

STATE OF NEW MEXICO  
CORONA PUBLIC SCHOOLS

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JUNE 30, 2008

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STATE OF NEW MEXICO  
CORONA PUBLIC SCHOOLS

JUNE 30, 2008

OFFICIAL ROSTER

BOARD OF EDUCATION

Rick Gage	President
Mark Sultemeier	Vice President
Jeanene Gibbs	Secretary
Bill Hignight	Member
Shad Cox	Member

SCHOOL OFFICIALS

Travis Lightfoot	Superintendent
Barbara Sultemeier	Business Manager



Portales  
Clovis

RWA

# Roy Woodard & Associates

Certified Public Accountants

116 East Grand, P.O. Box 1874, Clovis, New Mexico 88102 Office (575) 762-3811 Fax (575) 762-3866

## INDEPENDENT AUDITORS' REPORT

Hector H. Balderas  
New Mexico State Auditor  
The Board of Education  
Corona Public Schools  
Corona, New Mexico

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Corona Public Schools (District) as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of Corona Public School's non-major governmental and fiduciary funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2008, as listed in the table of contents. These financial statements are the responsibility of Corona Public School's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Corona Public Schools, as of June 30, 2008, and the respective changes in financial position, thereof and the respective budgetary comparison statements for the General, Title I, IDEA B Discretionary, Technology for Education, Libraries SB-301 GO Bonds, and SB-9 for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each non-major governmental and fiduciary fund of Corona Public Schools, as of June 30, 2008, and the respective changes in financial position thereof and the respective budgetary comparison statements for Bond Building and Debt Service, each non-major special revenue fund, capital projects fund and debt service fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.



In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2008, on our consideration of Corona Public School's internal control over financial reporting and 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*, and should be considered in assessing the results of our audit.

Corona Public Schools have not presented the Management Discussion and Analysis that accounting principles generally accepted in the United States of America has determined necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was performed for the purpose of forming opinions on the basic financial statements and the combining and individual fund financial statements and budgetary comparisons of Corona Public Schools. The accompanying other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of Corona Public Schools. This information and the schedule of change in assets and liabilities agency funds are not a required part of the basic financial statements of Corona Public Schools. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects, in relation to the basic financial statements taken as a whole.

November 5, 2008

STATE OF NEW MEXICO  
CORONA PUBLIC SCHOOLS

EXHIBIT A

STATEMENT OF NET ASSETS

JUNE 30, 2008

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Current assets:	
Cash and cash equivalents	\$ 706,479
Due from other governments	23,781
Food Inventory	898
Total current assets	<u>731,158</u>
Non-current assets:	
Capital assets, net	<u>1,706,695</u>
Total assets	<u>2,437,853</u>
<u>LIABILITIES</u>	
Current liabilities:	
Interest payable	10,108
Deferred revenue	8,963
Due to tenants	750
Current portion of long-term debt	75,000
Total current liabilities	<u>94,821</u>
Non-current liabilities:	
Compensated absences	22,161
Non-current portion of long-term debt	605,000
Total non-current liabilities	<u>627,161</u>
Total liabilities	<u>721,982</u>
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt	1,026,695
Restricted:	
Debt service	92,840
Capital projects	290,896
Unrestricted	<u>305,440</u>
Total net assets	<u>\$ 1,715,871</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
CORONA PUBLIC SCHOOLS

EXHIBIT B

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2008

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue & Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:					
Governmental activities:					
Instruction	\$ 910,203	\$ 2,790	\$ 87,479	\$ -	\$ (819,934)
Support Services	-	-	-	-	-
Support Services Students	81,146	-	312	-	(80,834)
Support Services Instruction	50,611	-	8,645	-	(41,966)
Support Services General Administration	127,315	-	-	-	(127,315)
Support Services School Administration	46,201	-	-	-	(46,201)
Central Services	134,795	-	-	-	(134,795)
Operation and Maintenance of Plant	233,498	-	-	-	(233,498)
Student Transportation	324,255	-	339,298	-	15,043
Other Support Services	-	-	-	-	-
Food Services Operations	49,775	2,427	26,387	-	(20,961)
Bond interest paid	10,108	-	-	-	(10,108)
Depreciation/Amortization-unallocated	92,912	15,559	7,460	303,838	233,945
<b>Total governmental activities</b>	<b>\$ 2,060,819</b>	<b>\$ 20,776</b>	<b>\$ 469,581</b>	<b>\$ 303,838</b>	<b>(1,266,624)</b>

General revenues:

Property Taxes:

General purpose	15,185
Debt service	103,093
Capital projects	61,083
Grant & contributions not restricted	-
State equalization	1,560,293
Unrestricted investment earnings	8,940
Miscellaneous income	1,229
<b>Total general revenues</b>	<b>1,749,823</b>

Change in net assets 483,199

Net assets - beginning 1,232,672

Net assets - ending \$ 1,715,871

The accompanying notes are an integral part of these financial statements



STATE OF NEW MEXICO  
CORONA PUBLIC SCHOOLS

BALANCE SHEET-- GOVERNMENTAL FUNDS

JUNE 30, 2008

	GENERAL	TITLE I	IDEA-B DISCRETIONARY	TECHNOLOGY FOR EDUCATION
<b>ASSETS</b>				
Cash and cash equivalents	\$ 165,159	\$ -	\$ -	\$ 7,952
Investments	-	-	-	-
Accounts Receivable				
Property Taxes	4	-	-	-
State	-	-	-	-
Federal	-	12,177	5,435	-
Inventories	-	-	-	-
Due from Other Funds	23,740	-	-	-
Prepaid expenditures	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 188,903</b>	<b>\$ 12,177</b>	<b>\$ 5,435</b>	<b>\$ 7,952</b>
<b>LIABILITIES</b>				
Interest Payable	-	-	-	-
Deferred Revenue	-	-	-	7,952
Due to Other Funds	-	12,177	5,435	-
Due to Tennants	750	-	-	-
<b>TOTAL LIABILITIES</b>	<b>750</b>	<b>12,177</b>	<b>5,435</b>	<b>7,952</b>
<b>FUND BALANCE</b>				
Fund Balance				
Reserved for Debt Service	-	-	-	-
Reserved for Inventory	-	-	-	-
Unreserved, reported in:				
General Funds	188,153	-	-	-
Special Revenue Funds	-	-	-	-
Capital Projects Funds	-	-	-	-
<b>TOTAL FUND BALANCE</b>	<b>188,153</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 188,903</b>	<b>\$ 12,177</b>	<b>\$ 5,435</b>	<b>\$ 7,952</b>

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

EXHIBIT C

<u>LIBRARIES SB 301 GO BONDS</u>	<u>SB-9</u>	<u>BOND BUILDING</u>	<u>DEBT SERVICE</u>	<u>NON MAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
\$ -	\$ 126,649	\$ 290,896	\$ 102,925	\$ 12,898	\$ 706,479
-	-	-	-	-	-
-	14	-	23	-	41
4,849	-	-	-	-	4,849
-	-	-	-	1,279	18,891
-	-	-	-	898	898
-	-	-	-	-	23,740
-	-	-	-	-	-
<u>\$ 4,849</u>	<u>\$ 126,663</u>	<u>\$ 290,896</u>	<u>\$ 102,948</u>	<u>\$ 15,075</u>	<u>\$ 754,898</u>
-	-	-	10,108	-	10,108
-	-	-	-	1,011	8,963
4,849	-	-	-	1,279	23,740
-	-	-	-	-	750
<u>4,849</u>	<u>-</u>	<u>-</u>	<u>10,108</u>	<u>2,290</u>	<u>43,561</u>
-	-	-	92,840	-	92,840
-	-	-	-	898	898
-	-	-	-	-	188,153
-	126,663	-	-	11,887	138,550
-	-	290,896	-	-	290,896
<u>-</u>	<u>126,663</u>	<u>290,896</u>	<u>92,840</u>	<u>12,785</u>	<u>711,337</u>
<u>\$ 4,849</u>	<u>\$ 126,663</u>	<u>\$ 290,896</u>	<u>\$ 102,948</u>	<u>\$ 15,075</u>	<u>\$ 754,898</u>

STATE OF NEW MEXICO  
CORONA PUBLIC SCHOOLS

EXHIBIT D

RECONCILIATION OF THE BALANCE SHEET  
ALL GOVERNMENTAL FUNDS TO THE  
STATEMENT OF NET ASSETS

JUNE 30, 2008

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

Fund Balances - total governmental funds		\$	711,337
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds			1,706,695
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds			
Compensated absences	(22,161)		
Bonds payable	<u>(680,000)</u>		
			<u>(702,161)</u>
Net assets of governmental activities		\$	<u><u>1,715,871</u></u>

The accompanying notes are an integral part of these financial statements



STATE OF NEW MEXICO  
CORONA PUBLIC SCHOOLS

COMBINED STATEMENT OF REVENUE, EXPENDITURES AND  
CHANGES IN FUND BALANCE-- GOVERNMENTAL FUNDS

Year Ended June 30, 2008

	GENERAL	TITLE I	IDEA-B DISCRETIONARY	TECHNOLOGY FOR EDUCATION
REVENUE				
Federal Programs	\$ 808	\$ 26,137	\$ 17,173	\$ -
State Programs	867,030	-	-	4,050
Local Programs	21,346	-	-	-
State Equalization	1,042,686	-	-	-
Taxes	15,185	-	-	-
Service Revenues	-	-	-	-
Interest	8,940	-	-	-
Other revenue sources	-	-	-	-
TOTAL REVENUES	<u>1,955,995</u>	<u>26,137</u>	<u>17,173</u>	<u>4,050</u>
EXPENDITURES				
Current				
Instruction	851,586	26,137	16,371	4,050
Support Services	-	-	-	-
Support Services Students	80,834	-	-	-
Support Services Instruction	42,983	-	802	-
Support Services General Administration	127,315	-	-	-
Support Services School Administration	46,201	-	-	-
Central Services	134,795	-	-	-
Operation and Maintenance of Plant	236,598	-	-	-
Student Transportation	324,255	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	22,064	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest and Fiscal Charge	-	-	-	-
TOTAL EXPENDITURES	<u>1,866,631</u>	<u>26,137</u>	<u>17,173</u>	<u>4,050</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	89,364	-	-	-
Other Financing Sources				
Bond Proceeds	-	-	-	-
Total Other Financial Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balances	89,364	-	-	-
FUND BALANCE				
June 30, 2007	<u>98,789</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE				
June 30, 2008	<u>\$ 188,153</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

EXHIBIT E

LIBRARIES SB 301 GO BONDS	SB-9	BOND BUILDING	DEBT SERVICE	NON MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ -	\$ -	\$ -	\$ -	\$ 58,254	\$ 102,372
4,849	303,838	-	-	1,732	1,181,499
-	-	-	-	7,814	29,160
-	61,083	-	103,093	-	1,042,686
-	-	-	-	-	179,361
-	-	-	-	-	8,940
-	-	-	-	-	-
<u>4,849</u>	<u>364,921</u>	<u>-</u>	<u>103,093</u>	<u>67,800</u>	<u>2,544,018</u>
-	-	-	-	36,907	935,051
-	-	-	-	-	-
-	-	-	-	312	81,146
4,849	-	-	-	1,977	50,611
-	-	-	-	-	127,315
-	-	-	-	-	46,201
-	-	-	-	-	134,795
-	-	-	-	-	236,598
-	-	-	-	-	324,255
-	-	-	-	-	-
-	-	-	-	27,711	49,775
-	376,962	-	-	-	376,962
-	-	-	70,000	-	70,000
-	-	-	42,172	-	42,172
<u>4,849</u>	<u>376,962</u>	<u>-</u>	<u>112,172</u>	<u>66,907</u>	<u>2,474,881</u>
-	(12,041)	-	(9,079)	893	69,137
-	-	-	-	-	-
-	-	-	-	-	-
-	(12,041)	-	(9,079)	893	69,137
-	138,704	290,896	101,919	11,892	642,200
<u>\$ -</u>	<u>\$ 126,663</u>	<u>\$ 290,896</u>	<u>\$ 92,840</u>	<u>\$ 12,785</u>	<u>\$ 711,337</u>

STATE OF NEW MEXICO  
CORONA PUBLIC SCHOOLS

EXHIBIT F

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

Year Ended June 30, 2008

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

Net change in fund balance - total governmental funds	\$ 69,137
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital outlays expended in the current year	409,141
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds	
Disposal of capital assets (net)	(20)
Expenses in Statement of Activities which do not require use of current financial resources i.e. Depreciation, Amortization	
Depreciation	(92,912)
Change in compensated absences	(4,211)
Change in accrued interest	32,064
Bond Principal	<u>70,000</u>
Change in Net Assets	<u>\$ 483,199</u>

The accompanying notes are an integral part of these financial statements



COMBINED STATEMENT OF REVENUE, EXPENDITURES--BUDGET  
(NON-GAAP) AND ACTUAL--GENERAL FUND

Year Ended June 30, 2008

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ 984	\$ 984	\$ 808	\$ (176)
State Revenue	1,356,923	1,390,305	1,392,109	1,804
Local Revenue	594,361	594,361	563,092	(31,269)
<b>TOTAL REVENUE</b>	<u>1,952,268</u>	<u>1,985,650</u>	<u>\$ 1,956,009</u>	<u>\$ (29,641)</u>
<b>BUDGETED CASH BALANCE</b>	<u>2,282</u>	<u>2,282</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 1,954,550</u>	<u>\$ 1,987,932</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ 864,260	\$ 872,437	\$ 851,586	\$ 20,851
Support Services	-	-	-	-
Support Services Students	117,261	117,261	80,834	36,427
Support Services Instruction	44,033	44,383	42,983	1,400
Support Services General Administration	133,434	133,434	127,315	6,119
Support Services School Administration	47,418	47,418	46,201	1,217
Central Services	134,387	134,387	134,795	(408)
Operation and Maintenance of Plant	298,742	298,742	236,598	62,144
Student Transportation	31,443	339,298	324,255	15,043
Other Support Services	2,282	2,282	-	2,282
Food Services Operations	26,137	26,137	22,064	4,073
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Principal	-	-	-	-
Interest and Fiscal Charge	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 1,699,397</u>	<u>\$ 2,015,779</u>	<u>\$ 1,866,631</u>	<u>\$ 149,148</u>

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

STATE OF NEW MEXICO  
CORONA PUBLIC SCHOOLS

EXHIBIT H

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND--TITLE I

Year Ended June 30, 2008

	<u>Original Budget</u>	<u>Adjusted Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUE				
Federal Revenue	\$ 26,155	\$ 26,452	\$ 22,289	\$ (4,163)
State Revenue	-	-	-	-
Local Revenue	-	-	-	-
TOTAL REVENUE	<u>26,155</u>	<u>\$ 26,452</u>	<u>\$ 22,289</u>	<u>\$ (4,163)</u>
 BUDGETED CASH BALANCE	 <u>-</u>	 <u>-</u>		
 TOTAL REVENUE & CASH	 <u>\$ 26,155</u>	 <u>\$ 26,452</u>		
 EXPENDITURES				
Current				
Instruction	\$ 26,155	\$ 26,452	\$ 26,137	\$ 315
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 26,155</u>	<u>\$ 26,452</u>	<u>\$ 26,137</u>	<u>\$ 315</u>

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

STATE OF NEW MEXICO  
CORONA PUBLIC SCHOOLS

EXHIBIT I

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND--IDEA-B DISCRETIONARY

Year Ended June 30, 2008

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ 18,391	\$ 17,276	\$ 11,290	\$ (5,986)
State Revenue	-	-	-	-
Local Revenue	-	-	-	-
TOTAL REVENUE	<u>18,391</u>	<u>17,276</u>	<u>\$ 11,290</u>	<u>\$ (5,986)</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 18,391</u>	<u>\$ 17,276</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ 17,581	\$ 16,466	\$ 16,371	\$ 95
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	810	810	802	8
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 18,391</u>	<u>\$ 17,276</u>	<u>\$ 17,173</u>	<u>\$ 103</u>

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



STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND--TECHNOLOGY FOR EDUCATION

Year Ended June 30, 2008

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ -	\$ -	\$ -
State Revenue	-	4,500	12,001	7,501
Local Revenue	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>4,500</u>	<u>\$ 12,001</u>	<u>\$ 7,501</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 4,500</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ 4,500	\$ 4,050	\$ 450
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 4,500</u>	<u>\$ 4,050</u>	<u>\$ 450</u>

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

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND--LIBRARIES SB 301 GO BONDS

Year Ended June 30, 2008

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ -	\$ -	\$ -
State Revenue	-	6,141	-	(6,141)
Local Revenue	-	-	-	-
<b>TOTAL REVENUE</b>	<u>-</u>	<u>6,141</u>	<u>\$ -</u>	<u>\$ (6,141)</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ -</u>	<u>\$ 6,141</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	6,141	4,849	1,292
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ 6,141</u>	<u>\$ 4,849</u>	<u>\$ 1,292</u>

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

STATE OF NEW MEXICO  
CORONA PUBLIC SCHOOLS

EXHIBIT L

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND--SB-9

Year Ended June 30, 2008

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ -	\$ -	\$ -
State Revenue	-	2,806	-	(2,806)
Local Revenue	61,229	61,229	61,139	(90)
TOTAL REVENUE	<u>61,229</u>	<u>64,035</u>	<u>\$ 61,139</u>	<u>\$ (2,896)</u>
BUDGETED CASH BALANCE	<u>88,250</u>	<u>88,250</u>		
TOTAL REVENUE & CASH	<u>\$ 149,479</u>	<u>\$ 152,285</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	577	577	-	577
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	148,902	151,708	73,124	78,584
TOTAL EXPENDITURES	<u>\$ 149,479</u>	<u>\$ 152,285</u>	<u>\$ 73,124</u>	<u>\$ 79,161</u>

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

STATE OF NEW MEXICO  
CORONA PUBLIC SCHOOLS

EXHIBIT M

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS

JUNE 30, 2008

	<u>AGENCY FUNDS</u>
ASSETS	
Cash on Deposit	\$ 36,279
TOTAL ASSETS	<u>\$ 36,279</u>
LIABILITIES	
Deposits held for others	<u>\$ 36,279</u>
TOTAL LIABILITIES	<u>\$ 36,279</u>

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



STATE OF NEW MEXICO  
CORONA PUBLIC SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Implementation of New Accounting Policies

For the fiscal year 2008 the Corona Public Schools has implemented GASB Statements No. 33 (GASB 33), Accounting and Financial Reporting for Non-exchange Transactions, GASB Statement No. 34 (GASB 34), Basic Financial Statements – Management’s Discussion and Analysis – for State and Local Governments, GASB Statement No. 37 (GASB 37), Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus and GASB Statement No. 38 (GASB 38), Certain Financial Statements Disclosure. At July 1, 2001, there was no effect on fund balance as a result of implementing GASB 33, GASB 34, GASB 37 and GASB 38.

Under GASB Statement 33, property taxes are impressed non-exchange revenue. Assets from impressed non-exchange transactions are reported when the School District has an enforceable legal claim to the asset. The enforceable legal claim date for property taxes is the assessment date. Taxes are payable in two equal installments on November 10 and April 10 following the levy and become delinquent after thirty (30) days.

GASB – 34 creates new basic financial statements for reporting on the School District’s financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column.

B. Reporting Entity

Corona Public School District is a special purpose government corporation governed by an elected five-member Board of Education. The Board of Education is the basic level of government, which has oversight responsibility and control over all activities related to the public school education in the City of Corona and surrounding area. The District is responsible for all activities related to public elementary and secondary school education within its jurisdiction. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

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

The District does not have any component units required to be disclosed.

C. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the school district. For the most part, the effect of inter-fund activity has been removed from these statements.

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



STATE OF NEW MEXICO  
CORONA PUBLIC SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Government-wide and fund financial statements (continued)

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

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

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

Agency funds are reported using the economic resources measurement focus and the accrual basis of accounting.

Property taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Grant revenues and deferrals are recognized in accordance with GASB33.

The government reports the following major governmental funds:

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

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

Idea B—Discretionary – P.L. 94-142, Individuals with Disabilities Act – The purpose of this fund is to account for a federal grant restricted to the operation and maintenance of meeting the special education need of children with disabilities. Authority for the creation of this fund is Individuals with Disabilities Act, Part B, Sec. 611, as amended; Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100-630 and 101-476; 20 U.S.C. 1401-1419, Public Law 105-17.

Technology for Education—to account for distributions received from the Educational Technology fund for the expansion and improvement of technology in education. These funds are restricted to expenditure by New Mexico Statutes and the schools approved long-term technology plan. Authority for the creation of this fund is NMSA 22-15A-1 to 22-15A-10.



STATE OF NEW MEXICO  
CORONA PUBLIC SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Measurement focus, basis of accounting, and financial statement presentation (continued)

Libraries SB301 G.O. BONDS – to account for funds received to update and to expand library collections in order to circulate and provide access of materials to students and teachers. Funding provided by election of SB301.

SB-9 - To account for 2.0 mill levy restricted by board resolution for erecting, remodeling, making additions to, providing equipment for, and furnishing school buildings, improving school grounds and maintenance of school buildings and grounds, exclusive of salary expense of employees. Authority for the creation of this fund is NMSA 22-25-1 to 22-25-10.

Bond Building Capital Projects Fund – to account for the costs of capital improvements, such as erecting, remodeling, making additions to, providing equipment for, and furnishing school buildings, purchasing and improving school grounds funded by bond proceeds.

Debt Service Fund – The debt service fund is used to account for the accumulation of resources for, and the payment of general long-term debt principal, interest and related costs.

Fiduciary Agency Fund – to account for assets held by the District in a trustee capacity or as an agent.

Similar to private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The government has elected not to follow subsequent private-sector guidance. As a general rule the effect of inter-fund activity has been eliminated from the government-wide financial statements.

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

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

E. Assets, liabilities, and net assets or equity

1. Deposits and investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments.

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

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

STATE OF NEW MEXICO  
CORONA PUBLIC SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, liabilities, and net assets or equity (continued)

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

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

Investments for the District are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares. As of June 30, 2008 the District had no funds invested with the State Treasurer.

2. Receivables and payables

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

The School District's property taxes are levied each year on the assessed valuation of property located in the School District as of the preceding January 1<sup>st</sup>. Mill levy rates are set by the State of New Mexico each year for the General Fund, SB – 9 Capital Improvements Fund, 20% Capital Outlay Fund and Debt Service Fund. Taxes are payable in two equal installments on November 10<sup>th</sup> and April 10<sup>th</sup> following the levy and become delinquent after 30 days

3. Inventories

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

4. Capital assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. The District is capitalizing qualifying software, library books, and assets constructed by District personnel as required. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.



STATE OF NEW MEXICO  
CORONA PUBLIC SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, liabilities, and net assets or equity (continued)

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

<u>Assets</u>	<u>Years</u>
Buildings & Improvements	50
Land Improvements	50
Equipment	10

5. Compensated absences

It is the policy of Corona Public Schools to permit certain employees to accumulate a limited amount of earned but unused vacation, which will not be paid to employees upon separation from the school district's service. In governmental funds, the cost of vacations is recognized when payments are made to employees. No accrual for accumulated compensated absences had been made.

Sick pay does not vest and is recorded as an expenditure when it is paid.

In governmental funds, the cost of accumulated vacation is recognized when payments are made to employees. The accumulated compensated absences balance at June 30, 2008 was \$ 22,161. Compensated absences are expended in the fund in which the liability is incurred. The general fund has been used to liquidate compensated absences in prior years. The summary in changes in compensated absences is as follows:

<u>Balance</u> <u>June 30, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2008</u>	<u>Due within</u> <u>one year</u>
<u>\$ 17,950</u>	<u>\$ 8,838</u>	<u>\$ 4,627</u>	<u>\$ 22,161</u>	<u>\$ -</u>

6. Long-term obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as capital projects expenditures.

7. Fund equity

For the government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either 1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; 2) imposed by law through constitutional provisions or enabling legislation. Total restricted net assets of \$ 383,736 are comprised of Capital Projects \$ 290,896 and Debt Service \$ 92,840.

STATE OF NEW MEXICO  
CORONA PUBLIC SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, liabilities, and net assets or equity (continued)

8. Indirect Costs

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

9. Salaries and Wages

The School District pays all salaries and wages due teachers on or before June 30<sup>th</sup> of each year.

10. 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.

11. Revenues

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

A school district's program costs are determined through the use of various formulas using 'program units' which take into consideration 1) early childhood education; 2) basic education; 3) special education; 4) bilingual-multicultural education, 5) size, etc. Payment is made from the public school fund under the authority of the Director of Public School Finance. The District received \$ 1,560,293 in state equalization guarantee distributions during the year ended June 30, 2008, which included additional supplement.

Transportation Distribution: School districts in the State of New Mexico received student transportation distributions. The transportation distribution is allocated to each school district in accordance with formulas developed by the State Transportation Director and the Director of Public School Finance. The funds shall be used only for the purpose of making payments to each school district for the to and-from school transportation costs of students in grades K through twelve attending public school within the school district. The District received \$ 339,298 in transportation distributions during the year ended June 30, 2008, which included an emergency fuel supplement.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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



STATE OF NEW MEXICO  
CORONA PUBLIC SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)

The governmental fund balance sheet includes reconciliation between fund *balance total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of the \$ 680,000 difference are as follows:

Bonds Payable	<u>\$ 680,000</u>
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	<u>\$ 680,000</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of the amount by which capital outlays exceeded depreciation in the current period are as follows:

Capital Outlay	\$ 409,141
Depreciation expense	<u>( 92,912)</u>
Net adjustment to increase net changes in fund balances – total government funds to arrive at changes in net assets of governmental activities	<u>\$ 316,229</u>

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” This amount is the net effect of these differences in the treatment of long-term debt and related items.

General obligation debt retired	<u>\$ 70,000</u>
Net adjustment to decrease net changes in fund balances- total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 70,000</u>

STATE OF NEW MEXICO  
CORONA PUBLIC SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary information

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

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

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

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

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

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



STATE OF NEW MEXICO  
CORONA PUBLIC SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

A. Budgetary information (continued)

- The Board of Education may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. The appropriated budget for the year ended June 30, 2008, was properly amended by the Board through the year. New Mexico state law prohibits a Governmental Agency to exceed an individual line item. These amendments resulted in the following changes:

	<u>Original Budget</u>	<u>Final Budget</u>
General Fund	\$ 1,699,397	\$ 2,015,779
Special Revenue Fund	243,545	258,975
Debt Service Fund	201,628	201,628
Capital Projects Fund	290,896	290,896
Totals	<u>\$ 2,435,466</u>	<u>\$ 2,767,278</u>

B. Deficit fund equity

There were no deficit fund balances at June 30, 2008.

IV. DETAILED NOTES ON ALL FUNDS

A. Cash and temporary investments

At June 30, 2008, the carrying amount of the District's deposits was \$ 742,759 and the bank balance was \$ 921,024. Of this balance \$ 100,000 was covered by federal depository insurance and \$ 821,024 was covered by collateral held in joint safekeeping by a third party in the entities name.

NM State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the District for at least one half of the amount on deposit with the institution. The collateral pledged is listed on page 61 of this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, district or political subdivision of the State of New Mexico.

According to the Federal Deposit Insurance Authority, public unit deposits are funds owned by the schools. Time deposits, savings deposits and interest bearing Now accounts of a public unit in an institution in the same state will be insured up to \$100,000 in aggregate and separate from the \$100,000 coverage for public unit demand deposits at the same institution.

New Mexico State Statutes require collateral pledged for repurchase agreements in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the School District for at least 102% of the amount on deposit with the institution.

Collateral requirements are as follows:

Wells Fargo	Cash on deposit at June 30, 2008	\$ 921,024
	Less repurchase agreement	(678,766)
	Less F.D.I.C. coverage	<u>(100,000)</u>
	Uninsured Public Funds	142,258
	50% Collateral Requirement	71,129
	Pledge Collateral	<u>102,315</u>
	Uninsured and Un-collateralized	<u>\$ -</u>

STATE OF NEW MEXICO  
CORONA PUBLIC SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

IV. DETAILED NOTES ON ALL FUNDS (continued)

A. Cash and temporary investments (continued)

Investments held by the New Mexico State Treasurer are valued at fair value based on quoted market prices as of the valuation date. The State Treasurer Local Government Investment Pool is not SEC registered. Section 6-10-10 I, NMSA 1978, empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment fund in securities that are issued by the direct obligations of the United States government or are agencies sponsored by the United States government. The pool does not have unit shares. Per Section 6-10-10.1 F, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the amounts were invested. Participation in the local government investment pool is voluntary.

B. Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2008, \$ 142,258 of the District's bank balance of \$ 921,024 was exposed to custodial credit risk.

Uninsured and un-collateralized      \$        --

Custodial Credit Risk – Repurchase Agreements – Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. Of the School District's \$ 678,766 investment in repurchase agreements, \$ 678,766 of underlying securities were held by the pledging banks trust department, not in the School's name. The School District had no investments that ere highly sensitive to changes in interest rates.

C. Receivables

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

	General	Title 1	IDEA-B Discretionary	Tech For ED	Libraries SB 301 Go Bonds	Bond SB-9	Bond Building	Debt Service	Non Major Governmental	TOTAL
Taxes:										
Property	\$ 4	\$ -	\$ -	\$ -	\$ -	\$ 14	\$ -	\$ 23	\$ -	\$ 41
Intergovernmental Grants:										
Federal	-	12,177	5,435	-	-	-	-	-	1,279	18,891
State	-	-	-	-	4,849	-	-	-	-	4,849
Other:	-	-	-	-	-	-	-	-	-	-
	<u>\$ 4</u>	<u>\$ 12,177</u>	<u>\$ 5,435</u>	<u>\$ -</u>	<u>\$ 4,849</u>	<u>\$ 14</u>	<u>\$ -</u>	<u>\$ 23</u>	<u>\$ 1,279</u>	<u>\$ 23,781</u>

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

	<u>Unavailable</u>
Grant draw downs prior to meeting all eligibility requirements	<u>\$ 8,963</u>
Total deferred/unearned revenue for governmental funds	<u>\$ 8,963</u>



STATE OF NEW MEXICO  
CORONA PUBLIC SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

IV. DETAILED NOTES ON ALL FUNDS (continued)

D. Capital Assets

Capital asset activity for the year ended June 30, 2008, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 4,697	\$ -	\$ -	\$ 4,697
Capital assets, being depreciated:				
Equipment	270,112	45,296	42,208	273,200
Vehicles	166,645	-	12,300	154,345
Buildings & building improvements	3,288,095	363,845	-	3,651,940
Land improvements	172,057	-	-	172,057
Total Capital Assets being depreciated	<u>3,896,909</u>	<u>409,141</u>	<u>54,508</u>	<u>4,251,542</u>
Less accumulated depreciation for:				
Equipment	183,966	24,150	42,188	165,928
Vehicles	113,501	8,878	12,300	110,079
Buildings & building improvements	2,075,767	59,171	-	2,134,938
Land improvements	137,886	713	-	138,599
Total accumulated depreciation	<u>2,511,120</u>	<u>92,912</u>	<u>54,488</u>	<u>2,549,544</u>
Total Capital assets, being depreciated, net	<u>1,385,789</u>	<u>316,229</u>	<u>20</u>	<u>1,701,998</u>
Governmental activities capital assets, net	<u>\$ 1,390,486</u>	<u>\$ 316,229</u>	<u>\$ 20</u>	<u>\$ 1,706,695</u>

STATE OF NEW MEXICO  
CORONA PUBLIC SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

IV. DETAILED NOTES ON ALL FUNDS (continued)

E. Long-Term Debt

Governmental Activities  
Bonds Payable

Note E - Changes in Long-Term Obligations

A summary in changes in long-term obligations follows:

	<u>Balance 7-1-2007</u>	<u>Bonds Issued</u>	<u>Bonds Redeemed</u>	<u>Balance 6-30-2008</u>	<u>Due in 2008-09</u>
\$650,000 1999 GO Building Bonds due in annual installments of \$75,000 through October 2013, interest at 3.95% to 5.95%	\$ 425,000	\$ -	\$ 60,000	\$ 365,000	\$ 65,000
\$350,000 2004 GO Building Bonds due in annual installments of \$10,000 to \$20,000 through October 2014, interest at 2.00% to 4.90%	325,000	-	10,000	315,000	10,000
	<u>\$ 750,000</u>	<u>\$ -</u>	<u>\$ 70,000</u>	<u>\$ 680,000</u>	<u>\$ 75,000</u>

GO Bonds have been liquidated in prior years by the Debt Service Fund.

The annual requirements to amortize all bonded debt outstanding as of June 30, 2008, including interest of \$136,915 are shown below:

Fiscal Year Ended June 30, 2005	4/1/1999 GO	7/1/2004 GO	Total
6/30/2009	\$ 79,619	\$ 24,491	\$ 104,110
6/30/2010	86,625	19,229	105,854
6/30/2011	83,362	23,935	107,297
6/30/2012	80,044	28,427	108,471
6/30/2013	76,688	32,695	109,383
2014-2017	-	281,800	281,800
TOTAL	406,338.00	410,577	816,915
LESS PRINCIPAL	365,000	315,000	680,000
INTEREST	<u>\$ 41,338</u>	<u>\$ 95,577</u>	<u>\$ 136,915</u>



STATE OF NEW MEXICO  
CORONA PUBLIC SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

IV. DETAILED NOTES ON ALL FUNDS (continued)

E. Restatement of Beginning Net Assets for Governmental Funds

No restatement of Net Assets was made to the District's prior year balances.

F. Transfers

Transfers are used to move revenue from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. These transfers are not routine in nature and are not consistent with the activities of the fund making transfer. There were no permanent transfers made between funds during the year ending June 30, 2008.

G. Inter-fund Receivables

Temporary loans between funds typically arise from one fund loaning another fund cash to cover a deficit bank balance. These are short term in nature and are expected to be paid back within one year. They are classified as Due to or Due from in the Balance Sheet. As of June 30, 2008, temporary loans consisted of:

INTERFUND RECEIVABLES

DUE TO:	
OPERATIONAL	\$ <u>23,740</u>
TOTAL	\$ <u><u>23,740</u></u>
DUE FROM:	
TITLE 1	\$ 12,177
MIGRANT CHILDREN ED.	1,279
IDEA-B DISCRETIONARY	5,435
LIBRARIES SB 301 GO BONDS	<u>4,849</u>
TOTAL	\$ <u><u>23,740</u></u>

H. Prior Period Adjustments

No adjustments were made to the District's prior year fund balances.

I. REGION IX EDUCATION COOPERATIVE

Certain special revenue (federal) funds of the district were administered by the Region IX Education Cooperative, in Ruidoso, New Mexico. These funds are audited separately by another IPA. That report may be obtained by writing to : Region IX Education Cooperative, 1400 Sudderth Drive, Ruidoso, New Mexico 88345.

STATE OF NEW MEXICO  
CORONA PUBLIC SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

V. OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injury to employees; and natural disasters. The New Mexico Public Schools Insurance Authority (NMSIA) was formed on April 5, 1985 under the New Mexico Public Schools Insurance Authority Act, Chapter 22, Section 2 of the New Mexico Statutes Annotated (NMSA 1978), as amended, as an insurance fund to provide health, disability and life insurance coverage (benefits coverage), and property, casualty and workers' compensation insurance coverage (risk coverage) to participating public schools, school board members, public school employees, and retirees within the State of New Mexico. The District is one of 91 members that participate in NMPSIA. Participation in NMPSIA is mandatory for all K-12 public schools except those with enrollment exceeding 60,000 students. Participation is voluntary for other public education institutions. The District pays an annual premium to the pool for its general insurance coverage. The agreement for formation of NMPSIA provides that the pool will be self-sustaining through member premiums. NMPSIA establishes self-insured retentions by line of coverage and procures insurance or reinsurance, where indicated, in excess of the self-insured retention on a per occurrence basis. NMPSIA will publish its own financial report for the year ended June 30, 2008.

B. Contingent liabilities

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

C. Employee retirement plan

Plan Description – Substantially all of Corona Public School District's full-time employees participate in a public employee retirement system authorized under the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978). The Educational Retirement Board (ERA) is the administrator of the plan, which is a cost-sharing multiple employer defined benefit retirement plan. The plan provides for retirement, disability benefits and cost-of-living adjustments to plan members and beneficiaries. ERA issues a separate, publicly available financial report that includes the financial statements and required supplementary information. That report may be obtained by writing to ERA, P.O. Box 26129, Santa Fe, New Mexico 87502-6129.

Funding Policy – Plan members are required to contribute 7.825% of their gross salary. Corona Public Schools is required to contribute 10.90% of the gross covered salary. The contribution requirements of plan members and the Corona Public School District are established in Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of legislature. The Corona Public School District's contributions to the ERA for the years ended June 30, 2008, 2007 and 2006 were: \$ 112,531, \$ 96,760, and \$ 83,636 respectively, equal to the amount of the required contribution for the year.



STATE OF NEW MEXICO  
CORONA PUBLIC SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

V. OTHER INFORMATION (continued)

D. Post-Employment Benefits – State Retiree Health Care Plan

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

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

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

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

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

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

The Corona Public School's contributions to the RHCA for the years ended June 30, 2008, 2007 and 2006 were \$11,826, \$12,393, and \$11,567 respectively, which equal the required contributions for each year.

STATE OF NEW MEXICO  
CORONA PUBLIC SCHOOLS

NOTES TO FINANCIAL STATEMENTS - CONTINUED

JUNE 30, 2008

V. OTHER INFORMATION (continued)

E. Reconciliation of Budgetary and GAAP Basis Amounts

	<u>Operational</u>	<u>Teachergage</u>	<u>Transportation</u>
REVENUES			
Budgetary Basis	\$ 1,591,027	\$ 15,559	\$ 339,298
Add:			
Current Year Receivables & Other Credits	4	-	-
Deduct:			
Prior Year Receivables & Other Debits	<u>18</u>	<u>-</u>	<u>-</u>
REVENUE --GAAP BASIS	<u>\$ 1,591,013</u>	<u>\$ 15,559</u>	<u>\$ 339,298</u>
EXPENDITURES			
Budgetary Basis	\$ 1,523,134	\$ 11,211	\$ 324,255
Add:			
Current Year Payables & Other Debits	-	-	-
Deduct:			
Prior Year Payables & Other Credits	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES --GAAP BASIS	<u>\$ 1,523,134</u>	<u>\$ 11,211</u>	<u>\$ 324,255</u>



<u>Instructional Materials</u>	<u>Cafeteria</u>	<u>Athletics</u>	<u>Title I</u>	<u>Migrant Children Education</u>	<u>Entitlement</u>	<u>Discretionary</u>
\$ 10,125	\$ 26,217	\$ 2,790	\$ 22,289	\$ 5,117	\$ 14,254	\$ 11,290
-	2,597	-	12,177	1,279	237	5,883
<u>-</u>	<u>-</u>	<u>-</u>	<u>8,329</u>	<u>1,427</u>	<u>-</u>	<u>-</u>
<u>\$ 10,125</u>	<u>\$ 28,814</u>	<u>\$ 2,790</u>	<u>\$ 26,137</u>	<u>\$ 4,969</u>	<u>\$ 14,491</u>	<u>\$ 17,173</u>
\$ 8,031	\$ 24,470	\$ 3,000	\$ 26,137	\$ 4,969	\$ 14,491	\$ 17,173
-	3,241	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 8,031</u>	<u>\$ 27,711</u>	<u>\$ 3,000</u>	<u>\$ 26,137</u>	<u>\$ 4,969</u>	<u>\$ 14,491</u>	<u>\$ 17,173</u>

STATE OF NEW MEXICO  
CORONA PUBLIC SCHOOLS

NOTES TO FINANCIAL STATEMENTS - CONTINUED

JUNE 30, 2008

V. OTHER INFORMATION (continued)

E. Reconciliation of Budgetary and GAAP Basis Amounts (continued)

	<u>Preschool</u>	<u>Enhancing Ed thru Tech E2T2- F</u>	<u>Innovative Education</u>
REVENUES			
Budgetary Basis	\$ -	\$ -	\$ 781
Add:			
Current Year Receivables & Other Credits	312	72	-
Deduct:			
Prior Year Receivables & Other Debits	<u>-</u>	<u>-</u>	<u>487</u>
REVENUE --GAAP BASIS	<u>\$ 312</u>	<u>\$ 72</u>	<u>\$ 294</u>
EXPENDITURES			
Budgetary Basis	\$ 312	\$ 72	\$ 294
Add:			
Current Year Payables & Other Debits	-	-	-
Deduct:			
Prior Year Payables & Other Credits	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES --GAAP BASIS	<u>\$ 312</u>	<u>\$ 72</u>	<u>\$ 294</u>

<u>Title XIX Medicaid</u>	<u>REAP</u>	<u>Technology for Education</u>	<u>Incentives for School Improvement</u>	<u>Improvement Framework</u>	<u>Libraries SB 301 GO Bonds</u>	<u>SB - 9</u>
\$ -	\$ 14,326	\$ 12,001	\$ -	\$ 2,032	\$ -	\$ 61,139
-	-	-	-	-	4,849	303,852
-	-	7,951	-	300	-	70
<u>\$ -</u>	<u>\$ 14,326</u>	<u>\$ 4,050</u>	<u>\$ -</u>	<u>\$ 1,732</u>	<u>\$ 4,849</u>	<u>\$ 364,921</u>
\$ -	\$ 14,326	\$ 4,050	\$ -	\$ 1,732	\$ 4,849	\$ 73,124
-	-	-	-	-	-	303,838
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 14,326</u>	<u>\$ 4,050</u>	<u>\$ -</u>	<u>\$ 1,732</u>	<u>\$ 4,849</u>	<u>\$ 376,962</u>

STATE OF NEW MEXICO  
 CORONA PUBLIC SCHOOLS

NOTES TO FINANCIAL STATEMENTS - CONTINUED

JUNE 30, 2008

V. OTHER INFORMATION (continued)

E. Reconciliation of Budgetary and GAAP Basis Amounts (continued)

	<u>Bond Building</u>	<u>Debt Service</u>
REVENUES		
Budgetary Basis	\$ -	\$ 103,187
Add:		
Current Year Receivables & Other Credits	-	23
Deduct:		
Prior Year Receivables & Other Debits	<u>-</u>	<u>117</u>
REVENUE --GAAP BASIS	<u>\$ -</u>	<u>\$ 103,093</u>
EXPENDITURES		
Budgetary Basis	\$ -	\$ 102,064
Add:		
Current Year Payables & Other Debits	-	10,108
Deduct:		
Prior Year Payables & Other Credits	<u>-</u>	<u>-</u>
EXPENDITURES --GAAP BASIS	<u>\$ -</u>	<u>\$ 112,172</u>



## GENERAL FUND

To account for resources traditionally associated with governments, which are not required to be accounted for in any other fund.

COMBINING BALANCE SHEET -- GENERAL FUND

JUNE 30, 2008

	<u>OPERATIONAL</u>	<u>TEACHERAGE</u>	<u>TRANSPORTATION</u>	<u>INSTRUCTIONAL MATERIALS</u>	<u>TOTALS</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 87,344	\$ 43,113	\$ 32,404	\$ 2,298	\$ 165,159
Investments	-	-	-	-	-
Accounts Receivable	-	-	-	-	4
Property Taxes	4	-	-	-	-
Interest	-	-	-	-	-
State	-	-	-	-	-
Federal	-	-	-	-	-
Inventories	-	-	-	-	23,740
Due from Other Funds	23,740	-	-	-	-
Prepaid expenditures	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 111,088</u>	<u>\$ 43,113</u>	<u>\$ 32,404</u>	<u>\$ 2,298</u>	<u>\$ 188,903</u>
<b>LIABILITIES</b>					
Cash Deficit	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Payable	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Due to Student Groups	-	-	-	-	-
Due to Tennants	-	750	-	-	750
<b>TOTAL LIABILITIES</b>	-	750	-	-	750
<b>FUND BALANCE</b>					
Fund Balance	-	-	-	-	-
Reserved for Text Books	-	-	-	-	-
Reserved for Debt Service	-	-	-	-	-
Reserved for Inventory	-	-	-	-	-
Unreserved, reported in:					
General Funds	111,088	42,363	32,404	2,298	188,153
Special Revenue Funds	-	-	-	-	-
Capital Projects Funds	-	-	-	-	-
<b>TOTAL FUND BALANCE</b>	<u>111,088</u>	<u>42,363</u>	<u>32,404</u>	<u>2,298</u>	<u>188,153</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 111,088</u>	<u>\$ 43,113</u>	<u>\$ 32,404</u>	<u>\$ 2,298</u>	<u>\$ 188,903</u>

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

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES  
IN FUND BALANCE -- GENERAL FUND

Year Ended June 30, 2008

	OPERATIONAL	TEACHERAGE	TRANSPORTATION	INSTRUCTIONAL MATERIALS	TOTALS
REVENUE					
Federal Programs	\$ 808	\$ -	\$ -	\$ -	\$ 808
State Programs	517,607	-	339,298	10,125	867,030
Local Programs	5,787	15,559	-	-	21,346
State Equalization	1,042,686	-	-	-	1,042,686
Taxes	15,185	-	-	-	15,185
Service Revenues	-	-	-	-	-
Interest	8,940	-	-	-	8,940
Other revenue sources	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>1,591,013</b>	<b>15,559</b>	<b>339,298</b>	<b>10,125</b>	<b>1,955,995</b>
EXPENDITURES					
Current					
Instruction	844,572	-	-	7,014	851,586
Support Services	-	-	-	-	-
Support Services Students	80,834	-	-	-	80,834
Support Services Instruction	41,966	-	-	1,017	42,983
Support Services General Administration	127,315	-	-	-	127,315
Support Services School Administration	46,201	-	-	-	46,201
Central Services	134,795	-	-	-	134,795
Operation and Maintenance of Plant	225,387	11,211	-	-	236,598
Student Transportation	-	-	324,255	-	324,255
Other Support Services	-	-	-	-	-
Food Services Operations	22,064	-	-	-	22,064
Capital Outlay	-	-	-	-	-
Debt Service					
Principal	-	-	-	-	-
Interest and Fiscal Charge	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>1,523,134</b>	<b>11,211</b>	<b>324,255</b>	<b>8,031</b>	<b>1,866,631</b>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	67,879	4,348	15,043	2,094	89,364
Other Financial Sources (Uses)					
Transfer In/Transfers (Out)	-	-	-	-	-
<b>Total Other Financial Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>67,879</b>	<b>4,348</b>	<b>15,043</b>	<b>2,094</b>	<b>89,364</b>
FUND BALANCE					
June 30, 2007	43,209	38,015	17,361	204	98,789
FUND BALANCE					
June 30, 2008	\$ 111,088	\$ 42,363	\$ 32,404	\$ 2,298	\$ 188,153

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



STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--GENERAL FUND--OPERATIONAL

Year Ended June 30, 2008

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Residential/Non-Residential Taxes	\$ 15,142	\$ 15,142	\$ 15,199	\$ 57
Fees - Summer School	-	-	-	-
Fees - Activities	-	-	-	-
Fees - Educational	-	-	-	-
Rent and Leases	-	-	-	-
Fees-Users	-	-	-	-
Interest Income	8,000	8,000	8,940	940
Refunds	-	-	-	-
State Equalization	1,034,239	1,042,416	1,042,686	270
Emergency -Supplemental	563,219	563,219	517,607	(45,612)
Local Revenue	-	-	4,558	4,558
Insurance Recoveries	-	-	-	-
Royalties	-	-	1,229	1,229
Fees-Govt Agencies	-	-	-	-
Forrest Reserve	984	984	808	(176)
Access Board (E-Rate)	-	-	-	-
Indirect Cost - (Flow Through Grants)	-	-	-	-
<b>TOTAL REVENUE</b>	<u>1,621,584</u>	<u>1,629,761</u>	<u>\$ 1,591,027</u>	<u>\$ (38,734)</u>
<b>BUDGETED CASH BALANCE</b>	<u>2,282</u>	<u>2,282</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 1,623,866</u>	<u>\$ 1,632,043</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ 856,686	\$ 864,863	\$ 844,572	\$ 20,291
Support Services	-	-	-	-
Support Services Students	117,261	117,261	80,834	36,427
Support Services Instruction	43,366	43,366	41,966	1,400
Support Services General Administration	133,434	133,434	127,315	6,119
Support Services School Administration	47,418	47,418	46,201	1,217
Central Services	134,387	134,387	134,795	(408)
Operation and Maintenance of Plant	262,895	262,895	225,387	37,508
Student Transportation	-	-	-	-
Other Support Services	2,282	2,282	-	2,282
Food Services Operations	26,137	26,137	22,064	4,073
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 1,623,866</u>	<u>\$ 1,632,043</u>	<u>\$ 1,523,134</u>	<u>\$ 108,909</u>

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

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--GENERAL FUND--TEACHERAGE

Year Ended June 30, 2008

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ -	\$ -	\$ -
State Revenue	-	-	-	-
Local Revenue	8,000	8,000	15,559	7,559
<b>TOTAL REVENUE</b>	<u>8,000</u>	<u>8,000</u>	<u>\$ 15,559</u>	<u>\$ 7,559</u>
<b>BUDGETED CASH BALANCE</b>	<u>27,847</u>	<u>27,847</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 35,847</u>	<u>\$ 35,847</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	35,847	35,847	11,211	24,636
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 35,847</u>	<u>\$ 35,847</u>	<u>\$ 11,211</u>	<u>\$ 24,636</u>

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

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--GENERAL FUND--TRANSPORTATION

Year Ended June 30, 2008

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ -	\$ -	\$ -
State Revenue	314,443	339,298	339,298	-
Local Revenue	-	-	-	-
<b>TOTAL REVENUE</b>	<u>314,443</u>	<u>339,298</u>	<u>\$ 339,298</u>	<u>\$ -</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 314,443</u>	<u>\$ 339,298</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	31,443	339,298	324,255	15,043
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 31,443</u>	<u>\$ 339,298</u>	<u>\$ 324,255</u>	<u>\$ 15,043</u>

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



STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--GENERAL FUND--INSTRUCTIONAL MATERIALS

Year Ended June 30, 2008

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ -	\$ -	\$ -
State Revenue	8,241	8,591	10,125	1,534
Local Revenue	-	-	-	-
<b>TOTAL REVENUE</b>	<u>8,241</u>	<u>8,591</u>	<u>\$ 10,125</u>	<u>\$ 1,534</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 8,241</u>	<u>\$ 8,591</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ 7,574	\$ 7,574	\$ 7,014	\$ 560
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	667	1,017	1,017	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 8,241</u>	<u>\$ 8,591</u>	<u>\$ 8,031</u>	<u>\$ 560</u>

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

## SPECIAL REVENUE FUNDS

CAFETERIA – to account for financing for school hot lunch program. Funding is provided from fees from patrons and USDA food reimbursements, under the National School Lunch Act of 1946, as amended, New Mexico Statutes Annotated, State Law 22-13-13.

ATHLETICS – to account for revenues received from non-instructional activities for use in the district's athletic and other non-instructional programs. Required by the New Mexico State Department of Education Manual of Procedures for New Mexico School Districts to be accounted for as a separate fund. Authority for this fund is the New Mexico Administrative Code 6.20.2.

MIGRANT CHILDREN EDUCATION – the purpose of this program is to assist the District in providing a summer school program for migrant students. Federal revenues accounted for in this fund are administered by the New Mexico Public Education Department. Authority for creation of this fund is Chapter I of Title I of the Elementary and Secondary Education Act (ESEA) of 1965 as amended, Public Law 103-382.

IDEA B—ENTITLEMENT BUDGET—P.L. 94-142, Individuals with Disabilities Education Act—to account for a federal grant restricted to the operation and maintenance of meeting the special education need of children with disabilities. Authority for the creation of this fund is Individuals with Disabilities Act, Part B, Sec. 611, as amended; Public Laws 91-230,93-380,94-142,98-199,99-457,100-630 and 101-476; 20 U.S.C. 1401-1419, Public Law 105-17.

### IDEA B PRE-SCHOOL--

To account for revenue received under the Preschool Public Act P.L. 99-457 for the purpose of providing special educational services to the developmentally delayed preschool children. This fund is federally funded and is restricted to expenditure by grant application. Required by the New Mexico State Department of Education Manual of Procedures for New Mexico School Districts to be accounted for as a separate fund.

ENHANCING EDUCATION THROUGH TECHNOLOGY E2T2-F - to provide grants to State Education Agencies on a formula basis to improve student academic achievement through the use of technology in schools, assist all students in becoming technologically literate by the end of the eighth grade and encourage the effective integration of technology with teacher training and curriculum development to establish successful research-based instructional methods. The authority for the creation of this fund is the Elementary and Secondary Education Act of 1965, Title II, Part D, Subparts 1 and 2, as amended.

TITLE V—to assist State and local educational agencies in the reform of elementary and secondary education. The authority for the creation of this fund is the Elementary and Secondary Education Act of 1965, Title VI, as amended, 20U.S.C. 7301-7373.

MEDICAID TITLE XIX – this fund is used for reimbursement of health-related services of Medicaid eligible students receiving related services, for administrative time study, and for a statement of service costs study. Authorized by the Social Security Act.

REAP– to account for monies received to provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning. Authority for this program is contained in Title VI, Part B of the Elementary and Secondary Education Act of 1965, (ESEA), as amended by Public Law 107-110.

INCENTIVES FOR SCHOOL IMPROVEMENT – to account for monies received to be used as determined by the school principal and teachers in cooperation with other school employees and the community. It shall not be used for salaries, salary increases or bonuses. Financing and authority is provided by NMSA 22-13A-5.

SCHOOL IMPROVEMENT FRAME WORK – to account for monies provided by the state to be used to support the District's strategic plan to improve student achievement, focusing on reading and math. Authority for the creation of this fund is provided by the grantor and the Corona School Board.

STATE OF NEW MEXICO  
CORONA PUBLIC SCHOOLS

COMBINING BALANCE SHEET--NON-MAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS

JUNE 30, 2008

	CAFETERIA	ATHLETICS	MIGRANT CHILDREN EDUCATION
<b>ASSETS</b>			
Cash and cash equivalents	\$ 11,531	\$ 356	\$ -
Investments	-	-	-
Accounts Receivable			
Property Taxes	-	-	-
Interest	-	-	-
State	-	-	-
Federal	-	-	1,279
Inventories	898	-	-
Due from Other Funds	-	-	-
Prepaid expenditures	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 12,429</b>	<b>\$ 356</b>	<b>\$ 1,279</b>
<b>LIABILITIES</b>			
Cash Deficit	\$ -	\$ -	\$ -
Accounts Payable	-	-	-
Deferred Revenue	-	-	-
Due to Other Funds	-	-	1,279
Due to Student Groups	-	-	-
Due to Tennants	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>1,279</b>
<b>FUND BALANCE</b>			
Reserved for Text Books	-	-	-
Reserved for Debt Service	-	-	-
Reserved for Inventory	898	-	-
Unreserved, reported in:			
General Funds	-	-	-
Special Revenue Funds	11,531	356	-
Capital Projects Funds	-	-	-
<b>TOTAL FUND BALANCE</b>	<b>12,429</b>	<b>356</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 12,429</b>	<b>\$ 356</b>	<b>\$ 1,279</b>

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



EXHIBIT B-1

IDEA - B ENTITLEMENT	IDEA-B PRESCHOOL	ENHANCING ED. THROUGH TECH. E2T2-F	TITLE V INNOVATION ED	MEDICAID XIX	REAP	INCENTIVES FOR SCHOOL IMPROVEMENT
\$ -	\$ 683	\$ 272	\$ -	\$ 55	\$ -	\$ 1
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 683</u>	<u>\$ 272</u>	<u>\$ -</u>	<u>\$ 55</u>	<u>\$ -</u>	<u>\$ 1</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	683	272	-	55	-	1
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>683</u>	<u>272</u>	<u>-</u>	<u>55</u>	<u>-</u>	<u>1</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 683</u>	<u>\$ 272</u>	<u>\$ -</u>	<u>\$ 55</u>	<u>\$ -</u>	<u>\$ 1</u>

COMBINING BALANCE SHEET--NON-MAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS-CONTINUED

JUNE 30, 2008

	SCHOOL IMPROVEMENT FRAMEWORK	TOTAL NONMAJOR SPECIAL REVENUE FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ 12,898	\$ 12,898
Investments	-	-	-
Accounts Receivable	-	-	-
Property Taxes	-	-	-
Interest	-	-	-
State	-	-	-
Federal	-	1,279	1,279
Inventories	-	898	898
Due from Other Funds	-	-	-
Prepaid expenditures	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ 15,075</b>	<b>\$ 15,075</b>
<b>LIABILITIES</b>			
Cash Deficit	\$ -	\$ -	\$ -
Accounts Payable	-	-	-
Deferred Revenue	-	1,011	1,011
Due to Other Funds	-	1,279	1,279
Due to Student Groups	-	-	-
Due to Tennants	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>2,290</b>	<b>2,290</b>
<b>FUND BALANCE</b>			
Reserved for Text Books	-	-	-
Reserved for Debt Service	-	-	-
Reserved for Inventory	-	898	898
Unreserved, reported in:			
General Funds	-	-	-
Special Revenue Funds	-	11,887	11,887
Capital Projects Funds	-	-	-
<b>TOTAL FUND BALANCE</b>	<b>-</b>	<b>12,785</b>	<b>12,785</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ -</b>	<b>\$ 15,075</b>	<b>\$ 15,075</b>

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

STATE OF NEW MEXICO  
CORONA PUBLIC SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN FUND BALANCE - NON-MAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS

JUNE 30, 2008

	CAFETERIA	ATHLETICS	MIGRANT CHILDREN EDUCATION
<b>REVENUE</b>			
Federal Programs	\$ 23,790	\$ -	\$ 4,969
State Programs	-	-	-
Local Programs	5,024	2,790	-
State Equalization	-	-	-
Taxes	-	-	-
Service Revenues	-	-	-
Interest	-	-	-
Other revenue sources	-	-	-
<b>TOTAL REVENUES</b>	<u>28,814</u>	<u>2,790</u>	<u>4,969</u>
<b>EXPENDITURES</b>			
<b>Current</b>			
Instruction	-	3,000	4,969
Support Services	-	-	-
Support Services Students	-	-	-
Support Services Instruction	-	-	-
Support Services General Administration	-	-	-
Support Services School Administration	-	-	-
Central Services	-	-	-
Operation and Maintenance of Plant	-	-	-
Student Transportation	-	-	-
Other Support Services	-	-	-
Food Services Operations	27,711	-	-
Capital Outlay	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>27,711</u>	<u>3,000</u>	<u>4,969</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	1,103	(210)	-
<b>OTHER FINANCING SOURCES (USES)</b>			
TRANSFERS IN/ TRANSFERS OUT	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	1,103	(210)	-
<b>FUND BALANCE</b>			
June 30, 2007	<u>11,326</u>	<u>566</u>	<u>-</u>
<b>FUND BALANCE</b>			
June 30, 2008	<u>\$ 12,429</u>	<u>\$ 356</u>	<u>\$ -</u>

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



IDEA - B ENTITLEMENT	IDEA-B PRESCHOOL	ENHANCING ED. THROUGH TECH. E2T2-F	TITLE V INNOVATION ED	MEDICAID XIX	REAP	INCENTIVES FOR SCHOOL IMPROVEMENT
\$ 14,491	\$ 312	\$ 72	\$ 294	\$ -	\$ 14,326	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>14,491</u>	<u>312</u>	<u>72</u>	<u>294</u>	<u>-</u>	<u>14,326</u>	<u>-</u>
12,514	-	72	294	-	14,326	-
-	312	-	-	-	-	-
1,977	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>14,491</u>	<u>312</u>	<u>72</u>	<u>294</u>	<u>-</u>	<u>14,326</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF NEW MEXICO  
CORONA PUBLIC SCHOOLS

EXHIBIT B-2  
CON'D

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN FUND BALANCE - NON-MAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS-CONTINUED

JUNE 30, 2008

	SCHOOL IMPROVEMENT FRAMEWORK	TOTAL NONMAJOR SPECIAL REVENUE FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUE</b>			
Federal Programs	\$ -	\$ 58,254	\$ 58,254
State Programs	1,732	1,732	1,732
Local Programs	-	7,814	7,814
State Equalization	-	-	-
Taxes	-	-	-
Service Revenues	-	-	-
Interest	-	-	-
Other revenue sources	-	-	-
<b>TOTAL REVENUES</b>	<u>1,732</u>	<u>67,800</u>	<u>67,800</u>
<b>EXPENDITURES</b>			
<b>Current</b>			
Instruction	1,732	36,907	36,907
Support Services	-	-	-
Support Services Students	-	312	312
Support Services Instruction	-	1,977	1,977
Support Services General Administration	-	-	-
Support Services School Administration	-	-	-
Central Services	-	-	-
Operation and Maintenance of Plant	-	-	-
Student Transportation	-	-	-
Other Support Services	-	-	-
Food Services Operations	-	27,711	27,711
Capital Outlay	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>1,732</u>	<u>66,907</u>	<u>66,907</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	-	893	893
<b>OTHER FINANCING SOURCES (USES)</b>			
TRANSFERS IN/ TRANSFERS OUT	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	893	893
<b>FUND BALANCE</b>			
June 30, 2007	-	11,892	11,892
<b>FUND BALANCE</b>	<u>-</u>	<u>12,785</u>	<u>12,785</u>
June 30, 2008	<u>\$ -</u>	<u>\$ 12,785</u>	<u>\$ 12,785</u>

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

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND--CAFETERIA

Year Ended June 30, 2008

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ -	\$ 23,790	\$ 23,790
State Revenue	-	-	-	-
Local Revenue	23,373	23,373	2,427	(20,946)
<b>TOTAL REVENUE</b>	<u>23,373</u>	<u>\$ 23,373</u>	<u>\$ 26,217</u>	<u>\$ 2,844</u>
<b>BUDGETED CASH BALANCE</b>	<u>1,641</u>	<u>1,641</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 25,014</u>	<u>\$ 25,014</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	25,014	25,014	24,470	544
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 25,014</u>	<u>\$ 25,014</u>	<u>\$ 24,470</u>	<u>\$ 544</u>

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



STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND--ATHLETICS

Year Ended June 30, 2008

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ -	\$ -	\$ -
State Revenue	-	-	-	-
Local Revenue	3,000	3,000	2,790	(210)
<b>TOTAL REVENUE</b>	<u>3,000</u>	<u>3,000</u>	<u>2,790</u>	<u>(210)</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ 3,000</u>	<u>\$ 3,000</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ 3,000	\$ 3,000	\$ 3,000	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ -</u>

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

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND--MIGRANT CHILDRENT EDUCATION

Year Ended June 30, 2008

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 6,000	\$ 6,000	\$ 5,117	\$ (883)
State Revenue	-	-	-	-
Local Revenue	-	-	-	-
TOTAL REVENUE	<u>6,000</u>	<u>6,000</u>	<u>5,117</u>	<u>(883)</u>
 BUDGETED CASH BALANCE	 <u>-</u>	 <u>-</u>		
 TOTAL REVENUE & CASH	 <u>\$ 6,000</u>	 <u>\$ 6,000</u>		
 EXPENDITURES				
Current				
Instruction	\$ 6,000	\$ 6,000	\$ 4,969	\$ 1,031
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 6,000</u>	<u>\$ 6,000</u>	<u>\$ 4,969</u>	<u>\$ 1,031</u>

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

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND--IDEA-B ENTITLEMENT

Year Ended June 30, 2008

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ 14,790	\$ 14,790	\$ 14,254	\$ (536)
State Revenue	-	-	-	-
Local Revenue	-	-	-	-
TOTAL REVENUE	<u>14,790</u>	<u>\$ 14,790</u>	<u>\$ 14,254</u>	<u>\$ (536)</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 14,790</u>	<u>\$ 14,790</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ 12,793	\$ 12,793	\$ 12,514	\$ 279
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	1,997	1,997	1,977	20
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 14,790</u>	<u>\$ 14,790</u>	<u>\$ 14,491</u>	<u>\$ 299</u>

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



STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND--IDEA-B PRESCHOOL

Year Ended June 30, 2008

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ 467	\$ -	\$ (467)
State Revenue	-	-	-	-
Local Revenue	-	-	-	-
<b>TOTAL REVENUE</b>	<u>-</u>	<u>467</u>	<u>\$ -</u>	<u>\$ (467)</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ -</u>	<u>\$ 467</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	467	312	155
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ 467</u>	<u>\$ 312</u>	<u>\$ 155</u>

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

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP) AND ACTUAL  
--SPECIAL REVENUE FUND--ENHANCING ED THRU TECHNOLOGY - E2T2-F

Year Ended June 30, 2008

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ 289	\$ -	\$ (289)
State Revenue	-	-	-	-
Local Revenue	-	-	-	-
<b>TOTAL REVENUE</b>	<u>-</u>	<u>289</u>	<u>\$ -</u>	<u>\$ (289)</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ -</u>	<u>\$ 289</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ 289	\$ 72	\$ 217
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
<b>Capital Outlay</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ 289</u>	<u>\$ 72</u>	<u>\$ 217</u>

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

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND--TITLE V INNOVATION ED PROG STRATEGIES

Year Ended June 30, 2008

	ORIGINAL ACTUAL	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 716	\$ 1,029	\$ 781	\$ (248)
State Revenue	-	-	-	-
Local Revenue	-	-	-	-
TOTAL REVENUE	<u>716</u>	<u>1,029</u>	<u>\$ 781</u>	<u>\$ (248)</u>
 BUDGETED CASH BALANCE	 <u>-</u>	 <u>-</u>		
 TOTAL REVENUE & CASH	 <u>\$ 716</u>	 <u>\$ 1,029</u>		
 EXPENDITURES				
Current				
Instruction	\$ 716	\$ 1,029	\$ 294	\$ 735
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 716</u>	<u>\$ 1,029</u>	<u>\$ 294</u>	<u>\$ 735</u>

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



STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND--TITLE III IMMIGRANT FUNDING

Year Ended June 30, 2008

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ -	\$ -	\$ -
State Revenue	-	-	-	-
Local Revenue	-	-	-	-
<b>TOTAL REVENUE</b>	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
 <b>BUDGETED CASH BALANCE</b>	 <u>-</u>	 <u>-</u>		
 <b>TOTAL REVENUE &amp; CASH</b>	 <u>\$ -</u>	 <u>\$ -</u>		
 <b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND--REAP

Year Ended June 30, 2008

	ORIGINAL ACTUAL	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ -	\$ 14,326	\$ 14,326
State Revenue	-	-	-	-
Local Revenue	-	-	-	-
TOTAL REVENUE	-	-	<u>\$ 14,326</u>	<u>\$ 14,326</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ -</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ -	\$ 14,326	\$ (14,326)
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,326</u>	<u>\$ (14,326)</u>

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

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND--INCENTIVES FOR SCHOOL IMPROVEMENT

Year Ended June 30, 2008

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ -	\$ -	\$ -
State Revenue	-	-	-	-
Local Revenue	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ -</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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



STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND--IMPROVEMENT FRAMEWORK

Year Ended June 30, 2008

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ -	\$ -	\$ -	\$ -
State Revenue	-	1,732	2,032	300
Local Revenue	-	-	-	-
<b>TOTAL REVENUE</b>	<u>-</u>	<u>1,732</u>	<u>\$ 2,032</u>	<u>\$ 300</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ -</u>	<u>\$ 1,732</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ 1,732	\$ 1,732	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ 1,732</u>	<u>\$ 1,732</u>	<u>\$ -</u>

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

## AGENCY FUNDS

AGENCY FUND—To account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -- AGENCY FUND

Year Ended June 30, 2008

	Balance 6/30/2007	Additions	Subtractions	Balance 6/30/2008
VOLLEYBALL FUNDRAISER	\$ 178	\$ 370	\$ 4	\$ 544
CLASS OF 2008	1,283	5,211	4,970	1,524
CLASS OF 2011	787	1,024	456	1,355
CLASS OF 2012	1,086	2,329	820	2,595
ANNUAL	2,449	4,711	3,161	3,999
STUDENT COUNCIL	1,816	965	1,332	1,449
FFA	5,887	30,235	31,301	4,821
CHEERLEADERS	20	-	-	20
HONOR SOCIETY	143	-	140	3
LIBRARY	194	-	-	194
CURRICULUM	742	-	-	742
SUNSHINE FUND	872	1,099	831	1,140
PTO-POPCORN	22	-	-	22
DRAMA	26	-	-	26
PTO FUND	889	1,600	1,476	1,013
ART	126	-	-	126
CLASS OF 2013	309	929	526	712
EPSS	283	-	-	283
ACCELERATED READER	1,114	13,587	11,377	3,324
ELEMNTARY PREP SQUAD	320	-	-	320
CLASS OF 2014	671	138	-	809
PLANT FUND	370	-	36	334
BUILDING USAGE	125	-	-	125
MEMORIAL	1,034	125	-	1,159
ELEM. PLAYGROUND EQUIPMENT	1,200	-	-	1,200
ELEM. ACTIVITY ASSOCIATION	932	600	202	1,330
KNOWLEDGE BOWL	340	-	-	340
CLASS OF 2009	2,562	4,014	3,343	3,233
SCHOLARSHIP	100	-	-	100
CLASS OF 2010	1,288	1,451	791	1,948
CORONA ACTIVITY FUND	6,486	5,772	10,769	1,489
	<u>\$ 33,654</u>	<u>\$ 74,160</u>	<u>\$ 71,535</u>	<u>\$ 36,279</u>

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



OTHER MAJOR FUND INFORMATION

STATE OF NEW MEXICO  
CORONA PUBLIC SCHOOLS

EXHIBIT E-2

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--BOND BUILDING--CAPITAL PROJECTS FUND

Year Ended June 30, 2008

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Bond Proceeds	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	-
Earnings from Investments	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
 BUDGETED CASH BALANCE	 <u>290,896</u>	 <u>290,896</u>		
 TOTAL REVENUES & CASH	 <u>\$ 290,896</u>	 <u>\$ 290,896</u>		
 EXPENDITURES				
Capital Outlay	\$ <u>290,896</u>	\$ <u>290,896</u>	\$ -	\$ <u>290,896</u>
TOTAL EXPENDITURES	<u>\$ 290,896</u>	<u>\$ 290,896</u>	<u>\$ -</u>	<u>\$ 290,896</u>

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

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--DEBT SERVICE FUND

Year Ended June 30, 2008

	<u>Original Budget</u>	<u>Adjusted Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUE</b>				
Residential/Non-Residential Taxes	\$ 102,064	\$ 102,064	\$ 103,187	\$ 1,123
<b>TOTAL REVENUE</b>	<u>102,064</u>	<u>\$ 102,064</u>	<u>\$ 103,187</u>	<u>\$ 1,123</u>
<b>BUDGETED CASH BALANCE</b>	<u>99,564</u>	<u>99,564</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 201,628</u>	<u>\$ 201,628</u>		
<b>EXPENDITURES</b>				
Support Services General Administration	\$ 1,021	\$ 1,021	\$ -	\$ 1,021
Debt Service - Principal	168,543	168,543	70,000	98,543
Debt Service - Interest	32,064	32,064	32,064	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 201,628</u>	<u>\$ 201,628</u>	<u>\$ 102,064</u>	<u>\$ 99,564</u>

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



OTHER SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO  
CORONA PUBLIC SCHOOLS

SCHEDULE 1

BANK SUMMARY

JUNE 30, 2008

<u>Bank</u>	<u>ACCT TYPE</u>	<u>FUND</u>	<u>BANK BALANCE</u>	<u>OUTSTANDING (CHECKS) DEPOSITS</u>	<u>NET CASH BALANCE</u>
Wells Fargo Bank	Checking	All Funds *	\$ 921,024	\$ (178,265)	\$ 742,759
Total F&S Bank		Total Checking Accts.	<u>921,024</u>	<u>(178,265)</u>	<u>742,759</u>

\* Interest Bearing

SCHEDULE OF PLEDGED COLLATERAL

JUNE 30, 2008

	Total Deposits	Repurchase Agreement	FDIC Insurance	Uninsured Deposits	Collateral Required	Collateral Pledged	Uninsured & Uncollateralized Deposits
Well Fargo	<u>\$ 921,024</u>	<u>\$ 678,766</u>	<u>\$ 100,000</u>	<u>\$ 142,258</u>	<u>\$ 71,129</u>	<u>\$ 102,315</u>	<u>\$ -</u>
<u>Collateral</u>	<u>Amount</u>	<u>Matures</u>					
3128MS7G9	<u>\$ 102,315</u>	12/10/08					
Total	<u>\$ 102,315</u>						

All pledged securities are held by Wells Fargo Bank, California in the name of the School District.

Repurchase agreement	<u>\$ 678,766</u>
102% Collateral requirement	692,341
Pledged collateral	<u>704,507</u>
Excess pledged collateral	<u>\$ (12,166)</u>

<u>Collateral</u>	<u>Amount</u>	<u>Matures</u>
31414BXR6	<u>\$ 704,507</u>	2/1/38
	<u>\$ 704,507</u>	

The repurchase agreement was collateralized with securities held by the pledging bank's trust department, not in the Districts name.

STATE OF NEW MEXICO  
CORONA PUBLIC SCHOOLS

BANK RECONCILIATION

JUNE 30, 2008

	<u>OPERATIONAL</u>	<u>TEACHERAGE</u>	<u>TRANSPORTATION</u>	<u>INSTRUCTIONAL MATERIAL</u>	<u>FOOD SERVICES</u>
Audited Net Cash JUNE 30, 2007	\$ 43,190	\$ 38,765	\$ 17,361	\$ 204	\$ 9,784
Investments on hand/Loans	-	-	-	-	-
<b>TOTAL CASH BALANCE JUNE 30, 2007</b>	<b>43,190</b>	<b>38,765</b>	<b>17,361</b>	<b>204</b>	<b>9,784</b>
Add: Prior year void checks	-	-	-	-	-
2007-2008 Revenue	1,591,027	15,559	339,298	10,125	26,217
Transfers In & Due From	-	-	-	-	-
<b>TOTAL AVAILABLE CASH Net Change</b>	<b>1,634,217</b>	<b>54,324</b>	<b>356,659</b>	<b>10,329</b>	<b>36,001</b>
2007-2008 Expenditures	1,382,670	11,211	310,555	8,031	20,375
Receivables/Payables	140,464	-	13,700	-	4,095
Transfers Out & Due To	23,740	-	-	-	-
	<u>1,546,874</u>	<u>11,211</u>	<u>324,255</u>	<u>8,031</u>	<u>24,470</u>
<b>NET CASH, JUNE 30, 2008</b>	<b>87,343</b>	<b>43,113</b>	<b>32,404</b>	<b>2,298</b>	<b>11,531</b>
Cash On hand	-	-	-	-	-
<b>TOTAL CASH, JUNE 30, 2008</b>	<b><u>\$ 87,343</u></b>	<b><u>\$ 43,113</u></b>	<b><u>\$ 32,404</u></b>	<b><u>\$ 2,298</u></b>	<b><u>\$ 11,531</u></b>



SCHEDULE 3

<u>ATHLETICS</u>	<u>FEDERAL PROJECTS</u>	<u>LOCAL/ STATE</u>	<u>BOND BUILDING</u>	<u>ACTIVITIES</u>	<u>SB - 9</u>	<u>DEBT SERVICE</u>
\$ 566	\$ (8,163)	\$ (298)	\$ 290,896	\$ 33,654	\$ 138,634	\$ 101,803
-	-	-	-	-	-	-
566	(8,163)	(298)	290,896	33,654	138,634	101,803
-	-	-	-	-	-	-
2,790	68,057	14,033	-	74,160	61,139	103,187
-	18,891	4,849	-	-	-	-
3,356	78,785	18,584	290,896	107,814	199,773	204,990
3,000	68,824	10,631	-	71,535	73,124	102,064
-	8,950	-	-	-	-	-
-	-	-	-	-	-	-
3,000	77,774	10,631	-	71,535	73,124	102,064
-	-	-	-	-	-	-
356	1,011	7,953	290,896	36,279	126,649	102,926
-	-	-	-	-	-	-
<u>\$ 356</u>	<u>\$ 1,011</u>	<u>\$ 7,953</u>	<u>\$ 290,896</u>	<u>\$ 36,279</u>	<u>\$ 126,649</u>	<u>\$ 102,926</u>

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

Hector H. Balderas  
New Mexico State Auditor  
The Board of Education  
Corona Public Schools  
Corona, New Mexico

We have audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information of Corona Public School District, as of and for the year ended June 30, 2008, which collectively comprise the Corona Public School District's basic financial statements as listed in the table of contents and have issued our report thereon dated November 5, 2008. We also have audited the financial statements of each of the non major governmental and fiduciary funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2008, as listed in the table of contents. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Corona Public School District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Corona Public Schools District's financial statements is more than inconsequential will not be prevented or detected by the Corona Public School District's internal control.

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

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

### Compliance and Other Matters

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

We noted certain matters that are required to be reported under Government Auditing Standards paragraph 5.14 and 5.16, and Section 12-6-5 NMSA 1978, which are described in the accompanying Schedule of Findings and Recommendations as items 2008-1, 2008-2 and 2008-3.

The Corona Public School District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. We did not audit the Corona Public School District's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the school board, management, the Office of the State Auditor, the New Mexico Public Education Department, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

November 5, 2008



STATE OF NEW MEXICO  
CORONA PUBLIC SCHOOLS

SCHEDULE OF FINDINGS AND RESPONSES

JUNE 30, 2008

I. SUMMARY OF AUDITORS RESULTS:

Report on Financial Statements	Unqualified
Significant Deficiencies on GAGAS	2008-1 through 2008-3
Material weakness involving Significant Deficiencies	None
Material Noncompliance	None
Questioned Cost	None

II. FINANCIAL STATEMENT FINDINGS

Control

None

Compliance

2008-1 Overspent Budget

Condition:	The REAP fund expended \$ 14,326 in the instruction line item without an approved budget.
Criteria:	Any funds expended by the District shall have an approved budget for the expenditure per Chapter 22 Article 8 of NMSA 1978.
Cause:	Management failed to prepare a budget adjustment request and getting the authorization to expend the funds when the REAP revenue was received.
Effect:	Violation of state statutes regarding preparation and approval of budgets for all expenditures creates a situation where budgetary control is lost and allows for the possibility of overexpending function items. When budgetary control is lost cash management cannot be maintained.
Recommendation:	The District should re-evaluate procedures in the budgetary process to determine how the breakdown in the process occurred and then develop or strengthen existing procedures to prevent expending funds without proper budget approval.
Response:	The District concurs with the auditor's recommendation and will be evaluating the accounting system and the duties of all personnel involved to develop stronger procedures.



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SCHEDULE OF FINDINGS AND RESPONSES (continued)

JUNE 30, 2008

2008-2 Activity Receipts

Condition: Students are not being issued receipts when they turn in monies collected during fundraisers to the sponsors.

Criteria: District policies and procedures require that all monies received by the District be receipted.

Cause: The District personnel had not considered that monies received by the sponsors of activities should be included in the policy.

Effect: Not issuing receipts at the sponsor level for activity funds weakens control of cash, which is in trust to the District. Also, it weakens the ability to determine if all funds are being turned into the business office in tact and within 24 hours of receipt.

Recommendation: The District should retrain all personnel regarding the Districts policies about receipting of public monies.

Response: The District concurs with the recommendation and have already provided receipt books to those sponsors who need them.

2008-3 Segregation of Duties

Condition: Although, not considered a significant deficiency in internal control, the business manager has access to all functions of the cash disbursement system.

Criteria: Good internal control would split responsibilities of various accounting functions and causes compliance violations with both the state manual of procedures and in some cases grant requirements.

Cause: With the new Visions enterprise system it has been more difficult to cut out certain functions in the disbursements procedures than normally would be performed by someone other than the business manager. Also, the size of the entity creates problems with segregation of duties due to limited numbers of qualified personnel.

Effect: When duties are not segregated then controls over cash management are weakened.

Recommendation: Re-evaluate the steps in the cash disbursement function and determine what steps or procedures could be moved to another position to perform or implemented in such a way to strengthen control over cash management.

Response: The District is in the process of evaluating all areas of the accounting system to modify and strengthen controls within the limits of the size, complexity and budget of the District.

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SCHEDULE OF FINDINGS AND RESPONSES (continued)

June 30, 2008

IV. PRIOR YEAR AUDIT FINDINGS

None

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OTHER DISCLOSURES

Year Ended June 30, 2008

PREPARATION OF FINANCIAL STATEMENTS

We prepared the draft financial statements based on management's chart of accounts and trial balances and any adjusting, correcting, and closing entries have been approved by management. We also have prepared the draft footnotes based on the information determined and approved by management. These services are allowable under SAS 112.

Exit Conference

An Exit Conference was held on November 5, 2008. Present were Jeanene Gibbs, Board Member, Travis Lightfoot, Superintendent, Barbara Sultemeier, Business Manager, Karen Seely, Administrative Assistant, and D. Brent Woodard, CPA.