

**STATE OF NEW MEXICO
VILLAGE OF CORONA
AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION
JUNE 30, 2019**

INTRODUCTORY SECTION

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VILLAGE OF CORONA
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VILLAGE OF CORONA
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**STATE OF NEW MEXICO
VILLAGE OF CORONA
OFFICIAL ROSTER
JUNE 30, 2019**

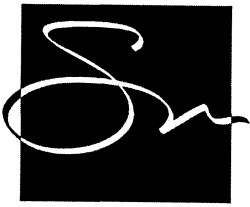
VILLAGE COUNCIL

Name	Title
Vacant	Mayor
Sherill Perkins-Bradford	Mayor Pro-Tem
Deneen Romero	Councilor
Samuel Seely	Councilor
Monica Zook	Councilor

VILLAGE OFFICIAL

Name	Title
Terri Racher	Village Clerk/Treasurer
Jason Gibbs	Deputy Clerk
Kyle Davis	Public Works Director

FINANCIAL SECTION



SCOTT NORTHAM, CPA, PC
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Brian Colon, New Mexico State Auditor, and
Honorable Mayor Pro-Tem and Councilors of
Village of Corona
Corona, New Mexico

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information and the budgetary comparisons for the general Fund and major special revenue funds of the Village of Corona, New Mexico as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the respective budgetary comparisons for the General Fund and major special revenue funds of the Village of Corona, New Mexico as of June 30, 2019, and, the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplemental Information

Management has elected to omit the MD&A for the year ended June 30, 2019, which is required to be presented to supplement the basic financial statements by accounting principles generally accepted in the United States of America. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it an essential part of financial reporting. Our opinion on the basic financial statements is not affected by this omitted information.

Other Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements. The supplemental information as noted in the table of contents is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2019 on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Scott Northam, CPA, PC
Ruidoso, New Mexico
October 24, 2019

**STATE OF NEW MEXICO
VILLAGE OF CORONA
STATEMENT OF NET POSITION
JUNE 30, 2019**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	\$ 357,498	\$ 132,744	\$ 490,242
Accounts Receivable, Net	-	17,111	17,111
Prepaid Expenses	2,774	-	2,774
Taxes Receivable	16,191	-	16,191
Total Current Assets	376,463	149,855	526,318
NONCURRENT ASSETS			
Restricted Cash and Cash Equivalents			
Customer Deposits	-	1,230	1,230
CDBG Account	-	10	10
NMFA Debt Service	-	694	694
Capital Assets, Net	942,439	2,893,318	3,835,757
Total Noncurrent Assets	942,439	2,895,252	3,837,691
Total Assets	\$ 1,318,902	\$ 3,045,107	\$ 4,364,009
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES			
Accrued Liabilities	\$ 4,333	\$ -	\$ 4,333
Accrued Payroll	5,414	-	5,414
Current Portion of Long-Term Debt	11,471	14,626	26,097
Total Current Liabilities	21,218	14,626	35,844
NONCURRENT LIABILITIES			
Customer Deposits	-	1,230	1,230
Accrued Vacation	3,032	5,894	8,926
Long-Term Debt, Net of Current Portion	46,964	88,451	135,415
Total Noncurrent Liabilities	49,996	95,575	145,571
Total Liabilities	71,214	110,201	181,415
NET POSITION			
Net Investment in Capital Assets	884,004	2,790,241	3,674,245
Restricted for:			
Special Revenue Funds	65,040	-	65,040
Debt Service	-	694	694
Unrestricted	298,644	143,971	442,615
Total Net Position	1,247,688	2,934,906	4,182,594
Total Liabilities and Net Position	\$ 1,318,902	\$ 3,045,107	\$ 4,364,009

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO
VILLAGE OF CORONA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<i>Primary Government</i>				
Governmental Activities:				
General Administration	\$ 148,503	\$ 970	\$ 92,667	\$ 6,036
Streets	31,704	-	-	-
Public Safety	11,362	-	85,172	-
Culture and Recreation	17,612	2,790	15,975	-
Interest and Fiscal Charges	1,649	-	-	-
Depreciation	114,762	-	-	-
<i>Total Governmental Activities</i>	<u>325,592</u>	<u>3,760</u>	<u>193,814</u>	<u>6,036</u>
Business-Type Activities:				
Water/Sewer Fund	292,837	99,083	-	-
Gas Fund	99,580	95,097	-	-
Solid Waste Fund	32,390	38,578	-	-
Interest and Fiscal Charges	704	-	-	-
<i>Total Business-Type Activities</i>	<u>425,511</u>	<u>232,758</u>	<u>-</u>	<u>-</u>
Total - Primary Government	<u>\$ 751,103</u>	<u>\$ 236,518</u>	<u>\$ 193,814</u>	<u>\$ 6,036</u>

General Revenues

Taxes:

- Gross Receipts
- Environmental Gross Receipts
- Property
- Gasoline
- Motor Vehicle
- License, Fees and Permits
- Lease Revenue
- Miscellaneous
- Interest

Total General Revenues

Change in Net Position Before Transfers

Net Transfers

Change in Net Position

Beginning Net Position

Ending Net Position

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (48,830)	\$ -	\$ (48,830)
(31,704)	-	(31,704)
73,810	-	73,810
1,153	-	1,153
(1,649)	-	(1,649)
(114,762)	-	(114,762)
(121,982)	-	(121,982)
-	(193,754)	(193,754)
-	(4,483)	(4,483)
-	6,188	6,188
-	(704)	(704)
-	(192,753)	(192,753)
(121,982)	(192,753)	(314,735)
72,648	-	72,648
1,642	-	1,642
17,618	-	17,618
8,962	-	8,962
4,388	-	4,388
275	-	275
1,500	-	1,500
11,801	-	11,801
-	29	29
118,834	29	118,863
(3,148)	(192,724)	(195,872)
(55,662)	55,662	-
(58,810)	(137,062)	(195,872)
1,306,498	3,071,968	4,378,466
<u>\$ 1,247,688</u>	<u>\$ 2,934,906</u>	<u>\$ 4,182,594</u>

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO
VILLAGE OF CORONA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019**

	General Fund	Fire Protection Fund	Other Nonmajor Funds	Total Governmental Funds
ASSETS				
ASSETS				
Cash and Cash Equivalents				
Unrestricted	\$ 245,550	\$ 59,847	\$ 52,101	\$ 357,498
Prepaid Expenses	2,774	-	-	2,774
Taxes Receivable				
Gross Receipts	14,222	-	-	14,222
Gasoline	363	-	834	1,197
Motor Vehicle	697	-	-	697
Property	75	-	-	75
Total Assets	<u><u>\$ 263,681</u></u>	<u><u>\$ 59,847</u></u>	<u><u>\$ 52,935</u></u>	<u><u>\$ 376,463</u></u>
 LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accrued Liabilities	\$ 4,333	\$ -	\$ -	\$ 4,333
Accrued Payroll	5,414	-	-	5,414
Total Liabilities	<u><u>9,747</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>9,747</u></u>
 FUND BALANCE				
Restricted	-	59,847	5,193	65,040
Assigned	-	-	47,742	47,742
Unassigned	253,934	-	-	253,934
Total Fund Balance	<u><u>253,934</u></u>	<u><u>59,847</u></u>	<u><u>52,935</u></u>	<u><u>366,716</u></u>
Total Liabilities and Fund Balance	<u><u>\$ 263,681</u></u>	<u><u>\$ 59,847</u></u>	<u><u>\$ 52,935</u></u>	<u><u>\$ 376,463</u></u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
VILLAGE OF CORONA
RECONCILIATION OF GOVERNMENTAL FUNDS
FUND BALANCE TO GOVERNMENT ACTIVITIES
NET POSITION
JUNE 30, 2019

Total Fund Balance - Governmental Funds	\$ 366,716
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	942,439
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Certain liabilities are not due and payable in the current period and therefore are not reported in the Governmental Funds. Those long-term liabilities include:

Accrued Compensated Absences	(3,032)	
Notes and Bonds Payable	(58,435)	(61,467)

Net Position of Governmental Activities	<u>\$ 1,247,688</u>
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**STATE OF NEW MEXICO
VILLAGE OF CORONA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019**

	General Fund	Fire Protection Fund	Other Nonmajor Funds	Total Governmental Funds
REVENUES				
Taxes				
Gross Receipts	\$ 72,648	\$ -	\$ -	\$ 72,648
Environmental Gross Receipts	1,642	-	-	1,642
Property	17,618	-	-	17,618
Gasoline	3,541	-	5,421	8,962
Motor Vehicle	4,388	-	-	4,388
Intergovernmental				
State				
Small Cities Assistance	90,000	-	-	90,000
Operating Grants	-	85,172	9,475	94,647
Capital Grants	-	-	6,036	6,036
County	-	-	1,500	1,500
Charges for Service	970	-	2,790	3,760
Miscellaneous	2,522	9,279	-	11,801
Licenses, Fees and Permits	275	-	-	275
Lease Income	-	-	1,500	1,500
Donations	2,667	-	5,000	7,667
	<u>196,271</u>	<u>94,451</u>	<u>31,722</u>	<u>322,444</u>
Total Revenues				
EXPENDITURES				
Current				
General Administration	148,811	-	-	148,811
Streets	27,614	-	4,090	31,704
Public Safety	-	11,362	-	11,362
Culture and Recreation	3,052	-	14,560	17,612
Debt Service				
Principal	-	37,329	-	37,329
Interest	-	1,649	-	1,649
	<u>179,477</u>	<u>50,340</u>	<u>18,650</u>	<u>248,467</u>
Total Expenditures				
Excess (Deficiency) of Revenues over Expenditures	<u>16,794</u>	<u>44,111</u>	<u>13,072</u>	<u>73,977</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	10,431	10,431
Transfers Out	(10,431)	-	(55,662)	(66,093)
	<u>(10,431)</u>	<u>-</u>	<u>(45,231)</u>	<u>(55,662)</u>
Total Other Financing Sources (Uses)				
Net Change in Fund Balance	6,363	44,111	(32,159)	18,315
Fund Balance, Beginning of Year	<u>247,571</u>	<u>15,736</u>	<u>85,094</u>	<u>348,401</u>
Fund Balance, End of Year	<u>\$ 253,934</u>	<u>\$ 59,847</u>	<u>\$ 52,935</u>	<u>\$ 366,716</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
VILLAGE OF CORONA
RECONCILIATION OF GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE TO THE GOVERNMENTAL ACTIVITIES
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

Net Changes in Fund Balance - Governmental Funds		\$ 18,315
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
Depreciation Expense allocated the cost of capital assets over their useful lives in the Statement of Activities, but the cost of the capital assets has already been expended in prior periods in the Governmental Funds.	(114,762)	
<p>Changes in long-term liabilities are reported as expenditures in the Governmental Funds but as changes in liabilities in the Statement of Activities. Those changes in long-term liabilities include:</p>		
Change in Accrued Compensated Absences	308	
Long-Term Obligations Principal Payments	37,329	37,637
Change in Net Position of Governmental Activities		\$ (58,810)

**STATE OF NEW MEXICO
VILLAGE OF CORONA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET TO ACTUAL (NON-GAAP BASIS)
GENERAL FUND
YEAR ENDED JUNE 30, 2019**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Taxes				
Gross Receipts	\$ 90,000	\$ 90,000	\$ 69,892	\$ (20,108)
Environmental Gross Receipts	2,000	2,000	1,642	(358)
Property	15,980	17,820	17,543	(277)
Gasoline	4,500	4,500	3,178	(1,322)
Motor Vehicle	3,200	3,742	3,691	(51)
Intergovernmental				
State				
Small Cities Assistance	90,000	90,000	90,000	-
Charges for Service	890	1,115	970	(145)
Miscellaneous	3,000	3,000	2,522	(478)
Licenses, Fees and Permits	350	350	275	(75)
Donations	1,394	3,686	2,667	(1,019)
Total Revenues	211,314	216,213	192,380	(23,833)
EXPENDITURES				
Current				
General Administration	165,486	165,825	157,644	8,181
Streets	32,500	32,500	27,614	4,886
Culture and Recreation	5,513	6,513	3,052	3,461
Transfers Out	2,000	12,432	10,431	2,001
Total Expenditures	205,499	217,270	198,741	18,529
Net Change in Fund Balance	5,815	(1,057)	(6,361)	(5,304)
Cash Balance, Beginning of Year	251,911	251,911	251,911	-
Cash Balance, End of Year	\$ 257,726	\$ 250,854	\$ 245,550	\$ (5,304)
Reconciliation to GAAP Basis				
Net Change in Fund Balance - Budget Basis			\$ (6,361)	
Change in:				
Prepaid Expenses			2,774	
Taxes Receivable				
Gross Receipts			2,651	
Gasoline			468	
Motor Vehicle			697	
Property			75	
Accounts Payable			2,158	
Accrued Payroll			(5,414)	
Payroll Liabilities Payable			9,315	
Net Change in Fund Balance - GAAP Basis			\$ 6,363	

**STATE OF NEW MEXICO
VILLAGE OF CORONA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET TO ACTUAL (NON-GAAP BASIS)
FIRE PROTECTION FUND
YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Intergovernmental				
State				
Operating Grants	\$ 77,852	\$ 85,172	\$ 85,172	\$ -
Miscellaneous	1,300	9,308	9,279	(29)
Total Revenues	<u>79,152</u>	<u>94,480</u>	<u>94,451</u>	<u>(29)</u>
EXPENDITURES				
Current				
Public Safety	49,400	63,929	54,913	9,016
Debt Service				
Principal	11,330	37,271	37,241	30
Interest	1,737	1,737	1,737	-
Total Expenditures	<u>62,467</u>	<u>102,937</u>	<u>93,891</u>	<u>9,046</u>
Net Change in Fund Balance	16,685	(8,457)	560	9,017
Cash Balance, Beginning of Year	<u>\$ 59,287</u>	<u>59,287</u>	<u>59,287</u>	<u>-</u>
Cash Balance, End of Year	<u>\$ 75,972</u>	<u>\$ 50,830</u>	<u>\$ 59,847</u>	<u>\$ 9,017</u>
Reconciliation to GAAP Basis				
Net Change in Fund Balance - Budget Basis			\$ 560	
Change in:				
Accounts Payable			<u>43,551</u>	
Net Change in Fund Balance - GAAP Basis			<u>\$ 44,111</u>	

**STATE OF NEW MEXICO
VILLAGE OF CORONA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019**

	Water/Sewer Fund	Gas Utility Fund	Solid Waste Fund	Total Funds
ASSETS				
Current Assets				
Unrestricted Cash and Cash Equivalents	\$ 39,441	\$ 90,974	\$ 2,329	\$ 132,744
Accounts Receivable, Net	<u>9,551</u>	<u>3,436</u>	<u>4,124</u>	<u>17,111</u>
Total Current Assets	<u>48,992</u>	<u>94,410</u>	<u>6,453</u>	<u>149,855</u>
Noncurrent Assets				
Restricted Cash and Cash Equivalents				
Customer Deposits	880	350	-	1,230
CDBG Account	10	-	-	10
NMFA Debt Service Reserve	694	-	-	694
Capital Assets, Net	<u>2,878,054</u>	<u>-</u>	<u>15,264</u>	<u>2,893,318</u>
Total Noncurrent Assets	<u>2,879,638</u>	<u>350</u>	<u>15,264</u>	<u>2,895,252</u>
Total Assets	<u>\$ 2,928,630</u>	<u>\$ 94,760</u>	<u>\$ 21,717</u>	<u>\$ 3,045,107</u>
LIABILITIES AND NET POSITION				
LIABILITIES				
Current Liabilities				
Current Portion of Long-Term Debt	<u>\$ 9,626</u>	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ 14,626</u>
Total Current Liabilities	<u>9,626</u>	<u>-</u>	<u>5,000</u>	<u>14,626</u>
Noncurrent Liabilities				
Customer Deposits	880	350	-	1,230
Accrued Vacation	2,284	2,861	749	5,894
Long-Term Debt, Net of Current Portion	<u>87,618</u>	<u>-</u>	<u>833</u>	<u>88,451</u>
Total Noncurrent Liabilities	<u>90,782</u>	<u>3,211</u>	<u>1,582</u>	<u>95,575</u>
Total Liabilities	<u>100,408</u>	<u>3,211</u>	<u>6,582</u>	<u>110,201</u>
NET POSITION				
Net Investment in Capital Assets	2,780,810	-	9,431	2,790,241
Restricted - Debt Service	704	-	-	704
Unrestricted	<u>46,708</u>	<u>91,549</u>	<u>5,704</u>	<u>143,961</u>
Total Fund Net Position	<u>2,828,222</u>	<u>91,549</u>	<u>15,135</u>	<u>2,934,906</u>
Total Liabilities and Net Position	<u>\$ 2,928,630</u>	<u>\$ 94,760</u>	<u>\$ 21,717</u>	<u>\$ 3,045,107</u>

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO
VILLAGE OF CORONA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2019**

	Water/Sewer Fund	Gas Utility Fund	Solid Waste Fund	Total Funds
OPERATING REVENUES				
Charges for Services				
Water	\$ 58,280	\$ -	\$ -	\$ 58,280
Sewer	35,142	-	-	35,142
Gas	-	95,097	-	95,097
Solid Waste	-	-	37,878	37,878
Connection and Late Fees	115	-	-	115
Other Revenue	5,546	-	700	6,246
	<u>99,083</u>	<u>95,097</u>	<u>38,578</u>	<u>232,758</u>
Total Operating Revenues				
OPERATING EXPENSES				
Personnel Services and Benefits	25,654	44,721	15,075	85,450
Professional and Contracted Services	27,104	41,384	10,985	79,473
Supplies and Materials	4,887	2,534	157	7,578
Utilities, Repairs and Maintenance	9,370	5,559	2,650	17,579
Other Expenses	5,309	5,382	1,678	12,369
Depreciation	220,513	-	1,845	222,358
	<u>292,837</u>	<u>99,580</u>	<u>32,390</u>	<u>424,807</u>
Total Operating Expenses				
Operating Income/(Loss)	(193,754)	(4,483)	6,188	(192,049)
NONOPERATING REVENUE (EXPENSES)				
Transfers In	55,662	-	-	55,662
Interest Income	29	-	-	29
Interest Expense	(704)	-	-	(704)
	<u>54,987</u>	<u>-</u>	<u>-</u>	<u>54,987</u>
Total Nonoperating Revenue (Expenses)				
Change in Net Position	(138,767)	(4,483)	6,188	(137,062)
Beginning Net Position	<u>2,966,989</u>	<u>96,032</u>	<u>8,947</u>	<u>3,071,968</u>
Net Position, End of Year	<u>\$ 2,828,222</u>	<u>\$ 91,549</u>	<u>\$ 15,135</u>	<u>\$ 2,934,906</u>

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO
VILLAGE OF CORONA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2019**

	Water/Sewer Fund	Gas Utility Fund	Solid Waste Fund	Total Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers and Users	\$ 93,247	\$ 94,368	\$ 38,329	\$ 225,944
Payments to and on Behalf of Employees	(28,281)	(42,675)	(14,735)	(85,691)
Payments to Suppliers and Contractors	(49,750)	(56,287)	(17,436)	(123,473)
Other Receipts and Payments	5,661	-	700	6,361
Net Cash Provided (Used) by Operating Activities	<u>20,877</u>	<u>(4,594)</u>	<u>6,858</u>	<u>23,141</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES				
Interest Paid	(704)	-	-	(704)
Principal Payments on Debt Obligations	(9,545)	-	(9,167)	(18,712)
Net Cash Used by Capital Financing Activities	<u>(10,249)</u>	<u>-</u>	<u>(9,167)</u>	<u>(19,416)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers In	55,662	-	-	55,662
Net Cash Provided by Noncapital Financing Activities	<u>55,662</u>	<u>-</u>	<u>-</u>	<u>55,662</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Income	29	-	-	29
Capital Asset Purchases	(55,662)	-	-	(55,662)
Net Cash Used by Investing Activities	<u>(55,633)</u>	<u>-</u>	<u>-</u>	<u>(55,633)</u>
NET CHANGE IN CASH	10,657	(4,594)	(2,309)	3,754
CASH AT BEGINNING OF YEAR	<u>30,368</u>	<u>95,918</u>	<u>4,638</u>	<u>130,924</u>
CASH AT END OF YEAR	<u>\$ 41,025</u>	<u>\$ 91,324</u>	<u>\$ 2,329</u>	<u>\$ 134,678</u>
Reconciliation of Operating Income (Loss) to				
Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	\$ (193,754)	\$ (4,483)	\$ 6,188	\$ (192,049)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities:				
Depreciation	220,513	-	1,845	222,358
Changes In:				
Accounts Receivable	(215)	(679)	451	(443)
Accounts Payable	(3,080)	(1,428)	(1,966)	(6,474)
Accrued Liabilities	(1,023)	(815)	(409)	(2,247)
Customer Deposits	40	(50)	-	(10)
Accrued Vacation	(1,604)	2,861	749	2,006
Net Cash Provided (Used) by Operating Activities	<u>\$ 20,877</u>	<u>\$ (4,594)</u>	<u>\$ 6,858</u>	<u>\$ 23,141</u>
Reconciliation to the Balance Sheet				
Unrestricted	\$ 39,441	\$ 90,974	\$ 2,329	\$ 132,744
Restricted				
CDBG Account	10	-	-	10
NMFA Debt Service	694	-	-	694
Customer Deposits	880	350	-	1,230
CASH AT END OF YEAR	<u>\$ 41,025</u>	<u>\$ 91,324</u>	<u>\$ 2,329</u>	<u>\$ 134,678</u>
Supplemental Cash Flow Disclosures				
Interest Paid	\$ 704	\$ -	\$ -	\$ 704

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO
VILLAGE OF CORONA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2019**

	Employee Retirement Plan
ASSETS	
ASSETS	
Mutual Funds	\$ 76,274
Total Assets	<u>\$ 76,274</u>
LIABILITIES	
LIABILITIES	
Due to Employees	\$ 76,274
Total Liabilities	<u>\$ 76,274</u>

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO
VILLAGE OF CORONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This following summary presentation of significant accounting policies of the Village of Corona (the Village) is to assist in the understanding of the Village's financial statements. The financial statements and notes are the representation of the Village's management who is responsible for their integrity and objectivity. The financial statements of the Village have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units and the Governmental Accounting Standards Board (GASB) as the accepted standard-setting bodies for establishing governmental accounting and financial reporting principles. The financial statements have incorporated all applicable GASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on Accounting Procedures, and Financial Accounting Standards Board (FASB) pronouncements applicable to governmental agencies.

Organization - The Village is a political subdivision of the State of New Mexico and was incorporated under provisions of Chapter 3, Article 2, NMSA 1978 as amended. The Village operates under the mayor-council form of government. The Village provides the following authorized services: public safety (EMS, police and fire), highways and streets, water and sewer, sanitation, health and welfare, social services, culture and recreation, public improvements, and general administrative services. The Village's basic financial statements include all activities and accounts of the Village's financial reporting entity.

The financial reporting entity consists of the primary government, and any another organization for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The GASB 14 definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body, and either it is able to impose its will on that organization, or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, activities, or level of services performed or provided by the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization.

Based upon the GASB 14 criteria above, there are no component units of the Village, nor is the Village considered a component unit of another governmental agency during the fiscal year ended June 30, 2019.

Measurement Focus, Basis of Accounting, Financial Statement Presentation

Government-wide Financial Statements - The basic financial statements include both government-wide (based on the Village as a whole) and fund financial statements. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of inter-fund 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 on fees and charges for support. The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions*.

**STATE OF NEW MEXICO
VILLAGE OF CORONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

In accordance with GASB Statement No. 33, the Village follows the following revenue recognition principles applied to non-exchange transactions:

- Derived tax revenues are recognized as revenue in the period when the underlying exchange transaction occurs and the resources are available. Derived tax revenues include gross receipts, gasoline, and cigarette taxes.
- Imposed non-exchange revenue other than property taxes are recognized in the period when an enforceable legal claim is enacted, and the resources are available.
- Property tax revenue is recorded and the revenue is recognized in the fiscal year for which the taxes are levied.
- Government-mandated non-exchange transactions and voluntary non-exchange transactions are recognized when all applicable eligibility requirements have been met and the resources are available. These include grant revenues, state shared taxes, and intergovernmental revenue. Grant revenues are recognized as revenues when the related costs are incurred.

The Village considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Generally, intergovernmental revenues and grants are recognized when all eligibility requirements are met and the revenues are available. 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, franchise, sales and public service tax revenues associated with the current fiscal period are recognized under the susceptible to accrual concept. Licenses and permits, charges for services, fines and forfeitures, contributions, and miscellaneous revenues are recorded as revenues when received in cash, as the resulting receivable is immaterial. Taxes and other items not properly included among program revenues are reported as general revenues. Grants and similar items are recognized as revenue as soon as all the eligibility requirements of time, reimbursement, and contingencies imposed by the provider are met.

The Lincoln County Treasurer levies and collects property taxes on behalf of the Village. Property taxes are levied in November and are payable in two installments, half on November 10, which becomes delinquent on December 10, and half on April 10, which becomes delinquent on May 10, which is also the lien date.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the Village; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met. Investment earnings are recorded as earned since they are measurable and available.

Other miscellaneous revenues are usually not susceptible to accrual because they are usually not measurable until payment is constructively received.

**STATE OF NEW MEXICO
VILLAGE OF CORONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

The government-wide statement of activities demonstrates the degree to which the direct expenses of a function category (general government, public safety, etc.) or activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. 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 activity; 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or activity; and 3) grants and contributions that are restricted to meeting the capital requirements of a particular function or activity.

The Village does not currently employ indirect cost allocation systems. Depreciation expense for Governmental Activities is a specifically identified function and is included as a separate line item on the Statement of Activities rather than a direct expense of each function. Business-type depreciation expense is reported as a separate line item on the Statement of Net Position and included in the business-type expenses on the Statement of Activities. Interest on general and long-term debt is considered an indirect expense and is reported separately on the Statement of Activities. Transfers between funds and other internal activity are eliminated at the government-wide financial statements.

The government-wide focus is more on the sustainability of the Village as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the governmental fund financial statements is on the major individual funds of the governmental and business-type categories. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Non-exchange transactions, in which the Village gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations.

GASBS No. 77 – Tax Abatement Disclosures - The objective of this statement is to assist the users of state and local government financial statements in assessing (1) whether a government's current-year revenues were sufficient to pay for current-year services (known as inter-period equity), (2) whether a government complied with finance-related legal and contractual obligations, (3) where a government's financial resources come from and how it uses them, and (4) a government's financial position and economic condition and how they have changed over time. The statement will not have a material impact on the Village's financial statements. The Village is not a party to any tax abatement agreements that need to be disclosed as required by GASB 77 during the 2019 fiscal year.

Governmental Fund Financial Statements - Governmental fund level financial statements report activity using the current financial resources measurement focus and the modified accrual basis of accounting. The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balance of financial resources) rather than upon net income. Revenue recognition is as soon as they are both measurable and available.

Separate fund based financial statements are provided for governmental funds and proprietary funds. Major individual government funds and major individual enterprise funds are reported as separate columns in the fund financial statements. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category for the governmental and enterprise combined) for the determination of major funds. Management also has the option to report a fund as major even though it does not fit the criteria. The nonmajor funds are combined in a column in the fund financial statements. The nonmajor funds are detailed in the Supplemental information section of the report.

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

**STATE OF NEW MEXICO
VILLAGE OF CORONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

The Village reports the following major governmental funds:

The **General Fund** is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenues are provided through property and other taxes, federal sources, state sources, charges for services, licenses and fees, and other miscellaneous recoveries and revenue. Expenditures include all costs associated with the daily operation of the Village except for items included in other funds.

The **Fire Protection Fund** is a special revenue fund which accounts for the receipts and expenditures for the operation and maintenance of the fire department. It is financed by specific allocations from the New Mexico State Fire Marshall's Office. This fund was created under the authority provided by Section 59A-53-1 NMSA 1978.

Fiduciary Funds - Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support the Village's programs. The reporting focus is upon net position and changes in net position and employs accounting principles similar to proprietary funds. The fiduciary fund consists of the following fund:

The **Employee Retirement Plan** accounts for assets held by the Village as an agent for their Employees within a Section 457(b) plan. The intent of the fund is to give the employees an opportunity to contribute to a tax deferred retirement plan through their place of employment. More detail regarding this plan is disclosed in Note J.

Business-Type Activities – Business-Type Activities and all proprietary funds are accounted for on a flow of economic resources measurement focus and on an accrual basis. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund-type operating statements present increases and decreases (such as revenues and expenses) in net total position.

The Village reports the following proprietary funds:

- The **Water/Sewer Fund** is used to account for the provision of water and sewer services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, billing and collection.
- The **Gas Fund** is used to account for the provision of natural gas services to the residents of the village. All activities necessary to provide these services are accounted for in this fund, including administration, operations, billing and maintenance.
- The **Solid Waste Fund** accounts for the solid waste fee collection within village limits and subsequent remittance to Greentree Solid Waste Authority, of which the Village is a member organization, with a representative on the Authority's board. The Fund also accounts for the administration operations and maintenance of the solid waste services.

Budgetary Information - Annual budgets of the Village are prepared prior to June 1 and must be approved by resolution of the Village Council and submitted to the Department of Finance and Administration for State approval. Once the budget has been formally approved, any amendments must also be approved by the Village Council and the Department of Finance and Administration. A separate budget is prepared for each fund. Line items within each fund budget may be over-expended; however, it is not legally permissible to over-expend any fund's budget in total. Over-expending the authorized budget in a fund will result in a finding.

**STATE OF NEW MEXICO
VILLAGE OF CORONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

These budgets are prepared on the Non-GAAP budgetary basis, excluding encumbrances, and secure appropriation of funds for only one year. The budgetary information presented in these financial statements has been amended in accordance with the above procedures.

Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Capital Projects Funds, and Proprietary Funds.

The accompanying Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual and Statement of Revenues, Expenses and Changes in Net Position (Non-GAAP Budgetary Basis) and Actual present comparisons of the legally adopted budget with actual data on a budgetary basis. Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of resultant basis, perspective, equity and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2019 is presented.

Budget Violations – The Village did not exceed its budgetary authority at the end of the fiscal year.

Assets, Liabilities, Net Position or Fund Balance and Net Position, Other Matters

Cash and Investments - Cash includes amounts in demand deposits and short-term investments. Cash deposits are reported at carrying amount, which reasonably estimates fair value. All investments are stated at fair value, which is determined by using selected bases. Interest income and realized gains and losses on investment transactions are included for financial statement purposes as investment income.

Cash Flow Liquidity - For purposes of the statement of cash flows, the Village's cash and cash equivalents are cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Restricted Cash - The Village restricts a compensating amount of cash equal to the amount of the customer deposits held on hand. These reserves are not required but are separated by management. The Village is also required to restrict cash equivalent to an annual payment for each of the USDA notes outstanding.

Use of Restricted Cash - When the Village incurs an expense for which it may use either restricted or unrestricted assets, it uses the restricted assets first whenever they will have to be returned if they are not used.

Grants and Contributions - The Village receives grants as well as contributions in the course of operations. Grants and contributions may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as non-operating revenues. Amounts restricted to capital acquisitions are reported after non-operating revenues and expenses.

Utility Receivables - Substantially all of the Village's outstanding utility receivables are due from its customers for water and sewer service and solid waste collection. Collateral is generally not required on receivables, but a deposit is required to activate new service.

Allowance for Doubtful Accounts - It is the opinion of management that no allowance for doubtful accounts was necessary as of June 30, 2019 because services will be disconnected should an account become delinquent, and any outstanding balance would be deducted from the required deposit.

**STATE OF NEW MEXICO
VILLAGE OF CORONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Customer Deposits - The Village requires a deposit to establish service for the customer. Deposits are not considered revenue for the Village unless or until the customer closes their account, at which time any remaining balance due on the account is deducted from the deposit and the customer is refunded the excess.

Concentration of Credit Risk - The Village grants credit without collateral to its customers for its services, but the customers are subject to security deposits at the start of service and service termination if the receivables are not settled within a specified time frame. The customer deposits held by the Village helps mitigate the credit risk.

Property and Equipment - Capital assets which may include software, property, plant, equipment, vehicles, and infrastructure assets (e.g., buildings, roads, bridges, sidewalks, and similar items) are reported in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Land owned by the Village is always capitalized.

GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* allows Phase III governments an exemption from the retroactive application of the capitalization requirements to major general infrastructure assets. The Village has elected not to retroactively record infrastructure assets since being considered a Phase III municipality. However, it must report all infrastructure assets purchased or built after July 1, 2003.

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.

Assets of the Village are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings, Structures and Improvements	10-40
Water and Wastewater Systems	25
Infrastructure	25
Office and Maintenance Equipment	7
Vehicles	5

Analysis of Impairments - Management reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment is determined based on comparison of future cash flows to the recorded value of the assets. Impairment losses are measured based on the fair value of the impaired assets. No such impairment losses were recorded during the year ended June 30, 2019.

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, or business-type activities within the statement of net position. Any issuance costs associated with notes are expensed in the year of issuance.

Long-term obligations are reported as debt in the proprietary fund. In the governmental funds the long-term obligations are not reported as liabilities. The face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**STATE OF NEW MEXICO
VILLAGE OF CORONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Compensated Absences - Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as expenditure and a fund liability of the governmental fund that will pay it. Even though the Village has appropriated, accumulated and earmarked expendable available fund resources for these amounts, the portion not normally expected to be liquidated with expendable available financial resources are reported in the government-wide Statement of Net Position for governmental funds, and is recorded as a long-term liability in the proprietary funds. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

Pensions and OPEB - The Village has elected not to participate in either the New Mexico Public Employees Retirement Association (PERA) or the New Mexico Retiree Health Care Act. Therefore, the Village is not required to implement the following GASB statements:

- GASB Statement No. 68 - *Financial Reporting for Pension Plans – An Amendment to GASB Statement 27.*
- GASB Statement No. 71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date.*
- GASB Statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits other than Pensions.*

Deferred Outflows of Resources – In addition to assets, the Statement of Net Position may report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a use of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until that time. The Village does not have any deferred outflows as of June 30, 2019.

Deferred Inflows of Resources - Deferred inflows of resources represent the acquisition of net position that is applicable to a future reporting period. The Village does not have any deferred inflows as of June 30, 2019.

Fund Balance - Governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of resources: Non-spendable, Restricted, Committed, Assigned and Unassigned. The non-spendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form (such as prepaid items or inventories); or (b) legally or contractually required to be maintained intact. Restricted fund balances have limitations placed on the funds by external means or legislation. Committed fund balances have Village-imposed limitations that can only be used for specific purposes unless the Village removes or changes the limitations, or for contractually required obligations to the extent resources have been committed to satisfy the obligations. Assigned fund balances have an intended use factor for a specific fund, and unassigned fund balances are excess funds not categorized in the other classifications. Unassigned is for the amount not included in the other spendable classifications and can only be used in the General Fund.

Net Position - The government-wide financial statements and proprietary funds utilize a net position presentation. Net position is reported represents the difference between assets plus deferred outflows and liabilities plus deferred inflows. Net position is reported in three categories:

- ***Net investment in capital assets*** – This category reflects the portion of net position that is associated with capital assets, net of accumulated depreciation reduced by the outstanding capital asset-related debt and adding back unspent proceeds.
- ***Restricted net position*** – This category reflects the portion of net position that has third party limitations on its use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- ***Unrestricted net position*** – This category reflects net position of the Village, not restricted for any project or other purpose.

**STATE OF NEW MEXICO
VILLAGE OF CORONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Operating and Non-operating Revenues - Revenues are classified as operating or non-operating according to the following criteria:

Operating revenue - include activities which have the characteristic of exchange transactions, such as charges for services and fees, net of any allowance for uncollectible amounts.

Non-operating revenues - include activities which have the characteristics of non-exchange transactions, such as capital grants and investment income.

Interfund Activity - Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund balances as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

Operating and Non-operating Expenditures - Expenditures are classified as operating or non-operating according to the following criteria:

Operating expenditures - include activities that have the characteristics of an exchange transaction such as employee salaries, benefits, and related expenses; maintenance, operations and contractual services; materials and supplies; office expenses; and depreciation expenses related to Village capital assets.

Non-operating expenditures - include activities that have the characteristics of non-exchange transactions such as interest on capital asset-related debt and bond expenses that are defined as non-operating expenses by GASB Statement No. 9 - *Reporting Cash Flows of Proprietary and Non-expendable Trust Funds and Governmental Entities that Use Proprietary Fund Accounting*, and GASB Statement No. 34.

Use of 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.

Risk Management - The Village is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental, and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in any preceding years. A surety bond as required by Section 12-6-7 NMSA 1978 Compilation and the New Mexico State Auditor Rule covers the officials and certain employees of the Village.

Subsequent Events - FASB ASC 855-10-50-1 requires reporting entities to disclose the date through which subsequent events have been evaluated and whether that date is the date the financial statements were issued or available to be issued. Management has evaluated subsequent events through the date of the auditor's report, which is the date the financial statements were available to be issued.

**STATE OF NEW MEXICO
VILLAGE OF CORONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE B - CASH AND CASH EQUIVALENTS

The Village pools its cash of the various funds to facilitate effective cash management. The pooled cash accounts balance is available to meet current operating requirements for each fund. The table below reconciles the cash amount in the financial statements to the amount of cash deposited with the financial institution.

	Governmental Activities	Business-type Activities	Total
Unrestricted Pooled Cash	\$ 357,248	\$ 132,744	\$ 489,992
Petty Cash	250	-	250
Restricted Cash			
CDBG Fund	-	10	10
NMFA Cash	-	694	694
Customer Deposits	-	<u>1,230</u>	<u>1,230</u>
Total Cash and Cash Equivalents	<u>\$ 357,498</u>	<u>\$ 134,678</u>	<u>\$ 492,176</u>

Restricted Cash – The Village has restricted \$880 in the Water/Sewer Fund and \$350 in the Gas Fund for customer deposits.

At June 30, 2019, the Village had cash and cash equivalents on deposit with a local financial institution, consisting of non-interest checking accounts. Checking accounts required for debt service or for grant purposes are prohibited from accruing interest. The following is a schedule as of June 30, 2019, of the cash and cash equivalents on deposit with the financial institution:

	Bank Balance June 30, 2019	Net Items Outstanding	Book Balance June 30, 2019
Wells Fargo			
Demand Deposit Accounts:			
General Pooled Cash Account	\$ 521,003	\$ (31,998)	\$ 489,005
Firemen’s Recreation Fund Account	989	-	989
Water Meter Fund	880	-	880
Gas Meter Fund	350	-	350
CDBG Fund	<u>10</u>	<u>-</u>	<u>10</u>
Total – Wells Fargo Bank	<u>\$ 523,232</u>	<u>\$ (31,998)</u>	<u>\$ 491,234</u>

Collateralization - The FDIC provides coverage of up to \$250,000 for interest-bearing and non-interest-bearing demand accounts separately from an additional \$250,000 for interest-bearing time and savings accounts. Excess coverage from one category is not transferrable to the other. No security is required for the deposit of public money being insured by the Federal Deposit Insurance Corporation.

In accordance with Section 6-10-17, NMSA 1978, deposits of public monies are required to be collateralized. Pledged collateral is required in amounts in aggregate equal to one half of the amount of uninsured public money in each account during the fiscal year. Securities which are obligations of the State of New Mexico, its agencies, institutions, counties, or municipalities or other subdivisions are accepted as security at par value; all other securities are accepted as security at market value.

**STATE OF NEW MEXICO
VILLAGE OF CORONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE B - CASH AND CASH EQUIVALENTS (Cont.)

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to them. The Village does not have a deposit policy for custodial credit risk other than following state statutes. As of June 30, 2019, \$273,152 of the Village's bank balance of \$523,152 was exposed to custodial credit risk before applying the pledged collateral. The Bank of New York Mellon holds the securities pledged toward the Village.

	Wells Fargo		
Deposits	\$ 523,152		
Less FDIC Coverage	<u>(250,000)</u>		
Uninsured Funds	273,152		
Pledged Collateral Securities	<u>163,747</u>		
Uninsured and Uncollateralized	<u>\$ 109,405</u>		
50% Pledged Collateral Requirement per Statute	\$ 136,576		
Pledged Collateral	<u>163,747</u>		
(Over) Under Collateralized	<u>\$ (27,171)</u>		
Wells Fargo Bank		Market	
Pledged Collateral:	Maturity	Value	Par Value
FNMA FNMS #3138LQD68 3.50%	04/01/2042	\$ <u>163,747</u>	\$ <u>697,624</u>
Total Collateral Pledged		\$ <u>163,747</u>	\$ <u>697,624</u>

New Mexico Finance Authority Deposits – The Village has approximately \$694 on deposit with the New Mexico Finance Authority (NMFA). The amounts on deposits are being held in escrow by NMFA for debt service purposes. The amounts on deposit with NMFA are not covered by FDIC and not considered in the collateralization requirement calculation.

NOTE C - RECEIVABLES

Government Activities – The following receivables are reported in the Governmental Activities column on the Statement of Net Position:

Property Taxes - The Village fully reserves delinquent property taxes that are outstanding as of fiscal year-end. Total delinquent property taxes receivable and fully reserved as of June 30, 2019 is approximately \$234.

**STATE OF NEW MEXICO
VILLAGE OF CORONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE C – RECEIVABLES (Cont.)

Taxes - The Village records gross receipts, franchise and other taxes collected within sixty days of year end as receivables at year end. The following amount are considered receivable at the fiscal year end.

	Total
Gross Receipts Tax	\$ 14,222
Gasoline	1,197
Motor Vehicle	697
Property	<u>75</u>
Total Taxes Receivables	<u>\$ 16,191</u>

Business-type Activities – The Village reports the following receivables in the Business-type activities on the Statement of Net Position:

Accounts Receivable - The Village does not reserve a portion of the utility accounts receivable as the amount are believed to be collectible. The amount of the receivables for the Proprietary Funds are below as of the fiscal year end:

	Water/Sewer	Gas	Solid Waste	Total
Gross Accounts Receivable	\$ 9,551	\$ 3,436	\$ 2,329	\$ 17,111
Less Allowance for Doubtful Accounts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Accounts Receivable - Net	<u>\$ 9,551</u>	<u>\$ 3,436</u>	<u>\$ 2,329</u>	<u>\$ 17,111</u>

Concentrations of Risk - The Village depends on financial resources flowing from, or associated with, property taxes, gross receipts taxes, the Federal Government and the State of New Mexico. Because of this dependency, the Village is subject to changes in specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal and State Appropriations; changes in gross receipts tax rates, collections, tourism, and property values.

NOTE D - CAPITAL ASSETS

The following capital asset activity for the year ended June 30, 2019 is as follows:

	Balance June 30, 2018	Increases	Decreases	Balance June 30, 2019
Governmental Activities:				
Non-depreciable Capital Assets				
Land	\$ 39,146	\$ -	\$ -	\$ 39,146
Total Non-depreciable Capital Assets	39,146	-	-	39,146
Depreciable Capital Assets				
Land Improvements	82,979	-	-	82,979
Buildings and Improvements	1,458,200	-	-	1,458,200
Streets and Other Infrastructure	543,568	-	-	543,568
Vehicles, Machinery and Equipment	<u>1,074,039</u>	<u>-</u>	<u>-</u>	<u>1,074,039</u>
Total Depreciable Capital Assets	<u>3,158,786</u>	<u>-</u>	<u>-</u>	<u>3,158,786</u>

**STATE OF NEW MEXICO
VILLAGE OF CORONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE D - CAPITAL ASSETS (Cont.)

	Balance June 30, 2018	Increases	Decreases	Balance June 30, 2019
Accumulated Depreciation				
Land Improvements	(46,841)	(4,137)	-	(50,978)
Buildings and Improvements	(1,126,583)	(55,858)	-	(1,182,441)
Streets and Other Infrastructure	(329,463)	(21,078)	-	(350,541)
Vehicles, Machinery and Equipment	<u>(637,844)</u>	<u>(33,689)</u>	-	<u>(671,533)</u>
Accumulated Depreciation	<u>(2,140,731)</u>	<u>(114,762)</u>	-	<u>(2,255,493)</u>
Total Depreciable Capital Assets, Net	<u>1,018,055</u>	<u>(114,762)</u>	-	<u>903,293</u>
Capital Assets, Net	<u>\$ 1,057,201</u>	<u>\$ (114,762)</u>	<u>\$ -</u>	<u>\$ 942,439</u>

Management has elected to present the Governmental Activities depreciation expense of \$114,762 as a separate line-item expense on the Statement of Activities rather than allocating the expense to each function within the primary government.

	Balance June 30, 2018	Increases	Decreases	Balance June 30, 2019
Business-type Activities:				
Depreciable Capital Assets				
Infrastructure	\$ 5,550,901	\$ 55,662	\$ -	\$ 5,606,563
Land Improvements	17,927	-	-	17,927
Vehicles, Machinery and Equipment	<u>143,296</u>	<u>15,000</u>	-	<u>158,296</u>
Total Depreciable Capital Assets	<u>5,712,124</u>	<u>70,662</u>	-	<u>5,782,786</u>
Accumulated Depreciation				
Infrastructure	(2,507,996)	(220,513)	-	(2,728,509)
Land Improvements	(15,818)	(345)	-	(16,163)
Vehicles, Machinery and Equipment	<u>(143,296)</u>	<u>(1,500)</u>	-	<u>(144,796)</u>
Accumulated Depreciation	<u>(2,667,110)</u>	<u>(151,696)</u>	-	<u>(2,889,468)</u>
Capital Assets, Net	<u>\$ 3,045,014</u>	<u>\$ (151,696)</u>	<u>\$ -</u>	<u>\$ 2,893,318</u>

NOTE E - TRANSFERS

The Village transferred approximately \$10,431 to the Intergovernmental Fund for the Village's matching amount of the capital outlay. The Intergovernmental Fund subsequently transferred approximately \$55,662 to the Water Fund because the capital outlay expenses dealt with well and water tank repairs, and for a water line relocation.

**STATE OF NEW MEXICO
VILLAGE OF CORONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE F - COMPENSATED ABSENCES

Vacation and sick leave are earned by employees during the year based on time worked, are non-cumulative and considered to be a long-term liability. Vacation leave due, if any, is paid upon an employee's termination. Compensation for sick leave is limited to time off and is not monetarily compensated. The activity of the accrued leave due to employees as of June 30, 2019 is detailed below. Vacation for the governmental activities are paid by the General Fund. The respective Proprietary Funds incur the expenditures for the Business-type activities for the employees assigned to the respective fund.

	Balance June 30, 2019	Increases	Decreases	Balance June 30, 2019
Governmental Activities	\$ 3,340	\$ 2,261	\$ (2,569)	\$ 3,032
Business-type Activities	<u>3,888</u>	<u>3,180</u>	<u>(1,174)</u>	<u>5,894</u>
Total	<u>\$ 7,228</u>	<u>\$ 5,441</u>	<u>\$ (3,743)</u>	<u>\$ 8,926</u>

NOTE G - LONG-TERM DEBT

The Village had the following long-term debt obligations as of June 30, 2019:

Governmental Activities:

NMFA 3431-PP – Fire Equipment - The Village entered into an agreement with NMFA in February 2016 to fund attack apparatus equipment purchase for the fire department. Initial principal was \$117,699 with repayment terms of annual payments of approximately \$13,066, bearing interest at a blended rate of 1.94% maturing in May 2026. The debt is paid from intercept funds from the Fire Protection Fund. The Village made an accelerated payment of \$26,000 during the 2019 fiscal year, reducing the annual payments to approximately \$12,476 and moving the maturity date to May 2024.

	Balance June 30, 2018	Increases	Decreases	Balance June 30, 2019	Due Within One Year
Governmental NMFA 3431-PP	\$ 95,764	\$ -	\$ (37,329)	<u>\$ 58,435</u>	<u>\$ 11,471</u>
Total Long-term Debt	<u>\$ 95,764</u>	<u>\$ -</u>	<u>\$ (37,329)</u>	<u>\$ 58,435</u>	<u>\$ 11,471</u>

Business-type Activities:

NMFA 0145-WTB – Phase I Facilities Improvement - The Village entered into a \$1,500,000 Grant Loan agreement with NMFA in February 2010 for Phase I of the design, engineering and construction of a wastewater treatment system. The agreement consisted of grant fund amount of \$1,350,000 and the Village loan of \$150,000. Repayment terms of annual payments of approximately \$7,698, bearing interest at 0.250% maturing in June 2030. The debt is paid from Water fund charges and collections.

NMFA 2478-PP – Water Tank - The Village entered into an agreement with NMFA in August 2010 to fund the rehabilitation of the Village's water storage tank. Initial principal was \$30,450 with repayment terms of annual payments of approximately \$2,550, bearing interest at 3.00% maturing in May 2025. The debt is paid from Water fund charges and collections.

**STATE OF NEW MEXICO
VILLAGE OF CORONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE G - LONG-TERM DEBT (Cont.)

Greentree Solid Waste Authority - The Village entered into an agreement with Greentree SWA to purchase compactors for the Solid Waste Fund. The initial amount financed was \$15,000 with payments of approximately \$417 at 0% interest and maturing in August of 2020.

The Village paid approximately \$704 in interest expense and other fees during the fiscal year from the Water/Sewer Fund.

Long-term debt activity for the year ended June 30, 2019 was as follows:

Proprietary	Balance June 30, 2018	Increases	Decreases	Balance June 30, 2019	Due Within One Year
NMFA 0145-WTB	\$ 90,898	\$ -	\$ (7,471)	\$ 83,427	\$ 7,490
NMFA 2478-PP	15,891	-	(2,074)	13,817	2,136
Greentree SWA	<u>-</u>	<u>15,000</u>	<u>(9,167)</u>	<u>5,833</u>	<u>5,000</u>
Total Long-term Debt	<u>\$ 106,789</u>	<u>\$ 15,000</u>	<u>\$ (18,712)</u>	<u>\$ 103,077</u>	<u>\$ 14,626</u>

Long-term debt service requirements to maturity for the Village are as follows:

Fiscal Year Ending June 30,	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 11,471	\$ 1,005	\$ 12,476	\$ 14,626	\$ 623	\$ 15,249
2021	11,633	843	12,476	10,542	540	11,082
2022	11,817	659	12,476	9,793	456	10,249
2023	12,021	455	12,476	9,880	369	10,249
2024	11,493	230	11,723	9,969	280	10,249
2025-2029	-	-	-	40,588	457	41,045
2030	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,679</u>	<u>19</u>	<u>7,698</u>
	<u>\$ 58,435</u>	<u>\$ 3,192</u>	<u>\$ 61,627</u>	<u>\$ 103,077</u>	<u>\$ 2,744</u>	<u>\$ 105,821</u>

NOTE H - RETIRE HEALTH CARE ACT CONTRIBUTIONS

The Retiree Health Care Act (10-7C-1 to 10-7C-16, NMSA 1978) provides comprehensive care group health insurance for persons who have retired from certain public service in New Mexico. The Village has elected not to participate in the program.

NOTE I - PERA PENSION PLAN

The Village does not participate in the State of New Mexico PERA retirement plan

**STATE OF NEW MEXICO
VILLAGE OF CORONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE J - DEFERRED COMPENSATION PLAN

The Village offers its employees the opportunity to participate in an 457(b) individual retirement plan under IRS Code Section 457. Section 457 plans are tax-advantaged deferred compensation plans available to governmental employers. The governmental employer provides the plan and employees can defer compensation into the plan on a pre-tax basis. Such plans are not subject to the Employee Retirement Income Security Act. Assets in the plan belong to employees and can usually be withdrawn before retirement without penalty. All plan withdrawals (before retirement or post-employment) are subject to personal income tax.

Pension reporting requirements exist in Statement 67, Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, and Statement 73. Section 457 plans that allow employee withdrawals at any time do not meet the GASB 68 pension plan definition requirements because benefits are not paid as they come due. Section 457 plans are reported as fiduciary activities under Statement No. 84, *Fiduciary Activities*,

Employees can contribute up to 25% of their salary with the Village matching \$50 of each participating employee's salary for 24 pay periods. The Plan is managed by the New Mexico PERA with Nationwide Retirement Solutions being the transfer agent in custody of the funds. The Village contributions to this plan for the fiscal year ended June 30, 2019 were \$8,225.

NOTE K - COMMITMENTS

NMDOT – 15-D15094 STREET IMPROVEMENT GRANT - In September 2015, the Village was awarded \$25,000 for rehabilitation of surface streets within the Village. Initial reversion date for this grant was June 30, 2019. The Village was awarded an extension on this grant through June 30, 2021 to draw on this grant, otherwise the grant will revert back to the State. The Village has not drawn any funds as of June 30, 2019.

NMDOT – 15-D15095 SIDEWALK GRANT - In September 2015, the Village was awarded \$45,000 for rehabilitation of sidewalks within the Village. Initial reversion date for this grant was June 30, 2019. The Village was awarded an extension on this grant through June 30, 2021 to draw on this grant, otherwise the grant will revert back to the State. The Village has not drawn any funds as of June 30, 2019.

NMED – SAP 18-C2257-STB WATER LINE CONSTRUCT – In September 2018, the Village was awarded \$25,000 for water system improvements within the Village. The Village has until September 2022, before any approved extensions, to draw down on the grant or the remaining grant funds will revert back to the State. The Village has not drawn any funds as of June 30, 2019.

NMDFA – CDBG PROJECT #18-C-RS-I-01-G-11 WATER SYSTEM IMPROVEMENTS – In September 2018, the Village was awarded \$571,323 for water system improvements within the Village. The Village is to provide a 5% cash match of \$28,566 as well as financing an additional \$65,756 for the project. The Village has until September 2020, before any approved extensions, to draw down on the grant or the remaining grant funds will revert back to the state. The Village has not drawn any funds as of June 30, 2019.

NMDFA – 19-D3069 GAS DISTRIBUTION SYSTEM GRANT - In May 2019, the Village was awarded \$100,000 for rehabilitation and improvements to the natural gas distribution system within the Village. Initial reversion date for this grant is June 30, 2023 for the Village to draw on this grant, otherwise the grant will revert back to the State. The Village has not drawn any funds as of June 30, 2019.

SUPPLEMENTAL INFORMATION

**STATE OF NEW MEXICO
VILLAGE OF CORONA
NONMAJOR FUND DESCRIPTIONS
JUNE 30, 2019**

Recreation Fund - To account for revenues and expenditures relating to Village recreational facilities and programs. Financing is provided by the State. Such revenue provides for payment of all current operating costs and may be used for that purpose only. Authority for this fund is NMSA 7-12-15.

Street Gas Tax Fund - To account for the operations and maintenance of funds restricted for the repair and replacement of infrastructure improvements. The funds may be used only for sewer and street repairs and replacements or for the acquisition of rights-of-way. Authority for this fund is NMSA 7-21-115.

Library Fund - Accounts for the operations and maintenance of the Corona Library. Financing is provided by local grants and donations. Authority for creating this fund is through Council Resolution.

Intergovernmental Fund - Accounts for capital outlay grants and expenditures from State funding. This fund was created by the Council Resolution.

STATE OF NEW MEXICO
VILLAGE OF CORONA
COMBINED BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	Recreation Fund	Street Gas Tax Fund	Library Fund	Inter- Governmental Fund	Total Nonmajor Governmental Funds
ASSETS					
ASSETS					
Cash and Cash Equivalents	\$ 10,821	\$ 4,359	\$ 36,921	\$ -	\$ 52,101
Grants Receivable				-	-
Gax Tax Receivable	<u>-</u>	<u>834</u>	<u>-</u>	<u>-</u>	<u>834</u>
Total Assets	<u><u>\$ 10,821</u></u>	<u><u>\$ 5,193</u></u>	<u><u>\$ 36,921</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 52,935</u></u>
 LIABILITIES AND FUND BALANCE					
LIABILITIES					
Accounts Payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Liabilities	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
 FUND BALANCES					
Restricted	\$ -	\$ 5,193	\$ -	\$ -	\$ 5,193
Assigned	<u>10,821</u>	<u>-</u>	<u>36,921</u>	<u>-</u>	<u>47,742</u>
Total Fund Balances	<u><u>10,821</u></u>	<u><u>5,193</u></u>	<u><u>36,921</u></u>	<u><u>-</u></u>	<u><u>5,193</u></u>
Total Liabilities and Fund Balance	<u><u>\$ 10,821</u></u>	<u><u>\$ 5,193</u></u>	<u><u>\$ 36,921</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 52,935</u></u>

**STATE OF NEW MEXICO
VILLAGE OF CORONA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019**

	Recreation Fund	Street Gas Tax Fund	Library Fund	Inter- Governmental Fund	Total Nonmajor Governmental Funds
REVENUES					
Taxes					
Gasoline	\$ -	\$ 5,421	\$ -	\$ -	\$ 5,421
Intergovernmental					
State	-	-	9,475	6,036	15,511
County	-	-	1,500	-	1,500
Charges for Service	-	-	2,790	-	2,790
Lease Income	1,500	-	-	-	1,500
Donations	-	-	5,000	-	5,000
Total Revenues	<u>1,500</u>	<u>5,421</u>	<u>18,765</u>	<u>6,036</u>	<u>31,722</u>
EXPENDITURES					
Current					
Streets	-	4,090	-	-	4,090
Culture and Recreation	-	-	13,869	691	14,560
Total Expenditures	<u>-</u>	<u>4,090</u>	<u>13,869</u>	<u>691</u>	<u>18,650</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,500</u>	<u>1,331</u>	<u>4,896</u>	<u>5,345</u>	<u>13,072</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	10,431	10,431
Transfers Out	-	-	-	(55,662)	(55,662)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(45,231)</u>	<u>(45,231)</u>
Net Change in Fund Balance	1,500	1,331	4,896	(39,886)	(32,159)
Fund Balance, Beginning	<u>9,321</u>	<u>3,862</u>	<u>32,025</u>	<u>39,886</u>	<u>85,094</u>
Fund Balance, Ending	<u>\$ 10,821</u>	<u>\$ 5,193</u>	<u>\$ 36,921</u>	<u>\$ -</u>	<u>\$ 52,935</u>

STATE OF NEW MEXICO
VILLAGE OF CORONA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET TO ACTUAL (NON-GAAP BASIS)
RECREATION FUND
YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Charges for Service	\$ 1,800	\$ 1,800	\$ 1,500	\$ (300)
Total Revenues	1,800	1,800	1,500	(300)
EXPENDITURES				
Current				
Culture and Recreation	-	-	-	-
Total Expenditures	-	-	-	-
Net Change in Fund Balance	1,800	1,800	1,500	(300)
Cash Balance, Beginning of Year	9,321	9,321	9,321	-
Cash Balance, End of Year	<u>\$ 11,121</u>	<u>\$ 11,121</u>	<u>\$ 10,821</u>	<u>\$ (300)</u>
Reconciliation to GAAP Basis				
Net Change in Fund Balance - Budget Basis			<u>\$ 1,500</u>	
Net Change in Fund Balance - GAAP Basis			<u>\$ 1,500</u>	

STATE OF NEW MEXICO
VILLAGE OF CORONA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET TO ACTUAL (NON-GAAP BASIS)
STREET GAS TAX FUND
YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Taxes				
Gasoline	\$ 5,004	\$ 5,004	\$ 5,004	-
Total Revenues	<u>5,004</u>	<u>5,004</u>	<u>5,004</u>	<u>-</u>
EXPENDITURES				
Current				
Streets	5,004	5,004	4,133	871
Total Expenditures	<u>5,004</u>	<u>5,004</u>	<u>4,133</u>	<u>871</u>
Net Change in Fund Balance	-	-	871	871
Cash Balance, Beginning of Year	<u>3,488</u>	<u>3,488</u>	<u>3,488</u>	<u>-</u>
Cash Balance, End of Year	<u>\$ 3,488</u>	<u>\$ 3,488</u>	<u>\$ 4,359</u>	<u>\$ 1,742</u>
Reconciliation to GAAP Basis				
Net Change in Fund Balance - Budget Basis			\$ 871	
Changes in:				
Gas Tax Receivable			417	
Accounts Payable			<u>43</u>	
Net Change in Fund Balance - GAAP Basis			<u>\$ 1,331</u>	

**STATE OF NEW MEXICO
VILLAGE OF CORONA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET TO ACTUAL (NON-GAAP BASIS)
LIBRARY FUND
YEAR ENDED JUNE 30, 2019**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Intergovernmental				
State	\$ 11,991	\$ 11,991	\$ 9,475	\$ (210)
County	3,000	3,000	1,500	(1,500)
Charges for Service	1,500	3,000	2,790	(210)
Donations	7,000	7,000	5,000	(2,000)
Total Revenues	23,491	24,991	18,765	(3,920)
EXPENDITURES				
Current				
Culture and Recreation	23,336	23,336	15,460	7,876
Total Expenditures	23,336	23,336	15,460	7,876
Net Change in Fund Balance	155	1,655	3,305	1,650
Cash Balance, Beginning of Year	33,616	33,616	33,616	-
Cash Balance, End of Year	\$ 33,771	\$ 35,271	\$ 36,921	\$ 1,650
Reconciliation to GAAP Basis				
Net Change in Fund Balance - Budget Basis			\$ 3,305	
Changes in:				

STATE OF NEW MEXICO
VILLAGE OF CORONA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET TO ACTUAL (NON-GAAP BASIS)
INTERGOVERNMENTAL FUND
YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Intergovernmental State	\$ 100,345	\$ 142,055	\$ 47,055	\$ (95,000)
Transfers In	-	10,432	10,431	(1)
Total Revenues	100,345	152,487	57,486	(95,001)
EXPENDITURES				
Current				
Culture and Recreation	-	691	691	-
Transfers Out	95,535	147,089	56,795	90,294
Total Expenditures	95,535	147,780	57,486	90,294
Net Change in Fund Balance	4,810	4,707	-	(185,295)
Cash Balance, Beginning of Year	-	-	-	-
Cash Balance, End of Year	<u>\$ 4,810</u>	<u>\$ 4,707</u>	<u>\$ -</u>	<u>\$ (185,295)</u>
Reconciliation to GAAP Basis				
Net Change in Fund Balance - Budget Basis			\$ -	
Changes in:				
Grants Receivable			(41,019)	
Accounts Payable			1,133	
Net Change in Fund Balance - GAAP Basis			<u>\$ (39,886)</u>	

**STATE OF NEW MEXICO
VILLAGE OF CORONA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND NET POSITION - BUDGET TO ACTUAL (NON-GAAP BASIS)
WATER & SEWER FUND
YEAR ENDED JUNE 30, 2019**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Charges for Services				
Water	\$ 63,312	\$ 63,312	\$ 58,065	\$ (5,247)
Sewer	35,600	35,600	35,142	(458)
Connection and Late Fees	230	230	115	(115)
Interest Income	-	-	29	29
Other Revenue	10,000	10,000	5,586	(4,414)
Total Operating Revenues	109,142	109,142	98,937	(10,205)
OPERATING EXPENSES				
Current				
Personnel Services and Benefits	39,201	39,201	28,281	10,920
Professional and Contracted Services	32,502	32,502	30,184	2,318
Supplies and Materials	6,510	5,720	4,887	833
Utilities, Repairs and Maintenance	12,638	12,738	9,370	3,368
Other Expenses	5,401	5,472	5,309	163
Debt Service				
Principal	9,546	9,546	9,545	1
Interest	704	704	704	-
Total Operating Expenses	106,502	105,883	88,280	17,603
Operating Income	2,640	3,259	10,657	7,398
Change in Net Position	2,640	3,259	10,657	(2,807)
Cash - Beginning of Year	30,358	30,358	30,358	-
Cash - End of Year	\$ 32,998	\$ 33,617	\$ 41,015	\$ (2,807)
Reconciliation to GAAP Basis				
Change in Net Position - Budget Basis			\$ 10,657	
Depreciation			(220,513)	
Transfer in for Capital Outlay			55,662	
Principal Payments			9,545	
Changes In:				
Accounts Receivable			215	
Accounts Payable			3,080	
Accrued Liabilities			1,023	
Customer Deposits			(40)	
Accrued Vacation			1,604	
Change in Net Position - GAAP Basis			\$ (138,767)	

STATE OF NEW MEXICO
VILLAGE OF CORONA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND NET POSITION - BUDGET TO ACTUAL (NON-GAAP BASIS)
GAS FUND
YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Charges for Services				
Sewer	\$ 95,800	\$ 95,800	\$ 94,368	\$ (1,432)
Total Operating Revenues	<u>95,800</u>	<u>95,800</u>	<u>94,368</u>	<u>(1,432)</u>
OPERATING EXPENSES				
Current				
Personnel Services and Benefits	46,917	46,917	43,075	3,842
Professional and Contracted Services	35,422	45,301	42,812	2,489
Supplies and Materials	2,565	3,927	2,134	1,793
Utilities, Repairs and Maintenance	3,800	6,800	5,559	1,241
Other Expenses	4,101	5,383	5,382	1
Total Operating Expenses	<u>92,805</u>	<u>108,328</u>	<u>98,962</u>	<u>9,366</u>
Change in Net Position	2,995	(12,528)	(4,594)	7,934
Cash - Beginning of Year	<u>95,918</u>	<u>95,918</u>	<u>95,918</u>	<u>-</u>
Cash - End of Year	<u>\$ 98,913</u>	<u>\$ 83,390</u>	<u>\$ 91,324</u>	<u>\$ 7,934</u>
Reconciliation to GAAP Basis				
Change in Net Position - Budget Basis			\$ (4,594)	
Changes In:				
Accounts Receivable			679	
Accounts Payable			1,428	
Accrued Liabilities			815	
Accrued Vacation			(2,861)	
Customer Deposits			<u>50</u>	
Change in Net Position - GAAP Basis			<u>\$ (4,483)</u>	

**STATE OF NEW MEXICO
VILLAGE OF CORONA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND NET POSITION - BUDGET TO ACTUAL (NON-GAAP BASIS)
SOLID WASTE FUND
YEAR ENDED JUNE 30, 2019**

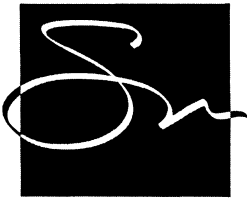
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Charges for Services				
Solid Waste	\$ 40,700	\$ 40,700	\$ 38,329	\$ (2,371)
Other Revenue	700	700	700	-
Total Operating Revenues	<u>41,400</u>	<u>41,400</u>	<u>39,029</u>	<u>(2,371)</u>
OPERATING EXPENSES				
Current				
Personnel Services and Benefits	16,843	16,843	14,735	2,108
Professional and Contracted Services	11,497	12,952	12,951	1
Supplies and Materials	180	180	157	23
Utilities, Repairs and Maintenance	2,700	2,700	2,650	50
Other Expenses	2,000	2,000	1,678	322
Debt Service				
Principal	8,067	9,167	9,167	-
Total Operating Expenses	<u>41,287</u>	<u>43,842</u>	<u>41,338</u>	<u>2,504</u>
Change in Net Position	113	(2,442)	(2,309)	133
Cash - Beginning of Year	<u>4,638</u>	<u>4,638</u>	<u>4,638</u>	<u>-</u>
Cash - End of Year	<u>\$ 4,751</u>	<u>\$ 2,196</u>	<u>\$ 2,329</u>	<u>\$ 133</u>
Reconciliation to GAAP Basis				
Change in Net Position - Budget Basis			\$ (2,309)	
Depreciation			(1,845)	
Principal Payments			9,167	
Changes In:				
Accounts Receivable			(451)	
Accounts Payable			1,966	
Accrued Vacation			(749)	
Accrued Liabilities			409	
Change in Net Position - GAAP Basis			<u>\$ 6,188</u>	

**STATE OF NEW MEXICO
VILLAGE OF CORONA
SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
EMPLOYEE RETIREMENT PLAN
YEAR ENDED JUNE 30, 2019**

	Balance 06/30/18	Additions	Deductions	Balance 06/30/19
ASSETS				
ASSETS				
Mutual Funds	\$ 63,599	\$ 13,001	\$ (327)	\$ 76,273
Total Assets	<u>\$ 63,599</u>	<u>\$ 13,001</u>	<u>\$ (327)</u>	<u>\$ 76,273</u>
 LIABILITIES				
LIABILITIES				
Due to Employees	\$ 63,599	\$ 13,001	\$ (327)	\$ 76,273
Total Liabilities	<u>\$ 63,599</u>	<u>\$ 13,001</u>	<u>\$ (327)</u>	<u>\$ 76,273</u>
 Reconciliation of Additions:				
Member Contributions		\$ 8,225		
Investment Income		1,865		
Unrealized Gain on Investments		<u>2,911</u>		
Total Additions		<u>\$ 13,001</u>		
 Reconciliation of Deductions				
Administrative Fees			<u>\$ (327)</u>	
Total Deductions			<u>\$ (327)</u>	

The accompanying notes are an integral part of these financial statements.

INTERNAL CONTROL AND COMPLIANCE



SCOTT NORTHAM, CPA, PC
Certified Public Accountants

INDEPENDENT AUDITOR'S 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*

Brian Colon, New Mexico State Auditor, and
Honorable Mayor Pro-Tem and Councilors of
Village of Corona
Corona, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information and the budgetary comparisons for the general Fund and major special revenue funds of the Village of Corona, New Mexico as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents and have issued our report thereon dated October 24, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from 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* and Section 12-6-5 NMSA 1978.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Scott Northam, CPA, PC
Ruidoso, New Mexico
October 24, 2019

**STATE OF NEW MEXICO
VILLAGE OF CORONA
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2019**

SUMMARY OF AUDITOR RESULTS:

Financial Statements:

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

FINANCIAL STATEMENT FINDINGS

CURRENT YEAR FINDINGS:

NONE

PRIOR YEAR FINDINGS:

2016-003 – Internal Control over Purchase Cards	Resolved
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**STATE OF NEW MEXICO
VILLAGE OF CORONA
EXIT CONFERENCE
JUNE 30, 2019**

An entrance was held with Village representatives on October 22, 2019. The contents of this report were discussed with the Village of Corona representatives on October 24, 2019. The following individuals were available for the conference:

Village of Corona

Scott Northam, CPA, PC

Sherill Perkins-Bradford, Mayor Pro-Tem
Terri Racher, Village Clerk/Treasurer

Scott Northam, CPA

The financial statements of the Village of Corona were prepared by Scott Northam, CPA, PC from original books and records provided by and with assistance from the Village's management.

Although standards strongly emphasize the Village prepare its own financial statements, the consensus between Village management and the auditor was that it would be more time and cost efficient for the auditor to prepare the financial statements and the related notes. Accordingly, the Village designated a competent management-level individual to oversee the auditor's services, make all management decisions and perform all management functions. The Village reviewed, approved, and accepted responsibility for the accompanying financial statements and related notes and Supplemental schedules, and for ensuring that the underlying accounting records adequately support the preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America and that the records are current and in balance.