263	7,877
Excess (deficiency) of revenues over expenditures	-	-	(14,263)	(14,263)
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	(14,263)	\$ (14,263)
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in due from other governments			14,263	
			<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  
 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, 2011

	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, 2011

	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	\$ -	\$ -	-	\$ -
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  
 TITLE VI-A SPECIAL REVENUE FUND - 24150  
 STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Support Services:				
Personnel services	-	-	-	-
Employee benefits	-	-	-	-
Purchased services	-	-	-	-
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	\$ -	\$ -	-	\$ -
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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 181,120	\$ 118,972	\$ (62,148)
Expenditures:				
Current:				
Instruction:				
Purchased services	-	29,864	28,646	1,218
Supplies and materials	-	151,256	138,488	12,768
Total expenditures	-	181,120	167,134	13,986
Excess (deficiency) of revenues over expenditures	-	-	(48,162)	(48,162)
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	(48,162)	\$ (48,162)
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			48,162	
			\$ -	

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, 2011

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Federal sources:				
Federal flowthrough grants	\$ 504,260	\$ 818,052	\$ 623,594	\$ (194,458)
<b>Expenditures:</b>				
Current:				
Instruction:				
Personnel services	204,541	226,441	171,485	54,956
Employee benefits	101,015	101,015	60,162	40,853
Purchased services	38,607	321,483	292,694	28,789
Supplies and materials	<u>7,515</u>	<u>7,515</u>	<u>2,720</u>	<u>4,795</u>
Total instruction	<u>351,678</u>	<u>656,454</u>	<u>527,061</u>	<u>129,393</u>
Support Services:				
Personnel services	90,120	90,120	79,025	11,095
Employee benefits	50,984	50,984	34,561	16,423
Purchased services	10,300	12,316	9,911	2,405
Supplies and materials	<u>1,178</u>	<u>8,178</u>	<u>5,982</u>	<u>2,196</u>
Total support services	<u>152,582</u>	<u>161,598</u>	<u>129,479</u>	<u>32,119</u>
Total expenditures	<u>504,260</u>	<u>818,052</u>	<u>656,540</u>	<u>161,512</u>
Excess (deficiency) of revenues over expenditures	-	-	(32,946)	(32,946)
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	(32,946)	<u>\$ (32,946)</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in due from other governments			<u>32,946</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  
 STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Federal sources:				
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ -
<b>Expenditures:</b>				
Current:				
Support Services:				
Personnel services	-	-	-	-
Employee benefits	-	-	-	-
Purchased services	-	-	-	-
Supplies and materials	-	-	-	-
Total support 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>
<b>RECONCILIATION TO GAAP BASIS:</b>				
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  
 SCHOOL IMPROVEMENTS SPECIAL REVENUE FUND - 24162  
 STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Federal sources:				
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ -
<b>Expenditures:</b>				
Current:				
Instruction:				
Personnel services	-	-	-	-
Employee benefits	-	-	-	-
Purchased services	-	-	-	-
Supplies and materials	-	-	-	-
Total instruction	-	-	-	-
Support Services:				
Purchased 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>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in due from other governments			-	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO  
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5  
 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, 2011

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Federal sources:				
Federal flowthrough grants	\$ 96,329	\$ 82,277	\$ 83,570	\$ 1,293
<b>Expenditures:</b>				
Current:				
Instruction:				
Personnel services	25,000	25,000	25,000	-
Employee benefits	8,479	3,191	2,841	350
Purchased services	17,760	17,963	18,143	(180)
Supplies and materials	45,090	36,123	36,262	(139)
<b>Total instruction</b>	<u>96,329</u>	<u>82,277</u>	<u>82,246</u>	<u>31</u>
<b>Total expenditures</b>	<u>96,329</u>	<u>82,277</u>	<u>82,246</u>	<u>31</u>
Excess (deficiency) of revenues over expenditures	-	-	1,324	1,324
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	1,324	<u>\$ 1,324</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in unearned revenue			<u>(1,324)</u>	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO  
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5  
 CARL PERKINS REDISTRIBUTION - 24176  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Federal sources:</b>				
Federal flowthrough grants	\$ 13,287	\$ 13,287	\$ 5,567	\$ (7,720)
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Purchased services	8,858	8,858	6,184	2,674
Supplies and materials	4,429	4,429	-	4,429
<b>Total instruction</b>	<b>13,287</b>	<b>13,287</b>	<b>6,184</b>	<b>7,103</b>
<b>Total expenditures</b>	<b>13,287</b>	<b>13,287</b>	<b>6,184</b>	<b>7,103</b>
<b>Excess (deficiency) of revenues over expenditures</b>	-	-	(617)	(617)
<b>Fund balances at beginning of the year</b>	-	-	-	-
<b>Fund balances at end of the year</b>	<b>\$ -</b>	<b>\$ -</b>	(617)	<b>\$ (617)</b>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in due from other governments			617	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO  
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5  
 HIGH SCHOOLS THAT WORK SPECIAL REVENUE FUND - 24180  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ 27,987	\$ 27,897	\$ 15,461	\$ (12,436)
Expenditures:				
Current:				
Instruction:				
Purchased services	<u>27,987</u>	<u>27,987</u>	<u>25,889</u>	<u>2,098</u>
Excess (deficiency) of revenues over expenditures	-	(90)	(10,428)	(10,338)
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>\$ (90)</u>	<u>(10,428)</u>	<u>\$ (10,338)</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			<u>10,428</u>	
			<u>\$ -</u>	

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



STATE OF NEW MEXICO  
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5  
 HIGH SCHOOLS THAT WORK C/O SPECIAL REVENUE FUND - 24182  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Federal sources:				
Federal flowthrough grants	\$ 6,139	\$ 6,139	\$ 300	\$ (5,839)
<b>Expenditures:</b>				
Current:				
Instruction:				
Purchased services	6,139	6,139	300	5,839
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	-	\$ -
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in due from other governments			-	
			\$ -	

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

STATE OF NEW MEXICO  
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5  
 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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Federal sources:</b>				
Federal flowthrough grants	\$ 600,000	\$ 636,379	\$ 642,092	\$ 5,713
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Personnel services	137,400	138,923	138,923	-
Employee benefits	57,600	57,737	57,737	-
Purchased services	387,200	388,185	388,185	-
Supplies and materials	4,825	38,093	38,093	-
Total instruction	587,025	622,938	622,938	-
<b>Support Services:</b>				
Personnel services	5,000	5,000	5,000	-
Employee benefits	392	392	392	-
Purchased services	7,583	8,049	8,049	-
Total support services	12,975	13,441	13,441	-
Total expenditures	600,000	636,379	636,379	-
Excess (deficiency) of revenues over expenditures	-	-	5,713	5,713
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	5,713	\$ 5,713
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in due from other governments			(5,713)	
			\$ -	

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, 2011

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 1,791,619	\$ 1,453,840	\$ (337,779)
<b>Expenditures:</b>				
Current:				
Instruction:				
Personnel services	-	403,626	313,515	90,111
Employee benefits	-	122,965	211,954	(88,989)
Purchased services	-	2,143	3,265	(1,122)
Supplies and materials	-	225,000	225,000	-
Total instruction	-	753,734	753,734	-
Support Services:				
Personnel services	-	605,115	695,226	(90,111)
Employee benefits	-	149,468	60,598	88,870
Purchased services	-	283,059	281,818	1,241
Supplies and materials	-	243	243	-
Total support services	-	1,037,885	1,037,885	-
Total expenditures	-	1,791,619	1,791,619	-
Excess (deficiency) of revenues over expenditures	-	-	(337,779)	(337,779)
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	(337,779)	\$ (337,779)
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in due from other governments			337,779	
			<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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Federal sources:</b>				
Federal flowthrough grants	\$ -	\$ 56,950	\$ 58,825	\$ 1,875
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Personnel services	-	27,362	27,362	-
Employee benefits	-	10,805	10,805	-
<b>Total instruction</b>	<b>-</b>	<b>38,167</b>	<b>38,167</b>	<b>-</b>
<b>Support Services:</b>				
Personnel services	-	15,605	15,605	-
Employee benefits	-	3,178	3,178	-
<b>Total support services</b>	<b>-</b>	<b>18,783</b>	<b>18,783</b>	<b>-</b>
<b>Total expenditures</b>	<b>-</b>	<b>56,950</b>	<b>56,950</b>	<b>-</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>-</b>	<b>-</b>	<b>1,875</b>	<b>1,875</b>
<b>Fund balances at beginning of the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances at end of the year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>1,875</b>	<b>\$ 1,875</b>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in due from other governments			(1,875)	
			<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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 179,544	\$ 47,733	\$ (131,811)
Expenditures:				
Current:				
Support Services:				
Personnel services	-	166,954	32,424	134,530
Employee benefits	-	10,585	7,318	3,267
Purchased services	-	1,594	1,771	(177)
Supplies and materials	-	411	411	-
Total expenditures	-	179,544	41,924	137,620
Excess (deficiency) of revenues over expenditures	-	-	5,809	5,809
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	5,809	\$ 5,809
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			610	
Change in unearned revenue			(6,419)	
			<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 ARRA SPECIAL REVENUE FUND - 24213  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Federal sources:				
Federal flowthrough grants	\$ 25,000	\$ 25,000	\$ 24,965	\$ (35)
<b>Expenditures:</b>				
Current:				
Instruction:				
Purchased services	400	400	400	-
Supplies and materials	24,600	24,600	24,600	-
Total expenditures	25,000	25,000	25,000	-
Excess (deficiency) of revenues over expenditures	-	-	(35)	(35)
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	(35)	\$ (35)
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in due from other governments			35	
			\$ -	

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

STATE OF NEW MEXICO  
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5  
 GRADUATE NEW MEXICO SPECIAL REVENUE FUND - 24292  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Federal sources:</b>				
Federal flowthrough grants	\$ -	\$ 107,500	\$ 17,206	\$ (90,294)
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Support Services:</b>				
Personnel services	-	45,303	16,992	28,311
Employee benefits	-	19,697	-	19,697
Purchased services	-	40,000	-	40,000
Supplies and materials	-	2,500	214	2,286
<b>Total expenditures</b>	<b>-</b>	<b>107,500</b>	<b>17,206</b>	<b>90,294</b>
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>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in due from other governments			-	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO  
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5  
 TEACHING AMERICAN HISTORY SPECIAL REVENUE FUND - 25107  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Federal sources:</b>				
Federal flowthrough grants	\$ -	\$ 328,989	\$ 250,000	\$ (78,989)
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Support Services:</b>				
Personnel services	-	130,294	131,682	(1,388)
Employee benefits	-	31,883	32,017	(134)
Purchased services	-	153,510	26,021	127,489
Supplies and materials	-	13,302	7,366	5,936
<b>Total support services</b>	<u>-</u>	<u>328,989</u>	<u>197,086</u>	<u>131,903</u>
<b>Excess (deficiency) of revenues over expenditures</b>	-	-	52,914	52,914
<b>Fund balance at beginning of the year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of the year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>52,914</u>	<u>\$ 52,914</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in due from other governments			(26,012)	
Change in unearned revenue			(26,902)	
			<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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Federal sources:</b>				
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ -
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Support Services:</b>				
Purchased services	-	-	-	-
Supplies and materials	-	-	-	-
Total support services	-	-	-	-
<b>Excess (deficiency) of revenues   over expenditures</b>	-	-	-	-
<b>Fund balance at beginning of the year</b>	-	-	-	-
<b>Fund balance at end of the year</b>	\$ -	\$ -	-	\$ -
<b>RECONCILIATION TO GAAP BASIS:</b>				
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  
 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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 203,982	\$ 204,416	\$ 434
<b>Expenditures:</b>				
Current:				
Instruction:				
Personnel services	-	3,550	3,574	(24)
Employee benefits	-	1,585	1,282	303
Purchased services	-	6,200	6,720	(520)
Supplies and materials	-	11,840	10,620	1,220
Total instruction	-	23,175	22,196	979
Support Services:				
Personnel services	-	125,003	119,158	5,845
Employee benefits	-	40,028	38,679	1,349
Purchased services	-	10,976	8,201	2,775
Supplies and materials	-	4,800	6,053	(1,253)
Total support services	-	180,807	172,091	8,716
Total expenditures	-	203,982	194,287	9,695
Excess (deficiency) of revenues over expenditures	-	-	10,129	10,129
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	10,129	\$ 10,129
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in due from other governments			(10,129)	
			<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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Federal sources:</b>				
Federal flowthrough grants	\$ -	\$ 66,221	\$ 56,707	\$ (9,514)
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Support Services:</b>				
Personnel services	-	48,652	45,765	2,887
Employee benefits	-	17,569	17,352	217
<b>Total expenditures</b>	<b>-</b>	<b>66,221</b>	<b>63,117</b>	<b>3,104</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>-</b>	<b>-</b>	<b>(6,410)</b>	<b>(6,410)</b>
<b>Fund balances at beginning of the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances at end of the year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(6,410)</b>	<b>\$ (6,410)</b>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in unearned revenue			6,410	
			<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, 2011

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 111,420	\$ 29,413	\$ (82,007)
<b>Expenditures:</b>				
Current:				
Instruction:				
Purchased services	-	62,601	23,598	39,003
Supplies and materials	-	33,517	22,499	11,018
Total instruction	-	96,118	46,097	50,021
Support Services:				
Purchased services	-	15,302	1,843	13,459
Total expenditures	-	111,420	47,940	63,480
Excess (deficiency) of revenues over expenditures	-	-	(18,527)	(18,527)
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	(18,527)	\$ (18,527)
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in unearned revenue			18,527	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO  
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5  
 MEDICAID SPECIAL REVENUE FUND - 25153  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 577,900	\$ 307,190	\$ (270,710)
Expenditures:				
Current:				
Support Services:				
Personnel services	-	220,967	184,721	36,246
Employee benefits	-	94,194	55,105	39,089
Purchased services	-	248,939	19,893	229,046
Supplies and materials	-	13,800	12,559	1,241
Total support services	-	577,900	272,278	305,622
Excess (deficiency) of revenues over expenditures	-	-	34,912	34,912
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	34,912	\$ 34,912
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			(34,912)	
			\$ -	

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, 2011

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 820,425	\$ 653,500	\$ (166,925)
<b>Expenditures:</b>				
Current:				
Instruction:				
Personnel services	-	285,000	276,980	8,020
Employee benefits	-	76,760	67,808	8,952
Purchased services	-	106,500	12,357	94,143
Supplies and materials	-	62,120	28,343	33,777
Total instruction	-	530,380	385,488	144,892
Support Services:				
Personnel services	-	164,850	159,280	5,570
Employee benefits	-	46,440	40,228	6,212
Purchased services	-	51,872	13,157	38,715
Supplies and materials	-	26,883	4,259	22,624
Total support services	-	290,045	216,924	73,121
Total expenditures	-	820,425	602,412	218,013
Excess (deficiency) of revenues over expenditures	-	-	51,088	51,088
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	51,088	\$ 51,088
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in due from other governments			(43,971)	
Change in unearned revenue			(7,117)	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO  
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5  
 MENTORING SAFE SCHOOLS SPECIAL REVENUE FUND- 25187  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 299,977	\$ 41,707	\$ (258,270)
<b>Expenditures:</b>				
Current:				
Support Services:				
Personnel services	-	172,082	33,852	138,230
Employee benefits	-	84,130	9,920	74,210
Purchased services	-	42,685	562	42,123
Supplies and materials	-	1,080	100	980
Total expenditures	-	299,977	44,434	255,543
Excess (deficiency) of revenues over expenditures	-	-	(2,727)	(2,727)
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	(2,727)	\$ (2,727)
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in due from other governments			<u>2,727</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  
 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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 17,299	\$ -	\$ (17,299)
<b>Expenditures:</b>				
Current:				
Support Services:				
Personnel services	-	803	803	-
Employee benefits	-	-	-	-
Purchased services	-	2,500	1,470	1,030
Supplies and materials	-	25,243	14,242	11,001
Total expenditures	-	28,546	16,515	12,031
Excess (deficiency) of revenues over expenditures	-	(11,247)	(16,515)	(5,268)
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ (11,247)	(16,515)	\$ (5,268)
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in unearned revenue			16,515	
			\$ -	

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



STATE OF NEW MEXICO  
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5  
 SUBSTANCE ABUSE & MENTAL HEALTH SPECIAL REVENUE FUND - 25238  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Federal sources:</b>				
Federal flowthrough grants	\$ -	\$ 99,946	\$ 35,002	\$ (64,944)
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Personnel services	-	6,400	2,201	4,199
Employee benefits	-	371	212	159
<b>Total instruction</b>	<b>-</b>	<b>6,771</b>	<b>2,413</b>	<b>4,358</b>
<b>Support Services:</b>				
Personnel services	-	15,958	8,596	7,362
Employee benefits	-	8,259	2,526	5,733
Purchased services	-	46,964	9,590	37,374
Supplies and materials	-	21,994	12,494	9,500
<b>Total support services</b>	<b>-</b>	<b>93,175</b>	<b>33,206</b>	<b>59,969</b>
<b>Total expenditures</b>	<b>-</b>	<b>99,946</b>	<b>35,619</b>	<b>64,327</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>-</b>	<b>-</b>	<b>(617)</b>	<b>(617)</b>
<b>Fund balance at beginning of the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at end of the year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(617)</b>	<b>\$ (617)</b>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in due from other governments			617	
			<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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 3,125,532	\$ 1,431,163	\$ (1,694,369)
Expenditures:				
Current:				
Support Services:				
Personnel services	-	1,367,673	719,949	647,724
Employee benefits	-	773,126	206,732	566,394
Purchased services	-	764,880	295,878	469,002
Supplies and materials	-	219,853	52,647	167,206
Total expenditures	-	3,125,532	1,275,206	1,850,326
Excess (deficiency) of revenues over expenditures	-	-	155,957	155,957
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	155,957	\$ 155,957
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			(155,957)	
			\$ -	

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, 2011

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Federal sources:</b>				
Federal flowthrough grants	\$ -	\$ 303,044	\$ 148,000	\$ (155,044)
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Personnel services	-	26,150	14,210	11,940
Employee benefits	-	7,368	3,165	4,203
Purchased services	-	76,739	38,957	37,782
<b>Total instruction</b>	-	110,257	56,332	53,925
<b>Support Services:</b>				
Personnel services	-	77,403	43,902	33,501
Employee benefits	-	24,299	9,415	14,884
Purchased services	-	17,880	1,745	16,135
Supplies and materials	-	73,205	26,684	46,521
<b>Total support services</b>	-	192,787	81,746	111,041
<b>Total expenditures</b>	-	303,044	138,078	164,966
<b>Excess (deficiency) of revenues over expenditures</b>	-	-	9,922	9,922
<b>Fund balance at beginning of the year</b>	-	-	-	-
<b>Fund balance at end of the year</b>	\$ -	\$ -	9,922	\$ 9,922
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in due from other governments			(6,956)	
Change in unearned revenue			(2,966)	
			<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, 2011

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Federal sources:</b>				
Federal flowthrough grants	\$ 681,301	\$ 1,511,103	\$ 1,209,736	\$ -
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Operation of Non-Instructional Services:</b>				
Purchased services	681,301	1,511,103	1,511,102	1
Supplies and materials	-	-	-	-
<b>Total operation of non-instructional services</b>	<b>681,301</b>	<b>1,511,103</b>	<b>1,511,102</b>	<b>1</b>
Excess (deficiency) of revenues over expenditures	-	-	(301,366)	1
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	(301,366)	\$ 1
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in due from other governments			1	
Change in unearned revenue			<u>301,365</u>	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO  
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5  
 EDUCATION JOB FUND SPECIAL REVENUE FUND - 25255  
 STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 1,850,091	\$ 1,358,531	\$ -
Expenditures:				
Current:				
Support Services:				
Personnel services	-	1,600,403	1,600,402	1
Employee benefits	-	249,688	249,689	(1)
Total expenditures	-	1,850,091	1,850,091	-
Excess (deficiency) of revenues over expenditures	-	-	(491,560)	-
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	(491,560)	\$ -
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			491,560	
			<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  
 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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State flow through grants	\$ -	\$ 32,500	\$ 32,500	\$ -
Expenditures:				
Current:				
Support Services:				
Personnel services	-	10,500	9,016	1,484
Employee benefits	-	2,590	882	1,708
Purchased services	-	27,044	6,091	20,953
Supplies and materials	-	32,673	11,568	21,105
Total expenditures	-	72,807	27,557	45,250
Excess (deficiency) of revenues over expenditures	-	(40,307)	4,943	45,250
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ (40,307)	4,943	\$ 45,250
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			(4,943)	
			\$ -	

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, 2011

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
State sources:				
State flow through grants	\$ -	\$ 28,954	\$ 25,553	\$ (3,401)
<b>Expenditures:</b>				
Current:				
Support Services:				
Supplies and materials	-	28,954	25,107	3,847
Total expenditures	-	28,954	25,107	3,847
Excess (deficiency) of revenues over expenditures	-	-	446	446
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	446	\$ 446
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in unearned revenue			(446)	
			<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, 2011

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>State sources:</b>				
State flow through grants	\$ -	\$ 18,539	\$ 20,302	\$ 1,763
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Support Services:</b>				
Supplies and materials	-	18,539	10,019	8,520
<b>Total expenditures</b>	-	18,539	10,019	8,520
<b>Excess (deficiency) of revenues over expenditures</b>	-	-	10,283	10,283
<b>Fund balances at beginning of the year</b>	-	-	-	-
<b>Fund balances at end of the year</b>	\$ -	\$ -	10,283	\$ 10,283
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in due from other governments			(10,283)	
			<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, 2011

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
State sources:				
State flow through grants	\$ -	\$ 266,087	\$ -	\$ (266,087)
<b>Expenditures:</b>				
Current:				
Support Services:				
Personnel services	-	168,236	59,180	109,056
Employee benefits	-	89,290	19,399	69,891
Purchased services	-	-	-	-
Supplies and materials	-	8,561	-	8,561
Total expenditures	-	266,087	78,579	187,508
Excess (deficiency) of revenues over expenditures	-	-	(78,579)	(78,579)
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	(78,579)	\$ (78,579)
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in unearned revenue			78,579	
			\$ -	

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, 2011

	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	\$ -	\$ -	-	\$ -
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  
 TEACHER MENTORING SPECIAL REVENUE FUND - 27154  
 STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
State sources:				
State flow through grants	\$ -	\$ -	\$ -	\$ -
<b>Expenditures:</b>				
Current:				
Instruction:				
Personnel services	-	-	-	-
Employee benefits	-	-	-	-
Purchased services	-	-	-	-
Supplies and materials	-	-	-	-
Total instruction	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	-	\$ -
<b>RECONCILIATION TO GAAP BASIS:</b>				
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  
 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, 2011

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
State sources:				
State flow through grants	\$ -	\$ 95,045	\$ 95,045	\$ -
<b>Expenditures:</b>				
Current:				
Operation of Non-Instructional Services:				
Purchased services	-	12,356	28,514	(16,158)
Supplies and materials	-	82,689	66,531	16,158
Total expenditures	-	95,045	95,045	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	-	\$ -
<b>RECONCILIATION TO GAAP BASIS:</b>				
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  
 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, 2011

	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  
 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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
State sources:				
State flow through grants	\$ -	\$ -	\$ 3,280	\$ 3,280
<b>Expenditures:</b>				
Current:				
Support Services:				
Supplies and materials	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	3,280	3,280
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	3,280	\$ 3,280
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in due from other governments			(849)	
Change in unearned revenue			(2,431)	
			\$ -	

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  
 STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>State sources:</b>				
State grant	\$ -	\$ -	\$ -	\$ -
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Support Services:</b>				
Personnel services	-	12,596	12,430	166
Employee benefits	-	6,567	6,253	314
Purchased services	-	4,170	4,000	170
Supplies and materials	-	2,077	2,727	(650)
<b>Total expenditures</b>	<b>-</b>	<b>25,410</b>	<b>25,410</b>	<b>-</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>-</b>	<b>(25,410)</b>	<b>(25,410)</b>	<b>-</b>
<b>Fund balances at beginning of the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances at end of the year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(25,410)</b>	<b>\$ -</b>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in unearned revenue			25,410	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO  
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5  
 YOUTH CONSERVATION SPECIAL REVENUE FUND - 28133  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
State sources:				
State grant	\$ -	\$ 300,590	\$ 116,431	\$ (184,159)
<b>Expenditures:</b>				
Current:				
Instruction:				
Personnel services	-	219,310	94,365	124,945
Employee benefits	-	18,402	8,597	9,805
Purchased services	-	12,619	435	12,184
Supplies and materials	-	46,719	9,756	36,963
Total expenditures	-	297,050	113,153	183,897
Excess (deficiency) of revenues over expenditures	-	3,540	3,278	(262)
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ 3,540	3,278	\$ (262)
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in unearned revenue			(3,278)	
			\$ -	

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



STATE OF NEW MEXICO  
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5  
 CATCH GRANT SPECIAL REVENUE FUND - 28140  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
State sources:				
State grant	\$ -	\$ 3,700	\$ 1,550	\$ (2,150)
<b>Expenditures:</b>				
Current:				
Instruction:				
Personnel services	-	500	-	500
Employee benefits	-	500	-	500
Purchased services	-	-	-	-
Supplies and materials	-	2,700	1,550	1,150
<b>Total expenditures</b>	<b>-</b>	<b>3,700</b>	<b>1,550</b>	<b>2,150</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances at beginning of the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances at end of the year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in due from other governments			-	
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  
 RIGHT START FAMILY SPECIAL REVENUE FUND - 28142  
 STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
State sources:				
State grant	\$ -	\$ -	\$ -	\$ -
<b>Expenditures:</b>				
Current:				
Instruction:				
Personnel services	-	12,650	12,810	(160)
Employee benefits	-	6,853	6,693	160
Total instruction	-	19,503	19,503	-
Support Services:				
Purchased services	-	7,939	7,939	-
Supplies and materials	-	4,588	4,588	-
Total support services	-	12,527	12,527	-
Total expenditures	-	32,030	32,030	-
Excess (deficiency) of revenues over expenditures	-	(32,030)	(32,030)	-
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ (32,030)	(32,030)	\$ -
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in unearned revenue			32,030	
			\$ -	

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, 2011

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State grant	\$ -	\$ 284,590	\$ 246,757	\$ (37,833)
Expenditures:				
Current:				
Instruction:				
Purchased services	-	11,551	11,551	-
Supplies and materials	-	-	-	-
Total instruction	-	11,551	11,551	-
Support Services:				
Personnel services	-	163,942	163,942	-
Employee benefits	-	16,618	16,530	88
Purchased services	-	71,637	71,617	20
Supplies and materials	-	20,842	20,842	-
Total expenditures	-	284,590	284,482	108
Excess (deficiency) of revenues over expenditures	-	-	(37,725)	(37,725)
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	(37,725)	\$ (37,725)
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			36,955	
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, 2011

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Local sources:				
Fees and activities	\$ 3,000	\$ 3,000	\$ 1,566	\$ (1,434)
Earnings from investments	<u>2,000</u>	<u>2,000</u>	<u>1,540</u>	<u>(460)</u>
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>3,106</u>	<u>(1,894)</u>
<b>Expenditures:</b>				
Capital outlay	<u>1,546,489</u>	<u>1,546,489</u>	<u>-</u>	<u>1,546,489</u>
Total expenditures	<u>1,546,489</u>	<u>1,546,489</u>	<u>-</u>	<u>1,546,489</u>
Excess (deficiency) of revenues over expenditures	(1,541,489)	(1,541,489)	3,106	1,544,595
Beginning cash balance budgeted	1,541,489	1,541,489	-	(1,541,489)
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>1,538,372</u>	<u>1,538,372</u>
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	1,541,478	<u>\$ 1,541,478</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Changes in payables			<u>-</u>	
			<u>\$ 1,541,478</u>	

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

STATE OF NEW MEXICO  
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5  
 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, 2011

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>State sources:</b>				
State grant	\$ -	\$ -	\$ 17,261	\$ 17,261
<b>Local sources:</b>				
Earnings from investments	<u>500</u>	<u>500</u>	<u>195</u>	<u>(305)</u>
Total revenues	<u>500</u>	<u>500</u>	<u>17,456</u>	<u>16,956</u>
<b>Expenditures:</b>				
Capital outlay	<u>104,496</u>	<u>104,496</u>	<u>17,261</u>	<u>87,235</u>
Total expenditures	<u>104,496</u>	<u>104,496</u>	<u>17,261</u>	<u>87,235</u>
Excess (deficiency) of revenues over expenditures	(103,996)	(103,996)	195	104,191
Beginning cash balance budgeted	103,996	103,996	-	(103,996)
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>104,237</u>	<u>104,237</u>
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	104,432	<u>\$ 104,432</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Changes in payables			<u>-</u>	
			<u>\$ 104,432</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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Local sources:				
District school tax levy	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Support Services:				
Purchased services	-	-	-	-
Capital outlay	<u>99,873</u>	<u>99,873</u>	-	<u>99,873</u>
Total expenditures	<u>99,873</u>	<u>99,873</u>	-	<u>99,873</u>
Excess (deficiency) of revenues over expenditures	(99,873)	(99,873)	-	99,873
Beginning cash balance budgeted	99,873	99,873	-	(99,873)
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<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:				
Changes in payables			<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, 2011

	Balance June 30, <u>2010</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>2011</u>
<b><u>ASSETS</u></b>				
<b><u>Cash:</u></b>				
Central office, Junior high, elementary schools	\$ 1,825,302	\$ 1,809,635	\$ 1,894,678	\$ 1,740,259
Farmington High School	147,247	664,378	669,353	142,272
Farmington High School special activity	14,995	42,689	42,789	14,895
Piedra Vista High School	244,776	740,504	688,883	296,397
Piedra Vista High School special activity	<u>15,942</u>	<u>52,458</u>	<u>49,539</u>	<u>18,861</u>
<b>Total assets</b>	<b><u>\$ 2,248,262</u></b>	<b><u>\$ 3,309,664</u></b>	<b><u>\$ 3,345,242</u></b>	<b><u>\$ 2,212,684</u></b>
<b><u>LIABILITIES</u></b>				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Deposits held for others	<u>2,348,262</u>	<u>3,309,664</u>	<u>3,345,242</u>	<u>2,312,684</u>
<b>Total liabilities</b>	<b><u>\$ 2,348,262</u></b>	<b><u>\$ 3,309,664</u></b>	<b><u>\$ 3,345,242</u></b>	<b><u>\$ 2,312,684</u></b>

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

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**CAPITAL ASSETS – GOVERNMENTAL FUNDS**

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STATE OF NEW MEXICO  
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5  
 CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS  
 SCHEDULE BY SOURCE  
 June 30, 2011

	2011
<b>Governmental funds capital assets:</b>	
Land	\$ 3,444,131
Construction in progress	-
Buildings and improvements	94,261,701
Improvements other than buildings	6,649,023
Equipment	22,056,425
<b>Total governmental funds capital assets</b>	<b>\$ 126,411,280</b>
<b>Investment in governmental funds capital assets by source:</b>	
General fund	\$ 3,667,807
Special revenue fund	14,171,722
Capital projects fund	108,571,751
<b>Total governmental funds capital assets</b>	<b>\$ 126,411,280</b>

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, 2011

	<u>Land</u>	<u>Improvements</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Total</u>
<b>FUNCTION AND ACTIVITY</b>					
<b>Educational services:</b>					
Instruction	\$ 551,062	\$ 1,041,135	\$ 16,489,498	\$ 5,986,869	\$ 24,068,564
Support services	585,502	1,106,205	12,620,632	3,524,918	17,837,257
Operation of non-instructional services	1,687,624	6,279,050	48,935,977	8,643,821	65,546,472
Food services	34,441	65,071	742,390	203,170	1,045,072
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>3,089,466</u>	<u>14,876,099</u>
<b>Total governmental funds</b>					
capital assets	<u>\$ 3,444,131</u>	<u>\$ 9,597,667</u>	<u>\$ 91,409,129</u>	<u>\$ 21,960,353</u>	126,411,280
Construction in Progress					-
					<u>\$ 126,411,280</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, 2011

	General Capital Assets <u>July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	General Capital Assets <u>June 30, 2011</u>
<b>FUNCTION AND ACTIVITY</b>				
<b>Educational services:</b>				
Instruction	\$ 23,683,315	\$ 192,836	\$ -	\$ 23,876,151
Support services	14,937,718	16,982	-	14,954,700
Operation of non-instructional services	65,121,363	3,413,810	(211,000)	68,324,173
Food services	980,093	4,977	-	985,070
Athletics	2,951,758	-	-	2,951,758
Pupil transportation	<u>15,393,910</u>	<u>81,750</u>	<u>(156,232)</u>	<u>15,319,428</u>
<b>Total governmental funds capital assets</b>	<b><u>\$ 123,068,157</u></b>	<b><u>\$ 3,710,355</u></b>	<b><u>\$ (367,232)</u></b>	<b><u>\$ 126,411,280</u></b>

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, 2011

	Wells Fargo	Bank of America	Citizens Bank of Farmington	Four Corners Community Bank	Bank of the Southwest	Total
<b>Bank Deposits:</b>						
Checking account - non-interest bearing	\$ 34,982,520	\$ -	\$ 9,585,670	\$ -	\$ 857,713	\$ 45,425,903
Certificates of deposit - interest bearing	-	22,045	-	1,400,000	-	1,422,045
Money Market Accounts - interest bearing	1,768,978	-	-	-	-	1,768,978
<b>Deposits, at June 30, 2011</b>	<b>36,751,498</b>	<b>22,045</b>	<b>9,585,670</b>	<b>1,400,000</b>	<b>857,713</b>	<b>48,616,926</b>
FDIC Insurance - non-interest bearing	34,982,520	-	9,585,670	-	857,713	45,425,903
FDIC Insurance - interest bearing	250,000	22,045	-	800,000	-	1,072,045
<b>Uninsured amount</b>	<b>\$ 1,518,978</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 600,000</b>	<b>\$ -</b>	<b>\$ 2,118,978</b>
<b>Pledged Collateral Required</b>						
50 percent of uninsured amount	759,489	-	-	300,000	-	1,059,489
<b>Pledged collateral at June 30, 2011</b>	<b>867,951</b>	<b>-</b>	<b>6,500,809</b>	<b>413,746</b>	<b>500,000</b>	<b>8,282,506</b>
<b>Excess (deficiency)</b>	<b>\$ 108,462</b>	<b>\$ -</b>	<b>\$ 6,500,809</b>	<b>\$ 113,746</b>	<b>\$ 500,000</b>	<b>\$ 7,223,017</b>
<b>Pledged collateral location</b>						
	<u>Vells Fargo, California</u> <u>Sioux Falls, SD</u>		<u>Dallas, TX</u>	<u>Dallas, TX</u>	<u>Dallas, TX</u>	
<b>Pledged collateral (market value) as of June 30, 2011:</b>						
FNMA; #31416BL63; 02/01/38	867,951	-	-	-	-	867,951
FHLB; #51778FBK4; 05/01/15	-	-	550,335	-	-	550,335
FHLB; #31393QZK1; 10/15/21	-	-	140,545	-	-	140,545
FHLB; #31408DA95; 06/01/11	-	-	1,775,833	-	-	1,775,833
FHLB; #31398TMW8; 07/25/40	-	-	4,034,096	-	-	4,034,096
Silver City NM School; #827513ES7; 08/01/12	-	-	-	310,815	-	310,815
Bloomfield NM; #094072BN4; 08/01/12	-	-	-	102,931	-	102,931
FHLB - Letter of Credit - 09/19/11	-	-	-	-	100,000	100,000
FHLB - Letter of Credit - 09/19/11	-	-	-	-	400,000	400,000
<b>Totals</b>	<b>\$ 867,951</b>	<b>\$ -</b>	<b>\$ 6,500,809</b>	<b>\$ 413,746</b>	<b>\$ 500,000</b>	<b>\$ 8,282,506</b>
<b>Reconciliation to Financial Statements:</b>						
Total per banks	\$ 36,751,498	\$ 22,045	\$ 9,585,670	\$ 1,400,000	\$ 857,713	\$ 48,616,926
Reconciling items	(1,723,257)	112	(37,811)	-	(1,786)	(1,762,742)
	<b>\$ 35,028,241</b>	<b>\$ 22,157</b>	<b>\$ 9,547,859</b>	<b>\$ 1,400,000</b>	<b>\$ 855,927</b>	<b>46,854,184</b>
<b>Investments</b>						<b>1,332,747</b>
<b>Total cash and investments</b>						<b>\$ 48,186,931</b>
Pooled cash and investments						45,874,247
Fiduciary cash and investments						2,312,684
<b>Cash and investments per financial statements</b>						<b>\$ 48,186,931</b>

STATE OF NEW MEXICO  
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5  
 SCHEDULE OF CASH ACCOUNTS AND INVESTMENTS  
 June 30, 2011

<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	\$ 6,690,591	\$ (30,105)	\$ 6,660,486
Employee Benefits Plan	Checking	Wells Fargo	2,099,095	-	2,099,095
Transportation	Checking	Wells Fargo	169,121	(105,584)	63,537
Non-Budgeted Activities	Checking	Wells Fargo	189,925	-	189,925
Federal Projects	Checking	Wells Fargo	670,002	(436,077)	233,925
State & Local	Checking	Wells Fargo	235,182	(25,951)	209,231
Building Fund	Checking	Wells Fargo	14,315,402	-	14,315,402
Payroll	Checking	Wells Fargo	1,117,960	(1,117,960)	-
Debt Service	Checking	Wells Fargo	8,915,228	-	8,915,228
Debt Service	Money Market	Wells Fargo	763,061	-	763,061
Operating	Money Market	Wells Fargo	1,005,924	-	1,005,924
Special Activities	Checking	Wells Fargo	17,299	(2,404)	14,895
PVHS Special Activity Account	Checking	Wells Fargo	20,045	(1,183)	18,862
PVHS Activity Fund	Checking	Wells Fargo	300,966	(4,569)	296,397
Scorps Activity Fund	Checking	Wells Fargo	241,697	576	242,273
Total			<u>36,751,498</u>	<u>(1,723,257)</u>	<u>35,028,241</u>
Building Fund	Checking	Citizens	3,651,825	-	3,651,825
Special Building Local	Checking	Citizens	1,541,478	-	1,541,478
Capital Projects State	Checking	Citizens	104,456	(24)	104,432
Capital Improvement Mill	Checking	Citizens	2,429,625	-	2,429,625
Secondary Athletics	Checking	Citizens	93,230	(12,991)	80,239
Central Office Activity	Checking	Citizens	1,765,056	(24,796)	1,740,260
Total			<u>9,585,670</u>	<u>(37,811)</u>	<u>9,547,859</u>
Operating	Certificate of Deposit	Four Corners Community	1,400,000	-	1,400,000
Cafeteria	Checking	Bank of the Southwest	857,713	(1,786)	855,927
Scorpions CD	Certificate of Deposit	Bank of America	22,045	112	22,157
Total			<u>\$ 48,616,926</u>	<u>\$ (1,762,742)</u>	<u>\$ 46,854,184</u>
Operating	Investment	NM State Treasurer	538,447	-	538,447
Debt service	Investment	NM State Treasurer	794,300	-	794,300
Total			<u>\$ 1,332,747</u>	<u>\$ -</u>	<u>\$ 1,332,747</u>

STATE OF NEW MEXICO  
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5  
 Schedule of Cash Reconciliation  
 June 30, 2011

	Beginning Cash	Receipts	Distributions	Other	Net Cash end of Period	Adjustments to the report	Total Cash on Report
Operational Account	\$ 4,890,549	\$ 65,369,394	\$ (60,880,956)	\$ -	9,378,987	\$ -	\$ 9,378,987
Transportation	294,545	2,520,300	(2,751,307)	-	63,538	-	63,538
Instructional Materials	144,089	419,953	(438,045)	-	125,997	-	125,997
Food Services	535,876	3,568,824	(3,248,771)	-	855,929	-	855,929
Athletics	76,941	288,790	(263,335)	-	102,396	-	102,396
Non-Instructional	336,172	254,211	(400,459)	-	189,924	-	189,924
Federal Flowthrough Grants	407,677	6,037,798	(6,186,825)	-	258,650	-	258,650
Federal Direct Grants	498,076	5,725,366	(6,248,167)	-	(24,725)	-	(24,725)
Local Grants	15,932	32,500	(27,557)	-	20,875	-	20,875
State Flowthrough Grants	268,606	144,178	(208,750)	-	204,034	-	204,034
State Direct Grants	76,211	364,737	(456,625)	-	(15,677)	-	(15,677)
Local/State Grants	-	-	-	-	-	-	-
Bond Building	7,689,738	12,507,532	(4,260,013)	-	15,937,257	-	15,937,257
Special Capital Outlay - Local	1,538,371	3,106	-	-	1,541,477	-	1,541,477
PSCOC	-	-	-	-	-	-	-
Special Capital Outlay - State	104,237	17,456	(17,261)	-	104,432	-	104,432
Capital Improvement SB - 9	1,984,409	3,023,615	(2,578,398)	-	2,429,626	-	2,429,626
Education Technology	375,165	5,500,000	(3,845,194)	-	2,029,971	-	2,029,971
PSCO - 20%	99,873	-	-	-	99,873	-	99,873
Debt Service	8,177,398	12,438,554	(13,065,340)	-	7,550,612	-	7,550,612
Ed Tech Debt Service	2,155,688	3,198,968	(2,432,680)	-	2,921,976	-	2,921,976
Agency	7,884	-	(7,884)	-	-	-	-
<b>Total</b>	<b>29,677,437</b>	<b>\$ 121,415,282</b>	<b>\$ (107,317,567)</b>	<b>\$ -</b>	<b>\$ 43,775,152</b>	<b>\$ -</b>	<b>43,775,152</b>
Non Department of Education Accounts:							
Employee benefits account	2,189,503						2,099,095
Agency	2,348,262						2,312,684
<b>Total</b>	<b>\$ 34,215,202</b>						<b>\$ 48,186,931</b>

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## STATISTICAL SECTION

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

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b> <i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	148
<b>Revenue Capacity</b> <i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	153
<b>Dept Capacity</b> <i>These schedules present information to help the reader assess the affordability of the government's current level of outstanding debt and the government's ability to issue additional debt in the future.</i>	157
<b>Demographic and Economic Information</b> <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	160
<b>Operating Information</b> <i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	163

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 EIGHT FISCAL YEARS  
 (accrual basis of accounting)

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

Note - The District began reporting accrual information with the implemented of GASB Statement 34 in 2004.

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

	Fiscal Year							
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u> <sup>1</sup>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>Expenses</b>								
Governmental Activities:								
Instruction	\$ 38,918,969	\$ 40,346,948	\$43,430,362	\$48,281,471	\$50,679,984	\$51,556,881	\$52,940,094	\$50,181,718
Support services	24,219,781	23,394,475	24,308,684	25,064,662	25,720,684	27,915,022	19,176,000	22,424,212
Operation of non-instructional services	4,266,962	4,530,640	4,510,266	5,250,877	5,589,905	1,852,097	17,149,315	14,373,083
Food services	2,787,877	2,550,012	2,718,578	2,967,794	2,805,272	3,113,562	3,134,259	3,495,334
Athletics	980,466	1,022,332	1,023,958	469,366	553,966	304,874	366,917	280,813
Pupil Transportation	3,085,123	2,981,013	2,843,698	3,603,949	3,122,735	3,023,738	3,206,068	2,760,952
Interest on long-term obligations	1,417,602	1,205,605	1,329,330	1,216,796	1,105,550	1,099,819	1,320,460	1,001,828
<b>Total governmental activities expenses</b>	<b>\$ 75,676,780</b>	<b>\$ 76,031,025</b>	<b>\$80,164,876</b>	<b>\$86,854,915</b>	<b>\$89,578,096</b>	<b>\$88,865,993</b>	<b>\$97,293,113</b>	<b>\$94,517,940</b>
<b>Program Revenues</b>								
Governmental Activities:								
Charges for services:								
General government	\$ 795,932	\$ 894,145	\$ 747,161	\$ 882,564	\$ 1,086,221	\$ 874,480	\$ 721,172	\$ 841,094
Food Services	884,009	902,161	875,592	765,005	806,247	1,118,605	836,626	872,545
Operating grants and contributions	10,691,140	11,666,813	12,241,136	10,794,422	11,066,893	11,739,989	18,451,821	16,238,340
Capital grants and contributions	1,585,914	1,258,320	291,136	298,570	434,644	15,789	414,564	226,196
<b>Total governmental activities program revenues</b>	<b>\$ 13,956,995</b>	<b>\$ 14,721,439</b>	<b>\$ 14,155,025</b>	<b>\$ 12,740,561</b>	<b>\$ 13,394,005</b>	<b>\$ 13,748,863</b>	<b>\$ 20,424,183</b>	<b>\$ 18,178,175</b>
<b>Net (expense)/revenue</b>								
Governmental activities	\$ 61,719,785	\$ 61,309,586	\$ 66,009,851	\$ 74,114,354	\$ 76,184,091	\$ 75,117,130	\$ 76,868,930	\$ 76,339,765

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

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

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

Note - The District began reporting accrual information with the implemented of GASB Statement 34 in 2004.



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

	Fiscal Year									
	<u>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>	<u>2011</u>
General Fund										
Unassigned	\$ 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	\$ 9,384,014
Total general fund	<u>3,224,251</u>	<u>3,638,633</u>	<u>4,533,600</u>	<u>4,774,761</u>	<u>4,765,834</u>	<u>3,517,211</u>	<u>3,990,364</u>	<u>5,239,278</u>	<u>5,318,316</u>	<u>9,384,014</u>
All other governmental funds										
Restricted:										
Special revenue funds	\$ 1,913,504	\$ 2,242,645	\$ 1,740,204	\$ 2,347,132	\$ 2,754,591	\$ 556,080	\$ 527,486	\$ 750,723	\$ 924,709	\$ 1,094,888
Capital projects funds	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	20,427,036
Debt service funds	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	10,779,975
Total all other governmental funds	<u>12,364,580</u>	<u>14,637,484</u>	<u>11,670,606</u>	<u>14,780,758</u>	<u>17,960,015</u>	<u>24,641,014</u>	<u>19,550,994</u>	<u>31,936,960</u>	<u>22,734,975</u>	<u>32,301,899</u>
Total fund balance	<u>\$ 15,588,831</u>	<u>\$ 18,276,117</u>	<u>\$ 16,204,206</u>	<u>\$ 19,555,519</u>	<u>\$ 22,725,849</u>	<u>\$ 28,158,225</u>	<u>\$ 23,541,358</u>	<u>\$ 37,176,238</u>	<u>\$ 28,053,291</u>	<u>\$ 41,685,913</u>

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

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

	Fiscal Year							
	2004	2005	2006	2007 <sup>1</sup>	2008	2009	2010	2011
<b>Revenues</b>								
<b>Federal Sources:</b>								
Federal grants	\$ 10,440,166	\$ 10,993,164	\$ 10,989,835	\$ 10,217,871	\$ 10,189,633	\$ 10,340,525	\$ 18,117,216	\$ 15,572,955
<b>Total federal sources</b>	<b>\$ 10,440,166</b>	<b>\$ 10,993,164</b>	<b>\$ 10,989,835</b>	<b>\$ 10,217,871</b>	<b>\$ 10,189,633</b>	<b>\$ 10,340,525</b>	<b>\$ 18,117,216</b>	<b>\$ 15,572,955</b>
<b>State Sources:</b>								
State equalization guarantee	\$ 49,794,973	\$ 52,403,605	\$ 56,281,212	\$ 59,023,094	\$ 62,565,757	\$ 67,158,187	\$ 60,836,533	\$ 64,288,193
Transportation	\$ 2,158,327	\$ 2,201,596	\$ 3,592,442	\$ 2,620,544	\$ 3,330,992	\$ 2,766,260	\$ 3,158,507	\$ 2,520,300
State instructional materials	\$ 846,447	\$ 840,379	\$ 900,863	\$ 902,771	\$ 1,000,893	\$ 1,208,608	\$ 414,145	\$ 419,953
State grants	\$ 2,079,175	\$ 1,819,395	\$ 1,582,370	\$ 1,387,104	\$ 1,311,904	\$ 1,410,172	\$ 749,169	\$ 891,581
<b>Total state sources</b>	<b>\$ 54,878,922</b>	<b>\$ 57,264,975</b>	<b>\$ 62,356,887</b>	<b>\$ 63,933,513</b>	<b>\$ 68,209,546</b>	<b>\$ 72,543,227</b>	<b>\$ 65,158,354</b>	<b>\$ 68,120,027</b>
<b>Local Sources:</b>								
District school tax levy	\$ 9,324,636	\$ 9,528,421	\$ 10,286,058	\$ 11,469,129	\$ 12,536,566	\$ 13,327,597	\$ 13,357,629	\$ 13,474,931
Fees and activities	\$ 943,276	\$ 936,612	\$ 917,801	\$ 1,112,511	\$ 1,882,145	\$ 1,935,504	\$ 1,557,798	\$ 1,713,639
Earnings from investments	\$ 46,594	\$ 302,234	\$ 664,118	\$ 953,089	\$ 704,280	\$ 118,635	\$ 330,227	\$ 116,388
Other revenue	\$ 677,788	\$ 1,693,609	\$ 1,846,793	\$ 475,544	\$ 10,323	\$ 57,581	\$ -	\$ -
<b>Total local sources</b>	<b>\$ 10,992,294</b>	<b>\$ 12,460,876</b>	<b>\$ 13,714,770</b>	<b>\$ 14,010,273</b>	<b>\$ 15,133,314</b>	<b>\$ 15,439,317</b>	<b>\$ 15,245,654</b>	<b>\$ 15,304,958</b>
<b>Total revenues</b>	<b>\$ 76,311,382</b>	<b>\$ 80,719,015</b>	<b>\$ 87,061,492</b>	<b>\$ 88,161,657</b>	<b>\$ 93,532,493</b>	<b>\$ 98,323,069</b>	<b>\$ 98,521,224</b>	<b>\$ 98,997,940</b>
<b>Expenditures</b>								
Instruction	\$ 37,720,657	\$ 39,474,013	\$ 42,841,934	\$ 47,072,766	\$ 48,829,221	\$ 50,606,964	\$ 50,753,301	\$ 48,611,814
Support services	\$ 22,263,009	\$ 22,877,894	\$ 24,902,432	\$ 24,387,234	\$ 24,885,397	\$ 27,457,142	\$ 18,854,030	\$ 18,292,277
Operation of non-instructional services	\$ 1,376,772	\$ 1,443,680	\$ 1,603,838	\$ 1,107,827	\$ 2,465,366	\$ 259,590	\$ 10,385,256	\$ 9,855,378
Food services	\$ 2,714,143	\$ 2,494,996	\$ 2,683,838	\$ 2,896,116	\$ 2,771,521	\$ 3,079,811	\$ 3,099,390	\$ 3,490,358
Athletics	\$ 763,132	\$ 884,793	\$ 937,107	\$ 310,337	\$ 309,539	\$ 220,497	\$ 279,746	\$ 263,334
Pupil transportation	\$ 1,979,114	\$ 2,155,774	\$ 2,322,595	\$ 2,528,779	\$ 2,616,475	\$ 2,517,478	\$ 2,683,042	\$ 2,679,202
Capital outlay	\$ 5,403,730	\$ 6,777,808	\$ 7,951,510	\$ 4,394,012	\$ 10,955,679	\$ 13,604,850	\$ 9,858,461	\$ 10,312,236
Debt service								
Principal	\$ 4,650,000	\$ 4,600,000	\$ 4,875,000	\$ 8,750,000	\$ 8,795,000	\$ 6,815,735	\$ 10,861,286	\$ 14,305,648
Interest	\$ 1,507,343	\$ 1,298,838	\$ 1,272,908	\$ 1,142,044	\$ 1,248,718	\$ 998,752	\$ 1,362,600	\$ 1,100,745
Capital lease issuance costs					\$ 22,444	\$ 116,716	\$ -	\$ -
<b>Total expenditures</b>	<b>\$ 78,377,900</b>	<b>\$ 82,007,796</b>	<b>\$ 89,391,162</b>	<b>\$ 92,589,115</b>	<b>\$ 102,899,360</b>	<b>\$ 105,677,535</b>	<b>\$ 108,137,112</b>	<b>\$ 108,910,992</b>
<b>Revenues over (under) expenditures</b>	<b>\$ (2,066,518)</b>	<b>\$ (1,288,781)</b>	<b>\$ (2,329,670)</b>	<b>\$ (4,427,458)</b>	<b>\$ (9,366,867)</b>	<b>\$ (7,354,466)</b>	<b>\$ (9,615,888)</b>	<b>\$ (9,913,052)</b>
<b>Other Financing Sources (Uses)</b>								
Sale of capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 492,941	\$ -
Bonds issued	\$ 3,827,607	\$ 11,685,000	\$ 5,500,000	\$ 10,100,000		\$ 16,000,000	\$ -	\$ 22,710,000
Premium on bonds issued	\$ -	\$ 234,859	\$ -	\$ 58,471		\$ 314,243	\$ -	\$ 835,674
Capital lease					\$ 4,750,000	\$ 4,500,000	\$ -	\$ -
Payments to refunded debt escrow	\$ (3,800,000)	\$ (7,279,765)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total other financing sources (uses)</b>	<b>\$ 27,607</b>	<b>\$ 4,640,094</b>	<b>\$ 5,500,000</b>	<b>\$ 10,158,471</b>	<b>\$ 4,750,000</b>	<b>\$ 20,814,243</b>	<b>\$ 492,941</b>	<b>\$ 23,545,674</b>
<b>Net Change in Fund Balances</b>	<b>\$ (2,071,911)</b>	<b>\$ 3,351,313</b>	<b>\$ 3,170,330</b>	<b>\$ 5,731,013</b>	<b>\$ (4,616,867)</b>	<b>\$ 13,459,777</b>	<b>\$ (9,122,947)</b>	<b>\$ 13,632,622</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>8.4%</b>	<b>7.8%</b>	<b>7.5%</b>	<b>11.2%</b>	<b>10.9%</b>	<b>8.6%</b>	<b>12.4%</b>	<b>15.6%</b>

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

Note - The District began reporting accrual information with the implemented of GASB Statement 34 in 2004.

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

<u>Fiscal Year</u>	<u>Local Assessed</u>	<u>Central Assessed</u>	<u>Oil &amp; Gas Assessed</u>	<u>Exemptions</u>	<u>Total Taxable Valuation</u>	<u>Estimated Actual Taxable Value</u>	<u>Assessed Value<sup>1</sup></u>	<u>Total Direct Tax Rate</u>
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	91,177,960	131,413,661	101,810,388	1,475,918,375	1,374,107,987	457,990,192	\$ 9.921
2011	1,409,817,347	84,283,882	148,590,174	230,196,464	1,642,691,403	1,412,494,939	470,784,563	\$ 9.923

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

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

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Farmington School District</b>										
Assessed Valuation	\$ 840,640,614	\$ 940,718,982	\$ 1,012,435,339	\$ 1,107,682,922	\$ 1,181,865,197	\$ 1,274,130,350	\$ 1,439,118,979	\$ 1,552,336,624	\$ 1,475,918,375	\$ 1,642,691,403
Total Direct Rate	10.469	9.887	9.943	9.961	9.934	9.953	9.902	9.915	9.921	9.923
General Obligation Debt	\$ 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	\$ 41,872,331
Percentage Applicable to District	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Direct and Overlapping Debt	\$ 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	\$ 41,872,331
<b>City of Farmington</b>										
Assessed Valuation	\$ 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	\$ 991,798,318	\$ 1,015,188,129
Total Direct Rate	-	-	-	-	-	-	-	-	-	-
General Obligation Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Percentage Applicable to District	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Direct and Overlapping Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>San Juan County</b>										
Assessed Valuation	\$ 3,106,092,088	\$ 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	\$ 3,748,757,651	\$ 3,989,615,349
Total Direct Rate	-	-	-	-	-	-	8.500	8.500	8.500	8.500
General Obligation Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Percentage Applicable to District	27.064%	35.088%	31.090%	30.322%	27.409%	29.944%	32.708%	29.210%	39.371%	41.174%
Direct and Overlapping Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>San Juan College</b>										
Assessed Valuation	\$ 3,106,092,088	\$ 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	\$ 3,748,757,651	\$ 3,989,615,349
Total Direct Rate	-	-	-	-	-	-	5.100	5.100	5.100	5.100
General Obligation Debt	\$ 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	\$ 17,890,000
Percentage Applicable to District	27.064%	35.088%	31.086%	30.322%	27.409%	29.944%	32.708%	29.210%	39.371%	41.174%
Direct and Overlapping Debt	\$ 5,182,804	\$ 6,421,104	\$ 5,409,660	\$ 4,995,468	\$ 7,078,287	\$ 7,443,782	\$ 7,506,595	\$ 5,912,071	\$ 7,437,157	\$ 7,366,061
<b>Total Direct Debt</b>	\$ 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	\$ 41,872,331
<b>Total Overlapping Debt</b>	\$ 5,182,804	\$ 6,421,104	\$ 5,409,660	\$ 4,995,468	\$ 7,078,287	\$ 7,443,782	\$ 7,506,595	\$ 5,912,071	\$ 7,437,157	\$ 7,366,061
<b>Total Direct and Overlapping Debt</b>	\$ 41,842,804	\$ 43,556,104	\$ 37,939,660	\$ 37,710,468	\$ 40,418,287	\$ 42,133,782	\$ 38,151,595	\$ 50,241,337	\$ 40,905,137	\$ 49,238,392
<b>Total Direct Rate</b>							23.502	23.515	23.521	23.523

**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 TEN YEARS AGO

Taxpayer	Type of Business	2011			2002		
		Assessed Valuation	Rank	Percentage of Assessed Valuation	Assessed Valuation	Rank	Percentage of Assessed Valuation
Public Service of NM	Gas Utility	178,871,851	1	12.66%	2,481,638	10	0.30%
BHP Navajo Coal Co	Coal	91,286,565	2	6.46%			0.00%
Tucson Electric Power Co	Utility	80,610,164	3	5.71%			0.00%
Arizona Public Service Co	Utility	80,450,484	4	5.70%			0.00%
Williams Four Corners LLC	Telephone	72,508,625	5	5.13%			0.00%
San Juan Coal Company	Coal	71,328,700	6	5.05%	35,101,542	1	4.18%
Enterprise Field Service, LLC	Gas & Oil	70,224,882	7	4.97%			0.00%
Southern California Edison Co	Utility	53,044,886	8	3.76%			0.00%
El Paso Natural Gas	Utility	46,059,538	9	3.26%	2,532,680	9	0.30%
Transwestern	Pipeline	34,253,728	10	2.43%	5,185,188	5	0.62%
El Paso Field Service	Oil Well Service				6,071,310	4	0.72%
Qwest Communications	Telephone				7,760,834	2	0.92%
Price Development	Shopping Mall				6,606,663	3	0.79%
Bolack	Minerals				3,835,092	6	0.46%
Wal Mart/Sam's Club	Retail				3,417,190	7	0.41%
Trans Colorado	Pipeline				2,844,379	8	0.34%
<b>Total</b>		<b>\$ 778,639,423</b>		<b>55.13%</b>	<b>\$ 75,836,516</b>		<b>9.02%</b>
District's Assessed Valuation		<u>1,412,494,939</u>		<u>100.00%</u>	<u>\$ 840,640,614</u>		<u>100.00%</u>
		Still need					

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
2002	\$ 7,073,375	\$ 7,041,881	99.6%	\$31,127	\$ 7,073,008	99.99%
2003	\$ 8,886,653	\$ 7,292,653	82.1%	\$1,592,635	\$ 8,885,288	99.98%
2004	\$ 7,453,628	\$ 7,151,818	96.0%	\$299,414	\$ 7,451,232	99.97%
2005	\$ 7,745,175	\$ 7,420,233	95.8%	\$322,062	\$ 7,742,295	99.96%
2006	\$ 8,333,150	\$ 7,967,763	95.6%	\$360,199	\$ 8,327,962	99.94%
2007	\$ 8,984,783	\$ 8,609,233	95.8%	\$357,635	\$ 8,966,868	99.80%
2008	\$ 10,120,023	\$ 9,662,514	95.5%	\$420,810	\$ 10,083,324	99.64%
2009	\$ 10,831,029	\$ 10,386,217	95.9%	\$354,668	\$ 10,740,885	99.17%
2010	\$ 11,765,948	\$ 11,209,714	95.3%	\$339,361	\$ 11,549,075	98.16%
2011	\$ 11,987,954	\$ 11,498,161	95.9%	n/a	\$ 11,498,161	95.91%

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 Government	Percentage of Personal Income <sup>2</sup>	Per Capita <sup>2</sup>
	General Obligation Bonds	Capital Lease				
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
2011	37,100,000	4,772,331	-	\$ 41,872,331	1.068%	695

**Notes:**

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

<sup>2</sup> **Source:** United States Department of Commerce, Bureau of Economic Analysis

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

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Service fund</u>	<u>Total</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita</u>
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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt Limit	\$ 50,438,437	\$ 56,443,139	\$ 60,746,120	\$ 66,460,975	\$ 70,911,912	\$ 76,447,821	\$ 86,347,139	\$ 91,327,232	\$ 82,446,479	\$ 84,749,696
Total net debt applicable to limit	<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>	<u>\$ 41,872,331</u>
Legal debt margin	\$ 13,778,437	\$ 19,308,139	\$ 28,216,120	\$ 33,745,975	\$ 46,321,912	\$ 41,757,821	\$ 55,702,139	\$ 46,997,966	\$ 48,978,499	\$ 42,877,365
Total net debt applicable to the limit as a percentage of debt limit	73%	66%	54%	49%	47%	45%	35%	49%	41%	49%

**Legal Debt Limit Calculation for Fiscal Year 2011**

Assessed Value	\$ 1,412,494,939
Debt limit (6% of total assessed value)	84,749,696
Debt applicable to limit:	
General Obligation Bonds	37,100,000
Capital Lease	<u>4,772,331</u>
Total Debt	<u>41,872,331</u>
Legal debt margin	\$ 42,877,365

**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

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Income <sup>1</sup></u>	<u>Unemployment Rate <sup>2</sup></u>
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%
2011	60,239	3,919,722,000	\$ 30,702	8.30%

**Notes:** NA=Not available

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

<sup>2</sup> United States Bureau of Labor Statistics

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

<u>Employer</u>	<u>2011</u>			<u>2005</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
San Juan Medical Center	1,600	1	2.83%	1,375	1	2.47%
Farmington Municipal School District No.5	1,500	2	2.65%	1,252	2	2.24%
Central Consolidated Schools	1,100	3	1.94%	1,125	3	2.02%
BHP Billiton	1,031	4	1.82%	950	5	1.70%
City of Farmington	900	5	1.59%	685	6	1.23%
San Juan College	900	6	1.59%	1,000	4	1.79%
Wal-Mart	726	7	1.28%	677	7	1.21%
Conoco Phillips	610	8	1.08%			0.00%
Arizona Public Service Company	573	9	1.01%	590	9	1.06%
Bloomfield Schools	460	10	0.81%	500	10	0.90%
Basin Home Health/Basin Coord.				640	8	1.15%
	9,400		16.61%	8,794		15.77%

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

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

	Fiscal Year										
	<u>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>	<u>2011</u>
<b>Supervisory</b>											
Instructional administrators	4	4	4	4	4	4	6	7	7	7	7
Noninstructional administrators	5	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	18
Assistant Principals	7	8	8	9	9	9	9	10	10	10	8
Total supervisory	34	35	35	35	35	35	37	39	39	39	38
<b>Instruction</b>											
Certified classroom teachers	611	615	620	616	621	623	625	630	646	614	617
Educational assistants	114	116	127	109	129	124	125	128	136	126	125
Total instruction	725	731	747	725	750	747	750	758	781	740	742
<b>Student Services</b>											
Guidance counselors	17	17	17	17	17	17	18	18	22	20	21
Social workers	1	1	1	1	1	1	1	1	1	1	1
Ancillary providers	30	32	35	35	35	34	32	32	32	31	32
Librarians	6	6	6	6	6	6	6	6	6	6	7
Nurses	6	6	6	6	6	6	6	6	9	9	6
Other professionals (non-instructional)											
Technicians	3	3	4	4	4	4	4	4	4	4	4
Total student services	63	65	69	69	69	68	67	67	73	67	71
<b>Support and Administration</b>											
Clerical/Secretarial	86	86	88	88	89	89	89	89	89	87	86
Maintenance	14	16	16	16	16	16	16	17	23	22	24
Custodial	78	80	80	80	80	78	78	78	72	70	72
Bus drivers	65	70	72	72	73	73	75	75	75	75	75
Total support and administration	243	252	256	256	258	256	258	259	259	254	257

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

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
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%
2011	10,572	60,880,957	5,759	-1.37%	93,504,599	8,845	-2.93%	617	17.13	52.58%

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

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

Expenses include expenditures for all governmental funds less debt service

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

<u>School</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>School</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>Preschool</b>						<b>Middle School</b>					
<b>FS Preschool (1991)</b>						<b>Helghts (1971)</b>					
Square Feet	6,745	6,745	6,745	6,745	13,505	Square Feet	88,229	88,229	88,229	88,229	88,229
Capacity	46	46	46	46	92	Capacity	1100	1100	1100	1100	1100
Enrollment	49	48	70	70	99	Enrollment	664	686	702	695	721
<b>Elementary</b>						<b>Hermosa (1960)</b>					
<b>Animas (1963)</b>						Square Feet					
Square Feet	50,610	50,610	50,640	50,640	50,640	Capacity	85,849	85,849	85,849	85,849	85,849
Capacity	539	539	539	539	539	Enrollment	934	934	934	934	934
Enrollment	471	471	507	494	468	<b>Mesa View (1994)</b>					
<b>Apache (1956)</b>						Square Feet					
Square Feet	53,577	53,577	53,577	53,577	55,088	Capacity	100,987	100,987	100,987	100,987	100,987
Capacity	580	580	580	580	580	Enrollment	1150	1150	1150	1150	1150
Enrollment	438	458	439	436	455	<b>Tibbetts (1940)</b>					
<b>Bluffview (1961)</b>						Square Feet					
Square Feet	59,405	59,405	59,405	59,405	59,405	Capacity	90,791	90,791	90,791	90,791	90,791
Capacity	632	632	632	632	632	Enrollment	966	966	966	966	966
Enrollment	498	539	555	556	530	<b>High School</b>					
<b>Country Club (1959)</b>						<b>Farmington (1955)</b>					
Square Feet	51,279	51,279	54,684	54,684	54,684	Square Feet	206,786	206,786	206,786	206,786	208,630
Capacity	529	529	551	551	551	Capacity	2334	2334	2334	2334	2334
Enrollment	509	524	520	526	526	Enrollment	1498	1488	1344	1316	1308
<b>Esperanza (1995)</b>						<b>Piedra Vista (1998)</b>					
Square Feet	73,908	73,908	73,908	73,908	73,908	Square Feet	245,698	245,698	245,698	245,698	247,138
Capacity	636	636	636	636	636	Capacity	1821	1821	1821	1821	1821
Enrollment	573	607	600	587	573	Enrollment	1264	1271	1318	1284	1274
<b>Ladera (1963)</b>						<b>Rocinante (1996)</b>					
Square Feet	52,662	53,665	55,597	55,597	55,597	Square Feet	24,187	24,187	24,187	24,187	24,187
Capacity	569	569	569	569	569	Capacity	333	333	333	333	333
Enrollment	581	545	575	588	599	Enrollment	157	151	157	162	181
<b>McCormick (1954)</b>						<b>Cate Center (1949)</b>					
Square Feet	50,908	50,908	53,858	53,858	53,858	Square Feet	52,191	52,191	52,191	52,191	52,191
Capacity	554	554	595	595	595	Capacity	719	719	719	719	719
Enrollment	428	438	413	400	393	Enrollment	200	200	200	200	200
<b>McKinley (1954)</b>											
Square Feet	43,029	43,029	59,744	59,744	59,744						
Capacity	511	511	600	600	600						
Enrollment	546	558	552	553	551						
<b>Mesa Verde (1963)</b>											
Square Feet	43,557	43,557	46,972	46,972	46,972						
Capacity	509	509	519	519	519						
Enrollment	474	518	526	525	520						
<b>Northeast (1963)</b>											
Square Feet	46,365	47,825	49,630	49,630	49,630						
Capacity	513	513	513	513	513						
Enrollment	459	515	515	521	543						

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, 2011

<u>Federal Grantor/Pass - Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<b><u>Child Nutrition Cluster:</u></b>			
U.S. Department of Agriculture:			
Pass-Through Program From:			
New Mexico Department of Education:			
USDA National School Lunch Program	10.555	21000	\$ 1,888,515
USDA School Breakfast Program	10.553	21000	<u>807,017</u>
Total USDA - Child Nutrition Cluster			<u>2,695,532</u>
<b><u>Early Intervention Services (IDEA) Cluster:</u></b>			
Department of Education:			
Pass-Through Program From:			
New Mexico Department of Education:			
ARRA-Special Education - Grants for Infants and Families	84.393	24212	<u>41,924</u>
<b><u>Impact Aid Cluster:</u></b>			
Department of Education Direct Programs:			
Impact Aid	84.041	11000 / 25145 / 25147	<u>306,848</u>
<b><u>Medicaid Cluster:</u></b>			
Department of Health and Human Services:			
Pass-Through Program From:			
New Mexico Department of Education:			
Medical Assistance Program	93.778	25153	<u>272,278</u>
<b><u>Special Education (IDEA) Cluster:</u></b>			
Department of Education:			
Pass-Through Program From:			
New Mexico Department of Education:			
ARRA-Special Education - Preschool Grants	84.392	24209	56,950
ARRA-Special Education Grants to States	84.391	24206	1,791,619
Special Education Grants to States	84.027	24106 / 24107 / 24115 / 24120	747,289
Special Education - Preschool Grants	84.173	24109	<u>58,744</u>
Total Special Education (IDEA) Cluster			(1) <u>2,654,602</u>
<b><u>State Fiscal Stabilization Fund Cluster:</u></b>			
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>1,511,102</u>
<b><u>Title I, Part A Cluster:</u></b>			
Department of Education:			
Pass-Through Program From:			
New Mexico Department of Education:			
Title I Grants to Local Educational Agencies	84.010	24101 / 24162	1,861,020
		24162	-
ARRA-Title I Grants to Local Educational Agencies	84.389	24201	<u>636,379</u>
Total Title I, Part A Cluster			(1) <u>2,497,399</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, 2011

<u>Federal Grantor/Pass - Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<b>Other Programs:</b>			
Department of the Interior:			
Pass-Through Program From:			
Navajo Nation			
Indian Education - Assistance to Schools	15.130	25131	194,287
Department of Justice:			
Pass-Through Program From:			
New Mexico Department of Education:			
Juvenile Mentoring Program	16.726	25187	44,434
Department of Education:			
Pass-Through Program From:			
New Mexico Department of Education:			
Career and Technical Education - Basic Grants to States	84.048	24174 / 24176 / 24180 / 24182	114,619
Education for Homeless Children and Youth	84.196	24113	12,399
ARRA-Education for Homeless Children and Youth , Recovery Act	84.387	24213	25,000
Education Jobs Fund	84.410	25255	(1) 1,850,091
English Language Acquisition Grants	84.365	24153 / 25248	305,212
Fund for the Improvement of Education	84.215	25107	197,086
Improving Teacher Quality State Grants	84.367	24154	(1) 656,540
Indian Education - Grants to Local Educational Agencies	84.060	25184	602,412
Safe and Drug-Free Schools and Communities - National Programs	84.184	25111 / 25243	(1) 1,275,206
ARRA-State Fiscal Stabilization Fund	84.396	24292	17,206
Department of Health and Human Services:			
Pass-Through Program From:			
New Mexico Department of Education:			
Special Diabetes Program for Indians	93.237	25209	16,515
Sustance Abuse and Mental Health Services	93.243	25238	35,619
U.S. Department of Agriculture:			
New Mexico Human Service Department:			
USDA Commodities Program	10.550	21000	<u>219,096</u>
Total Other Programs			<u>5,565,722</u>
Total Expenditures of Federal Awards			<u>\$ 15,545,407</u>

(1) Denotes Major Federal Financial Assistance Program

STATE OF NEW MEXICO  
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5  
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 Year Ended June 30, 2011

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 2011 cash and non-cash expenditures to ensure coverage of at least 25 percent (low risk auditee) of federally granted funds. Actual coverage is 67% of total cash and non-cash federal award program expenditures.

Major Federal Award Program Description	<u>2011 Expenditure</u>
<b>Title I, Part A Cluster:</b>	
84.010 – Title I Grants to Local Educational Agencies	\$1,861,020
84.389 – Title I Grants to Local Educational Agencies - ARRA	<u>636,379</u>
	<u>2,497,399</u>
<b>Special Education Cluster:</b>	
84.027 – Special Education – Grants to States	747,289
84.391 – Special Education – Grants to States - ARRA	1,791,619
84.173 – Special Education – Preschool Grants	58,744
84.392 – Special Education – Preschool Grants - ARRA	<u>56,950</u>
	<u>2,654,602</u>
<b>State Fiscal Stabilization Fund Cluster:</b>	
84.394 – State Fiscal Stabilization Fund – ARRA	<u>1,511,102</u>
84.410 - Education Jobs Fund	<u>1,850,091</u>
84.367 – Improving Teacher Quality State Grants	<u>656,540</u>
84.184 – Safe and Drug-Free Schools and Communities	<u>1,275,206</u>
	<u>\$10,444,940</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 2011.

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, 2011, 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, 2011, as listed in the table of contents. We have issued our report thereon dated October 28, 2011. 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. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting (2011-1). A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2011-2.

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.



Farmington, New Mexico  
October 28, 2011

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, 2011. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each major federal program for the year ended June 30, 2011.

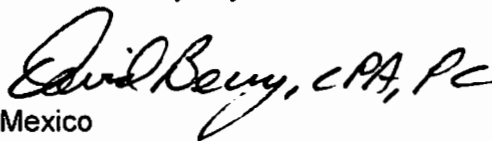
Internal Control Over Compliance

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 28, 2011

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5  
 SCHEDULE OF FINDINGS AND  
 QUESTIONED COSTS  
 Year Ended June 30, 2011

**A. SUMMARY OF AUDIT RESULTS**

**Financial Statements:**

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

**Federal Awards:**

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

Major Federal Award Program Description	<u>2011 Expenditure</u>
Title I, Part A Cluster:	
84.010 – Title I Grants to Local Educational Agencies	\$1,861,020
84.389 – Title I Grants to Local Educational Agencies - ARRA	<u>636,379</u>
	<u>2,497,399</u>
Special Education Cluster:	
84.027 – Special Education – Grants to States	747,289
84.391 – Special Education – Grants to States - ARRA	1,791,619
84.173 – Special Education – Preschool Grants	58,744
84.392 – Special Education – Preschool Grants - ARRA	<u>56,950</u>
	<u>2,654,602</u>
State Fiscal Stabilization Fund Cluster:	
84.394 – State Fiscal Stabilization Fund – ARRA	<u>1,511,102</u>
84.410 - Education Jobs Fund	<u>1,850,091</u>
84.367 – Improving Teacher Quality State Grants	<u>656,540</u>
84.184 – Safe and Drug-Free Schools and Communities	<u>1,275,206</u>
	<u>\$10,444,940</u>

5. The threshold for distinguishing Types A and B programs was ..... \$466,362
6. Auditee qualified as low-risk auditee? ..... Yes

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5  
SCHEDULE OF FINDINGS AND  
QUESTIONED COSTS  
Year Ended June 30, 2011

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

Prior Year Finding Description

None

Current Year Finding Description

2011-1 – Roll forward amount different from prior year amount (significant deficiency).

Condition

The investment balance carried forward for Fund 43000 general ledger from June 30, 2010 was in error by \$540,201.

Criteria

The beginning balances for the current fiscal year should be equal to the ending balances from the prior fiscal year.

Cause

The District's computer system does not automatically roll forward balances from the prior fiscal year. The beginning balances are manually entered into the computer system and the incorrect amount was entered into the general ledger. The investment amount was reconciled monthly to a manual schedule and not to the general ledger. The reports used by management included the correct amount but the year-end general ledger balance was incorrect.

Effect

The investment balance for Fund 43000 was incorrect.

Recommendation

The District should determine if the roll forward of prior year balances can be performed automatically through the computer system and if not then a control needs to be put in place to have an independent reviewer determine if the proper balances are carried forward. Also, the investment reconciliation process should be change to reconcile the amounts to the general ledger and not to a manual schedule.

Management Response

The District will work with the software vendor to determine if the rollover of balances can be done automatically or if the process needs to continue to be done manually. If the process must be done manually, the District will have additional reviews completed to ensure the proper balances are carried over to the next year.



2011-2 – Actual expenditures exceeded final budget expenditures (noncompliance)

Condition

The District's actual expenditures exceeded final budgeted expenditures by \$3,337,716 in Fund 31900 Educational Technical Equipment Capital Projects Fund.

Criteria

The District is not in compliance with State Statue 6-6-6 NMSA 1978 regarding expenditures not exceeding budgeted authority. The State requires that actual expenditures do not exceed final budgeted expenditures.

Cause

The District issued debt in August 2010 but did not submit a Budget Adjustment Request to the Board of Education and the Public Education Department to adjust the final budgeted expenditures for capital outlay as of June 30, 2011.

Effect

The District is not in compliance with State Statue regarding expenditures not exceeding budgeted authority.

Recommendation

The District should implement a system to verify that all adjustments needed to the final approved budget are approved by the board and PED so that actual expenditures will not exceed budgeted expenditures.

Management Response

The District will implement a system to review budget balances on a quarterly basis to ensure that all Budget Adjustment Requests required are completed in a timely manner so that actual expenditures do not exceed budgeted expenditures.

C. FINDINGS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

**FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5  
EXIT CONFERENCE  
Year Ended June 30, 2011**

An exit conference was held on November 10, 2011. In attendance were:

For the Farmington Municipal School District No. 5:

Janel Ryan	Superintendent of Schools
Randall Bondow	Assistant Superintendent of Finance
Kyle Rhodes	Board Member
Bill Young	Board Member
Cecilia Taulbee	Community Member
Robyn Hoffman	Community Member
Bobbi Newland	Comptroller
Lori Thurstonson	Administrative Assistant

For David Berry, CPA, PC (auditors):

David Berry	CPA
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