

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

Year Ended June 30, 2009

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

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INTRODUCTORY SECTION

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TABLE OF CONTENTS

Page

INTRODUCTORY SECTION

Table of Contents.....	iii
List of Principal Officials.....	xi
Organizational Chart.....	xii
Certificate of Achievement for Excellence in Financial Reporting.....	xiii
Transmittal Letter.....	xiv

FINANCIAL SECTION

Independent Auditor's Report.....	3
Management's Discussion and Analysis.....	7
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets.....	19
Statement of Activities.....	20
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	21
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	22
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	23
Statement of Revenues, Expenditures, and Changes in Fund Balances– Budget and Actual (Non-GAAP Budgetary Basis) – General Fund 11000.....	24
Statement of Revenues, Expenditures, and Changes in Fund Balances– Budget and Actual (Non-GAAP Budgetary Basis) – Transportation Fund 13000.....	26
Statement of Revenues, Expenditures, and Changes in Fund Balances– Budget and Actual (Non-GAAP Budgetary Basis) – Instructional Materials Fund 14000.....	27
Statement of Fiduciary Net Assets – Agency Funds.....	29
Notes to the Financial Statements.....	31
Supplementary Information:	
Combining Balance Sheet – Nonmajor Governmental Funds.....	55
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	61
Schedule of Revenues, Expenditures, and Changes in Fund Balances– Budget and Actual (Non-GAAP Budgetary Basis) – Debt Service Fund 41000.....	67
Schedule of Revenues, Expenditures, and Changes in Fund Balances– Budget and Actual (Non-GAAP Budgetary Basis) – Debt Service Fund 43000.....	68

Schedule of Revenues, Expenditures, and Changes in Fund Balances– Budget and Actual (Non-GAAP Budgetary Basis) – Bond Building Capital Projects Fund 31100	69
Schedule of Revenues, Expenditures, and Changes in Fund Balances– Budget and Actual (Non-GAAP Budgetary Basis) – SB-9 Improvements Capital Projects Fund 31700	70
Schedule of Revenues, Expenditures, and Changes in Fund Balances– Budget and Actual (Non-GAAP Budgetary Basis) – SB-9 Improvements Capital Projects Fund 31900	71
Special Revenue Funds:	
Food Services Fund 21000:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)	72
Athletics Fund 22000:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)	73
Activities Fund 23000:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)	74
Title I Fund 24101:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)	75
Javits Gifted and Talented Fund 24102:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)	76
Idea-B Entitlement Fund 24106:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)	77
Idea-B Discretionary Fund 24107:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)	78
Idea-B Preschool Fund 24109:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)	79
Idea-B Intervention Fund 24112:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)	80

Homeless Grant Fund 24113:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)	81
Fresh Fruit and Vegetable Fund 24118:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)	82
Title I Fund 24106:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)	83
Enhancing Education Through Technology Fund 24133:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)	84
CSRD Grant Fund 24135:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)	85
Title VI-A Fund 24150:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)	86
English Language Acquisition Fund 24153:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)	87
Title II-A Fund 24154:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)	88
Drug Free Schools Fund 24157:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)	89
21 st Century Fund 24159:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)	90
School Improvements Fund 24162:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)	91
Immigrant Grant Fund 24163:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)	92
NM Reading First Fund 24167:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)	93
Carl Perkins Fund 24174:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)	94

High Schools that Work Fund 24180:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)	95
High Schools that Work Carryover Fund 24181:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)	96
Teaching American History Fund 25107:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)	97
Alcohol Abuse Reduction Fund 25111:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)	98
Johnson O'Malley Fund 25131:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)	99
Federal Impact Aid Special Ed Fund 25145:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)	100
Federal Impact Aid Indian Ed Fund 25147:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)	101
Medicaid Fund 25153:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)	102
Indian Education Act (Title IX) Fund 25184:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)	103
Navajo Medical Center Fund 25209:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)	104
Transition in Teaching Fund 25236:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)	105
Safe Schools Healthy Students Fund 25243:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)	106
Bilingual Education Title III Fund 25248:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)	107

Educational Enrichment Fund 26113:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)	108
NEA Innovation Grant Fund 26145:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)	109
Parent Reaching Out Fund 27174:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)	110
Technology Grant Fund 27117:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)	111
Advanced Placement Programs Fund 27129:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)	112
Incentives for School Improvements Fund 27138:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)	113
Indian Education Act Fund 27150:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)	114
Teacher Mentoring Fund 27154:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)	115
Breakfast for Elementary Students Fund 27155:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)	116
CORE Fund 27160:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)	117
Schools in Need of Improvements Fund 27163:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)	118
21st Century State Grant Fund 27167:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)	119
Library GO Bonds Fund 27170:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)	120
Library Book Fund Allocations Fund 27549:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)	121

Tobacco Free Fund 28122:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)	122
Youth Conservation Fund 28133:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)	123
Right Start Family Fund 28142:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)	124
Tutoring Fund 28178:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)	125
San Juan County Partnership Fund 29107:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)	126
Capital Projects Funds:	
Special Building Local Fund 31300:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)	127
Special Building State Fund 31400:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)	128
Public School 20% Capital Outlay Fund 32100:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)	129
Statement of Changes in Fiduciary Net Assets – Agency Funds.....	130
Other Supplementary Information:	
Capital Assets Used in the Operation of Governmental Funds:	
Schedule by Source	133
Schedule by Function and Activity.....	134
Schedule of Changes by Function and Activity	135
Additional Disclosures Required by the New Mexico State Auditor:	
Schedule of Pledged Collateral by Financial Institution.....	139
Schedule of Cash Accounts and Investments.....	140
Schedule of Cash Reconciliation.....	141
STATISTICAL SECTION	
Statistical Section Index.....	143

Net Assets by Component	144
General Revenues and Total Change in Net Assets	145
Expenses, Program Revenues, and Net (Expense)/Revenue	146
Fund Balances of Governmental Funds.....	147
Changes in Fund Balances, Governmental Funds	148
Assessed Value and Estimated Actual Value of Taxable Property.....	149
Computation of Direct and Overlapping General Obligation Debt	150
Principal Property Taxpayers	151
Property Tax Levies and Collections	152
Outstanding Debt by Type	153
Ratios of General Bonded Debt Outstanding.....	154
Computation of Legal Debt Margin.....	155
Demographic and Economic Statistics.....	156
Principal Employers	157
Full-Time-Equivalent District Employees by Type	158
Operating Statistics.....	159
School Building Information	160

SINGLE AUDIT SECTION

Schedule of Expenditures of Federal Awards	162
Notes to the Schedule of Expenditures of Federal Awards.....	164
Report on Internal Control Over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	165
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	167
Schedule of Findings and Questioned Costs	169
Exit Conference.....	171

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**STATE OF NEW MEXICO
FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
LIST OF PRINCIPAL OFFICIALS
June 30, 2009**

Steve Nelson..... Board President

Sandy Schumacher..... Board Vice President

Mike Isaacson Board Secretary

Nancy DeLong Board Deputy Secretary

Bill Young Board Member

Janel Ryan Superintendent

Frank Stimac.....Assistant Superintendent of Campus Programs

James Barfoot..... Assistant Superintendent of Operations

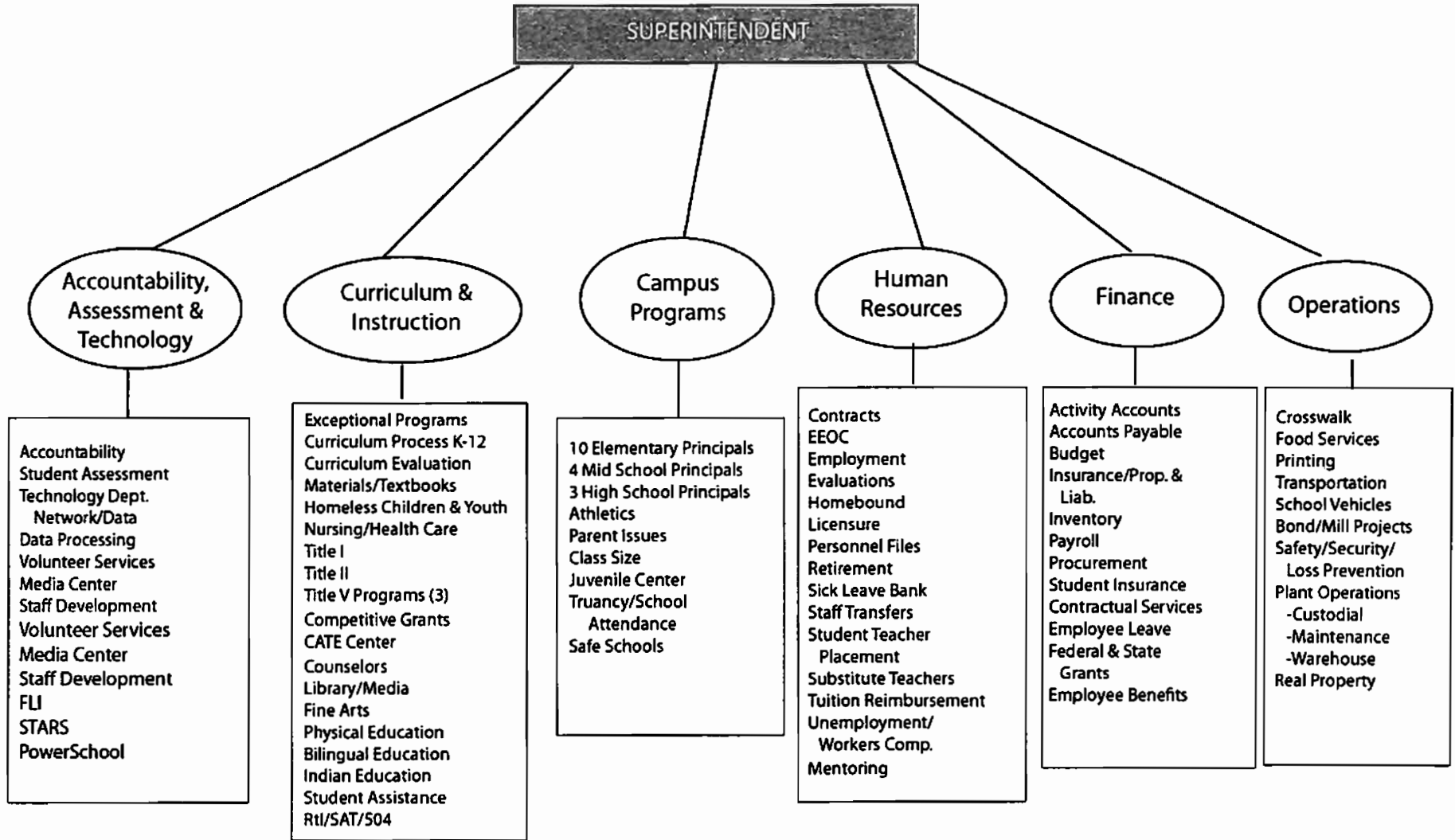
Mary Lou Sheppeck.....Assistant Superintendent of Human Resources

Robert Emerson..... Assistant Superintendent of Technology, Assessment & Accountability

D'rese Sutherland Assistant Superintendent of Finance

Michael VallejoAssistant Superintendent of Curriculum and Instruction

**Farmington Municipal Schools
Organizational Structure
2008-2009**



All Assistant Superintendents have final authority to make and enforce decisions for their areas of responsibility.

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, 2008

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.

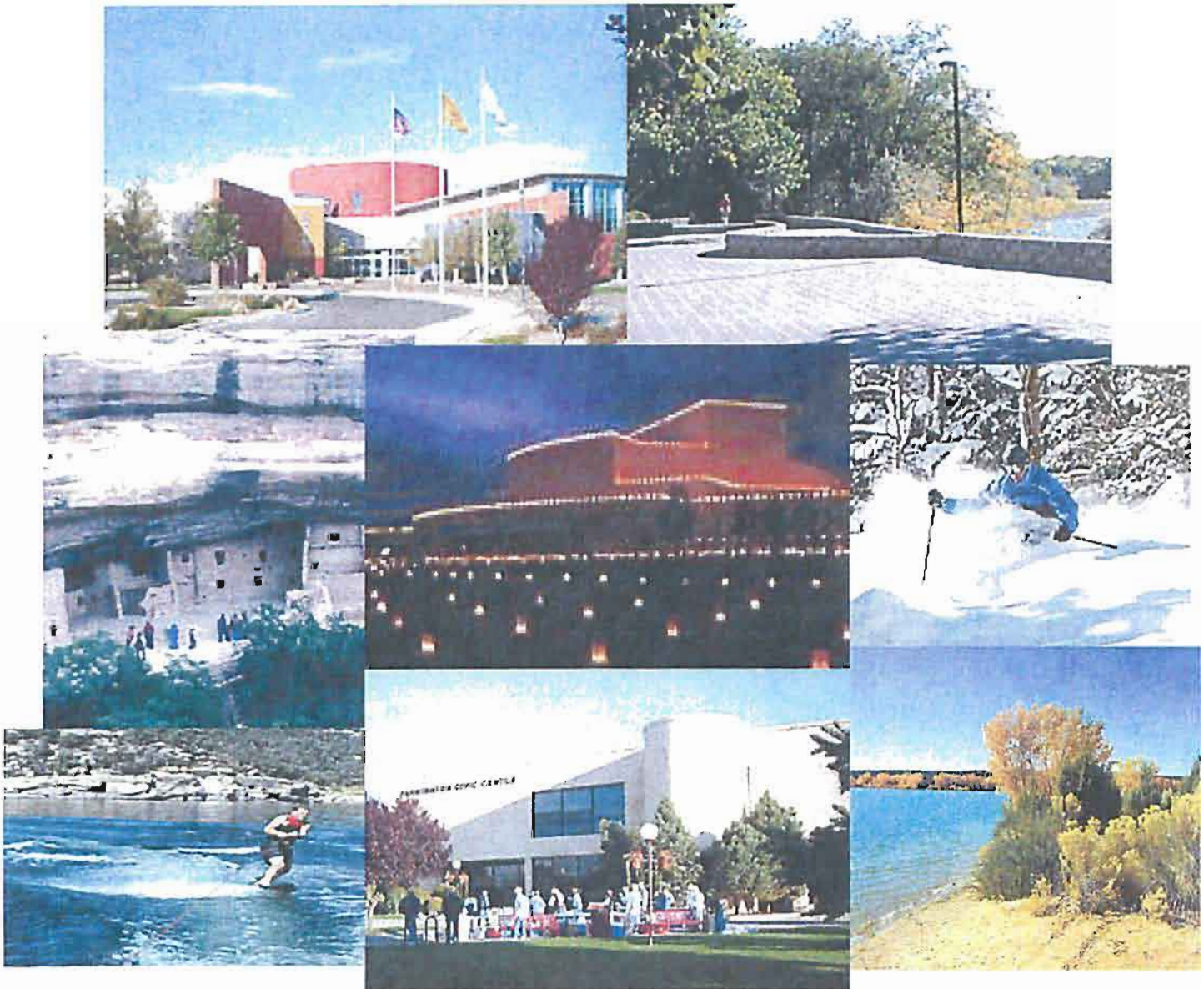


President

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, 2009

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, 2009.

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, 2009.

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, 2009, 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, 2009, 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 10,356 students. There are 10 elementary schools, 4 middle schools, an alternative junior-senior high school, two senior high schools and two pre-schools within the District. The District's educational program also includes vocational, technical and occupational training. The District provides education services for the detainees of the County Juvenile Detention Center, which averages approximately 30 students.

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

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

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

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

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

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

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

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

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

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

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is found on pages 24-25 as part of the basic financial statements for the government funds. For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, which starts on page 27 and pages 67-129.

Factors Affecting Financial Condition

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

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

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

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

Electrical Generation The economic base of the area was broadened beyond agriculture and oil and



gas production in the 1960's with construction of two coal-fired generating plants, the Four Corners Generating Station and the San Juan Generating Station.

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

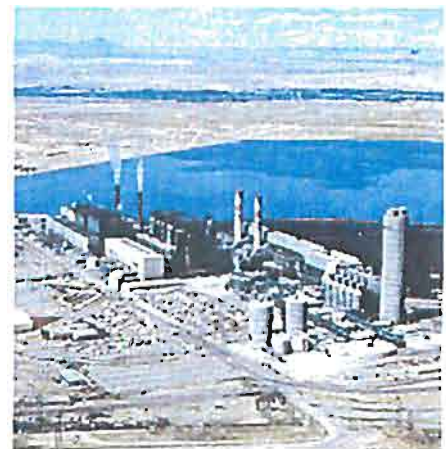
The Public Service Company of New Mexico ("PNM") operates a four-unit, 1800-megawatt coal-fired plant approximately 15 miles west of Farmington. Known as the San Juan Generating Station, the plant employs 418 full-time employees and an annual payroll of \$26 million. The plant is the largest taxpayer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

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

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

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

The Oil Conservation Division of the State Energy, Minerals and Natural Resources Department reports 1,646 producing oil wells and 21,868 producing gas wells in San Juan County as of September 2008.



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

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

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

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

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



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

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



INDEPENDENT AUDIT

As required by New Mexico State law, an annual audit of the financial records, books of account and the transactions of all administrative departments of the Farmington Municipal School District No. 5 have been made by an independent auditor. The independent auditor's opinion as prepared by David Berry, CPA, PC is included within the Financial Section of this report. The 2008 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, 2008. This was the (16) consecutive year (1993-2008) 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 Steve Nelson and members of the Board of Education for their continuing interest and support in conducting the financial affairs of this school district for the 2008-2009 fiscal year, thereby advancing the effort toward excellence in education in the Farmington Municipal School District.

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

Respectfully submitted,

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

D'rese Sutherland
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, and the aggregate remaining fund information of the Farmington Municipal School District No. 5 (District), as of and for the year ended June 30, 2009, 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 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, 2009, 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 with 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.

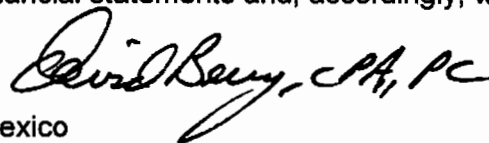
In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2009, and the respective changes in financial position, thereof, and the 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, 2009, 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 30, 2009, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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, the combining and 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 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 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 30, 2009

**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, 2009. 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 \$74,456,052 (*net assets*). Of this amount, \$35,642,287 (*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 \$37,176,238, an increase of \$13,459,777 in comparison with the prior year. Approximately 63% of this total amount, \$23,455,250, is *available for spending* at the district's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$4,319,066 or 6% of the total general fund expenditures.
- The Farmington Municipal School District's total net debt increased by \$13,684,266 or 45% during the current fiscal year. The district retired \$6,815,734 of debt while issuing new debt in the amount of \$20,500,000. The district issued \$16,000,000 in outstanding general obligation bonds authorized by voters in 2006. The board approved issuance of \$4,500,000 in general obligation lease purchase certificates of participation for technology.

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 other 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 55 - 66).

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

The basic governmental fund financial statements can be found on pages 21–27 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 \$74,456,052 at the close of the most recent fiscal year.

A portion (35%) of Farmington Municipal School District's net assets is invested in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. Farmington Municipal School District uses these capital assets to provide educational services; consequently, these assets are *not* available for future spending. Although Farmington Municipal School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Farmington Municipal School District's Net Assets

Farmington Municipal School District's Net Assets

	Governmental Activities		Total	
	FY 2009	FY 2008 (As Restated)	FY 2009	FY 2008 (As Restated)
Current and other assets	\$ 53,234,506	\$ 42,038,820	\$ 53,234,506	\$ 42,038,820
Capital assets	\$ 70,704,241	\$ 60,569,288	\$ 70,704,241	\$ 60,569,288
Total assets	\$ 123,938,747	\$ 102,608,108	\$ 123,938,747	\$ 102,608,108
Long-term liabilities outstanding	\$ 44,691,252	\$ 30,660,417	\$ 44,691,252	\$ 30,660,417
Other liabilities	\$ 4,790,993	\$ 7,981,212	\$ 4,790,993	\$ 7,981,212
Total liabilities	\$ 49,482,245	\$ 38,641,629	\$ 49,482,245	\$ 38,641,629
Net assets:				
Invested in capital assets, net of related debt	\$ 26,012,989	\$ 29,908,871	\$ 26,012,989	\$ 29,908,871
Restricted	\$ 12,800,776	\$ 10,273,313	\$ 12,800,776	\$ 10,273,313
Unrestricted	\$ 35,642,287	\$ 23,784,295	\$ 35,642,287	\$ 23,784,295
Total net assets	\$ 74,456,052	\$ 63,966,479	\$ 74,456,052	\$ 63,966,479

Farmington Municipal School District's Net Assets

A large portion of Farmington Municipal School District's net assets (17%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$35,642,287) 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 \$10,489,573 during the current fiscal year. Almost all of this increase represents the degree to which increases in ongoing revenue have outstripped similar increases in ongoing expenses, most attributable to the increase in state and federal revenues.

Governmental activities. Governmental activities increased Farmington Municipal School District's net assets by \$10,489,573. Key elements of this increase are as follows:

- Property taxes increased both as a result of increase in property values, oil and gas assessments and a restricted tax levy for debt service.

- Operating grants for governmental activities increased due to the fact that the district received a 5.6% increase in the amount of state equalization funding.

The decrease in expenses for the district resulted from a reduction in operation of non-instruction services costs.

Farmington Municipal School District's Changes in Net Assets

	Governmental Activities		Total	
	FY2009	FY2008	FY 2009	FY 2008
	(As Restated)		(As Restated)	
Revenues:				
Program Revenues:				
Charges for services	\$ 1,993,085	\$ 1,892,468	\$ 1,993,085	\$ 1,892,468
Operating grants & contributions	\$ 11,739,989	\$ 11,066,893	\$ 11,739,989	\$ 11,066,893
Capital grants & contributions	\$ 15,789	\$ 434,644	\$ 15,789	\$ 434,644
General Revenues:			\$ -	\$ -
Property taxes-general purpose	\$ 606,564	\$ 552,995	\$ 606,564	\$ 552,995
Property taxes-debt service	\$ 10,858,918	\$ 10,039,044	\$ 10,858,918	\$ 10,039,044
Property taxes-capital projects	\$ 2,889,531	\$ 2,636,299	\$ 2,889,531	\$ 2,636,299
Grants and contributions not restricted to specific programs	\$ 71,133,055	\$ 68,897,642	\$ 71,133,055	\$ 68,897,642
Other	\$ 118,635	\$ 704,280	\$ 118,635	\$ 704,280
Total Revenues	\$ 99,355,566	\$ 96,224,265	\$ 99,355,566	\$ 96,224,265
Expenses:				
Direct instruction	\$ 51,556,881	\$ 50,679,984	\$ 51,556,881	\$ 50,679,984
Support Services	\$ 27,915,022	\$ 25,720,684	\$ 27,915,022	\$ 25,720,684
Operation of non-instruction services	\$ 1,852,097	\$ 5,589,905	\$ 1,852,097	\$ 5,589,905
Food services	\$ 3,113,562	\$ 2,805,272	\$ 3,113,562	\$ 2,805,272
Athletics	\$ 304,874	\$ 553,966	\$ 304,874	\$ 553,966
Pupil transportation	\$ 3,023,738	\$ 3,122,735	\$ 3,023,738	\$ 3,122,735
Other	\$ 1,099,819	\$ 1,105,550	\$ 1,099,819	\$ 1,105,550
Total Expenses	\$ 88,865,993	\$ 89,578,096	\$ 88,865,993	\$ 89,578,096
Increase in net assets	\$ 10,489,573	\$ 4,646,169	\$ 10,489,573	\$ 4,646,169
Net assets - Beginning(As Restated)	\$ 63,966,479	\$ 59,320,310	\$ 63,966,479	\$ 59,320,310
Net assets - Ending	\$ 74,456,052	\$ 63,966,479	\$ 74,456,052	\$ 63,966,479

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 \$37,176,238 an increase in comparison with the prior year. Approximately 63% of this total amount (\$23,455,250) constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed 1) to pay debt service (\$12,801,776) and 2) for a variety of other restricted purposes (\$920,212).

The general fund is the chief operating fund of Farmington Municipal School District. At the end of the current fiscal year, unreserved fund balance of the general funds was \$4,319,066, while total fund balance reached \$4,319,066. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 6.4% percent of the total general fund expenditures, and the total fund balance represents 6.4% as well since none of the general fund balance was reserved at 6/30/09.

The fund balance of Farmington Municipal School District's general fund increased by \$667,908 during the current fiscal year. Farmington Municipal School District's board and management were committed to increasing the cash balance of the district at the end of the fiscal year in order to meet increasing state mandates while maintaining the district's high bond rating. Therefore, the district budget reflected a larger portion of the increase in revenues from the state equalization guarantee be set aside in cash reserves. The current fiscal year budget reflects a slight increase in the cash balance. The fund balance is expected to remain at the current level or increase slightly this next fiscal year.

The district's debt service funds have total fund balances of \$12,801,776 which is reserved for the payment of debt service. This is a net increase in fund balance of \$2,527,463. The increase during the current year resulted from an increase in local tax levy revenue needed for general obligation bond debt payments.

There was an increase of \$8,903,112 in the fund balance of the bond building capital fund resulting in a fund balance of \$14,125,791. The increase was the result of the sale of \$16,000,000 in previously authorized general obligation bonds that will be spent within the

next few years for construction projects and \$4,500,000 in general obligation lease purchase certificates of participation for technology.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were \$1,125,326 which can be briefly summarized as follows:

- ❖ After the close of each fiscal year, the Public Education Department adjusts the amount of the state funding allocated for fine arts within the state equalization formula based on the district's application.
- ❖ The state also takes credit against the allocation for any June receipts the district posts. In the budget process these are estimated and adjusted after June 30th.
- ❖ Additional cash balance from 6/30/2008 was carried forward and budgeted in 2008-2009.

The district's cash commitment to an increase in cash balance resulted in a difference of \$4,933,840 between budgeted and actual expenditures.

Capital Asset and Debt Administration

Capital assets. Farmington Municipal School District's investment in capital assets for its governmental activities as of June 30, 2009 amounts to \$70,704,241 (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 \$70,704,241 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:

- ❖ \$3,200,000 was used to purchase laptops for every middle school student in the school district.
- ❖ Construction of McKinley Elementary School, lunch rooms at some elementary schools as well as remodeling of other district facilities continued as part of the district's master facility plan using bond proceeds.

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

	FY2009	FY2008	FY2009	FY2008
Land	\$ 3,444,131	\$ 3,444,131	\$ 3,444,131	\$ 3,444,131
Construction in progress	\$ 4,856,000	\$ 4,146,000	\$ 4,856,000	\$ 4,146,000
Land improvements	\$ 2,428,683	\$ 1,994,184	\$ 2,428,683	\$ 1,994,184
Buildings and improvements	\$ 53,353,613	\$ 44,855,295	\$ 53,353,613	\$ 44,855,295
Machinery and equipment	\$ 6,621,814	\$ 6,129,678	\$ 6,621,814	\$ 6,129,678
Total	\$ 70,704,241	\$ 60,569,288	\$ 70,704,241	\$ 60,569,288

Long-term debt. At the end of the current fiscal year, Farmington Municipal School District had total bonded debt outstanding of \$44,329,266. The total outstanding debt represents general obligation bonds secured solely by specified revenue sources (i.e., property tax collections).

	Governmental activities	
	Total FY 2009	Total FY 2008
General obligation bonds	\$44,329,266	\$30,645,000

Farmington Municipal School District's total debt increased by \$13,684,266 (45%) during the current fiscal year. Issuance of debt was greater than the amount of debt retired. The amount of new debt issued was \$20,500,000.

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 \$91,327,232 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" on pages 41-42 of this report.

Economic Factors and Next Year's Budget

Farmington Municipal School District is located in San Juan County. San Juan County, like the rest of urban New Mexico, has a strong and balanced economy. Non-farm employment in the area has been stable for the past three years. Unemployment rate fell from 4.30% in 2007 to 3.40% in 2008.

Due to the economic factors affecting the entire country in 2008-2009 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 2010. 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.

While San Juan County's population continues to increase (25 percent between 1990 and 2000 census) Farmington Municipal School District has experienced a decline in enrollment of 604 students since the peak of 10,659 students in 1996. However, the district enrollment has remained relatively flat the past two years. The current 08-09 40th day student count shows a slight increase in enrollment in the elementary grades. Farmington Municipal School District received \$638,003 in additional funding for FY 2008-2009 as a result of growth in student membership of greater than 1%.

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

Farmington Municipal School District has appropriated \$3,394,066 of its unreserved fund balance for spending in the 2009 fiscal year budget and the remaining \$925,000 was put into the district's emergency reserve fund. The \$3,394,066 was budgeted into direct classroom instruction to fund additional staff needed to meet the state mandated class sizes while accommodating the slight growth in the elementary student population.

Requests for information

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

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BASIC FINANCIAL STATEMENTS

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STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 STATEMENT OF NET ASSETS
 June 30, 2009

	Primary Government Governmental Activities
<u>ASSETS:</u>	
Cash and cash equivalents	\$ 39,870,252
Receivables (net, where applicable, of allowances for uncollectibles):	
Property taxes	12,095,907
Due from other governments	1,130,685
Inventories	137,212
Capital assets not being depreciated:	
Land	3,444,131
Construction in progress	4,856,000
Capital assets (net of accumulated depreciation):	
Buildings and improvements	53,353,613
Improvements other than buildings	2,428,683
Equipment	6,621,814
Total assets	123,938,297
<u>LIABILITIES:</u>	
Accounts payable	1,004,653
Accrued payroll, taxes and benefits	1,812,629
Accrued interest payable	454,486
Deposits held	49,700
Unearned revenue	1,094,929
Compensated absences	374,596
Noncurrent liabilities:	
Due within one year	10,853,132
Due in more than one year	33,838,120
Total liabilities	49,482,245
<u>NET ASSETS:</u>	
Invested in capital assets, net of related debt	26,012,989
Restricted for:	
Debt Service	12,800,776
Unrestricted	35,642,287
Total net assets	\$ 74,456,052

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, 2009

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
Instruction	\$ 51,556,881	\$ -	\$ 4,824,421	\$ 15,789
Support services	27,915,022	-	4,687,079	-
Operation of non-instructional services:	1,852,097	616,977	147,155	-
Food services	3,113,562	1,118,605	2,081,334	-
Athletics	304,874	257,503	-	-
Pupil transportation	3,023,738	-	-	-
Interest on long-term obligations	1,099,819	-	-	-
	88,865,993	1,993,085	11,739,989	15,789
Total governmental activities	88,865,993	1,993,085	11,739,989	15,789
General revenues:				
Taxes:				
Property taxes, levied for general purposes				606,564
Property taxes, levied for debt service				10,858,918
Property taxes, levied for capital projects				2,889,531
Federal and state grants not restricted for specific programs				
General				71,133,055
Earnings from investments				118,635
				85,606,703
Total general revenues				85,606,703
Change in net assets				10,489,573
Net assets - beginning (as restated)				63,966,479
Net assets - ending				\$ 74,456,052

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, 2009

	General	Transportation	Instructional	Debt	Educational	Bond	SB-9 Capital	Educational	Other	Total
	11000	13000	Materials	Service	Technical	Building	Improvements	Technical	Governmental	Governmental
			14000	41000	43000	31100	31700	Equipment	Funds	Funds
								31900		
ASSETS										
Pooled cash and investments	\$ 6,255,956	\$ 358,440	\$ 424,560	\$ 11,409,405	\$ 1,081,855	\$ 14,125,791	\$ 1,655,003	\$ 2,086,983	\$ 2,472,259	\$ 39,870,252
Property taxes receivables	491,438	-	-	6,183,764	3,021,718	-	2,398,987	-	-	12,095,907
Due from other governments	18,810	-	-	245,757	63,759	-	82,263	-	720,096	1,130,685
Due from other funds	-	-	-	-	-	-	-	-	720,096	720,096
Inventories	-	137,212	-	-	-	-	-	-	-	137,212
Total assets	\$ 6,766,204	\$ 495,652	\$ 424,560	\$ 17,838,926	\$ 4,167,332	\$ 14,125,791	\$ 4,136,253	\$ 2,086,983	\$ 3,912,451	\$ 53,954,152
LIABILITIES AND FUND BALANCES										
Liabilities:										
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 720,096	\$ 720,096
Accounts payable	143,071	-	-	-	-	-	104,601	705,636	51,345	1,004,653
Accrued payroll, taxes and benefits	1,812,629	-	-	-	-	-	-	-	-	1,812,629
Deposits held	-	-	-	-	-	-	-	-	49,700	49,700
Deferred revenue	491,438	-	-	6,183,764	3,021,718	-	2,398,987	-	-	12,095,907
Unearned revenue	-	-	-	-	-	-	-	-	1,094,929	1,094,929
Property taxes	-	-	-	-	-	-	-	-	-	-
Total liabilities	2,447,138	-	-	6,183,764	3,021,718	-	2,503,588	705,636	1,916,070	16,777,914
Fund balances:										
Reserved:										
Inventories	-	137,212	-	-	-	-	-	-	-	137,212
Debt service	-	-	-	11,655,162	1,145,614	-	-	-	-	12,800,776
General fund	-	358,440	424,560	-	-	-	-	-	-	783,000
Unreserved, reported in:										
General fund	4,319,066	-	-	-	-	-	-	-	-	4,319,066
Special revenue fund	-	-	-	-	-	-	-	-	750,723	750,723
Capital projects fund	-	-	-	-	-	14,125,791	1,632,665	1,381,347	1,245,658	18,385,461
Total fund balances	4,319,066	495,652	424,560	11,655,162	1,145,614	14,125,791	1,632,665	1,381,347	1,996,381	37,176,238
Total liabilities and fund balances	\$ 6,766,204	\$ 495,652	\$ 424,560	\$ 17,838,926	\$ 4,167,332	\$ 14,125,791	\$ 4,136,253	\$ 2,086,983	\$ 3,912,451	

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.	70,704,241
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	12,095,907
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(45,520,334)</u>
Net assets of governmental activities	\$ 74,456,052

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, 2009

	General	Transportation	Instructional Materials	Debt Service	Educational Technical	Bond Building	SB-9 Capital Improvements	Educational Technical Equipment	Other Governmental Funds	Total Governmental Funds
	11000	13000	14000	41000	43000	31100	31700	31900		
Revenues:										
Intergovernmental:										
State equalization guarantee	\$ 67,158,187	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 67,158,187
Transportation	-	2,766,260	-	-	-	-	-	-	-	2,766,260
State instructional material	-	-	1,208,638	-	-	-	-	-	-	1,208,638
Grants	162,406	-	-	-	-	-	-	-	11,593,372	11,755,778
Taxes - property	565,467	-	-	8,031,986	2,047,451	-	2,682,693	-	-	13,327,597
Fees and activities	179,056	-	-	-	-	-	-	-	1,756,448	1,935,504
Earnings from investments	35,939	-	-	29,588	-	37,888	9,578	-	5,642	118,635
Miscellaneous	57,581	-	-	-	-	-	-	-	-	57,581
Total revenue	68,158,636	2,766,260	1,208,638	8,061,574	2,047,451	37,888	2,692,271	-	13,355,462	98,328,150
Expenditures:										
Current:										
Instruction	44,985,798	-	959,151	-	-	-	-	-	4,662,015	50,606,964
Support services	22,392,495	-	-	63,405	17,913	-	-	-	4,988,410	27,462,223
Operation of										
non-instructional services	112,435	-	-	-	-	-	2,475,445	-	147,155	2,735,035
Food services	-	-	-	-	-	-	-	-	3,079,811	3,079,811
Athletics	-	-	-	-	-	-	-	-	220,497	220,497
Pupil transportation	-	2,517,478	-	-	-	-	-	-	-	2,517,478
Capital outlay	-	92,336	-	-	-	7,065,523	488,200	3,443,100	40,246	11,129,405
Debt service:										
Principal retirement	-	-	-	5,910,000	905,735	-	-	-	-	6,815,735
Bond interest paid	-	-	-	884,752	114,000	-	-	-	-	998,752
Debt issuance costs	-	-	-	-	-	69,253	-	47,463	-	116,716
Total expenditures	67,490,728	2,609,814	959,151	6,858,157	1,037,648	7,134,776	2,963,645	3,490,563	13,138,134	105,682,616
Excess (deficiency) of revenues over expenditures	667,908	156,446	249,487	1,203,417	1,009,803	(7,096,888)	(271,374)	(3,490,563)	217,328	(7,354,466)
Other financing sources (uses)										
Bonds issued	-	-	-	-	-	16,000,000	-	-	-	16,000,000
Premium on bonds issued	-	-	-	314,243	-	-	-	-	-	314,243
Capital lease	-	-	-	-	-	-	-	4,500,000	-	4,500,000
Total other financing sources (uses)	-	-	-	314,243	-	16,000,000	-	4,500,000	-	20,814,243
Net change in fund balances	667,908	156,446	249,487	1,517,660	1,009,803	8,903,112	(271,374)	1,009,437	217,328	13,459,777
Fund balances at beginning (as restated)	3,651,158	339,206	175,103	10,137,502	135,811	5,222,679	1,904,039	371,910	1,779,053	23,716,461
Fund balances at ending	4,319,066	495,652	424,590	11,655,162	1,145,614	14,125,791	1,632,665	1,381,347	1,996,381	37,176,238

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, 2009

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

Net change in fund balances - total governmental funds (page 22)	\$ 13,459,777
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.	10,134,953
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	1,027,416
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.	(14,030,835)
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>(101,738)</u>
Change in net assets of governmental activities (page 20)	<u>\$ 10,489,573</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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Public Law 874	\$ 114,458	\$ 114,458	\$ 131,343	\$ 16,885
Federal flowthrough grants	<u>70,000</u>	<u>70,000</u>	<u>88,643</u>	<u>18,643</u>
Total federal revenues	<u>184,458</u>	<u>184,458</u>	<u>219,986</u>	<u>35,528</u>
State sources:				
State equalization guarantee	<u>66,096,703</u>	<u>67,222,029</u>	<u>67,158,187</u>	<u>(63,842)</u>
Local sources:				
District school tax levy	518,497	518,497	566,302	47,805
Fees and activities	75,000	75,000	42,393	(32,607)
Earnings from investments	450,000	450,000	35,939	(414,061)
Miscellaneous	<u>200,000</u>	<u>200,000</u>	<u>136,664</u>	<u>(63,336)</u>
Total local revenues	<u>1,243,497</u>	<u>1,243,497</u>	<u>781,298</u>	<u>(462,199)</u>
Total revenues	<u>67,524,658</u>	<u>68,649,984</u>	<u>68,159,471</u>	<u>(490,513)</u>
Instruction:				
Personnel services	33,487,400	35,896,996	33,431,454	2,465,542
Employee benefits	11,304,524	10,898,424	10,791,165	107,259
Purchased services	514,282	432,603	411,723	20,880
Supplies and materials	<u>491,965</u>	<u>398,819</u>	<u>338,908</u>	<u>59,911</u>
Total instruction	<u>45,798,171</u>	<u>47,626,842</u>	<u>44,973,250</u>	<u>2,653,592</u>
Support Services:				
Personnel services	12,649,501	12,815,337	12,705,773	109,564
Employee benefits	4,173,414	4,097,978	4,095,597	2,381
Purchased services	6,074,857	6,303,030	5,543,690	759,340
Supplies and materials	<u>508,439</u>	<u>497,691</u>	<u>283,549</u>	<u>214,142</u>
Total support services	<u>23,406,211</u>	<u>23,714,036</u>	<u>22,628,609</u>	<u>1,085,427</u>
Operation of Non-Instructional Services:				
Personnel services	84,137	334,137	92,666	241,471
Employee benefits	<u>-</u>	<u>61,100</u>	<u>19,769</u>	<u>41,331</u>
Total operation of non-instructi	<u>84,137</u>	<u>395,237</u>	<u>112,435</u>	<u>282,802</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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Capital outlay	-	-	-	-
Non-operating reserves	912,019	912,019	-	912,019
Total expenditures	<u>70,200,538</u>	<u>72,648,134</u>	<u>67,714,294</u>	<u>4,933,840</u>
Excess (deficiency) of revenues over expenditures	(2,675,880)	(3,998,150)	445,177	4,443,327
Beginning cash balance budgeted	3,998,150	3,998,150	-	(3,998,150)
Fund balances at beginning of the year	-	-	<u>3,651,158</u>	<u>3,651,158</u>
Fund balances at end of the year	<u>\$ 1,322,270</u>	<u>\$ -</u>	4,096,335	<u>\$ 4,096,335</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			45,950	
Changes in payables			223,566	
Change in deferred revenue			<u>(46,785)</u>	
			<u>\$ 4,319,066</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 TRANSPORTATION FUND - 13000
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
State sources:				
Transportation	<u>\$ 2,810,685</u>	<u>\$ 2,975,098</u>	<u>\$ 2,922,204</u>	<u>\$ (52,894)</u>
Expenditures:				
Current:				
Pupil transportation:				
Personnel services	1,566,387	1,637,387	1,502,323	135,064
Employee benefits	701,595	621,595	529,257	92,338
Purchased services	138,500	145,500	111,600	33,900
Supplies and materials	<u>404,203</u>	<u>478,280</u>	<u>381,102</u>	<u>97,178</u>
Total pupil transportation	2,810,685	2,882,762	2,524,282	358,480
Capital outlay	<u>-</u>	<u>92,336</u>	<u>92,336</u>	<u>-</u>
Total expenditures	<u>2,810,685</u>	<u>2,975,098</u>	<u>2,616,618</u>	<u>358,480</u>
Excess (deficiency) of revenues over expenditures	-	-	305,586	305,586
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>339,206</u>	<u>339,206</u>
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	644,792	<u>\$ 644,792</u>
RECONCILIATION TO GAAP BASIS:				
Change in Inventories			6,804	
Change in due from other governments			(155,944)	
Changes in payables			<u>-</u>	
			<u>\$ 495,652</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 INSTRUCTIONAL MATERIALS FUND - 14000
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State instructional material	\$ 930,285	\$ 1,211,097	\$ 1,208,608	\$ (2,489)
Expenditures:				
Current:				
Instruction:				
Supplies and materials	1,024,534	1,290,233	892,893	397,340
Support Services:				
Supplies and materials	55,446	95,967	66,258	29,709
Total expenditures	1,079,980	1,386,200	959,151	427,049
Excess (deficiency) of revenues over expenditures	(149,695)	(175,103)	249,457	424,560
Fund balances at beginning of the year (as restated)	-	-	175,103	175,103
Fund balances (deficit) at end of the year	\$ (149,695)	\$ (175,103)	424,560	\$ 599,663
RECONCILIATION TO GAAP BASIS:				
Changes in payables			-	
Change in unearned revenue			-	
			<u>\$ 424,560</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, 2009

	<u>Student Activities</u>
<u>ASSETS</u>	
Pooled cash and investments	<u>\$ 1,842,783</u>
<u>LIABILITIES</u>	
Deposits held in trust for others	<u>1,842,783</u>
Total liabilities	<u>\$ 1,842,783</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, 2009

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, 2009.

Discretely presented component units

The District had no discrete component units during the fiscal year ended June 30, 2009.

B. Government-wide and fund financial statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

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

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

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

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

The District reports the following major governmental funds:

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

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

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

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

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

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

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

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

Additionally, the District reports the following fund type:

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

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

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

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

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

A school district's program costs are determined through the use of various formulas using "program units" which take into consideration 1) early childhood education; 2) basic education; 3) special education; 4) bilingual-multicultural education, 5) size, etc. Payment is made from the public school fund under the authority of the Director of Public School Finance. The District received \$67,158,187 in state equalization guarantee distributions during the year ended June 30, 2009.

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 \$2,766,260 in transportation distributions during the year ended June 30, 2009.

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

D. Assets, liabilities and net assets or equity

1. Deposits and investments

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

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

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

2. Receivables and payables

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

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

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

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

3. Inventories and prepaid items

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

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

4. Capital assets

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

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

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

5. *Compensated absences*

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

6. *Long-term obligations*

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

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

7. *Fund equity*

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

8. *Net Assets*

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

9. *Estimates*

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

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this \$45,520,334 difference are as follows:

Bonds payable	\$ 35,985,000
Plus: Issuance premium (to be amortized as interest expense)	488,554
Less: Deferred charge on refunding (to be amortized as interest expense)	(126,567)
Capital lease	8,344,265
Accrued interest payable	454,486
Compensated absences	374,596
Net adjustment to reduce <i>fund balance-total governmental funds</i> to arrive at net assets – governmental activities	<u>\$ 45,520,334</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 \$10,134,953 difference are as follows:

Capital outlay	\$ 13,919,590
Depreciation expense	<u>(3,784,637)</u>
Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 10,134,953</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 (\$14,030,835) difference are as follows:

Debt issued or incurred:	
Issuance of bonds	\$ (16,000,000)
Issuance of capital lease	(4,500,000)
Bond principal repayments	5,910,000
Capital lease repayments	905,735
Issuance premiums	(314,243)
Amortization of issuance premiums	30,973
Amortization on refunding	<u>(63,300)</u>
Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ (14,030,835)</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 (101,738) difference are as follows:

Compensated absences	\$ (671)
Accrued interest	(101,067)
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>\$ (101,738)</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.

Actual expenditures may not exceed the budget on a functional level. Budgets may be amended in two ways. If a budget transfer is necessary within a function, this may be accomplished with only local Board of Education approval. If a transfer between functions or a budget increase is required, approval must also be obtained from Public School Finance Division.

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

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

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

The Board of Education may approve amendments to the appropriated budget, which are

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

B. Excess of expenditures over appropriations

For the year ended June 30, 2009 expenditures did not exceed appropriations in any function level of an individual fund which is the legal level of budgetary control.

C. Deficit Fund Equity

As of June 30, 2009, 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	\$ 15,601,237
Bank deposits – interest bearing	9,004,254
Certificates of deposit	15,871,619
State Treasurer’s Office Local Government Investment Pool	1,235,925
Total	\$ 41,713,035

Deposits

Interest rate risk. 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.

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, 2009, the District was in compliance with state statute. As of June 30, 2009, the District’s carrying amount of deposits was \$40,477,110 and the bank balance was \$42,759,264. Of the bank balance, \$28,242,934 was covered by federal depository insurance. \$7,594,123 was collateralized with securities held by the pledging financial institution’s trust department or agent in the District’s name, and \$6,922,207 was uninsured and uncollateralized, and subject to custodial credit risk.

The District has entered into an agreement with a local bank that allows the District to have certificates of deposit in excess of \$250,000 and still have federal depository insurance coverage in excess of \$250,000. As of June 30, 2009, the District had \$15,000,000 in certificates of deposit with various banks managed by a local bank. The total amount is covered by federal depository insurance.

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, 2009. 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, 2009 was 43 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 Primary Fund, a non-performing investment. The District recorded an investment loss of \$104,371. If the State Treasurer's Office recovers and pays to the District any of The Reserve Primary Fund amount then the District will record the recovery as investment income in the period of the recovery. As of June 30, 2009, earnings from investments recorded on the financial statements consist of the following:

Earnings from investments	\$223,006
Loss from LGIP Reserve Primary Fund	(104,371)
Earnings from investments	<u>\$118,635</u>

B. Receivables

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

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
<i>Receivables:</i>					
Property taxes Receivable	\$ 491,438	\$ -	\$9,205,482	\$2,398,987	\$12,095,907
Due from other governments	\$ 18,810	\$ 720,096	\$ 309,516	\$ 82,263	\$ 1,130,685

The District considers the receivables to be fully collectible.

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also

defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the various components of *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Unbilled and delinquent property taxes	\$ 12,095,907	\$ -
Grant proceeds not yet earned	-	720,096
Total deferred / unearned revenue for governmental funds	<u>\$ 12,095,907</u>	<u>\$ 720,096</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	\$ 720,096	\$ 720,096

C. Capital assets

Capital asset activity for the year ended June 30, 2009 was as follows:

Capital assets, not being depreciated:

Land	\$ 3,444,131	\$ -	\$ -	\$ 3,444,131
Construction in progress	<u>4,146,000</u>	<u>710,000</u>	<u>-</u>	<u>4,856,000</u>
Total capital assets, not being depreciated	<u>7,590,131</u>	<u>710,000</u>	<u>-</u>	<u>8,300,131</u>

Capital assets, being depreciated:

Buildings and improvements	74,239,014	9,833,512	-	84,072,526
Improvements other than buildings	6,506,107	-	-	6,506,107
Equipment	<u>17,071,293</u>	<u>3,376,078</u>	<u>-</u>	<u>20,447,371</u>
Total capital assets being depreciated	<u>97,816,414</u>	<u>13,209,590</u>	<u>-</u>	<u>111,026,004</u>

Less accumulated depreciation for:

Buildings and improvements	(29,224,226)	(1,494,687)	-	(30,718,913)
Improvements other than buildings	(3,761,923)	(315,501)	-	(4,077,424)
Equipment	<u>(11,851,108)</u>	<u>(1,974,449)</u>	<u>-</u>	<u>(13,825,557)</u>
Total accumulated depreciation	<u>(44,837,257)</u>	<u>(3,784,637)</u>	<u>-</u>	<u>(48,621,894)</u>

Total capital assets, being depreciated, net	<u>52,979,157</u>	<u>9,424,953</u>	<u>-</u>	<u>62,404,110</u>
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Governmental activities capital assets, net	<u>\$ 60,569,288</u>	<u>\$ 10,134,953</u>	<u>\$ -</u>	<u>\$ 70,704,241</u>
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Depreciation expense was charged to functions / programs of the District as follows:

Governmental activities:

Instruction	\$ 949,246
Support services	303,756
Operation of non-instructional services	1,907,247
Food services	33,751
Athletics	84,377
Pupil transportation	506,260
Total depreciation expense – governmental activities	<u>\$3,784,637</u>

Construction commitments

The District had several active construction projects as of June 30, 2009, totaling approximately \$14,000,000 in construction commitments. The District is involved in several long-term construction projects as part of their master plan for upgrading the district buildings. The amount of \$18,385,461 in the capital projects funds designated for subsequent years expenditures is committed for funding these projects.

D. Long-term debt

General Obligation bonds

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

General Obligation Bonds - The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. Bonds are direct obligations and pledge the full faith and credit of the District. The bonds will be paid from taxes levied against property owners living within the School District boundaries. The details of the bonds as of June 30, 2009 are as follows:

	<u>Original Amount</u>	<u>Interest Rates</u>	<u>Balance June 30, 2009</u>
Series 2001 General Obligation Bonds	10,225,000	4.25% to 5.00%	\$ 2,250,000
Series 2002 General Obligation Bonds	6,000,000	2.10%	410,000
Series 2004 General Obligation Bonds	4,500,000	1.91% to 4.4%	2,350,000
Series 2005 General Obligation Refunding	7,185,000	2.5% to 4.0%	5,285,000
Series 2007 General Obligation Bonds	9,000,000	3.7% to 5.1%	6,000,000
Series 2009 General Obligation Bonds	16,000,000	3.0% to 5.0%	16,000,000
			<u>32,295,000</u>
Add (less) deferred amounts:			
For issuance premiums			488,554
On refunding			(126,567)
Total General Obligation Bonds			<u><u>\$ 32,656,987</u></u>

Maturities of long-term debt as of June 30, 2009 are as follows:

<u>General Obligation Bonds</u>			
<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2010	\$ 9,435,000	\$ 1,196,753	\$ 10,631,753
2011	6,610,000	943,455	7,553,455
2012	5,165,000	635,231	5,800,231
2013	2,550,000	492,268	3,042,268
2014	2,675,000	402,810	3,077,810
2015-2019	7,775,000	1,152,824	8,927,824
2020-2022	1,775,000	198,451	1,973,451
Total	<u><u>\$ 35,985,000</u></u>	<u><u>\$ 5,021,792</u></u>	<u><u>\$ 41,006,792</u></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 \$1,456,000 and \$506,000, as of June 30, 2009 and 2008, respectively.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2009, were as follows:

<u>Year Ended June 30,</u>	<u>2008 Issue Payments</u>	<u>2009 Issue Payments</u>	<u>Total</u>
2010	1,527,155	121,482	1,648,637
2011	1,011,148	1,318,625	2,329,773
2012	1,011,148	1,091,375	2,102,523
2013	505,574	1,210,375	1,715,949
2014	-	1,171,563	1,171,563
Total	4,055,025	4,913,420	8,968,445
Less: amount representing interest	<u>(210,759)</u>	<u>(413,420)</u>	<u>(624,179)</u>
Net	\$ 3,844,266	\$ 4,500,000	\$ 8,344,266

Changes in Long-term Liabilities

Changes in Long-term Liabilities - During the year ended June 30, 2009, the following changes occurred in liabilities:

	<u>Balance June 30, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2009</u>	<u>Due Within One Year</u>
Bonds Payable:					
General obligation bonds payable	\$ 25,895,000	\$ 16,000,000	\$ 5,910,000	\$ 35,985,000	\$ 9,435,000
Add (less) deferred amounts:					
For issuance premiums	205,284	314,243	30,973	488,554	55,146
On refunding	<u>(189,867)</u>	<u>-</u>	<u>(63,300)</u>	<u>(126,567)</u>	<u>(63,300)</u>
Total bonds payable	25,910,417	16,314,243	5,877,673	36,346,987	9,426,846
Capital lease	<u>4,750,000</u>	<u>4,500,000</u>	<u>905,735</u>	<u>8,344,265</u>	<u>1,426,286</u>
Total	30,660,417	20,814,243	6,783,408	44,691,252	10,853,132
Compensated absences	<u>373,925</u>	<u>382,460</u>	<u>381,789</u>	<u>374,596</u>	<u>374,596</u>
Total	\$ 31,034,342	\$ 21,196,703	\$ 7,165,197	\$ 45,065,848	\$ 11,227,728

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, 2009.

B. Contingent liabilities

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

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

C. Other Post Employment Benefits

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

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

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

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. The statute requires each participating employer to contribute 1.3% of each participating employee's annual salary; each participating employee is required to contribute .65% of their salary. Employers joining the program after 1/1/98 are required to make a surplus-amount contributions to the RHCA based on one of two formulas at agreed-upon intervals.

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

The District's and employee's contributions to the RHCA for the years ended June 30, 2009, 2008 and 2007 were \$1,017,243, \$958,255 and \$928,394, respectively, which equal the required contributions each year.

D. Pension Plan – Educational Retirement Board

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

Funding Policy. Plan members are required to contribute 7.42% of their gross salary. The District is required to contribute 10.9% of the gross covered salary. Effective July 1, 2008, plan members are required to contribute 7.9% of their gross salary. The employer contribution will increase .75% each year until July 1, 2011 when the employer contribution will be 13.9%. The contribution requirements of plan members and the District are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The District's contributions to ERA for the fiscal years ended June 30, 2009, 2008 and 2007 were: \$5,965,408, \$5,267,652, and \$4,746,403 respectively, which equal the amount of the required contributions for each fiscal year.

E. Prior Year Correction

During the year ended June 30, 2009, the District discovered that Instructional Materials Fund 14000 revenue was being recognized when spent instead of when received from the State of New Mexico. The New Mexico State Education Department (PED) receives federal mineral leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. As of June 30, 2008 the District incorrectly recorded unearned revenue of \$175,103 in Fund 14000 which resulted in liabilities being overstated and fund balance being understated by \$175,103.

Net assets were also understated by \$175,103 on the June 30, 2008 statement of net assets. June 30, 2008 net assets were reported as \$63,791,376 and the restated June 30, 2008 net assets were \$63,966,479.

Also, during the year ended June 30, 2009, the District discovered that the net assets components were incorrectly reported as of June 30, 2008.

The summary of the changes in net assets is summarized as follows:

	<u>As Reported</u>	<u>Adjustments</u>	<u>As Restated</u>
<u>Net Assets:</u>			
Invested in capital assets, net of related debt	\$ 19,635,558	\$ 10,273,313	\$ 29,908,871
Restricted for debt service	10,273,313	-	10,273,313
Unrestricted	33,882,505	(10,098,210)	23,784,295
Total Net Assets	<u>\$ 63,791,376</u>	<u>\$ 175,103</u>	<u>\$ 63,966,479</u>

F. Subsequent Accounting Standard Pronouncements

In February 2009, the GASB adopted Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, which is effective for financial statements for periods beginning after June 15, 2010. This statement establishes fund balance classifications that comprise a hierarchy based on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. The District is analyzing the effect that this statement will have on its financial statements.

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SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

All funds are authorized by the State Department of Education.

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

IDEA-B Intervention 24112 – The Early Intervention Services provides prevention interventions to help educators assist struggling students.

Homeless Grant 24113 - To ensure that homeless children and homeless youths 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.

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

Title I 24124 – Title I 1003G Rocinante High School program uses funds for professional development with Robert Marzano Associate, in high yields strategies to promote skills of all students and sub-groups in need of improvement.

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

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

Title VI-A 24150 – The Preschool program is for the purpose of enhancing Special Education for handicapped children from ages 3 to 5. The program is funded by the United States government, under the Individuals with Disabilities Act, Part B, Section 619, as amended, Public Laws 94-142, 99-457, 100-630, 101-497, and 101-476.

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

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

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

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

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

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

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

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

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

High Schools that Work Carryover 24181 – To participate in District leadership activities, state staff development activities and the annual program staff development conference.

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

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

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

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

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

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

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

Transition in Teaching 25236 – To provide for funding to address the high attrition rate and demand for teachers. The grant provides a scholarship to those pursuing a teaching degree and a mentor, new teacher training, and support in their first years of teaching.

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.

Educational Enrichment 26113 - To provide after school tutoring with funds from the Los Alamos National laboratories.

NEA Innovation Grant 26145 – To assist secondary Native American Students to visit colleges and universities in Northern New Mexico to encourage them to go on to higher education.

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.

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

Advanced Placement Programs 27129 – Professional development for teachers and administrators which includes travel and lodging.

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

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

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

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.

Schools in Need of Improvements 27163 – To provide an additional math or reading class for students who are not proficient on the New Mexico Standards Based Assessment.

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

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

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

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

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

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

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

San Juan County Partnership 29107 - Develop prevention strategies in parents of youth who participate in Smart Moves Programs at Mesa View Junior High, Farmington Boys and Girls Club, Aztec Boys and Girls club, Shiprock Middle School, and Shiprock Boys and Girls Club.

CAPITAL PROJECTS FUNDS

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

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

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2009

	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	IDEA-B Intervention 24112	Homeless Grant 24113
ASSETS										
Pooled cash and investments	\$ 363,352	\$ 99,416	\$ 339,300	\$ -	\$ 1,610	\$ -	\$ -	\$ 16,140	\$ -	\$ 28,674
Receivables:										
Property taxes	-	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	360,888	-	-	90,133	-	-	-
Due from other funds	-	-	-	-	-	176,634	-	2,073	-	-
Total assets	<u>\$ 363,352</u>	<u>\$ 99,416</u>	<u>\$ 339,300</u>	<u>\$ 360,888</u>	<u>\$ 1,610</u>	<u>\$ 176,634</u>	<u>\$ 90,133</u>	<u>\$ 18,213</u>	<u>\$ -</u>	<u>\$ 28,674</u>
LIABILITIES AND FUND BALANCES										
Liabilities:										
Due to other funds	\$ -	\$ -	\$ -	\$ 360,888	\$ -	\$ -	\$ 90,133	\$ -	\$ -	\$ -
Accounts payable	51,345	-	-	-	-	-	-	-	-	-
Deposits held	-	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	1,610	176,634	-	18,213	-	28,674
Total liabilities	<u>51,345</u>	<u>-</u>	<u>-</u>	<u>360,888</u>	<u>1,610</u>	<u>176,634</u>	<u>90,133</u>	<u>18,213</u>	<u>-</u>	<u>28,674</u>
Fund balances (deficit):										
Unreserved - designated for subsequent year's expenditures	-	-	-	-	-	-	-	-	-	-
Unreserved - undesignated (deficit)	312,007	99,416	339,300	-	-	-	-	-	-	-
Total fund balances	<u>312,007</u>	<u>99,416</u>	<u>339,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 363,352</u>	<u>\$ 99,416</u>	<u>\$ 339,300</u>	<u>\$ 360,888</u>	<u>\$ 1,610</u>	<u>\$ 176,634</u>	<u>\$ 90,133</u>	<u>\$ 18,213</u>	<u>\$ -</u>	<u>\$ 28,674</u>

(continued)

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2009

	Special Revenue									
	Fresh Fruit and Vegetable	Title I	Enhancing Ed Technology	CSRD Grant	Title VI-A	Eng Language Acquisition	Title II-A	Drug Free Schools	21st Century	School Improvements
	24118	24124	24133	24135	24150	24153	24154	24157	24159	24162
ASSETS										
Pooled cash and investments	\$ -	\$ -	\$ 5,075	\$ 850	\$ 6,253	\$ -	\$ -	\$ 16,886	\$ -	\$ -
Receivables:										
Property taxes	-	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Due from other governments	23,065	-	-	-	-	-	53,996	-	29,717	21,265
Due from other funds	-	-	-	-	-	45,801	-	-	-	-
Total assets	\$ 23,065	\$ -	\$ 5,075	\$ 850	\$ 6,253	\$ 45,801	\$ 53,996	\$ 16,886	\$ 29,717	\$ 21,265
LIABILITIES AND FUND BALANCES										
Liabilities:										
Due to other funds	\$ 23,065	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 53,996	\$ -	\$ 29,717	\$ 21,265
Accounts payable	-	-	-	-	-	-	-	-	-	-
Deposits held	-	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	5,075	850	6,253	45,801	-	16,886	-	-
Total liabilities	23,065	-	5,075	850	6,253	45,801	53,996	16,886	29,717	21,265
Fund balances (deficit):										
Unreserved - designated for subsequent year's expenditures	-	-	-	-	-	-	-	-	-	-
Unreserved - undesignated (deficit)	-	-	-	-	-	-	-	-	-	-
Total fund balances	-	-	-	-	-	-	-	-	-	-
Total liabilities and fund balances	\$ 23,065	\$ -	\$ 5,075	\$ 850	\$ 6,253	\$ 45,801	\$ 53,996	\$ 16,886	\$ 29,717	\$ 21,265

(continued)

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2009

	Special Revenue									
	Immigrant Grant	NM Reading First	Carl Perkins	High Schools that Work	High Schools that Work C/O	Teaching American History	Alcohol Abuse Reduction	Johnson O'Malley	Federal Impact Aid Special Ed	Federal Impact Aid Indian Ed
	24163	24167	24174	24180	24181	25107	25111	25131	25145	25147
ASSETS										
Pooled cash and investments	\$ -	\$ 3,183	\$ 2,546	\$ -	\$ -	\$ -	\$ 1,672	\$ -	\$ 2,226	\$ 67,990
Receivables:										
Property taxes	-	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Due from other governments	2,821	-	-	5,914	-	3,786	-	72,670	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 2,821	\$ 3,183	\$ 2,546	\$ 5,914	\$ -	\$ 3,786	\$ 1,672	\$ 72,670	\$ 2,226	\$ 67,990
LIABILITIES AND FUND BALANCES										
Liabilities:										
Due to other funds	\$ 2,821	\$ -	\$ -	\$ 5,914	\$ -	\$ 3,786	\$ -	\$ 72,670	\$ -	\$ -
Accounts payable	-	-	-	-	-	-	-	-	-	-
Deposits held	-	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	3,183	2,546	-	-	-	1,672	-	2,226	67,990
Total liabilities	2,821	3,183	2,546	5,914	-	3,786	1,672	72,670	2,226	67,990
Fund balances (deficit):										
Unreserved - designated for subsequent year's expenditures	-	-	-	-	-	-	-	-	-	-
Unreserved - undesignated (deficit)	-	-	-	-	-	-	-	-	-	-
Total fund balances	-	-	-	-	-	-	-	-	-	-
Total liabilities and fund balances	\$ 2,821	\$ 3,183	\$ 2,546	\$ 5,914	\$ -	\$ 3,786	\$ 1,672	\$ 72,670	\$ 2,226	\$ 67,990

(continued)

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2009

	Special Revenue								
	Medicaid	Indian Education Act Title IX	Navajo Medical Center	Transition in Teaching	Safe Schools Students	Bilingual Education Title III	Educational Enrichment	NEA Innovation	Parent Reaching Out
	25153	25184	25209	25236	25243	25248	26113	26145	26174
ASSETS									
Pooled cash and investments	\$ -	\$ 61,314	\$ 22,076	\$ -	\$ 100	\$ 638	\$ -	\$ -	\$ 5,806
Receivables:									
Property taxes	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-	-
Due from other funds	223,333	-	-	-	-	-	-	-	-
Total assets	\$ 223,333	\$ 61,314	\$ 22,076	\$ -	\$ 100	\$ 638	\$ -	\$ -	\$ 5,806
LIABILITIES AND FUND BALANCES									
Liabilities:									
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-	-	-	-
Deposits held	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-
Unearned revenue	223,333	61,314	22,076	-	100	638	-	-	5,806
Total liabilities	223,333	61,314	22,076	-	100	638	-	-	5,806
Fund balances (deficit):									
Unreserved - designated for subsequent year's expenditures	-	-	-	-	-	-	-	-	-
Unreserved - undesignated (deficit)	-	-	-	-	-	-	-	-	-
Total fund balances	-	-	-	-	-	-	-	-	-
Total liabilities and fund balances	\$ 223,333	\$ 61,314	\$ 22,076	\$ -	\$ 100	\$ 638	\$ -	\$ -	\$ 5,806

(continued)

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2009

	Special Revenue										
	Technology Grant	Advanced Placement Programs	Incentives for School Improvements	Indian Education Act	Teacher Mentoring	Breakfast for Elementary Students	CORE	Schools in Need of Improvements	21st Century State Grant	Library GO Bonds	Library Book Fund Allocations
	27117	27129	27138	27150	27154	27155	27160	27163	27167	27170	27549
ASSETS											
Pooled cash and investments	\$ -	\$ -	\$ 13,689	\$ -	\$ 31,333	\$ 4,582	\$ 244	\$ -	\$ -	\$ -	\$ 31,640
Receivables:											
Property taxes	-	-	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	226	-	-	-	-	9,033	4,990	-
Due from other funds	272,255	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 272,255	\$ -	\$ 13,689	\$ 226	\$ 31,333	\$ 4,582	\$ 244	\$ -	\$ 9,033	\$ 4,990	\$ 31,640
LIABILITIES AND FUND BALANCES											
Liabilities:											
Due to other funds	\$ -	\$ -	\$ -	\$ 226	\$ -	\$ -	\$ -	\$ -	\$ 9,033	\$ 4,990	\$ -
Accounts payable	-	-	-	-	-	-	-	-	-	-	-
Deposits held	-	-	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-	-
Unearned revenue	272,255	-	13,689	-	31,333	4,582	244	-	-	-	31,640
Total liabilities	272,255	-	13,689	226	31,333	4,582	244	-	9,033	4,990	31,640
Fund balances (deficit):											
Unreserved - designated for subsequent year's expenditures	-	-	-	-	-	-	-	-	-	-	-
Unreserved - undesignated (deficit)	-	-	-	-	-	-	-	-	-	-	-
Total fund balances	-	-	-	-	-	-	-	-	-	-	-
Total liabilities and fund balances	\$ 272,255	\$ -	\$ 13,689	\$ 226	\$ 31,333	\$ 4,582	\$ 244	\$ -	\$ 9,033	\$ 4,990	\$ 31,640

(continued)

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2009

	Special Revenue					Capital Projects				Total Nonmajor Governmental Funds	
	Tobacco Free 28122	Youth Conservation 28133	Right Start Family 28142	Tutoring 28178	San Juan County Partnership 29107	Total Special Revenue	Special Building Local 31300	Special Building State 31400	Public Schools 20% Outlay 32100		Total Capital Projects
ASSETS											
Pooled cash and investments	\$ 1,009	\$ 19,054	\$ 30,243	\$ -	\$ -	\$ 1,176,901	\$ 1,091,489	\$ 103,996	\$ 99,873	\$ 1,295,358	\$ 2,472,259
Receivables:											
Property taxes	-	-	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	41,592	-	720,096	-	-	-	-	720,096
Due from other funds	-	-	-	-	-	720,096	-	-	-	-	720,096
Total assets	\$ 1,009	\$ 19,054	\$ 30,243	\$ 41,592	\$ -	\$ 2,617,093	\$ 1,091,489	\$ 103,996	\$ 99,873	\$ 1,295,358	\$ 3,912,451
LIABILITIES AND FUND BALANCES											
Liabilities:											
Due to other funds	\$ -	\$ -	\$ -	\$ 41,592	\$ -	\$ 720,096	\$ -	\$ -	\$ -	\$ -	\$ 720,096
Accounts payable	-	-	-	-	-	51,345	-	-	-	-	51,345
Deposits held	-	-	-	-	-	-	49,700	-	-	49,700	49,700
Deferred revenue	-	-	-	-	-	-	-	-	-	-	-
Unearned revenue	1,009	19,054	30,243	-	-	1,094,929	-	-	-	-	1,094,929
Total liabilities	1,009	19,054	30,243	41,592	-	1,866,370	49,700	-	-	49,700	1,916,070
Fund balances (deficit):											
Unreserved - designated for subsequent year's expenditures	-	-	-	-	-	-	1,041,789	103,996	-	1,145,785	1,145,785
Unreserved - undesignated (deficit)	-	-	-	-	-	750,723	-	-	99,873	99,873	850,596
Total fund balances	-	-	-	-	-	750,723	1,041,789	103,996	99,873	1,245,658	1,996,381
Total liabilities and fund balances	\$ 1,009	\$ 19,054	\$ 30,243	\$ 41,592	\$ -	\$ 2,617,093	\$ 1,091,489	\$ 103,996	\$ 99,873	\$ 1,295,358	\$ 3,912,451

(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, 2009

	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	IDEA-B Intervention 24112	Homeless Grant 24113	
Revenues:											
Intergovernmental - grants	\$ 2,081,334	\$ -	\$ -	\$ 2,317,548	\$ -	\$ 2,044,002	\$ 90,133	\$ 53,467	\$ 20,000	\$ 10,737	
Taxes - property	-	-	-	-	-	-	-	-	-	-	
Fees and activities	1,118,605	257,503	363,941	-	-	-	-	-	-	-	
Earnings from investments	464	641	2,388	-	-	-	-	-	-	-	
Total revenues	3,200,403	258,144	366,329	2,317,548	-	2,044,002	90,133	53,467	20,000	10,737	
Expenditures:											
Current:											
Instruction	-	-	-	2,051,297	-	935,576	90,133	53,467	20,000	10,800	
Support services	-	-	301,331	256,251	-	1,108,426	-	-	-	137	
Operation of non-instructional services	-	-	-	-	-	-	-	-	-	-	
Food services	3,079,811	-	-	-	-	-	-	-	-	-	
Athletics	-	220,497	-	-	-	-	-	-	-	-	
Pupil transportation	-	-	-	-	-	-	-	-	-	-	
Capital outlay	-	-	-	-	-	-	-	-	-	-	
Debt Service:	-	-	-	-	-	-	-	-	-	-	
Principal	-	-	-	-	-	-	-	-	-	-	
Interest	-	-	-	-	-	-	-	-	-	-	
Total expenditures	3,079,811	220,497	301,331	2,317,548	-	2,044,002	90,133	53,467	20,000	10,737	
Excess (deficiency) of revenues over expenditures	120,592	37,647	64,998	-	-	-	-	-	-	-	
Net change in fund balances	120,592	37,647	64,998	-	-	-	-	-	-	-	
Fund balance at beginning of year	191,415	61,769	274,302	-	-	-	-	-	-	-	
Fund balance at end of year	\$ 312,007	\$ 99,416	\$ 339,300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

(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, 2009

	Special Revenue								
	Fresh Fruit and Vegetable	Title I	Enhancing Ed Technology	CSRD Grant	Title VI-A	Eng Language Acquisition	Title II-A	Drug Free Schools	School Improvements
	24118	24124	24133	24135	24150	24153	24154	24157	24162
Revenues:									
Intergovernmental - grants	\$ 27,097	\$ 94,615	\$ -	\$ -	\$ -	\$ 52,953	\$ 468,884	\$ 37,246	\$ 159,297
Taxes - property	-	-	-	-	-	-	-	-	-
Fees and activities	-	-	-	-	-	-	-	-	-
Earnings from investments	-	-	-	-	-	-	-	-	-
Total revenues	27,097	94,615	-	-	-	52,953	468,884	37,246	159,297
Expenditures:									
Current:									
Instruction	-	19,914	-	-	-	52,953	283,727	15,000	157,536
Support services	-	74,701	-	-	-	-	185,157	22,246	1,761
Operation of non-instructional services	27,097	-	-	-	-	-	-	-	-
Food services	-	-	-	-	-	-	-	-	-
Athletics	-	-	-	-	-	-	-	-	-
Pupil transportation	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Total expenditures	27,097	94,615	-	-	-	52,953	468,884	37,246	159,297
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	-	-	-	-	-
Fund balance at beginning of year	-	-	-	-	-	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(continued)

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year Ended June 30, 2009

	Immigrant Grant 24163	NM Reading First 24167	Carl Perkins 24174	High Schools that Work 24180	High Schools that Work C/O 24181	Special Revenue					Federal Impact Aid Indian Ed 25147	
						Teaching American History 25107	Alcohol Abuse Reduction 25111	Johnson O'Malley 25131	Federal Impact Aid Special Ed 25145			
Revenues:												
Intergovernmental - grants	\$ 32,484	\$ -	\$ 102,258	\$ 47,754	\$ 6,250	\$ 303,788	\$ 251,971	\$ 178,171	\$ 89,695	\$ 79,641		
Taxes - property	-	-	-	-	-	-	-	-	-	-	-	-
Fees and activities	-	-	-	-	-	-	-	-	-	-	-	-
Earnings from investments	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	32,484	-	102,258	47,754	6,250	303,788	251,971	178,171	89,695	79,641		
Expenditures:												
Current:												
Instruction	32,484	-	102,258	47,754	6,250	303,788	251,971	20,505	89,695	75,417		
Support services	-	-	-	-	-	-	-	157,666	-	4,224		
Operation of non-instructional services	-	-	-	-	-	-	-	-	-	-	-	-
Food services	-	-	-	-	-	-	-	-	-	-	-	-
Athletics	-	-	-	-	-	-	-	-	-	-	-	-
Pupil transportation	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service:	-	-	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	32,484	-	102,258	47,754	6,250	303,788	251,971	178,171	89,695	79,641		
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	-	-	-	-	-	-	-	-
Fund balance at beginning of year	-	-	-	-	-	-	-	-	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(continued)

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 Year Ended June 30, 2009

	Special Revenue										
	Indian Education			Safe Schools			Bilingual Education		NEA		Parent Reaching Out
	Medicaid	Title IX	Navajo Medical Center	Transition in Teaching	Healthy Students	Title III	Educational Enrichment	Innovation			
	25153	25184	25209	25236	25243	25248	26113	26145			26174
Revenues:											
Intergovernmental - grants	\$ 121,013	\$ 558,604	\$ 14,576	\$ 57,025	\$ 1,004,561	\$ 149,352	\$ 585	\$ 233	\$	\$ 1,694	
Taxes - property	-	-	-	-	-	-	-	-	-	-	-
Fees and activities	-	-	-	-	-	-	-	-	-	-	-
Earnings from investments	-	-	-	-	-	-	-	-	-	-	-
Total revenues	121,013	558,604	14,576	57,025	1,004,561	149,352	585	233		1,694	
Expenditures:											
Current:											
Instruction	-	378,541	-	-	5,597	45,076	-	233	-	-	-
Support services	121,013	180,063	14,576	57,025	998,964	104,286	585	-	-	1,694	
Operation of non-instructional services	-	-	-	-	-	-	-	-	-	-	-
Food services	-	-	-	-	-	-	-	-	-	-	-
Athletics	-	-	-	-	-	-	-	-	-	-	-
Pupil transportation	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-	-
Debt Service:	-	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	121,013	558,604	14,576	57,025	1,004,561	149,352	585	233		1,694	
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	-	-	-	-	-	-	-
Fund balance at beginning of year	-	-	-	-	-	-	-	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(continued)

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 Year Ended June 30, 2009

	Technology Grant 27117	Advanced Placement Programs 27129	Incentives for School Improvements 27138	Indian Education Act 27150	Teacher Mentoring 27154	Special Revenue				Library GO Bonds 27170	Library Book Fund Allocations 27549	
						Breakfast for Elementary Students 27155	CORE 27160	Schools in Need of Improvements 27163	21st Century State Grant 27167			
Revenues:												
Intergovernmental - grants	\$ 88,359	\$ -	\$ 161,987	\$ -	\$ 13,349	\$ 120,058	\$ -	\$ 209,959	\$ 63,095	\$ 7,853	\$ -	\$ -
Taxes - property	-	-	-	-	-	-	-	-	-	-	-	-
Fees and activities	-	-	-	-	-	-	-	-	-	-	-	-
Earnings from investments	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	88,359	-	161,987	-	13,349	120,058	-	209,959	63,095	7,853	-	-
Expenditures:												
Current:												
Instruction	-	-	-	-	13,349	-	-	25,159	63,095	-	-	-
Support services	88,359	-	161,987	-	-	-	-	184,800	-	7,853	-	-
Operation of non-instructional services	-	-	-	-	-	120,058	-	-	-	-	-	-
Food services	-	-	-	-	-	-	-	-	-	-	-	-
Athletics	-	-	-	-	-	-	-	-	-	-	-	-
Pupil transportation	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service:	-	-	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	88,359	-	161,987	-	13,349	120,058	-	209,959	63,095	7,853	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	-	-	-	-	-	-	-	-
Fund balance at beginning of year	-	-	-	-	-	-	-	-	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(continued)

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year Ended June 30, 2009

	Special Revenue										Capital Projects				Total Nonmajor Governmental Funds			
	Youth Conservation					Right Start Family		Tutoring		San Juan County Partnership	Total Special Revenue		Public Schools			Total Capital Projects		
	Tobacco Free	28133	125,912	131,580	28142	28178	114,744	114,744	5,081	29107	11,577,583	31300	31400	Special Building Local		Special Building State	20% Capital Outlay	Total Capital Projects
Revenues:																		
Intergovernmental - grants	\$ 78,618	\$ 125,912	\$ 131,580	\$ 28142	\$ 28178	\$ 114,744	\$ 114,744	\$ 5,081	\$ 29107	\$ 11,577,583	\$ 31300	\$ 31400	\$ 15,789	\$ -	\$ -	\$ 15,789	\$ 11,593,372	
Taxes - property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fees and activities	-	-	-	-	-	-	-	-	-	1,740,049	16,399	-	-	-	-	16,399	1,756,448	
Earnings from investments	-	-	-	-	-	-	-	-	-	3,493	1,318	831	-	-	-	2,149	5,642	
Total revenues	78,618	125,912	131,580	131,580	28178	114,744	114,744	5,081	29107	13,321,125	17,717	16,520	-	-	34,337	13,355,462		
Expenditures:																		
Current:																		
Instruction	-	125,912	20,182	111,398	114,744	114,744	114,744	5,081	29107	4,662,015	-	-	-	-	-	-	4,662,015	
Support services	78,618	-	-	-	-	-	-	-	-	4,988,410	-	-	-	-	-	-	4,988,410	
Operation of non-instructional services	-	-	-	-	-	-	-	-	-	147,155	-	-	-	-	-	-	147,155	
Food services	-	-	-	-	-	-	-	-	-	3,079,811	-	-	-	-	-	-	3,079,811	
Athletics	-	-	-	-	-	-	-	-	-	220,497	-	-	-	-	-	-	220,497	
Pupil transportation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	15,789	24,457	-	-	40,246	40,246	
Debt Service:																		
Principal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total expenditures	78,618	125,912	131,580	131,580	114,744	114,744	114,744	5,081	29107	13,097,888	-	15,789	24,457	-	40,246	13,138,134		
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-	-	-	223,237	17,717	831	(24,457)	(5,909)	217,328	217,328		
Net change in fund balances	-	-	-	-	-	-	-	-	-	223,237	17,717	831	(24,457)	(5,909)	217,328	217,328		
Fund balance at beginning of year	-	-	-	-	-	-	-	-	-	527,486	1,024,072	103,165	124,330	1,251,567	1,779,053	1,779,053		
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	750,723	\$ 1,041,789	\$ 103,996	\$ 99,873	\$ 1,245,658	\$ 1,996,381	\$ 1,996,381		

The notes to the financial 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, 2009

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Local sources:				
District school tax levy	\$ 6,796,080	\$ 6,796,080	\$ 8,112,657	\$ 1,316,577
Earnings from investments	<u>140,000</u>	<u>140,000</u>	<u>29,588</u>	<u>(110,412)</u>
Total local revenues	<u>6,936,080</u>	<u>6,936,080</u>	<u>8,142,245</u>	<u>1,206,165</u>
Expenditures:				
Current:				
Support Services:				
Purchased services	<u>47,573</u>	<u>72,573</u>	<u>63,405</u>	<u>9,168</u>
Debt service:				
Principal	5,910,000	5,910,000	5,910,000	-
Interest	<u>886,080</u>	<u>886,080</u>	<u>884,752</u>	<u>1,328</u>
Total debt service	<u>6,796,080</u>	<u>6,796,080</u>	<u>6,794,752</u>	<u>1,328</u>
Total expenditures	<u>6,843,653</u>	<u>6,868,653</u>	<u>6,858,157</u>	<u>10,496</u>
Excess (deficiency) of revenues over expenditures	92,427	67,427	1,284,088	1,216,661
Other financing sources (uses):				
Premium on bonds issued	<u>-</u>	<u>-</u>	<u>314,243</u>	<u>314,243</u>
Excess (deficiency) of revenues and other sources over expenditures over expenditures and other uses	92,427	67,427	1,598,331	1,530,904
Beginning cash balance budgeted	-	-	-	-
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>10,137,502</u>	<u>10,137,502</u>
Fund balance at end of the year	<u>\$ 92,427</u>	<u>\$ 67,427</u>	11,735,833	<u>\$ 11,668,406</u>
RECONCILIATION TO GAAP BASIS:				
Change in receivables			(357,809)	
Change in due from other governments			(80,671)	
Change in deferred revenue			<u>357,809</u>	
			<u>\$ 11,655,162</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, 2009

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Local sources:				
District school tax levy	\$ 1,019,734	\$ 1,019,734	\$ 1,988,326	\$ 968,592
Earnings from investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>1,019,734</u>	<u>1,019,734</u>	<u>1,988,326</u>	<u>968,592</u>
Expenditures:				
Current:				
Support Services:				
Purchased services	<u>9,057</u>	<u>29,057</u>	<u>17,912</u>	<u>11,145</u>
Debt service:				
Principal	905,734	905,734	905,734	-
Interest	<u>114,000</u>	<u>114,000</u>	<u>114,000</u>	<u>-</u>
Total debt service	<u>1,019,734</u>	<u>1,019,734</u>	<u>1,019,734</u>	<u>-</u>
Total expenditures	<u>1,028,791</u>	<u>1,048,791</u>	<u>1,037,646</u>	<u>11,145</u>
Excess (deficiency) of revenues over expenditures	(9,057)	(29,057)	950,680	979,737
Beginning cash balance budgeted	1,067,728	1,047,728	-	(1,047,728)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>135,811</u>	<u>135,811</u>
Fund balance at end of the year	<u>\$ 1,058,671</u>	<u>\$ 1,018,671</u>	1,086,491	<u>\$ 67,820</u>
RECONCILIATION TO GAAP BASIS:				
Change in receivables			1,149,371	
Change in due from other governments			59,125	
Change in deferred revenue			<u>(1,149,371)</u>	
			<u>\$ 1,145,616</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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Local sources:				
Earnings from investments	\$ 25,000	\$ 25,000	\$ 37,888	\$ 12,888
Expenditures:				
Capital outlay	5,241,374	21,241,374	7,065,523	14,175,851
Debt service:				
Debt issuance costs	70,000	70,000	69,253	747
Total expenditures	<u>5,311,374</u>	<u>21,311,374</u>	<u>7,134,776</u>	<u>14,176,598</u>
Excess (deficiency) of revenues over expenditures	<u>(5,286,374)</u>	<u>(21,286,374)</u>	<u>(7,096,888)</u>	<u>14,189,486</u>
Other financing sources (uses):				
Bonds issued	-	16,000,000	16,000,000	-
Net change in fund balances	(5,286,374)	(5,286,374)	8,903,112	14,189,486
Beginning cash balance budgeted	5,286,374	5,286,374	-	(5,286,374)
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>5,222,679</u>	<u>5,222,679</u>
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	14,125,791	<u>\$ 14,125,791</u>
RECONCILIATION TO GAAP BASIS:				
Changes in payables			<u>-</u>	
			<u>\$ 14,125,791</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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State flow through grants	\$ 189,938	\$ 189,938	\$ -	\$ (189,938)
Local sources:				
District school tax levy	\$ 2,464,837	\$ 2,464,837	\$ 2,687,654	\$ 222,817
Earnings from investments	40,000	40,000	9,577	(30,423)
Total local revenues	<u>2,504,837</u>	<u>2,504,837</u>	<u>2,697,231</u>	<u>192,394</u>
Total revenues	<u>2,694,775</u>	<u>2,694,775</u>	<u>2,697,231</u>	<u>2,456</u>
Expenditures:				
Current:				
Operation of Non-Instructional Services:				
Purchased services	19,362	34,648	21,940	12,708
Supplies and materials	3,211,902	4,093,344	2,453,505	1,639,839
Total operation of non-instructional services	3,231,264	4,127,992	2,475,445	1,652,547
Capital outlay	582,970	582,970	582,970	-
Total expenditures	<u>3,814,234</u>	<u>4,710,962</u>	<u>3,058,415</u>	<u>1,652,547</u>
Excess (deficiency) of revenues over expenditures	(1,119,459)	(2,016,187)	(361,184)	1,655,003
Beginning cash balance budgeted	1,119,459	2,016,187	-	(2,016,187)
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>1,904,039</u>	<u>1,904,039</u>
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>1,542,855</u>	<u>\$ 1,542,855</u>
RECONCILIATION TO GAAP BASIS:				
Change in receivables			189,069	
Change in due from other governments			(4,960)	
Changes in payables			94,770	
Change in deferred revenue			(189,069)	
			<u>\$ 1,632,665</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, 2009

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources:				
Earnings from investments	\$ 10,000	\$ 10,000	\$ -	\$ (10,000)
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>
Expenditures:				
Capital outlay	1,138,859	8,387,809	6,293,363	2,094,446
Debt service:				
Debt issuance costs	<u>50,000</u>	<u>50,000</u>	<u>47,463</u>	<u>2,537</u>
Total expenditures	<u>1,188,859</u>	<u>8,437,809</u>	<u>6,340,826</u>	<u>2,096,983</u>
Excess (deficiency) of revenues over expenditures	(1,178,859)	(8,427,809)	(6,340,826)	2,086,983
Other sources:				
Capital lease	<u>-</u>	<u>4,500,000</u>	<u>4,500,000</u>	<u>-</u>
Net change in fund balances	(1,178,859)	(3,927,809)	(1,840,826)	2,086,983
Beginning cash balance budgeted	1,178,859	3,927,809	-	(3,927,809)
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>371,910</u>	<u>371,910</u>
Fund balances (deficit) at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>(1,468,916)</u>	<u>\$ (1,468,916)</u>
RECONCILIATION TO GAAP BASIS:				
Changes in payables			<u>2,850,263</u>	
			<u>\$ 1,381,347</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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Food and milk reimbursements	\$ 2,272,676	\$ 2,272,676	\$ 1,925,826	\$ (346,850)
USDA Commodities	-	-	-	-
Total federal revenues	<u>2,272,676</u>	<u>2,272,676</u>	<u>1,925,826</u>	<u>(346,850)</u>
Local sources:				
Fees and activities	855,000	855,000	1,118,605	263,605
Earnings from investments	1,000	1,000	464	(536)
Total local revenues	<u>856,000</u>	<u>856,000</u>	<u>1,119,069</u>	<u>263,069</u>
Total revenues	<u>3,128,676</u>	<u>3,128,676</u>	<u>3,044,895</u>	<u>(83,781)</u>
Expenditures:				
Current:				
Food services:				
Personnel services	105,000	105,000	92,801	12,199
Employee benefits	40,615	40,760	34,031	6,729
Purchased services	1,702,000	1,902,000	1,788,592	113,408
Supplies and materials	1,640,672	1,440,527	988,668	451,859
Total food services	<u>3,488,287</u>	<u>3,488,287</u>	<u>2,904,092</u>	<u>584,195</u>
Capital outlay	-	-	-	-
Total expenditures	<u>3,488,287</u>	<u>3,488,287</u>	<u>2,904,092</u>	<u>584,195</u>
Excess (deficiency) of revenues over expenditures	<u>(359,611)</u>	<u>(359,611)</u>	<u>140,803</u>	<u>500,414</u>
Beginning cash balance budgeted	<u>359,611</u>	<u>359,611</u>	<u>-</u>	<u>(359,611)</u>
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>191,415</u>	<u>191,415</u>
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>332,218</u>	<u>\$ 332,218</u>
RECONCILIATION TO GAAP BASIS:				
Changes in payables			<u>(20,211)</u>	
			<u>\$ 312,007</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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Local sources:				
Fees and activities	\$ 275,000	\$ 275,000	257,503	(17,497)
Earnings from investments	-	-	641	641
Total revenues	<u>275,000</u>	<u>275,000</u>	<u>258,144</u>	<u>(16,856)</u>
Expenditures:				
Current:				
Athletics:				
Personnel services	50,000	50,000	32,059	17,941
Employee benefits	3,780	5,730	5,212	518
Purchased services	270,591	268,641	169,468	99,173
Supplies and materials	<u>57,500</u>	<u>57,500</u>	<u>13,758</u>	<u>43,742</u>
Total athletics	381,871	381,871	220,497	161,374
Capital outlay	-	-	-	-
Total expenditures	<u>381,871</u>	<u>381,871</u>	<u>220,497</u>	<u>161,374</u>
Excess (deficiency) of revenues over expenditures	(106,871)	(106,871)	37,647	144,518
Beginning cash balance budgeted	106,871	106,871	-	(106,871)
Fund balances at beginning of the year	-	-	<u>61,769</u>	<u>61,769</u>
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	99,416	<u>\$ 99,416</u>
RECONCILIATION TO GAAP BASIS:				
Change in receivables			-	
			<u>\$ 99,416</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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Local sources:				
Fees and activities	\$ 311,500	\$ 311,500	363,941	52,441
Earnings from investments	-	-	2,388	2,388
Total local revenues	<u>311,500</u>	<u>311,500</u>	<u>366,329</u>	<u>54,829</u>
Expenditures:				
Current:				
Support Services:				
Personnel services	106,000	146,000	142,755	3,245
Employee benefits	13,086	19,531	18,495	1,036
Purchased services	354,539	296,094	80,361	215,733
Supplies and materials	<u>50,100</u>	<u>62,100</u>	<u>59,720</u>	<u>2,380</u>
Total support services	523,725	523,725	301,331	222,394
Capital outlay	-	-	-	-
Total expenditures	<u>523,725</u>	<u>523,725</u>	<u>301,331</u>	<u>222,394</u>
Excess (deficiency) of revenues over expenditures	(212,225)	(212,225)	64,998	277,223
Beginning cash balance budgeted	212,225	212,225	-	(212,225)
Fund balances at beginning of the year	-	-	<u>274,302</u>	<u>274,302</u>
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	339,300	<u>\$ 339,300</u>
RECONCILIATION TO GAAP BASIS:				
Change in receivables			-	
			<u>\$ 339,300</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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ 2,492,128	\$ 2,492,128	\$ 1,820,485	\$ (671,643)
Expenditures:				
Current:				
Instruction:				
Personnel services	1,318,830	1,406,245	1,353,078	53,167
Employee benefits	623,550	519,485	451,824	67,661
Purchased services	188,900	166,315	158,434	7,881
Supplies and materials	61,039	100,274	97,961	2,313
Total instruction	<u>2,192,319</u>	<u>2,192,319</u>	<u>2,061,297</u>	<u>131,022</u>
Support Services:				
Personnel services	157,989	161,589	161,589	-
Employee benefits	75,835	69,335	42,961	26,374
Purchased services	63,985	64,635	48,701	15,934
Supplies and materials	2,000	4,250	3,000	1,250
Total support services	<u>299,809</u>	<u>299,809</u>	<u>256,251</u>	<u>43,558</u>
Capital outlay	-	-	-	-
Total expenditures	<u>2,492,128</u>	<u>2,492,128</u>	<u>2,317,548</u>	<u>174,580</u>
Excess (deficiency) of revenues over expenditures	-	-	(497,063)	(497,063)
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	(497,063)	<u>\$ (497,063)</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			360,888	
Change in unearned revenue			<u>136,175</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, 2009

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

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 IDEA-B ENTITLEMENT SPECIAL REVENUE FUND - 24106
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ 2,225,948	\$ 2,303,775	\$ 2,052,709	\$ (251,066)
Expenditures:				
Current:				
Instruction:				
Personnel services	650,500	718,500	632,580	85,920
Employee benefits	219,970	208,334	181,038	27,296
Purchased services	83,000	73,790	39,972	33,818
Supplies and materials	122,500	100,596	81,986	18,610
Total instruction	<u>1,075,970</u>	<u>1,101,220</u>	<u>935,576</u>	<u>165,644</u>
Support Services:				
Personnel services	734,350	653,238	637,092	16,146
Employee benefits	225,843	203,832	185,203	18,629
Purchased services	145,785	314,485	256,049	58,436
Supplies and materials	44,000	31,000	30,082	918
Total support services	<u>1,149,978</u>	<u>1,202,555</u>	<u>1,108,426</u>	<u>94,129</u>
Capital outlay	-	-	-	-
Total expenditures	<u>2,225,948</u>	<u>2,303,775</u>	<u>2,044,002</u>	<u>259,773</u>
Excess (deficiency) of revenues over expenditures	-	-	8,707	8,707
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	8,707	<u>\$ 8,707</u>
RECONCILIATION TO GAAP BASIS:				
Changes in payables			-	
Change in unearned revenue			<u>(8,707)</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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 90,133	\$ -	\$ (90,133)
Expenditures:				
Current:				
Instruction:				
Personnel services	-	-	-	-
Employee benefits	-	-	-	-
Purchased services	-	80,716	80,716	-
Supplies and materials	-	9,417	9,417	-
Total instruction	-	90,133	90,133	-
Excess (deficiency) of revenues over expenditures	-	-	(90,133)	(90,133)
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	(90,133)	\$ (90,133)
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			90,133	
			\$ -	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 IDEA-B PRESCHOOL SPECIAL REVENUE FUND - 24109
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ 62,574	\$ 61,865	\$ 53,777	\$ (8,088)
Expenditures:				
Current:				
Instruction:				
Personnel services	42,920	33,141	29,794	3,347
Employee benefits	18,154	27,994	23,050	4,944
Purchased services	730	730	623	107
Supplies and materials	770	-	-	-
Total instruction	62,574	61,865	53,467	8,398
Excess (deficiency) of revenues over expenditures	-	-	310	310
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	310	\$ 310
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			(310)	
			\$ -	

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 INTERVENTION SPECIAL REVENUE FUND - 24112
 STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 20,000	\$ 20,000	\$ -
Expenditures:				
Current:				
Instruction:				
Purchased services	-	20,000	20,000	-
Supplies and materials	-	-	-	-
Total instruction	-	20,000	20,000	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	-	\$ -
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			-	
			\$ -	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 FRESH FRUIT AND VEGETABLE SPECIAL REVENUE FUND - 24118
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 27,219	\$ 14,048	\$ (13,171)
Expenditures:				
Current:				
Operation of Non-Instructional Services:				
Purchased services	-	6,414	6,414	-
Supplies and materials	-	20,805	20,683	122
Total operation of non-instructional services	-	27,219	27,097	122
Excess (deficiency) of revenues over expenditures	-	-	(13,049)	(13,049)
Fund balances at beginning of the year	-	-	-	-
Fund balances (deficit) at end of the year	\$ -	\$ -	(13,049)	\$ (13,049)
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			13,049	
			\$ -	

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 - 24124
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal direct grants	\$ -	\$ 100,000	\$ 94,615	\$ (5,385)
Expenditures:				
Current:				
Instruction:				
Personnel services	-	23,187	18,473	4,714
Employee benefits	-	1,820	1,441	379
Purchased services	-	-	-	-
Supplies and materials	-	-	-	-
Total instruction	-	<u>25,007</u>	<u>19,914</u>	<u>5,093</u>
Support Services:				
Personnel services	-	10,000	10,000	-
Employee benefits	-	5,040	5,000	40
Purchased services	-	48,724	48,722	2
Supplies and materials	-	<u>11,229</u>	<u>10,979</u>	<u>250</u>
Total support services	-	<u>74,993</u>	<u>74,701</u>	<u>292</u>
Total expenditures	-	<u>100,000</u>	<u>94,615</u>	<u>5,385</u>
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
 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, 2009

	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, 2009

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

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 TITLE VI-A SPECIAL REVENUE FUND - 24150
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ -	\$ 3,921	\$ 3,921
Expenditures:				
Current:				
Support Services:				
Personnel services	-	-	-	-
Employee benefits	-	-	-	-
Purchased services	-	-	-	-
Supplies and materials	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	3,921	3,921
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	3,921	<u>\$ 3,921</u>
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			<u>(3,921)</u>	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 ENGLISH LANGUAGE ACQUISITION SPECIAL REVENUE FUND - 24153
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ 78,386	\$ 80,712	\$ 38,305	\$ (42,407)
Expenditures:				
Current:				
Instruction:				
Personnel services	17,000	18,800	-	18,800
Employee benefits	5,742	3,942	-	3,942
Purchased services	32,692	33,892	33,892	-
Supplies and materials	22,952	21,752	19,061	2,691
Total expenditures	78,386	78,386	52,953	25,433
Excess (deficiency) of revenues over expenditures	-	2,326	(14,648)	(16,974)
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ 2,326	(14,648)	\$ (16,974)
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			14,648	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 TITLE II-A SPECIAL REVENUE FUND - 24154
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ 554,490	\$ 528,372	\$ 566,833	\$ 38,461
Expenditures:				
Current:				
Instruction:				
Personnel services	193,337	187,010	185,727	1,283
Employee benefits	94,173	93,545	61,655	31,890
Purchased services	45,552	33,437	32,358	1,079
Supplies and materials	2,393	4,077	3,987	90
Total instruction	<u>335,455</u>	<u>318,069</u>	<u>283,727</u>	<u>34,342</u>
Support Services:				
Personnel services	137,401	129,334	129,334	-
Employee benefits	68,474	60,913	38,502	22,411
Purchased services	12,012	16,393	13,793	2,600
Supplies and materials	1,148	3,663	3,528	135
Total support services	<u>219,035</u>	<u>210,303</u>	<u>185,157</u>	<u>25,146</u>
Total expenditures	<u>554,490</u>	<u>528,372</u>	<u>468,884</u>	<u>59,488</u>
Excess (deficiency) of revenues over expenditures	-	-	97,949	97,949
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	97,949	<u>\$ 97,949</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			<u>(97,949)</u>	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 DRUG FREE SCHOOLS SPECIAL REVENUE FUND - 24157
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 41,650	\$ 94,786	\$ 53,136
Expenditures:				
Current:				
Instruction:				
Purchased services	-	15,000	15,000	-
Support Services:				
Personnel services	-	16,448	16,448	-
Employee benefits	-	8,664	5,283	3,381
Purchased services	-	1,538	515	1,023
Total support services	-	26,650	22,246	4,404
Total expenditures	-	41,650	37,246	4,404
Excess (deficiency) of revenues over expenditures	-	-	57,540	57,540
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	57,540	\$ 57,540
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			(40,654)	
Change in unearned revenue			(16,886)	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 21ST CENTURY SPECIAL REVENUE FUND - 24159
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ 160,317	\$ 160,317	\$ 142,160	\$ (18,157)
Expenditures:				
Current:				
Instruction:				
Personnel services	47,264	38,404	38,404	-
Employee benefits	7,729	10,585	10,584	1
Purchased services	103,563	109,567	108,548	1,019
Supplies and materials	-	-	-	-
Total instruction	158,556	158,556	157,536	1,020
Support Services:				
Purchased services	1,761	1,761	1,761	-
Total expenditures	160,317	160,317	159,297	1,020
Excess (deficiency) of revenues over expenditures	-	-	(17,137)	(17,137)
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	(17,137)	\$ (17,137)
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			17,137	
			\$ -	

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, 2009

	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	-	-	-	-
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	\$ -	\$ -	-	\$ -
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			-	
			\$ -	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 IMMIGRANT GRANT SPECIAL REVENUE FUND - 24163
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 34,000	\$ 34,663	\$ 663
Expenditures:				
Current:				
Instruction:				
Personnel services	-	8,000	8,000	-
Employee benefits	-	-	-	-
Purchased services	-	20,000	20,000	-
Supplies and materials	-	6,000	4,484	1,516
Total expenditures	-	34,000	32,484	1,516
Excess (deficiency) of revenues over expenditures	-	-	2,179	2,179
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	2,179	\$ 2,179
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			(2,179)	
			\$ -	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 NM READING FIRST SPECIAL REVENUE FUND - 24167
 STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2009

	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
 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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ 102,576	\$ 102,576	\$ 149,759	\$ 47,183
Expenditures:				
Current:				
Instruction:				
Personnel services	25,000	25,000	25,000	-
Employee benefits	8,479	8,479	8,479	-
Purchased services	14,000	5,978	5,978	-
Supplies and materials	55,097	63,119	62,801	318
Total instruction	<u>102,576</u>	<u>102,576</u>	<u>102,258</u>	<u>318</u>
Total expenditures	<u>102,576</u>	<u>102,576</u>	<u>102,258</u>	<u>318</u>
Excess (deficiency) of revenues over expenditures	-	-	47,501	47,501
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	47,501	<u>\$ 47,501</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			(44,955)	
Change in unearned revenue			<u>(2,546)</u>	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ 37,060	\$ 63,460	\$ 70,695	\$ 7,235
Expenditures:				
Current:				
Instruction:				
Purchased services	<u>37,060</u>	<u>63,460</u>	<u>47,754</u>	<u>15,706</u>
Excess (deficiency) of revenues over expenditures	-	-	22,941	22,941
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	22,941	<u>\$ 22,941</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			<u>(22,941)</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 - 24181
 STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 6,250	\$ 6,250	\$ -
Expenditures:				
Current:				
Instruction:				
Purchased services	<u>-</u>	<u>6,250</u>	<u>6,250</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			<u>-</u>	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 1,000,000	\$ 300,000	\$ (700,000)
Expenditures:				
Current:				
Support Services:				
Personnel services	-	315,250	110,206	205,044
Employee benefits	-	137,390	31,025	106,365
Purchased services	-	524,800	153,294	371,506
Supplies and materials	-	22,560	9,263	13,297
Total support services	<u>-</u>	<u>1,000,000</u>	<u>303,788</u>	<u>696,212</u>
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>1,000,000</u>	<u>303,788</u>	<u>696,212</u>
Excess (deficiency) of revenues over expenditures	-	-	(3,788)	(3,788)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>(3,788)</u>	<u>\$ (3,788)</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			<u>3,788</u>	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 269,566	\$ 250,000	\$ (19,566)
Expenditures:				
Current:				
Support Services:				
Personnel services	-	142,209	138,711	3,498
Employee benefits	-	49,345	44,922	4,423
Purchased services	-	41,251	36,919	4,332
Supplies and materials	-	36,761	31,419	5,342
Total support services	-	269,566	251,971	17,595
Capital outlay	-	-	-	-
Total expenditures	-	269,566	251,971	17,595
Excess (deficiency) of revenues over expenditures	-	-	(1,971)	(1,971)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(1,971)	\$ (1,971)
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			1,971	
			\$ -	

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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 187,237	\$ 160,218	\$ (27,019)
Expenditures:				
Current:				
Instruction:				
Personnel services	-	3,578	3,574	4
Employee benefits	-	1,244	1,243	1
Purchased services	-	3,581	3,581	-
Supplies and materials	-	12,107	12,107	-
Total instruction	-	20,510	20,505	5
Support Services:				
Personnel services	-	113,440	113,440	-
Employee benefits	-	39,492	33,717	5,775
Purchased services	-	8,611	5,746	2,865
Supplies and materials	-	5,184	4,763	421
Total support services	-	166,727	157,666	9,061
Total expenditures	-	187,237	178,171	9,066
Excess (deficiency) of revenues over expenditures	-	-	(17,953)	(17,953)
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	(17,953)	\$ (17,953)
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			17,953	
			<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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 91,921	\$ 67,841	\$ (24,080)
Expenditures:				
Current:				
Support Services:				
Personnel services	-	73,697	73,697	-
Employee benefits	-	18,224	15,998	2,226
Purchased services	-	-	-	-
Supplies and materials	-	-	-	-
Total expenditures	-	91,921	89,695	2,226
Excess (deficiency) of revenues over expenditures	-	-	(21,854)	(21,854)
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	(21,854)	\$ (21,854)
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			21,854	
			<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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 147,631	\$ 32,836	\$ (114,795)
Expenditures:				
Current:				
Instruction:				
Purchased services	-	66,354	39,746	26,608
Supplies and materials	-	54,810	35,671	19,139
Total instruction	-	121,164	75,417	45,747
Support Services:				
Purchased services	-	19,967	4,224	15,743
Supplies and materials	-	6,500	-	6,500
Total support services	-	26,467	4,224	22,243
Total expenditures	-	147,631	79,641	67,990
Excess (deficiency) of revenues over expenditures	-	-	(46,805)	(46,805)
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	(46,805)	\$ (46,805)
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			46,805	
			\$ -	

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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 344,347	\$ 264,832	\$ (79,515)
Expenditures:				
Current:				
Support Services:				
Personnel services	-	80,147	62,887	17,260
Employee benefits	-	25,139	18,509	6,630
Purchased services	-	237,561	38,635	198,926
Supplies and materials	-	1,500	982	518
Total support services	-	344,347	121,013	223,334
Capital outlay	-	-	-	-
Total expenditures	-	344,347	121,013	223,334
Excess (deficiency) of revenues over expenditures	-	-	143,819	143,819
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	143,819	\$ 143,819
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			(143,819)	
			\$ -	

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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 725,779	\$ 608,038	\$ (117,741)
Expenditures:				
Current:				
Instruction:				
Personnel services	-	294,281	274,517	19,764
Employee benefits	-	81,885	70,375	11,510
Purchased services	-	40,500	18,593	21,907
Supplies and materials	-	46,145	15,056	31,089
Total instruction	-	462,811	378,541	84,270
Support Services:				
Personnel services	-	161,829	135,835	25,994
Employee benefits	-	48,500	32,280	16,220
Purchased services	-	43,139	10,820	32,319
Supplies and materials	-	9,500	1,128	8,372
Total support services	-	262,968	180,063	82,905
Total expenditures	-	725,779	558,604	167,175
Excess (deficiency) of revenues over expenditures	-	-	49,434	49,434
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	49,434	\$ 49,434
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			(49,434)	
			<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, 2009

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 66,539	\$ 63,500	\$ (3,039)
Expenditures:				
Current:				
Support Services:				
Personnel services	-	6,024	4,074	1,950
Employee benefits	-	2,976	967	2,009
Purchased services	-	5,723	3,399	2,324
Supplies and materials	-	51,816	6,136	45,680
Total expenditures	-	66,539	14,576	51,963
Excess (deficiency) of revenues over expenditures	-	-	48,924	48,924
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	48,924	\$ 48,924
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			(26,848)	
Change in unearned revenue			(22,076)	
			<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
 TRANSITION IN TEACHING SPECIAL REVENUE FUND - 25236
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 57,025	\$ 71,888	\$ 14,863
Expenditures:				
Current:				
Support Services:				
Personnel services	-	21,411	21,411	-
Employee benefits	-	4,881	4,881	-
Purchased services	-	28,056	28,056	-
Supplies and materials	-	2,677	2,677	-
Total expenditures	<u>-</u>	<u>57,025</u>	<u>57,025</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	14,863	14,863
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>14,863</u>	<u>\$ 14,863</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			<u>(14,863)</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
 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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 2,444,440	\$ 1,003,913	\$ (1,440,527)
Expenditures:				
Current:				
Instruction:				
Personnel services	-	37,965	4,741	33,224
Employee benefits	-	4,379	856	3,523
Purchased services	-	-	-	-
Total instruction	-	42,344	5,597	36,747
Support Services:				
Personnel services	-	1,097,219	584,940	512,279
Employee benefits	-	520,665	166,415	354,250
Purchased services	-	683,355	226,846	456,509
Supplies and materials	-	100,857	20,763	80,094
Total support services	-	2,402,096	998,964	1,403,132
Capital outlay	-	-	-	-
Total expenditures	-	2,444,440	1,004,561	1,439,879
Excess (deficiency) of revenues over expenditures	-	-	(648)	(648)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(648)	\$ (648)
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			648	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 BILINGUAL EDUCATION TITLE III SPECIAL REVENUE FUND - 25248
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Federal flowthrough grants	\$ -	\$ 200,000	\$ 150,000	\$ (50,000)
Expenditures:				
Current:				
Instruction:				
Personnel services	-	14,865	1,173	13,692
Employee benefits	-	3,690	186	3,504
Purchased services	-	43,900	32,792	11,108
Supplies and materials	-	10,925	10,925	-
Total instruction	-	73,380	45,076	28,304
Support Services:				
Personnel services	-	70,000	63,913	6,087
Employee benefits	-	29,900	24,024	5,876
Purchased services	-	20,220	14,559	5,661
Supplies and materials	-	6,500	1,790	4,710
Total support services	-	126,620	104,286	22,334
Capital outlay	-	-	-	-
Total expenditures	-	200,000	149,362	50,638
Excess (deficiency) of revenues over expenditures	-	-	638	638
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	638	\$ 638
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			(638)	
			<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
 EDUCATIONAL ENRICHMENT SPECIAL REVENUE FUND - 26113
 STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State flow through grants	\$ -	\$ 585	\$ 585	\$ -
Expenditures:				
Current:				
Instruction:				
Supplies and materials	-	585	585	-
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
 NEA INNOVATION GRANT SPECIAL REVENUE FUND - 26145
 STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State flow through grants	\$ -	\$ 233	\$ 233	\$ -
Expenditures:				
Current:				
Instruction:				
Supplies and materials	-	233	233	-
Total expenditures	-	233	233	-
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
 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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State flow through grants	\$ -	\$ 15,000	\$ 7,500	\$ (7,500)
Expenditures:				
Current:				
Support Services:				
Personnel services	-	-	-	-
Employee benefits	-	-	-	-
Purchased services	-	13,200	1,694	11,506
Supplies and materials	-	1,800	-	1,800
Total expenditures	-	15,000	1,694	13,306
Excess (deficiency) of revenues over expenditures	-	-	5,806	5,806
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	5,806	\$ 5,806
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			(5,806)	
			<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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State flow through grants	\$ -	\$ 360,614	\$ 180,981	\$ (179,633)
Expenditures:				
Current:				
Support Services:				
Personnel services	-	233,403	64,279	169,124
Employee benefits	-	113,262	24,080	89,182
Purchased services	-	-	-	-
Supplies and materials	-	13,949	-	13,949
Total expenditures	-	360,614	88,359	272,255
Excess (deficiency) of revenues over expenditures	-	-	92,622	92,622
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	92,622	\$ 92,622
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			-	
Change in unearned revenue			(92,622)	
			<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
 ADVANCED PLACEMENT PROGRAMS SPECIAL REVENUE FUND - 27129
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State flow through grants	-	-	16,022	16,022
Expenditures:				
Current:				
Instruction:				
Purchased services	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	16,022	16,022
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	16,022	<u>\$ 16,022</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			<u>(16,022)</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
 INCENTIVES FOR SCHOOL IMPROVEMENTS SPECIAL REVENUE FUND - 27138
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State flow through grants	\$ -	\$ 162,055	\$ 162,055	\$ -
Expenditures:				
Current:				
Support Services:				
Personnel services	-	62,145	62,145	-
Employee benefits	-	12,408	12,408	-
Purchased services	-	54,726	54,726	-
Supplies and materials	-	32,776	32,708	68
Total support services	-	162,055	161,987	68
Excess (deficiency) of revenues over expenditures	-	-	68	68
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	68	\$ 68
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			(68)	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 INDIAN EDUCATION ACT SPECIAL REVENUE FUND - 27150
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State flow through grants	\$ -	\$ -	\$ 628	\$ 628
Expenditures:				
Current:				
Instruction:				
Purchased services	-	-	-	-
Supplies and materials	-	-	-	-
Total instruction	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	628	628
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	628	\$ 628
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			(628)	
			\$ -	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 TEACHER MENTORING SPECIAL REVENUE FUND - 27154
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State flow through grants	\$ -	\$ 33,102	\$ 33,102	\$ -
Expenditures:				
Current:				
Instruction:				
Personnel services	-	21,500	10,500	11,000
Employee benefits	-	10,439	2,849	7,590
Purchased services	-	1,163	-	1,163
Supplies and materials	-	-	-	-
Total instruction	-	<u>33,102</u>	<u>13,349</u>	<u>19,753</u>
Excess (deficiency) of revenues over expenditures	-	-	19,753	19,753
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	19,753	<u>\$ 19,753</u>
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			<u>(19,753)</u>	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 BREAKFAST FOR ELEMENTARY STUDENTS SPECIAL REVENUE FUND - 27155
 STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State grant	\$ -	\$ 120,058	\$ 120,058	\$ -
Total revenues	-	120,058	120,058	-
Expenditures:				
Current:				
Operation of Non-Instructional Services:				
Personnel services	-	-	-	-
Employee benefits	-	-	-	-
Purchased services	-	32,665	32,665	-
Supplies and materials	-	87,393	87,393	-
Total expenditures	-	120,058	120,058	-
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
 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, 2009

	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
 SCHOOLS IN NEED OF IMPROVEMENTS SPECIAL REVENUE FUND - 27163
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State flow through grants	\$ -	\$ 210,000	\$ 225,942	\$ 15,942
Expenditures:				
Current:				
Instruction:				
Personnel services	-	23,312	23,312	-
Employee benefits	-	1,888	1,847	41
Purchased services	-	-	-	-
Supplies and materials	-	-	-	-
Total instruction	-	25,200	25,159	41
Support Services:				
Personnel services	-	-	-	-
Employee benefits	-	-	-	-
Purchased services	-	177,800	177,800	-
Supplies and materials	-	7,000	7,000	-
Total support services	-	184,800	184,800	-
Total expenditures	-	210,000	209,959	41
Excess (deficiency) of revenues over expenditures	-	-	15,983	15,983
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	15,983	\$ 15,983
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			(15,983)	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 21ST CENTURY STATE GRANT SPECIAL REVENUE FUND - 27167
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State flow through grants	\$ -	\$ 64,204	\$ 122,111	\$ 57,907
Expenditures:				
Current:				
Instruction:				
Purchased services	-	58,272	57,612	660
Supplies and materials	-	5,932	5,483	449
Total expenditures	-	64,204	63,095	1,109
Excess (deficiency) of revenues over expenditures	-	-	59,016	59,016
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	59,016	\$ 59,016
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			(59,016)	
			\$ -	

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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State flow through grants	\$ -	\$ 14,219	\$ 19,135	\$ 4,916
Expenditures:				
Current:				
Support Services:				
Supplies and materials	-	14,219	7,863	6,356
Total expenditures	-	14,219	7,863	6,356
Excess (deficiency) of revenues over expenditures	-	-	11,272	11,272
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	11,272	\$ 11,272
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			(11,272)	
			\$ -	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 LIBRARY BOOK FUND ALLOCATIONS SPECIAL REVENUE FUND - 27549
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State flow through grants	\$ -	\$ 31,640	\$ 31,640	\$ -
Expenditures:				
Current:				
Support Services:				
Supplies and materials	-	31,640	-	31,640
Total expenditures	-	31,640	-	31,640
Excess (deficiency) of revenues over expenditures	-	-	31,640	31,640
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	31,640	<u>\$ 31,640</u>
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			<u>(31,640)</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
 TOBACCO FREE SPECIAL REVENUE FUND - 28122
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State flow through grants	\$ -	\$ 92,184	\$ 77,043	\$ (15,141)
Expenditures:				
Current:				
Support Services:				
Personnel services	-	44,600	40,574	4,026
Employee benefits	-	12,054	9,828	2,226
Purchased services	-	15,880	9,614	6,266
Supplies and materials	-	19,650	18,602	1,048
Total expenditures	-	92,184	78,618	13,566
Excess (deficiency) of revenues over expenditures	-	-	(1,575)	(1,575)
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	(1,575)	\$ (1,575)
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			1,575	
			<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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State flow through grants	\$ -	\$ 286,961	\$ 127,313	\$ (159,648)
Expenditures:				
Current:				
Instruction:				
Personnel services	-	217,107	104,942	112,165
Employee benefits	-	20,116	8,957	11,159
Purchased services	-	10,130	2,117	8,013
Supplies and materials	-	36,680	9,896	26,784
Total instruction	-	284,033	125,912	158,121
Support Services:				
Purchased services	-	2,928	-	2,928
Total expenditures	-	286,961	125,912	161,049
Excess (deficiency) of revenues over expenditures	-	-	1,401	1,401
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	1,401	\$ 1,401
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			(1,401)	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 RIGHT START FAMILY SPECIAL REVENUE FUND - 28142
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State flow through grants	\$ -	\$ 172,235	\$ 114,587	\$ (57,648)
Expenditures:				
Current:				
Instruction:				
Personnel services	-	22,150	12,310	9,840
Employee benefits	-	7,900	3,947	3,953
Purchased services	-	6,500	3,925	2,575
Total instruction	-	36,550	20,182	16,368
Support Services:				
Personnel services	-	63,100	57,320	5,780
Employee benefits	-	28,525	19,450	9,075
Purchased services	-	31,883	26,180	5,703
Supplies and materials	-	12,177	8,448	3,729
Total support services	-	135,685	111,398	24,287
Total expenditures	-	172,235	131,580	40,655
Excess (deficiency) of revenues over expenditures	-	-	(16,993)	(16,993)
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	(16,993)	\$ (16,993)
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			16,993	
			\$ -	

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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State grant	\$ -	\$ 119,937	\$ 165,376	\$ 45,439
Expenditures:				
Support Services:				
Personnel services	-	51,770	50,822	948
Employee benefits	-	4,157	3,954	203
Purchased services	-	38,480	34,516	3,964
Supplies and materials	-	25,530	25,452	78
Total support services	-	119,937	114,744	5,193
Excess (deficiency) of revenues over expenditures	-	-	50,632	50,632
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	\$ -	\$ -	50,632	\$ 50,632
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			(50,632)	
			\$ -	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 SAN JUAN COUNTY PARTNERSHIP SPECIAL REVENUE FUND - 29107
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Local sources:				
Grant	\$ -	\$ 5,081	\$ -	\$ (5,081)
Expenditures:				
Current:				
Support Services:				
Supplies and materials	-	5,081	5,081	-
Total expenditures	-	5,081	5,081	-
Excess (deficiency) of revenues over expenditures	-	-	(5,081)	(5,081)
Fund balances at beginning of the year	-	-	-	-
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	(5,081)	<u>\$ (5,081)</u>
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			<u>5,081</u>	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 SPECIAL 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, 2009

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources:				
Fees and activities	\$ 28,000	\$ 28,000	\$ 16,399	\$ (11,601)
Earnings from investments	<u>800</u>	<u>800</u>	<u>1,318</u>	<u>518</u>
Total revenues	<u>28,800</u>	<u>28,800</u>	<u>17,717</u>	<u>(11,083)</u>
Expenditures:				
Capital outlay	<u>776,654</u>	<u>776,654</u>	-	<u>776,654</u>
Total expenditures	<u>776,654</u>	<u>776,654</u>	-	<u>776,654</u>
Excess (deficiency) of revenues over expenditures	(747,854)	(747,854)	17,717	765,571
Beginning cash balance budgeted	1,073,772	1,073,772	-	(1,073,772)
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>1,024,072</u>	<u>1,024,072</u>
Fund balances at end of the year	<u>\$ 325,918</u>	<u>\$ 325,918</u>	1,041,789	<u>\$ 715,871</u>
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			<u>-</u>	
			<u>\$ 1,041,789</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, 2009

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ 15,789	\$ 15,789
Local sources:				
Earnings from investments	<u>2,200</u>	<u>2,200</u>	<u>831</u>	<u>(1,369)</u>
Total revenues	<u>2,200</u>	<u>2,200</u>	<u>16,620</u>	<u>14,420</u>
Expenditures:				
Capital outlay	<u>105,021</u>	<u>105,021</u>	<u>15,789</u>	<u>89,232</u>
Total expenditures	<u>105,021</u>	<u>105,021</u>	<u>15,789</u>	<u>89,232</u>
Excess (deficiency) of revenues over expenditures	(102,821)	(102,821)	831	103,652
Beginning cash balance budgeted	103,165	103,165	-	(103,165)
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>103,165</u>	<u>103,165</u>
Fund balances at end of the year	<u>\$ 344</u>	<u>\$ 344</u>	103,996	<u>\$ 103,652</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			<u>-</u>	
			<u>\$ 103,996</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, 2009

	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>124,330</u>	<u>124,330</u>	<u>24,457</u>	<u>99,873</u>
Total expenditures	<u>124,330</u>	<u>124,330</u>	<u>24,457</u>	<u>99,873</u>
Excess (deficiency) of revenues over expenditures	(124,330)	(124,330)	(24,457)	99,873
Beginning cash balance budgeted	124,330	124,330	-	(124,330)
Fund balances at beginning of the year	<u>-</u>	<u>-</u>	<u>124,330</u>	<u>124,330</u>
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	99,873	<u>\$ 99,873</u>
RECONCILIATION TO GAAP BASIS:				
Change in unearned revenue			<u>-</u>	
			<u>\$ 99,873</u>	

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

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

	Balance June 30, <u>2008</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>2009</u>
<u>ASSETS</u>				
<u>Cash:</u>				
Central office, Junior high, elementary schools	\$ 1,357,159	\$ 2,007,620	\$ 1,969,224	\$ 1,395,555
Farmington High School	199,910	641,704	669,836	171,778
Farmington High School special activity	13,272	52,261	52,733	12,800
Piedra Vista High School	261,342	557,226	566,322	252,246
Piedra Vista High School special activity	<u>11,678</u>	<u>37,161</u>	<u>38,435</u>	<u>10,404</u>
 Total assets	 <u>\$ 1,843,361</u>	 <u>\$ 3,295,972</u>	 <u>\$ 3,296,550</u>	 <u>\$ 1,842,783</u>
 <u>LIABILITIES</u>				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Deposits held for others	<u>1,843,361</u>	<u>3,295,972</u>	<u>3,296,550</u>	<u>1,842,783</u>
 Total liabilities	 <u>\$ 1,843,361</u>	 <u>\$ 3,295,972</u>	 <u>\$ 3,296,550</u>	 <u>\$ 1,842,783</u>

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

CAPITAL ASSETS – GOVERNMENTAL FUNDS

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STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS
 SCHEDULE BY SOURCE
 June 30, 2009

	2009
Governmental funds capital assets:	
Land	\$ 3,444,131
Construction in progress	4,856,000
Buildings and improvements	84,072,526
Improvements other than buildings	6,506,107
Equipment	20,447,371
 Total governmental funds capital assets	 \$ 119,326,135
 Investment in governmental funds capital assets by source:	
General fund	\$ 2,797,550
Special revenue fund	10,583,422
Capital projects fund	105,945,163
 Total governmental funds capital assets	 \$ 119,326,135

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, 2009

	<u>Land</u>	<u>Improvements</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Total</u>
FUNCTION AND ACTIVITY					
Educational services:					
Instruction	\$ 551,061	\$ 1,041,135	\$ 11,878,242	\$ 5,694,509	\$ 19,164,947
Support services	585,502	1,106,205	12,620,632	3,221,519	17,533,858
Operation of non-instructional services	1,687,625	3,187,490	46,210,630	8,364,452	59,450,197
Food services	34,441	65,071	742,390	170,703	1,012,605
Athletics	103,324	195,213	2,227,170	514,009	3,039,716
Pupil transportation	<u>482,178</u>	<u>910,993</u>	<u>10,393,462</u>	<u>2,482,179</u>	<u>14,268,812</u>
Total governmental funds					
capital assets	<u>\$ 3,444,131</u>	<u>\$ 6,506,107</u>	<u>\$ 84,072,526</u>	<u>\$ 20,447,371</u>	114,470,135
Construction in Progress					4,856,000
					<u>\$ 119,326,135</u>

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

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS
 SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
 Year Ended June 30, 2009

	General Capital Assets <u>July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	General Capital Assets <u>June 30, 2009</u>
FUNCTION AND ACTIVITY				
Educational services:				
Instruction	\$ 19,563,026	\$ 3,649,155	\$ -	\$ 23,212,181
Support services	14,279,007	510,190	-	14,789,197
Operation of non-instructional services	52,689,456	9,666,009	-	62,355,465
Food services	972,318	-	-	972,318
Athletics	2,949,858	1,900	-	2,951,758
Pupil transportation	<u>14,952,880</u>	<u>92,336</u>	<u>-</u>	<u>15,045,216</u>
Total governmental funds capital assets	<u>\$ 105,406,545</u>	<u>\$ 13,919,590</u>	<u>\$ -</u>	<u>\$ 119,326,135</u>

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

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NEW MEXICO STATE AUDITOR DISCLOSURES

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STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 SCHEDULE OF PLEDGED COLLATERAL
 June 30, 2009

	Wells Fargo	Bank of America	Citizens Bank of Farmington	Four Corners Community Bank	Bank of the Southwest	Total
Bank Deposits:						
Checking account - non-interest bearing	\$ 12,337,623	\$ -	\$ 5,162,076	\$ -	\$ 383,692	\$ 17,883,391
Certificates of deposit - interest bearing	-	21,619	-	15,850,000	-	15,871,619
Money Market Accounts - interest bearing	9,004,254	-	-	-	-	9,004,254
Deposits, at June 30, 2009	21,341,877	21,619	5,162,076	15,850,000	383,692	42,759,264
FDIC Insurance	12,337,623	21,619	250,000	15,250,000	383,692	28,242,934
Uninsured amount	\$ 9,004,254	\$ -	\$ 4,912,076	\$ 600,000	\$ -	\$ 14,516,330
Pledged Collateral Required						
50 percent of uninsured amount	4,502,127	-	2,456,038	300,000	-	7,258,165
Pledged collateral at June 30, 2009	4,542,450	-	2,637,263	414,410	-	7,594,123
Excess (deficiency)	\$ 40,323	\$ -	\$ 181,225	\$ 114,410	\$ -	\$ 335,958
Pledged collateral location						
	<u>Wells Fargo, California</u> <u>Sioux Falls, SD</u>		<u>Dallas, TX</u>	<u>Dallas, TX</u>	<u>Dallas, TX</u>	
Pledged collateral (market value) as of June 30, 2009:						
FNCL 929628; #31412MYZ5; 06/01/38	4,542,450	-	-	-	-	4,542,450
FHLB; #51778FBK4; 05/01/15	-	-	534,425	-	-	534,425
FHLB; #31393QZK1; 10/15/21	-	-	842,973	-	-	842,973
FHLB; #311441GQ6; 09/01/13	-	-	911,079	-	-	911,079
FHLB; #077571BSS; 06/01/11	-	-	348,786	-	-	348,786
Silver City NM School; #827513ES7; 08/01/12	-	-	-	310,440	-	310,440
Bloomfield NM; #094072BN4; 08/01/12	-	-	-	103,970	-	103,970
Totals	\$ 4,542,450	\$ -	\$ 2,637,263	\$ 414,410	\$ -	\$ 7,594,123
Reconciliation to Financial Statements:						
Total per banks	\$ 21,341,877	\$ 21,619	\$ 5,162,076	\$ 15,850,000	\$ 383,692	\$ 42,759,264
Reconciling items	(2,416,905)	-	155,090	-	(20,339)	(2,282,154)
	\$ 18,924,972	\$ 21,619	\$ 5,317,166	\$ 15,850,000	\$ 363,353	40,477,110
Investments						1,235,925
Total cash and investments						\$ 41,713,035
Pooled cash and investments						39,870,252
Fiduciary cash and investments						1,842,783
Cash and investments per financial statements						\$ 41,713,035

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 SCHEDULE OF CASH ACCOUNTS AND INVESTMENTS
 June 30, 2009

<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	\$ 2,818,260	\$ 842,309	\$ 3,660,569
Employee Benefits Plan	Checking	Wells Fargo	1,812,629	-	1,812,629
Transportation	Checking	Wells Fargo	671,634	(313,194)	358,440
Non-Budgeted Activities	Checking	Wells Fargo	344,807	(8,308)	336,499
Federal Projects	Checking	Wells Fargo	1,283,047	(1,262,228)	20,819
State & Local	Checking	Wells Fargo	342,768	11,245	354,013
Building Fund	Checking	Wells Fargo	219,448	-	219,448
Payroll	Checking	Wells Fargo	1,680,050	(1,680,050)	-
Debt Service	Checking	Wells Fargo	2,711,074	-	2,711,074
Debt Service	Money Market	Wells Fargo	9,004,254	-	9,004,254
Special Activities	Checking	Wells Fargo	14,120	(1,320)	12,800
PVHS Special Activity Account	Checking	Wells Fargo	13,246	(2,842)	10,404
PVHS Activity Fund	Checking	Wells Fargo	257,328	(5,082)	252,246
Scorps Activity Fund	Checking	Wells Fargo	169,212	2,565	171,777
Total			<u>21,341,877</u>	<u>(2,416,905)</u>	<u>18,924,972</u>
Building Fund	Checking	Citizens	993,326	-	993,326
Special Building Local	Checking	Citizens	1,078,989	12,500	1,091,489
Capital Projects State	Checking	Citizens	104,020	(24)	103,996
Capital Improvement Mill	Checking	Citizens	1,761,951	(106,948)	1,655,003
Secondary Athletics	Checking	Citizens	79,185	(1,388)	77,797
Central Office Activity	Checking	Citizens	1,144,605	250,950	1,395,555
Total			<u>5,162,076</u>	<u>155,090</u>	<u>5,317,166</u>
Operating	Certificate of Deposit	Four Corners Community	850,000	-	850,000
Building Fund	Certificate of Deposit	Four Corners Community	15,000,000	-	15,000,000
Total			<u>15,850,000</u>	<u>-</u>	<u>15,850,000</u>
Cafeteria	Checking	Bank of the Southwest	383,692	(20,339)	363,353
Scorpions CD	Certificate of Deposit	Bank of America	21,619	-	21,619
Total			<u>\$ 42,759,264</u>	<u>\$ (2,282,154)</u>	<u>\$ 40,477,110</u>
Operating	Investment	NM State Treasurer	461,285	-	461,285
Debt service	Investment	NM State Treasurer	774,640	-	774,640
Total			<u>\$ 1,235,925</u>	<u>\$ -</u>	<u>\$ 1,235,925</u>

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 Schedule of Cash Reconciliation
 June 30, 2009

	Beginning Cash	Receipts	Distributions	Other	Net Cash end of Period	Adjustments to the report	Total Cash on Report
Operational Account	\$ 3,998,149	\$ 68,159,471	\$ (67,714,393)	\$ 100	4,443,327	\$ -	\$ 4,443,327
Transportation	52,853	2,922,205	(2,616,618)	-	358,440	-	358,440
Instructional Materials	175,103	1,208,608	(959,151)	-	424,560	-	424,560
Food Services	222,549	3,049,609	(2,904,092)	(4,713)	363,353	-	363,353
Athletics	61,769	258,144	(220,497)	-	99,416	-	99,416
Non-Instructional	271,499	366,331	(301,331)	-	336,499	-	336,499
Federal Flowthrough Grants	107,888	5,174,765	(5,564,727)	-	(282,074)	-	(282,074)
Federal Direct Grants	138,232	2,973,067	(2,808,406)	-	302,893	-	302,893
Local Grants	818	7,500	(2,512)	-	5,806	-	5,806
State Flowthrough Grants	63,152	941,012	(664,670)	-	339,494	-	339,494
State Direct Grants	(24,751)	484,320	(450,856)	-	8,713	-	8,713
Local/State Grants	5,081	-	(5,081)	-	-	-	-
Bond Building	5,222,678	16,037,889	(7,134,776)	-	14,125,791	-	14,125,791
Special Capital Outlay - Local PSCOC	1,073,773 -	17,716 -	- -	- -	1,091,489 -	- -	1,091,489 -
Special Capital Outlay - State	103,165	16,620	(15,789)	-	103,996	-	103,996
Capital Improvement SB - 9	2,016,187	2,697,231	(3,058,415)	-	1,655,003	-	1,655,003
Education Technology	3,927,808	4,500,000	(6,340,825)	-	2,086,983	-	2,086,983
PSCO - 20%	124,330	-	(24,457)	-	99,873	-	99,873
Debt Service	9,811,075	8,456,487	(6,858,157)	-	11,409,405	-	11,409,405
Ed Tech Debt Service	131,178	1,988,325	(1,037,648)	-	1,081,855	-	1,081,855
Agency	2,804	-	-	-	2,804	(3)	2,801
Total	27,485,340	\$ 119,259,300	\$ (108,682,401)	\$ (4,613)	\$38,057,626	\$ (3)	38,057,623
Non Department of Education Accounts:							
Employee benefits account	2,110,276						1,812,629
Agency	1,843,361						1,842,783
Total	\$ 31,438,977						\$ 41,713,035

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STATISTICAL SECTION

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

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

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

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

	Fiscal Year					
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental Activities						
Invested in capital assets, net of related debt	\$ 26,761,005	\$ 22,326,416	\$ 25,733,106	\$ 21,445,446	\$ 29,908,871	\$ 26,012,989
Restricted	7,557,915	9,016,136	11,698,902	10,666,308	10,273,313	12,800,776
Unrestricted	7,936,171	9,929,818	19,341,534	27,033,453	23,784,295	35,642,287
Total governmental activities net assets	<u>\$ 42,255,091</u>	<u>\$ 41,272,370</u>	<u>\$56,773,542</u>	<u>\$ 59,145,207</u>	<u>\$ 63,966,479</u>	<u>\$ 74,456,052</u>

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

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

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

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

Note 2: New Mexico adopted the UCOA for school districts and combined governmental activity functions into Instruction, Support services, Operation of non-instructional services, Food services, Athletics, Pupil Transportation and Interest on long-term debt. Prior years have been adjusted accordingly.

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

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

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

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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Fund										
Reserved	\$ 116,154	\$ 129,222	\$ 118,483	\$ 119,191	\$ 90,781	\$ 73,232	\$ 97,220	\$ 119,664	\$ 130,408	\$ 920,212
Unreserved	1,154,270	1,438,035	3,105,768	3,519,442	4,442,819	4,701,529	4,668,614	3,397,547	3,859,956	4,319,066
Total general fund	\$ 1,270,424	\$ 1,567,257	\$ 3,224,251	\$ 3,638,633	\$ 4,533,600	\$ 4,774,761	\$ 4,765,834	\$ 3,517,211	\$ 3,990,364	\$ 5,239,278

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
All other governmental funds										
Reserved	\$ 5,370,069	\$ 6,535,218	\$ 7,049,056	\$ 6,618,282	\$ 7,557,915	\$ 9,016,136	\$ 11,698,902	\$ 10,666,308	\$ 10,273,313	\$ 12,800,776
Unreserved, reported in:										
Special revenue fund	\$ 934,434	\$ 2,151,119	\$ 1,913,504	\$ 2,242,645	\$ 1,740,204	\$ 2,347,132	\$ 2,754,591	\$ 556,080	\$ 527,486	\$ 750,723
Capital projects fund	8,023,244	9,633,522	3,402,020	5,776,557	2,372,487	\$ 3,417,490	\$ 3,506,522	\$ 13,418,626	\$ 8,750,195	18,385,461
Total all other governmental funds	\$ 14,327,747	\$ 18,319,859	\$ 12,364,580	\$ 14,637,484	\$ 11,670,606	\$ 14,780,758	\$ 17,960,015	\$ 24,641,014	\$ 19,550,994	\$ 31,936,960

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

	Fiscal Year						
	2003 ¹	2004	2005	2006	2007 ²	2008	2009
Revenues							
Federal Sources:							
Federal grants	\$ 8,064,735	\$ 10,440,166	\$ 10,993,164	\$ 10,989,835	\$ 10,217,871	\$ 10,189,633	\$ 10,340,525
Total federal sources	\$ 8,064,735	\$ 10,440,166	\$ 10,993,164	\$ 10,989,835	\$ 10,217,871	\$ 10,189,633	\$ 10,340,525
State Sources:							
State equalization guarantee	\$ 48,488,573	\$ 49,794,973	\$ 52,403,605	\$ 56,281,212	\$ 59,023,094	\$ 62,565,757	\$ 67,158,187
Transportation	\$ 1,789,313	\$ 2,158,327	\$ 2,201,596	\$ 3,592,442	\$ 2,620,544	\$ 3,330,992	\$ 2,766,260
State instructional materials	\$ 822,243	\$ 846,447	\$ 840,379	\$ 900,863	\$ 902,771	\$ 1,000,893	\$ 1,208,608
State grants	\$ 1,810,889	\$ 2,079,175	\$ 1,819,395	\$ 1,582,370	\$ 1,387,104	\$ 1,311,904	\$ 1,410,172
Total state sources	\$ 52,911,018	\$ 54,878,922	\$ 57,264,975	\$ 62,356,887	\$ 63,933,513	\$ 68,209,546	\$ 72,543,227
Local Sources:							
District school tax levy	\$ 8,313,426	\$ 9,324,636	\$ 9,528,421	\$ 10,286,058	\$ 11,469,129	\$ 12,536,566	\$ 13,327,597
Fees and activities	\$ 875,096	\$ 943,276	\$ 936,612	\$ 917,801	\$ 1,112,511	\$ 1,882,145	\$ 1,935,504
Earnings from investments	\$ 189,074	\$ 46,594	\$ 302,234	\$ 664,118	\$ 953,089	\$ 704,280	\$ 118,635
Other revenue	\$ 1,300,302	\$ 677,788	\$ 1,693,609	\$ 1,846,793	\$ 475,544	\$ 10,323	\$ 57,581
Total local sources	\$ 10,677,898	\$ 10,992,294	\$ 12,460,876	\$ 13,714,770	\$ 14,010,273	\$ 15,133,314	\$ 15,439,317
Total revenues	\$ 71,653,651	\$ 76,311,382	\$ 80,719,015	\$ 87,061,492	\$ 88,161,657	\$ 93,532,493	\$ 98,323,069
Expenditures							
Instruction	36060232	\$ 37,720,657	\$ 39,474,013	\$ 42,841,934	\$ 47,072,766	\$ 48,829,221	\$ 50,606,964
Support services	20922933	\$ 22,263,009	\$ 22,877,894	\$ 24,902,432	\$ 24,387,234	\$ 24,885,397	\$ 27,457,142
Operation of non-instructional services	1339169	\$ 1,376,772	\$ 1,443,680	\$ 1,603,838	\$ 1,107,827	\$ 2,465,366	\$ 259,590
Food services	2175211	\$ 2,714,143	\$ 2,494,996	\$ 2,683,838	\$ 2,896,116	\$ 2,771,521	\$ 3,079,811
Athletics	882424	\$ 763,132	\$ 884,793	\$ 937,107	\$ 310,337	\$ 309,539	\$ 220,497
Pupil transportation	1950210	\$ 1,979,114	\$ 2,155,774	\$ 2,322,595	\$ 2,528,779	\$ 2,616,475	\$ 2,517,478
Capital outlay	5061934	\$ 5,403,730	\$ 6,777,808	\$ 7,951,510	\$ 4,394,012	\$ 10,955,679	\$ 13,804,850
Debt service							
Principal	5525000	\$ 4,650,000	\$ 4,600,000	\$ 4,875,000	\$ 8,750,000	\$ 8,795,000	\$ 6,815,735
Interest	1639956	\$ 1,507,343	\$ 1,298,838	\$ 1,272,908	\$ 1,142,044	\$ 1,248,718	\$ 998,752
Capital lease issuance costs						\$ 22,444	\$ 116,716
Total expenditures	\$ 75,577,069	\$ 78,377,900	\$ 82,007,796	\$ 89,391,162	\$ 92,589,115	\$ 102,899,360	\$ 105,677,535
Revenues over (under) expenditures	\$ (3,923,418)	\$ (2,066,518)	\$ (1,288,781)	\$ (2,329,670)	\$ (4,427,458)	\$ (9,366,867)	\$ (7,354,466)
Other Financing Sources (Uses)							
Sale of capital assets	607479	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bonds issued	6009295	\$ 3,827,607	\$ 4,500,000	\$ 5,500,000	\$ 10,100,000	\$ -	\$ 16,000,000
Refunding bonds issued	\$ -	\$ -	\$ 7,185,000	\$ -	\$ -	\$ -	\$ -
Premium on bonds issued	\$ -	\$ -	\$ 234,859	\$ -	\$ 58,471	\$ -	\$ 314,243
Capital lease						\$ 4,750,000	\$ 4,500,000
Payments to refunded debt escrow		\$ (3,800,000)	\$ (7,279,765)	\$ -	\$ -	\$ -	\$ -
Total other financing sources (uses)	\$ 6,616,774	\$ 27,607	\$ 4,640,094	\$ 5,500,000	\$ 10,158,471	\$ 4,750,000	\$ 20,814,243
Net Change in Fund Balances	\$ 2,693,356	\$ (2,071,911)	\$ 3,351,313	\$ 3,170,330	\$ 5,731,013	\$ (4,616,867)	\$ 13,459,777
Debt Service as a Percentage of Noncapital Expenditures	10.2%	8.6%	7.8%	13.5%	12.0%	10.9%	8.2%

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

Note 2: New Mexico adopted the UCOA for school districts and combined governmental activity categories into Instruction, Support services, Operation of non-instructional services, Food services, Athletics, Pupil Transportation and Interest on long-term debt. Prior years have been adjusted accordingly.

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

<u>Fiscal Year</u>	<u>Local Assessed</u>	<u>Central Assessed</u>	<u>Oil & Gas Assessed</u>	<u>Exemptions</u>	<u>Total Taxable Valuation</u>	<u>Estimated Actual Taxable Value</u>	<u>Assessed Value (2)</u>	<u>Total Direct Tax Rate</u>
2000	583,535,876	74,473,543	62,384,098	63,921,400	720,393,517	656,472,117	218,802,157	\$ 11.077
2001	610,110,186	74,966,621	130,421,353	61,031,469	815,498,160	754,466,691	251,463,748	\$ 10.637
2002	630,811,021	76,050,295	133,779,298	60,083,698	840,640,614	780,556,916	260,159,620	\$ 10.469
2003	769,931,542	75,562,784	95,224,656	64,448,866	940,718,982	876,270,116	292,060,830	\$ 9.887
2004	787,667,348	60,531,175	164,236,816	66,868,271	1,012,435,339	945,567,068	315,157,504	\$ 9.943
2005	844,203,928	62,816,997	200,661,997	70,005,454	1,107,682,922	1,037,677,468	345,857,900	\$ 9.961
2006	921,615,616	64,432,508	195,817,073	69,657,902	1,181,865,197	1,112,207,295	370,698,691	\$ 9.934
2007	975,740,712	62,552,707	235,836,931	54,641,688	1,274,130,350	1,219,488,662	406,455,571	\$ 9.953
2008	1,129,490,729	63,999,668	245,628,582	77,572,830	1,439,118,979	1,361,546,149	453,803,331	\$ 9.902
2009	1,230,768,674	82,737,036	238,830,914	98,012,298	1,552,336,624	1,454,324,326	484,726,298	\$ 9.915

- (1) Source: State of New Mexico, Taxation and Revenue Department Property Tax Division, and Office of San Juan County Assessor.
- (2) The assessed values are 33 1/3% of assumed market value, as set by New Mexico statute.

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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Farmington School District										
Assessed Valuation	\$ 720,393,517	\$ 815,490,160	\$ 840,640,614	\$ 940,718,982	\$ 1,012,435,339	\$ 1,107,862,922	\$ 1,181,865,197	\$ 1,274,130,350	\$ 1,439,118,979	\$ 1,562,336,624
Total Direct Rate	11.077%	10.637%	10.469%	9.887%	9.843%	9.961%	9.934%	9.827%	9.902%	9.921%
General Obligation Debt	\$ 37,375,000	\$ 38,805,000	\$ 36,660,000	\$ 37,135,000	\$ 32,530,000	\$ 32,715,000	\$ 33,340,000	\$ 34,690,000	\$ 30,645,000	\$ 44,329,266
Percentage Applicable to District	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Direct and Overlapping Debt	\$ 37,375,000	\$ 38,805,000	\$ 36,660,000	\$ 37,135,000	\$ 32,530,000	\$ 32,715,000	\$ 33,340,000	\$ 34,690,000	\$ 30,645,000	\$ 44,329,266
City of Farmington										
Assessed Valuation	\$ 483,094,927	\$ 528,411,287	\$ 546,160,185	\$ 616,431,614	\$ 618,280,126	\$ 666,071,139	\$ 699,304,478	\$ 842,822,919	\$ 901,408,835	\$ 1,021,829,130
Total Direct Rate	-	-	-	-	-	-	-	-	-	-
General Obligation Debt	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Percentage Applicable to District	-	-	-	-	-	-	-	-	-	-
Direct and Overlapping Debt	-	-	-	-	-	-	-	-	-	-
San Juan County										
Assessed Valuation	\$ 2,387,786,532	\$ 3,013,718,151	\$ 3,106,082,088	\$ 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
Total Direct Rate	-	-	-	-	-	-	-	-	-	-
General Obligation Debt	30.160%	27.060%	27.064%	35.088%	31.090%	30.322%	27.409%	29.944%	32.708%	29.210%
Percentage Applicable to District	-	-	-	-	-	-	-	-	-	-
Direct and Overlapping Debt	-	-	-	-	-	-	-	-	-	-
San Juan College										
Assessed Valuation	\$ 2,318,282,835	\$ 3,013,958,367	\$ 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
Total Direct Rate	-	-	-	-	-	-	-	-	-	-
General Obligation Debt	20.400%	19.800%	19.150%	18.300%	17.400%	16.475%	25.825%	24.858%	22.950%	20.240%
Percentage Applicable to District	31.070%	27.060%	27.064%	35.088%	31.090%	30.322%	27.409%	29.944%	29.944%	29.944%
Direct and Overlapping Debt	6.338,280	5,357,880	5,182,804	6,421,104	5,409,660	4,995,468	7,078,374	7,443,674	6,872,274	6,060,666
Total Direct Debt	\$ 37,375,000	\$ 38,805,000	\$ 36,660,000	\$ 37,135,000	\$ 32,530,000	\$ 32,715,000	\$ 33,340,000	\$ 34,690,000	\$ 30,645,000	\$ 44,329,266
Total Overlapping Debt	\$ 6,338,280	\$ 5,357,880	\$ 5,182,804	\$ 6,421,104	\$ 5,409,660	\$ 4,995,468	\$ 7,078,374	\$ 7,443,674	\$ 6,872,274	\$ 6,060,666
Total Direct and Overlapping Debt	\$ 43,713,280	\$ 44,162,880	\$ 41,842,804	\$ 43,556,104	\$ 37,939,660	\$ 37,710,468	\$ 40,418,374	\$ 42,133,674	\$ 37,517,274	\$ 50,389,932
Total Direct Rate										

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

Source: County Tax Assessor

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

Taxpayer	Type of Business	2009			2000		
		Assessed Valuation	Rank	Percentage of Assessed Valuation	Assessed Valuation	Rank	Percentage of Assessed Valuation
San Juan Coal Company	Coal	285,161,168	1	18.37%	35,101,542	1	0.053469966
New Mexico Gas Company	Utility	280,983,192	2	18.10%			0.00%
BHP Navajo Coal Co	Coal	279,930,478	3	18.03%			0.00%
Arizona Public Service Co	Utility	247,084,327	4	15.92%			0.00%
Williams Four Corners LLC	Telephone	226,297,252	5	14.58%			0.00%
Enterprise Field Service, LLC	Gas & Oil	205,986,196	6	13.27%			0.00%
Tucson Electric Power Co	Utility	157,816,947	7	10.17%			0.00%
Southern California Edison Co	Utility	140,844,244	8	9.07%			0.00%
Transwestern	Pipeline	122,034,376	9	7.86%	5,185,188	5	0.79%
El Paso Field Service	Oil Well Service	119,044,574	10	7.67%	6,071,310	4	0.92%
Qwest Communications	Telephone				7,760,834	2	1.18%
Price Development	Shopping Mall				6,606,663	3	1.01%
Bolack	Minerals				3,835,092	6	0.58%
Wal Mart/Sam's Club	Retail				3,417,190	7	0.52%
Trans Colorado	Pipeline				2,844,379	8	0.43%
El Paso Natural Gas	Utility				2,532,680	9	0.39%
Public Service of NM	Gas Utility				2481638	10	0.38%
Total		\$ 2,065,182,754		48.04%	\$ 75,836,516		6.21%
District's Assessed Valuation		1,552,336,624		100.00%	\$ 656,472,117		100.00%

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

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

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collection in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2000	\$ 7,031,614	\$ 6,816,676	96.9%	\$ 213,938	\$ 7,030,614	99.99%
2001	\$ 7,373,346	\$ 7,152,146	97.0%	\$ 212,736	\$ 7,364,882	99.89%
2002	\$ 7,252,195	\$ 7,041,881	97.1%	\$ 195,315	\$ 7,237,196	99.79%
2003	\$ 7,423,784	\$ 7,292,653	98.2%	\$ 131,031	\$ 7,423,684	100.00%
2004	\$ 7,557,758	\$ 7,151,818	94.6%	\$ 404,817	\$ 7,556,635	99.99%
2005	\$ 7,850,822	\$ 7,420,233	94.5%	\$ 382,454	\$ 7,802,687	99.39%
2006	\$ 7,090,791	\$ 6,651,162	93.8%	\$ 354,540	\$ 7,005,702	98.80%
2007	\$ 8,098,805	\$ 7,658,914	94.6%	\$ 172,630	\$ 7,831,544	96.70%
2008	\$ 10,934,495	\$ 10,190,950	93.2%	\$ 233,864	\$ 10,424,814	95.34%
2009	\$ 11,863,424	\$ 10,985,531	92.6%	n/a		0.00%

(1) Source: San Juan County Treasurer.

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

	<u>Governmental Activities</u>			<u>Total Primary Government</u>	<u>Percentage of Personal Income²</u>	<u>Per Capita²</u>
	<u>General Obligation Bonds</u>	<u>Capital Lease</u>				
2000	37,375,000	-	\$	37,375,000	0.048%	831
2001	38,805,000	-	\$	38,805,000	NA	837
2002	36,660,000	-	\$	36,660,000	NA	850
2003	37,135,000	-	\$	37,135,000	0.067%	824
2004	32,530,000	-	\$	32,530,000	0.078%	694
2005	32,715,000	-	\$	32,715,000	0.080%	681
2006	33,340,000	-	\$	33,340,000	0.185%	677
2007	34,690,000	-	\$	34,690,000	0.173%	676
2008	25,895,000	4,750,000	\$	30,645,000	0.009%	549
2009	35,985,000	8,344,266	\$	44,329,266	0.013%	771

Notes:

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

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

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Service fund</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value of Property</u>	<u>Per Capita</u>
2000	37,375,000	5,370,069	32,004,931	4.88%	711.22
2001	38,805,000	5,370,069	33,434,931	4.43%	721.36
2002	36,660,000	6,535,218	30,124,782	3.86%	698.85
2003	37,135,000	6,525,649	30,609,351	3.49%	679.53
2004	32,530,000	7,557,915	24,972,085	2.64%	533.06
2005	32,715,000	9,016,136	23,698,864	2.28%	493.54
2006	33,340,000	10,660,435	22,679,565	2.04%	460.47
2007	34,690,000	9,525,393	25,164,607	2.06%	470.31
2008	30,645,000	10,137,502	20,507,498	1.51%	367.35
2009	44,329,266	12,491,260	31,838,006	2.19%	554.00

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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt Limit	\$ 43,223,611	\$ 48,929,890	\$ 50,438,437	\$ 56,443,139	\$ 60,746,120	\$ 66,460,975	\$ 70,911,912	\$ 76,447,821	\$ 86,347,139	\$ 91,327,232
Total net debt applicable to limit	\$ 37,375,000	\$ 38,805,000	\$ 36,660,000	\$ 37,135,000	\$ 32,530,000	\$ 32,715,000	\$ 33,340,000	\$ 34,690,000	\$ 30,645,000	\$ 44,329,266
Legal debt margin	\$ 5,848,611	\$ 10,124,890	\$ 13,778,437	\$ 19,308,139	\$ 28,216,120	\$ 33,745,975	\$ 46,321,912	\$ 41,757,821	\$ 55,702,139	\$ 46,997,966
Total net debt applicable to the limit as a percentage of debt limit	86%	79%	73%	66%	54%	49%	47%	45%	35%	49%

Legal Debt Limit Calculation for Fiscal Year 2009	
Assessed Value	\$ 1,522,120,541
Debt limit (6% of total assessed value)	91,327,232
Debt applicable to limit:	
General Obligation Bonds	35,985,000
Capital Lease	8,344,266
Total Debt	44,329,266
Legal debt margin	\$ 46,997,966

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

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

Calendar Year	Population	Personal Income	Per Capita Income ¹	Unemployment Rate ¹
2000	45,000	816,885,000	\$ 18,153	9.10%
2001	46,350	NA	NA	8.20%
2002	43,106	NA	NA	7.50%
2003	45,045	1,118,512,395	\$ 24,831	7.30%
2004	46,847	1,196,519,227	\$ 25,541	7.40%
2005	48,018	2,818,000,000	\$ 26,212	6.70%
2006	49,253	3,052,000,000	\$ 24,260	5.52%
2007	53,506	3,344,000,000	\$ 26,437	4.30%
2008	55,826	3,306,423,000	\$ 27,155	3.40%
2009	57,501	3,496,000,000	\$ 28,598	7.70%

Notes: NA=Not available

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

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

<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
San Juan Medical Center	1,450	2.48%
Farmington Municipal School District No.5	1,488	2.54%
Central Consolidated Schools	1,205	2.06%
City of Farmington	1,093	1.87%
BHP Billiton	1,010	1.73%
San Juan College	1,000	1.71%
Wal-Mart	896	1.53%
Conoco Phillips	812	1.39%
Arizona Public Service Company	590	1.01%
Bloomfield Schools	500	0.85%
	10,044	17.16%

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

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

	<u>2000</u>	<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>
Supervisory										
Instructional administrators	4	4	4	4	4	4	4	6	7	7
Noninstructional administrators	5	5	5	5	5	5	5	5	5	5
Consultants/supervisors of instruction										
Principals	18	18	18	18	17	17	17	17	17	17
Assistant Principals	6	7	8	8	9	9	9	9	10	10
Total supervisory	33	34	35	35	35	35	35	37	39	39
Instruction										
Certified classroom teachers	620	611	615	620	616	621	623	625	630	646
Educational assistants	116	114	116	127	109	129	124	125	128	136
Total instruction	736	725	731	747	725	750	747	750	758	781
Student Services										
Guidance counselors	16	17	17	17	17	17	17	18	18	22
Social workers	1	1	1	1	1	1	1	1	1	1
Ancillary providers	30	30	32	35	35	35	34	32	32	32
Librarians	6	6	6	6	6	6	6	6	6	6
Nurses	6	6	6	6	6	6	6	6	6	9
Other professionals (non-instructional)										
Technicians	3	3	3	4	4	4	4	4	4	4
Total student services	62	63	65	69	69	69	68	67	67	73
Support and Administration										
Clerical/Secretarial	84	86	86	88	88	89	89	89	89	89
Maintenance	15	14	16	16	16	16	16	16	17	23
Custodial	77	78	80	80	80	80	78	78	78	72
Bus drivers	63	65	70	72	72	73	73	75	75	75
Total support and administration	239	243	252	256	256	258	256	258	259	259

Notes: Full-time instructional employees of the district are employed for all 184 scheduled school days, at 7.5 hours per day or 1,380 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
2000	10,375	48,850,130	4,708	NA	56,192,169	5,416	NA	620	16.73	39.38%
2001	10,122	50,193,143	4,959	5.32%	59,067,369	5,836	7.74%	611	16.57	41.39%
2002	10,108	55,467,499	5,487	10.66%	69,773,677	6,903	18.29%	615	16.44	43.45%
2003	10,055	51,632,617	5,135	-6.42%	68,412,113	6,804	-1.43%	620	16.22	48.72%
2004	9,993	52,993,977	5,303	3.27%	72,195,295	7,225	6.18%	616	16.22	51.64%
2005	10,044	56,186,623	5,594	5.49%	76,049,776	7,572	4.80%	621	16.17	48.61%
2006	10,250	61,888,410	6,038	7.93%	83,198,792	8,117	7.20%	623	16.45	45.88%
2007	10,120	65,360,277	6,459	6.97%	83,668,100	8,268	1.86%	625	16.19	42.56%
2008	10,215	67,943,902	6,651	2.99%	93,899,138	9,192	11.18%	630	16.21	42.38%
2009	10,441	67,490,728	6,464	-2.82%	98,323,069	9,417	2.44%	646	16.17	48.97%

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

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

Expenses include expenditures for all governmental funds less debt service

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 SCHOOL BUILDING INFORMATION
 CURRENT YEAR

<u>School</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>School</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Preschool					Middle School				
FS Preschool (1991)					Heights (1971)				
Square Feet	6,745	6,745	6,745	6,745	Square Feet	88,229	88,229	88,229	88,229
Capacity	46	46	46	46	Capacity	1100	1100	1100	11000
Enrollment	51	49	48	70	Enrollment	629	664	686	702
Elementary					Hormosa (1960)				
Animas (1963)					Square Feet				
Square Feet	50,610	50,610	50,610	50,640	Capacity	85,849	85,849	85,849	85,849
Capacity	539	539	539	539	Enrollment	934	934	934	934
Enrollment	466	471	471	507	Mesa View (1994)				
Apache (1956)					Square Feet				
Square Feet	53,577	53,577	53,577	53,577	Capacity	100,987	100,987	100,987	100,987
Capacity	580	580	580	580	Enrollment	1150	1150	1150	1150
Enrollment	410	438	458	439	Tibbetts (1940)				
Bluffview (1961)					Square Feet				
Square Feet	59,405	59,405	59,405	59,405	Capacity	90,791	90,791	90,791	90,791
Capacity	632	632	632	632	Enrollment	966	966	966	966
Enrollment	477	498	539	555	High School				
Country Club (1969)					Farmington (1955)				
Square Feet	51,279	51,279	51,279	54,684	Square Feet	206,786	206,786	206,786	206,786
Capacity	529	529	529	551	Capacity	2334	2334	2334	2334
Enrollment	428	509	524	520	Enrollment	1617	1498	1488	1344
Esperanza (1995)					Piedra Vista (1998)				
Square Feet	73,908	73,908	73,908	73,908	Square Feet	245,698	245,698	245,698	245,698
Capacity	636	636	636	636	Capacity	1821	1821	1821	1821
Enrollment	589	573	607	600	Enrollment	1205	1264	1271	1318
Ladera (1963)					Rocinante (1998)				
Square Feet	52,662	52,662	53,665	55,597	Square Feet	24,187	24,187	24,187	24,187
Capacity	569	569	569	569	Capacity	333	333	333	333
Enrollment	512	581	545	575	Enrollment	173	157	151	157
McCormick (1954)					Cato Center (1949)				
Square Feet	50,908	50,908	50,908	53,858	Square Feet	52,191	52,191	52,191	52,191
Capacity	554	554	554	595	Capacity	719	719	719	719
Enrollment	445	428	438	413	Enrollment	200	200	200	200
McKinley (1954)									
Square Feet	43,029	43,029	43,029	59,744					
Capacity	511	511	511	600					
Enrollment	505	546	558	552					
Mesa Verde (1963)									
Square Feet	43,557	43,557	43,557	46,972					
Capacity	509	509	509	519					
Enrollment	449	474	518	526					
Northeast (1963)									
Square Feet	46,365	46,365	47,825	49,630					
Capacity	513	513	513	513					
Enrollment	392	459	515	515					

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

Source: School District's Master Facility Survey and Plan 2006

SINGLE AUDIT SECTION

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended June 30, 2009

<u>Federal Grantor/Pass - Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>Child Nutrition -- Cluster:</u>			
<u>U.S. Department of Agriculture:</u>			
Pass-Through Program From:			
New Mexico Department of Education:			
USDA National School Lunch Program	10.555	21000	\$ 1,503,880
USDA School Breakfast Program	10.553	21000	421,946
Fresh Fruit and Vegetable	10.582	24118	<u>27,097</u>
 Total USDA - Child Nutrition Cluster			 1,952,923
 Pass-Through Program From:			
New Mexico Human Service Department:			
USDA Commodities Program	10.550	21000	<u>155,508</u>
 Total U.S. Department of Agriculture			 <u>2,108,431</u>
 <u>U.S. Department of Interior</u>			
Pass-Through Programs From:			
Office of the Navajo Nation:			
Johnson O'Malley	15.130	25131	<u>178,170</u>
 <u>Special Education -- Cluster:</u>			
<u>U.S. Department of Education:</u>			
Pass-Through Programs From:			
New Mexico Department of Education:			
IDEA-B Entitlement	84.027	24106	2,044,002
IDEA-B Discretionary	84.027	24107	90,133
IDEA-B Early Intervention	84.151	24112	20,000
IDEA-B Preschool	84.173	24109	<u>53,468</u>
 Total U.S. Department of Education - Special Education (IDEA-B) Cluster			 <u>2,207,603</u>
 Direct Programs:			
P.L. 81-874 Special / Indian Education	84.041	11000	164,406
P.L. 81-874 Special / Indian Education	84.041	25145	169,335
Indian Education Formula	84.060	25184	558,604
Teaching American History	84.215	25107	<u>303,788</u>
 Subtotal Direct Programs			 <u>1,196,133</u>

(continued)

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended June 30, 2009

<u>Federal Grantor/Pass - Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Education (continued):</u>			
Pass-Through Programs From:			
New Mexico Department of Education:			
Title I Basic Education Grant	84.010	24101	\$ 2,317,548
School Improvements	84.010	24162	-
Carl Perkins Grant	84.048	24174	102,258
High Schools that Work	84.048	24180	47,754
High Schools that Work C/O	84.048	24181	6,250
Alcohol Abuse Reduction Grant	84.184	25111	251,971
Safe Schools Healthy Students	84.184	25243	1,004,562
Title IV - Drug Free	84.186	24157	37,247
Homeless Grant	84.196	24113	10,737
21st Century	84.287	24159	159,298
Title V-A	84.298	24150	-
Transition to Teaching	84.350	25236	57,025
English Language Acquisition	84.365	24153	52,952
Immigrant Grant	84.365	24163	32,484
Native American Program	84.365	25248	149,362
Title II	84.367	24154	468,884
Title I 1003G Program	84.377	24124	<u>94,615</u>
 Subtotal Pass-Through Programs			 <u>4,792,947</u>
 Total U.S. Department of Education			 <u>8,196,683</u>
<u>U.S. Department of Health and Human Services:</u>			
New Mexico Department of Health:			
Navajo Medical Center	93.237	25209	14,577
Title XIX Medicaid	93.778	25153	<u>121,014</u>
 Total U.S. Department of Health and Human Services			 <u>135,591</u>
 Total Expenditures of Federal Awards			 <u>\$ 10,618,875</u>

See accompanying notes to Schedule of
 Expenditures of Federal Awards.

STATE OF NEW MEXICO
 FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended June 30, 2009

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 2009 cash and non-cash expenditures to ensure coverage of at least 25 percent (low risk auditee) of federally granted funds. Actual coverage is 47% of total cash and non-cash federal award program expenditures.

	<u>Fiscal Year 2009</u> <u>Expenditure</u>
Major Federal Award Program Description	
Child Nutrition Aid Cluster	
10.555 – USDA National School Lunch Program	\$ 1,503,880
10.553 – USDA School Breakfast Program	421,946
10.582 – Fresh Fruit and Vegetable	27,097
10.550 – USDA Commodities Program	<u>155,508</u>
Total Child Nutrition Cluster	2,108,431
84.060 – Indian Education Formula	558,604
84.010 – Title I Basic Education Grant	<u>2,317,548</u>
	<u>\$ 4,984,583</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 includes all federal grants to the District that had activity during the fiscal year ended June 30, 2009. This schedule has been prepared on the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the District has met the qualifications for the respective grants.

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 2009.

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 aggregate remaining fund information, and the combining and individual funds presented as supplemental information of the Farmington Municipal School District No. 5 (District), as of and for the year ended June 30, 2009, and have issued our report thereon dated October 30, 2009. 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 control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the agency's internal control.

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

Compliance and Other Matters

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

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

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

Farmington, New Mexico
October 30, 2009

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 the compliance of Farmington Municipal School District No. 5 (District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. 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 requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

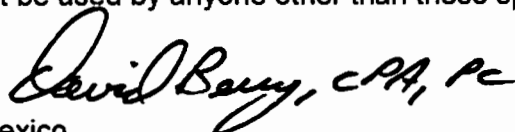
The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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.

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

Farmington, New Mexico
October 30, 2009

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
 SCHEDULE OF FINDINGS AND
 QUESTIONED COSTS
 Year Ended June 30, 2009

A. SUMMARY OF AUDIT RESULTS

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

	<u>Fiscal Year 2009</u> <u>Expenditure</u>
Major Federal Award Program Description	
Child Nutrition Aid Cluster	
10.555 – USDA National School Lunch Program	\$ 1,503,880
10.553 – USDA School Breakfast Program	421,946
10.582 – Fresh Fruit and Vegetable	27,097
10.550 – USDA Commodities Program	<u>155,508</u>
Total Child Nutrition Cluster	2,108,431
84.060 – Indian Education Formula	558,604
84.010 – Title I Basic Education Grant	<u>2,317,548</u>
	<u>\$ 4,984,583</u>

8. The threshold for distinguishing Types A and B programs was \$318,566.
9. The District was determined to be a low-risk auditee.

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
SCHEDULE OF FINDINGS AND
QUESTIONED COSTS
Year Ended June 30, 2009

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

Prior Year Finding Description

None

Current Year Finding Description

None

C. FINDINGS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

FARMINGTON MUNICIPAL SCHOOL DISTRICT NO. 5
EXIT CONFERENCE
Year Ended June 30, 2009

An exit conference was held on November 10, 2009. In attendance were:

For the Farmington Municipal School District No. 5:

Janel Ryan	Superintendent of Schools
D'rese Sutherland	Assistant Superintendent of Finance
Steve Nelson	Board Member
Mike Isaacson	Board Member

For David Berry, CPA, PC (auditors):

David Berry	CPA
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