

State of New Mexico

CORONA PUBLIC SCHOOLS

FOR YEAR ENDED JUNE 30, 2014

(WITH AUDITOR'S REPORT THEREON)

RICE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

STATE OF NEW MEXICO
CORONAL PUBLIC SCHOOLS
AUDIT REPORT
For The Year Ended June 30, 2014
(with Auditor's Report Thereon)

STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
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STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
Official Roster
Year Ended June 30, 2014

Board of Education

<u>Name</u>	<u>Title</u>
Mr. Rick Gage	President
Ms. Terri Racher	Vice-President
Mr. Shad Cox	Secretary
Ms. Alena Brandenberger	Member
Mr. Joseph Erramouspe	Member

School Officials

Mr. Travis Lightfoot	Superintendent
Ms. Barbara Sultemeier	Business Manager

Rice and Associates, C.P.A.

AUDITING
BOOKKEEPING
(505) 292-8275

CERTIFIED PUBLIC ACCOUNTANTS
11805 Menaul NE
Albuquerque, NM 87112

TAX PLANNING
TAX PREPARATION
FAX (505) 294-8904

INDEPENDENT AUDITOR'S REPORT

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

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, and the budgetary comparisons for the General, Title I, IDEA-B Risk Pool, Read2Lead, Bond Building, Capital Improvements SB-9 and Debt Service Funds of the Corona Public Schools, as of and for the year ended June 30, 2014, and the related notes to the financial statements which collectively comprise the Corona Public Schools basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the Corona Public Schools non-major governmental and fiduciary funds and the budgetary comparisons for the Major Capital Project and Debt Services Funds and all non-major funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2014 as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Corona Public Schools, as of June 30, 2014, and the respective changes in financial position and where applicable, cash flows thereof, and the respective budgetary comparisons for the General, Title I, IDEA-B Risk Pool, Read2Lead, Bond Building, Capital Improvements SB-9 and Debt Service Funds for the year then ended in accordance 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 funds of the Corona Public Schools, as of June 30, 2014, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the Major Capital Project and Debt Service Funds and the non-major governmental funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the MD&A which is required to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements is required by GASB who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the Corona Public Schools financial statements, the combining and the individual fund financial statements, and the budgetary comparisons. The budgetary comparisons for the Major Capital Project and Debt Service Funds, the non-major governmental funds and the Schedule of Cash Receipts and Disbursements - All Funds by School District Classification and Schedule of Changes in Assets and Liabilities - All Agency Funds are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparisons for the Major Capital Project and Debt Service Funds and non-major governmental funds, the Schedule of Cash Receipts and Disbursements - All Funds by School District Classification and Schedule of Changes in Assets and Liabilities - All Agency Funds are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basis financial statements or to the basic financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparisons for the Major Capital Project and Debt Service Funds and the non-major governmental funds, the Schedule of Cash Receipts and Disbursements - All Funds by School District Classification and Schedule of Changes in Assets and Liabilities - All Agency Funds fairly states, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 13, 2014 on our consideration of the Corona Public Schools internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corona Public Schools internal control over financial reporting and compliance.



Albuquerque, New Mexico
August 13, 2014

FINANCIAL STATEMENTS

STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
Statement of Net Position
June 30, 2014

Statement 1

	Governmental Activities
ASSETS	
Current assets	
Cash	\$ 970,724
Accounts receivable	827
Due from grantor	75,126
Inventory	862
Total current assets	1,047,539
Non-current assets	
Capital assets	5,487,694
Less accumulated depreciation	(3,421,939)
Total non-current assets	2,065,755
Total assets	3,113,294
LIABILITIES	
Current liabilities	
Cash overdraft	296
Security deposit payable	1,200
Revenues not earned	22,509
Accounts payable	-
Accrued interest	23,769
Current portion of long-term obligations	95,000
Total current liabilities	142,774
Long-term obligations	
Non-current portion of long-term obligations	810,000
Compensated absences	19,757
Total long-term obligations	829,757
Total liabilities	972,531
NET POSITION	
Net investment in capital assets	1,160,755
Restricted for	
Cafeteria fund (inventory)	862
Capital projects	822,310
Debt service	101,003
Special grants	5,612
Unrestricted	50,221
Total net position	\$ 2,140,763

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

STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
Statement of Activities
Year Ended June 30, 2014

Statement 2

Functions/Programs	Program Revenues				Net (Expenses) Revenue and Changes Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
EXPENSES:					
Governmental activities:					
Direct instruction	\$ 1,003,234	\$ 5,194	\$ 157,035	\$ 29,008	\$ (811,997)
Instructional support	979,189	12,180	284,601	-	(682,408)
Food services	56,633	1,863	34,730	-	(20,040)
Depreciation - unallocated	171,375	-	-	-	(171,375)
Interest on long-term obligations	23,770	-	-	-	(23,770)
Total governmental activities	2,234,201	19,237	476,366	29,008	(1,709,590)
General revenues:					
Taxes					
Property taxes, levied for general purposes					22,920
Property taxes, levied for capital projects					92,949
Property taxes, levied for debt service					122,535
Federal and State aid not restricted to specific purpose					
General					1,548,540
Forest Reserve					3,602
Interest					327
Sub-total, general revenues					1,790,873
Change in net position					81,283
Net position - beginning of year					2,059,480
Net position - end of year					\$ 2,140,763

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

STATE OF NEW MEXICO
 CORONA PUBLIC SCHOOLS
 Balance Sheet - All Governmental Funds
 June 30, 2013

	General	Title I	IDEA-B Risk Pool	Read- Ahead	Bond Building	Capital Improvements SB-9	Debt Service	Other Governmental	Total
ASSETS									
Cash on deposit	\$ 23,106	-	\$ -	\$ -	\$ 678,373	\$ 143,615	\$ 100,577	\$ 25,053	\$ 970,724
Accounts receivable, collectible	79	-	-	-	-	322	426	-	827
Due from grantor	-	10,256	32,518	32,056	-	-	-	296	75,126
Due from other funds	74,830	-	-	-	-	-	-	-	74,830
Inventory, at cost	-	-	-	-	-	-	-	862	862
Total assets	\$ 98,015	\$ 10,256	\$ 32,518	\$ 32,056	\$ 678,373	\$ 143,937	\$ 101,003	\$ 26,211	\$ 1,122,369
LIABILITIES									
Cash overdraft	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 296	\$ 296
Due to other funds	-	10,256	32,518	32,056	-	-	-	-	74,830
Accounts payable	-	-	-	-	-	-	-	-	-
Security deposit payable	1,200	-	-	-	-	-	-	-	1,200
Revenues not earned	-	-	-	-	-	-	-	22,509	22,509
Total liabilities	1,200	10,256	32,518	32,056	-	-	-	22,805	98,835
FUND BALANCE									
Nonspendable	-	-	-	-	-	-	-	862	862
Restricted	3,068	-	-	-	678,373	143,937	101,003	2,544	928,925
Committed	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	93,747	-	-	-	-	-	-	-	93,747
Total fund balance	96,815	-	-	-	678,373	143,937	101,003	3,406	1,023,534
Total liabilities and fund balance	\$ 98,015	\$ 10,256	\$ 32,518	\$ 32,056	\$ 678,373	\$ 143,937	\$ 101,003	\$ 26,211	\$ 1,122,369

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

CORONA PUBLIC SCHOOLS

Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position

June 30, 2014

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

Total fund balances - governmental funds		\$ 1,023,534
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Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds

The cost of capital assets	5,487,694	
Accumulated depreciation	<u>(3,421,939)</u>	
		2,065,755

Long-term and certain other liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term and other liabilities at year-end consist of:

Bonds payable	(905,000)	
Accrued interest on bonds	(23,769)	
Compensated absences	<u>(19,757)</u>	
		<u>(948,526)</u>
Total net position - governmental funds		<u>\$ 2,140,763</u>

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

STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
Statement of Revenues, Expenditures and Changes in
Fund Balances - All Governmental Funds
Year Ended June 30, 2014

	General	Title I	IDEA-B Risk Pool	Read 2Lead	Bond Building	Capital			Debt Service	Other Governmental	Total
						Improvements SB-9					
REVENUES											
Property taxes	\$ 22,920	\$ -	\$ -	\$ -	\$ -	\$ 92,949	\$ 122,535	\$ -	\$ -	\$ 238,404	
Charges for services	12,180	-	-	-	-	-	-	7,057	77	19,237	
Local sources	-	-	-	-	-	-	-	-	-	-	
State sources	1,832,044	28,090	32,518	52,148	-	27,608	-	6,547	73,482	1,918,347	
Federal sources	3,602	-	-	-	-	-	-	-	-	137,692	
Earnings from investments	327	-	-	-	-	-	-	-	-	327	
Total revenues	1,871,073	28,090	32,518	52,148	-	120,557	122,535	87,163	-	2,314,084	
EXPENDITURES											
Current:											
Direct instruction	845,065	28,090	32,518	52,148	-	45,119	1,844	45,507	-	1,003,328	
Instructional support	926,135	-	-	-	-	-	-	6,091	-	979,189	
Food services	18,507	-	-	-	-	-	-	38,126	-	56,633	
Capital outlay	5,196	-	-	-	25,382	13,185	-	-	-	43,763	
Debt service:											
Bonds	-	-	-	-	-	-	75,000	-	-	75,000	
Interest	-	-	-	-	-	-	26,758	-	-	26,758	
Total expenditures	1,794,903	28,090	32,518	52,148	25,382	58,304	103,602	89,724	-	2,184,671	
Net change in fund balance	76,170	-	-	-	(25,382)	62,253	18,933	(2,561)	-	129,413	
Fund balance beginning of year	20,645	-	-	-	703,755	81,684	82,070	5,967	-	894,121	
Fund balance end of year	\$ 96,815	\$ -	\$ -	\$ -	\$ 678,373	\$ 143,937	\$ 101,003	\$ 3,406	\$ -	\$ 1,023,534	

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

STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS

Statement 6

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances - Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2014

Total net change in fund balances - governmental funds \$ 129,413

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

Capital outlays to purchase or build capital
assets are reported in governmental funds as
expenditures. However, for governmental
activities those costs are shown in the statement
of net assets and allocated over their estimated
useful lives as annual depreciation expenses in the
statement of activities. This is the amount by which
depreciation exceed capital outlays in the period.

Depreciation expense	(171,375)	
Capital outlays	<u>45,163</u>	
Excess of capital outlay over depreciation expense		(126,212)

In the Statement of Activities, certain operating
expenses - accrued interest payable is measured
by the amounts incurred during the year. In the fund
financial statements, however, expenditures are
measured by the amount of financial resources used
(essentially the amounts actually paid). The (increases)
decreases in the liabilities for the year were:

Accrued interest payable	2,988
Compensated absences	94

The issuance of long-term debt (e.g. bonds) 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.

Repayment of long-term debt	<u>75,000</u>
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Change in net position of governmental activities	<u>\$ 81,283</u>
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The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Taxes	\$ 20,718	\$ 20,178	\$ 22,904	\$ 2,726
Charges for services	14,000	14,000	11,880	(2,120)
Local sources	-	-	-	-
State sources	1,801,883	1,821,384	1,832,044	10,660
Federal sources	-	-	3,602	3,602
Earnings from investments	450	450	327	(123)
Total revenues	<u>\$ 1,837,051</u>	<u>\$ 1,856,012</u>	<u>\$ 1,870,757</u>	<u>\$ 14,745</u>
EXPENDITURES				
Direct instruction	\$ 889,385	\$ 877,385	\$ 845,065	\$ 32,320
Instructional support	954,002	992,856	931,331	61,525
Food services	19,325	19,325	18,507	818
Total expenditures	<u>\$ 1,862,712</u>	<u>\$ 1,889,566</u>	<u>\$ 1,794,903</u>	<u>\$ 94,663</u>
BUDGETED CASH BALANCE	<u>\$ 25,661</u>	<u>\$ 33,554</u>		

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

STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Title I
Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES				
Federal sources	<u>\$ 25,132</u>	<u>\$ 31,769</u>	<u>\$ 27,198</u>	<u>\$ (4,571)</u>
Total revenues	<u><u>\$ 25,132</u></u>	<u><u>\$ 31,769</u></u>	<u><u>\$ 27,198</u></u>	<u><u>\$ (4,571)</u></u>
EXPENDITURES				
Direct instruction	<u>\$ 25,132</u>	<u>\$ 31,769</u>	<u>\$ 28,090</u>	<u>\$ 3,679</u>
Total expenditures	<u><u>\$ 25,132</u></u>	<u><u>\$ 31,769</u></u>	<u><u>\$ 28,090</u></u>	<u><u>\$ 3,679</u></u>

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

STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
IDEA-B Risk Pool
Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Federal sources	\$ -	\$ 32,665	\$ -	\$ (32,665)
Total revenues	<u>\$ -</u>	<u>\$ 32,665</u>	<u>\$ -</u>	<u>\$ (32,665)</u>
EXPENDITURES				
Direct instruction	\$ -	\$ 32,665	\$ 32,518	\$ 147
Total expenditures	<u>\$ -</u>	<u>\$ 32,665</u>	<u>\$ 32,518</u>	<u>\$ 147</u>

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

STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
Statement of Revenues and Expenditures
Budget and Actual (Non-GAAP Budgetary Basis)
Read2Lead
Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
State sources	\$ -	\$ 52,401	\$ 20,092	\$ (32,309)
Total revenues	<u>\$ -</u>	<u>\$ 52,401</u>	<u>\$ 20,092</u>	<u>\$ (32,309)</u>
EXPENDITURES				
Direct instruction	\$ -	\$ 52,401	\$ 52,148	\$ 253
Total expenditures	<u>\$ -</u>	<u>\$ 52,401</u>	<u>\$ 52,148</u>	<u>\$ 253</u>

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

STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
Statement of Fiduciary
Assets and Liabilities - Agency Funds
June 30, 2014

ASSETS	
Cash	\$ <u>52,285</u>
Total Assets	<u>\$ 52,285</u>
LIABILITIES	
Deposits held for others	\$ <u>52,285</u>
Total Liabilities	<u>\$ 52,285</u>

The accompanying notes are an integral part of these financial state

STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
Notes to Financial Statements
Year Ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Corona Public Schools(District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standard Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of the District's accounting policies are described below.

In June 1999, the GASB unanimously approved Statement #34, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments*. In June 2001, the GASB approved Statement No. 37, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments: Omnibus* and Statement No. 38, *Certain Financial Statement Note Disclosures*. Statement 37 clarifies and modifies Statement No. 34 and should be implemented simultaneously with Statement No. 34. Statement No. 38 modifies, establishes and rescinds certain financial statement disclosure requirements.

The District implemented the provisions of GASB #'s 34, 37 and 38 effective July 1, 2000. As part of Statement No. 34, there is a new reporting requirement regarding the local government's infrastructure (roads, bridges, etc.). The District does not own any infrastructure assets and therefore is unaffected by this requirement.

A. Reporting Entity

The Corona Public Schools School Board was created under the provision of Chapter 22, Article 5, Paragraph 4, New Mexico Statutes 1978 to provide public education for the children within the District. The School Board is authorized to establish policies and regulations for its own government consistent with the laws of the State of New Mexico and the regulations of the State Board of Education and the Legislative Finance Committee. The School Board is comprised of five members who are elected for terms of four years.

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the District is considered a *primary government*, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the District may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its

Notes to Financial Statements (continued)

own taxes or set rates or charges, and issue bonded debt. The District also has no *component units* as defined by GASB Statement No. 14 as there are no other legally separate organizations for which the elected School Board members are financially accountable. There are no other primary governments with which the School Board Members are financially accountable. There are no other primary governments with which the District has a significant relationship.

B. Basis of Presentation

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The funds of the District are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fund types.

Governmental Funds

Under the requirements of GASB 34, the District is required to present certain of its governmental funds as major funds based upon certain criteria. The major funds presented in the fund financial statements include the following (in addition to the General Fund):

General Fund - the primary operating fund of the District accounts for all financial resources, except those required to be accounted for in other funds.

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

Special Revenue Fund - IDEA-B Risk Pool - To account for resources received to provide for special educational needs for handicapped children 6-21 years old. Financing and authority is the Individuals With Disabilities Act, Part B, Sec. 611, as amended; Public Law 105-17.

Special Revenue Fund - Read2Lead - To account for resources received to provide funds to support a reading K-3 Formative Assessment System providing regional and district reading coaches, supports for intervention, and professional development for parents, teachers, reading coaches, and administrators. Financing and authority is a special legislative appropriation, Laws of 2014, Chapter 63, Section 4, Item 1 (other Education), Early Reading Initiative.

Notes to Financial Statements (continued)

Capital Projects Funds - Bond Building - To account for resources received from the sale of general obligation bonds for the purpose of constructing and renovating school buildings.

Capital Projects Fund - Capital Improvements SB-9 - To account for resources received through Senate Bill 9 and local tax levies obtained for the purpose of building, remodeling, and equipping classroom facilities. Also, for resources received from State of New Mexico Severance Tax Bonds.

Debt Service Fund - Debt Service - To account for resources for the purpose of paying general obligation bonds and interest coupons. Funds are received from property taxes levied against property located within the school district and levied specifically for this purpose.

Agency Funds - account for assets that the government holds for others in an agency capacity. These agency funds are as follows:

School Activity Fund - accounts for assets held by the District as an agent for the individual schools and school organizations.

The District also reports additional Governmental funds as non-major. They include:

Special Revenue Funds - these funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

All governmental funds for the School District follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

C. Measurement Focus and Basis of Accounting

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities displays information about the reporting government as a whole. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions*.

Program Revenues

Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District's taxpayer or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District's general revenues.

Allocation of Indirect Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. The District does not currently employ indirect cost allocation systems. Depreciation expense is specifically identified by function and is included in the direct expense of each function, except for that portion of depreciation that is identified as unallocated on the Statement of Activities. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Fund Financial Statements (FFS)

Governmental Funds

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Any effect of interfund activity has been eliminated from the district-wide financial statements.

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The governmental funds use the following practices in recording revenues and expenditures:

REVENUES

Ad valorem taxes (property taxes) are susceptible to full accrual on the government wide financial statements. Property tax revenues recognize revenues net of estimated refunds and uncollectible accounts in the period for which the taxes are levied. Total delinquent property taxes are not available from the County Treasurers for the current year.

Notes to Financial Statements (continued)

Entitlements and shared revenues (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met.

Sales and use taxes (which include oil/gas taxes and equipment taxes) are classified as derived tax revenues and are recognized as revenue when the underlying exchange takes place and the revenues are measurable and available.

Other receipts become measurable and available when cash is received by the District and are recognized as revenue at that time.

EXPENDITURES

Salaries are recorded as paid. Salaries for nine-month employees are paid prior to the end of the fiscal year and therefore not accrued.

OTHER FINANCING SOURCES (USES)

Transfers between funds are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishments, long-term debt proceeds, etc.) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Fiduciary Funds

Agency funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. Agency funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. These funds are used to account for assets that the District holds for others in an agency capacity.

D. Budgets and Budgetary Accounting

Formal budgetary integration is employed as a management control device during the year.

Budgets for the General, Special Revenue, Debt Service and Capital Projects Funds are adopted on a basis inconsistent with accounting principles generally accepted in the United States of America (GAAP). These budgets are prepared using the cash basis of accounting. Budgetary comparisons for the various funds in this report are on this non-GAAP budgetary basis.

Notes to Financial Statements (continued)

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

1. Prior to April 15, (unless a later date is fixed by the Superintendent of Public Instruction) the local school board submits to the School Budget Planning Unit (SBPU) of the New Mexico Department of Education an estimated budget for the school district for the ensuing fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them. All budgets submitted to the State Department of Education (SDE) by the school district shall contain headings and details as prescribed by law.
2. Prior to June 20, of each year, the proposed "operating" budget will be reviewed and approved by the SBPU and certified and approved by the local school board at a public hearing of which notice has been published by the local school board which fixes the estimated budget for the school district for the ensuing fiscal year.
3. The "operating" budget will be used by the District until they have been notified that the budget has been approved by the SBPU and the local school board. The budget shall be integrated formally into the accounting system. Encumbrances shall be used as an element of control and shall be integrated into the budget system.
4. The District shall make corrections, revisions and amendments to the estimated budgets fixed by the local school board to recognize actual cash balances and carryover funds, if any. These adjustments shall be reviewed and approved by the SBPU.
5. No school board or officer or employee of a school district shall make any expenditures or incur any obligation for the expenditure of public funds unless such expenditure or contractual obligation is made in accordance with an operating budget approved by the division, but this does not prohibit the transfer of funds between line items within a series of a budget.
6. Budget change requests are processed in accordance with Supplement 1 (Budget Preparation and Maintenance) of the Manual of Procedures Public School Accounting and Budgeting. Such changes are initiated by the school district and approved by the SBPU.
7. Legal budget control for expenditures is by function.
8. Appropriations lapse at fiscal year end. Funds unused during the fiscal year may be carried over into the next fiscal year by budgeting those in the subsequent fiscal year's budget. The budget of Mosquero Municipal Schools has been amended during the current fiscal year in accordance with these procedures. The budget schedules included in the accompanying financial statements reflects the approved budget and amendments thereto.

Notes to Financial Statements (continued)

E. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is utilized in the governmental funds. Encumbrances lapse at the fiscal year end and are therefore not included as a reservation of fund balance. Authorization for the eventual expenditure will be included in the following years budget appropriations.

F. Assets, Liabilities and Fund Equity

1. **Cash & Cash Equivalents**

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

The District is authorized under the provisions of Chapter 6, Article 10, Paragraph 10, NMSA 1978, to deposit its money in banks, savings and loan associations and/or credit unions whose accounts are insured by an agency of the United States.

2. **Investments**

All money not immediately necessary for the public uses of the District may be invested in:

(a) Bonds or negotiable securities of the United States, the state or any county, municipality or school district which has a taxable valuation of real property for the last preceding year of at least one million dollars (\$1,000,000) and has not defaulted in the payment of any interest or sinking fund obligation or failed to meet any bonds at maturity at any time within the last five years preceding; or

(b) Securities that are issued by the United States government or by its agencies or instrumentalities and that are either direct obligations of the United States or are backed by the full faith and credit of the United States government or agencies guaranteed by the United States government.

(c) In contracts with banks, savings and loan associations or credit unions for the present purchase and resale at a specified time in the future of specific securities at specified prices at a price differential representing the interest income to be earned by the investor. The contract shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with the investment. The contract shall be fully secured by obligations of the United States having a market value of at least one hundred two percent of the contract. The collateral required for investment in the contracts provided for in this subsection shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with investments.

Notes to Financial Statements (continued)

If the District is unable to receive payment on public money at the rate of interest set forth by the State Board of Finance (which is no less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of the deposit) from financial institutions within the geographic boundaries of the governmental unit, the District may invest its money with the New Mexico State Treasurer's short-term investment pool.

3. Accounts Receivable

Accounts receivable are recorded in the various governmental funds. They consist of amounts receivable from local governments relating to various grant agreements and property taxes receivable. The information required to report property taxes at full accrual was not available during the year.

Accounts receivable consist of the following:

	<u>General</u>	<u>Other Major</u>	<u>Other Governmental</u>	<u>Total</u>
Property taxes	\$ 79	\$ 748	\$ -	\$ 827
Intergovernmental	-	74,830	296	75,126
Other	-	-	-	-
	<u>\$ 79</u>	<u>\$ 75,578</u>	<u>\$ 296</u>	<u>\$ 75,953</u>

4. Inventories

Inventory in the Cafeteria Fund consists of purchased food and non-food items and United States Department of Agriculture (USDA) commodities. Commodities are shown at the USDA procurement cost. Costs are recorded as expenditures at the time individual inventory items are used (consumption method). Reported inventories are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

5. Capital Assets

Capital assets are recorded at historical cost and depreciated over their estimated useful lives (with no salvage value). Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. This is an increase from the \$1,000 threshold reported in prior years. This is a change in accounting estimate. All previously reported Capital Assets that do not meet the updated amount will be depreciated currently and in future periods until they are fully depreciated. Donated capital assets are recorded at their estimated fair value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The District does not capitalize interest in regards to its capital assets.

Notes to Financial Statements (continued)

Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Land improvements	50 years
Buildings & building improvements	20 to 50 years
Furniture & equipment	3 to 15 years
Auto/Vehicle	2 to 15 years

GASB Statement 34 requires the recording and depreciation of infrastructure assets, which include roads, bridges, traffic signals, etc. The District did not own any infrastructure assets.

The District does not capitalize computer software or software developed for internal use (if applicable) unless they exceed the \$5,000 threshold. Also, the District does not capitalize library books unless they exceed the \$5,000 threshold.

6. Deferred Revenues

The District reports deferred revenues on its Statement of Net Assets and fund balance sheet. Deferred revenues arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the District has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and the revenue is recognized.

7. Compensated Absences

All 12-month or full time employees earn vacation and sick leave in amounts varying with tenure and classification. Employees cannot accumulate more than 160 hours of vacation leave. Upon retirement, unused vacation leave up to 160 hours is paid to employees. No reimbursement or accrual is made for unused sick leave.

The District's recognition and measurement criteria for compensated absences follow:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both the following conditions are met:

- (a) The employee's right to receive compensation is attributable to services already rendered.
- (b) It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

Notes to Financial Statements (continued)

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental fund financial statements the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts, if any, are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

8. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

Restricted - Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (School District ordinances).

Enabling legislation authorizes the School District to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the School District can be compelled by an external party - such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution) of the School District Board. Those committed amounts cannot be used for any other purpose unless the School District Board removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the School District

Notes to Financial Statements (continued)

Board, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the School District Board or a School District official delegated that authority by the School District Board or ordinance.

Unassigned - Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts have been restricted, committed, or assigned.

The School District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

9. Restricted Net Assets

The governmental activities financial statements utilize a net assets presentation. Net assets are categorized as follows:

Net Investment in Capital Assets - This category reflects the portion of net assets that are associated with capital assets less outstanding capital asset related debt.

Restricted net position - This category reflects the portion of net position that have third party limitations on their use.

Unrestricted net position - This category reflects net position of the District not restricted for any project or other purposes.

Notes to Financial Statements (continued)

The District's policy is to apply restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

10. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund from expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

11. 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 the reported amounts of assets and liabilities and disclosure of contingent assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

2. DEPOSITORY COLLATERAL

The following is the Cash on Deposit at each financial institution.

First Savings Bank	Checking	\$ 1,181,466
First Savings Bank	Certificate of Deposit	<u>5,363</u>
Total		<u>\$ 1,186,829</u>
Total amount on deposit		\$ 1,186,829
Outstanding checks		(164,114)
Rounding		(2)
Deposit in transit		<u>-</u>
Total per financial statements		<u>\$ 1,022,713</u>

Notes to Financial Statements (continued)

At June 30, 2013, the carrying amount of the School Districts deposits was \$1,022,713 and the bank balance was \$1,186,829. Of this balance \$250,000 was covered by federal depository insurance and \$665,802 was covered by collateral. The remaining \$271,027 is comprised of amounts in excess of those required to be collateralized under State law.

Cash on deposit at June 30	\$ 1,186,829
Less F.D.I.C.	<u>(250,000)</u>
Uninsured Funds	936,829
50% Collateral Requirement	468,414
Pledged Collateral	<u>665,802</u>
Excess of Pledged Collateral	<u><u>\$ 197,388</u></u>

Custodial Credit Risk - Deposits - Custodial Credit Risk is the risk that in the event of bank failure, the School's deposits may not be returned to it. The School does not have a deposit policy for custodial credit risk other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). As of June 30, \$936,829 of the School's bank balance of \$1,186,829 was exposed to custodial credit risk as follows:

A. Uninsured and uncollateralized	\$ 271,027
B. Uninsured and collateralized with Securities held by the pledging banks trust department, not in the Schools name	<u>665,802</u>
Total	<u><u>\$ 936,829</u></u>

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 \$250,000 in aggregate.

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 School District for at least one half of the amount on deposit with the institution.

Notes to Financial Statements (continued)

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. The collateral pledged is shown as follows:

<u>First Savings Bank-Beresford, SD Maturity Date</u>			<u>Fair Market Value</u>
FHLMC	#31307BJV3	3-01-23	\$ 83,825
GNR	#38377TBL4	11-20-38	54,760
GNMA	#36176XE21	3-15-27	188,303
GNR	#38377TBL4	11-20-38	54,759
GNR	#38377NLJ1	9-20-39	56,651
FNMA	#31418BB54	4-01-24	201,396
FNMA	#3138EKJA4	1-01-28	<u>26,108</u>
			<u>\$ 665,802</u>

As of June 30, 2013, the School District had the following cash and investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturities</u>
Checking accounts	<u>\$1,181,466</u>	Less than 6 months

Interest Rate Risk - As a means of limiting its exposure to fair value losses arising from rising interest rates, the School District's investment policy limits the School District's investment portfolio to maturities of less than one year.

3. CAPITAL ASSETS

Capital assets balances and activity for the year ended June 30, are as follows:

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2014</u>
Governmental activities:				
Land	\$ 4,697	\$ -	\$ -	4,697
Total not being depreciated	<u>4,697</u>	<u>-</u>	<u>-</u>	<u>4,697</u>
Land improvements	172,057	-	-	172,057
Buildings & building improvements	4,629,635	45,163	-	4,629,635
Vehicles	264,490	-	-	264,490
Equipment	<u>371,652</u>	<u>-</u>	<u>-</u>	<u>371,652</u>
Total	<u>5,437,834</u>	<u>45,163</u>	<u>-</u>	<u>5,482,997</u>
Less accumulated depreciation:				
Land improvements	(142,179)	(712)	-	(142,891)
Buildings & building improvements	(2,717,192)	(134,923)	-	(2,852,115)
Vehicles	(98,590)	(16,524)	-	(115,114)
Equipment	<u>(292,603)</u>	<u>(19,216)</u>	<u>-</u>	<u>(311,819)</u>
Total	<u>(3,250,564)</u>	<u>(171,375)</u>	<u>-</u>	<u>(3,421,939)</u>
Governmental activities Capital assets, net	<u>\$ 2,191,967</u>	<u>\$ (126,212)</u>	<u>\$ -</u>	<u>\$ 2,065,755</u>

Notes to Financial Statements (continued)

4. LONG-TERM LIABILITIES

A. Changes in Long-Term Liabilities

During the year the following changes occurred in the liabilities reported in the District-Wide Statement of Net Assets:

	<u>Balance</u> <u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>	<u>Due Within</u> <u>One Year</u>
General Obligation Bonds	\$ 980,000	\$ -	\$ 75,000	\$ 905,000	\$ 95,000
Compensated Absences	<u>19,851</u>	<u>-</u>	<u>94</u>	<u>19,757</u>	<u>-</u>
Total	<u>\$ 999,851</u>	<u>\$ -</u>	<u>\$ 75,094</u>	<u>\$ 924,757</u>	<u>\$ 95,000</u>

Payments on the general obligation bonds are made by the Debt Service Funds. The compensated absences liability will ultimately be liquidated by several of the District's governmental funds, with most being paid by the General Fund, Transportation Fund, Cafeteria Fund and Title I Fund.

The current portion of the compensated absences is estimated at zero since there are no anticipated retirements of terminations.

The following is a summary of bond transactions of the district for the year ended June 30:

General obligation bonds payable, June 30, 2013	\$ 980,000
Bonds paid	(75,000)
Bonds issued	<u>-</u>
General obligation bonds payable, June 30, 2014	<u>\$ 905,000</u>

The details of the bond issues and the remaining retirement schedule are summarized below. The bonds were issued for the purpose of erecting, furnishing, remodeling and making additions to school buildings and improving school grounds. For the purpose of providing the necessary funds to meet the interest and principal as they become due, there is annually assessed, levied, and collected a tax upon all of the taxable property within the school district.

Notes to Financial Statements (continued)

Original amount: \$350,000
 Dated: July 1, 2004
 Principal payable: \$35,000
 Interest rates: 2.00% to 4.90%
 Retirement schedule:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>
6/30/15	\$ 60,000	4.75%
6/30/16	70,000	4.85%
6/30/17	<u>75,000</u>	4.90%
	<u>\$ 205,000</u>	

Original amount: \$750,000
 Dated: May 15, 2012
 Principal payable: \$750,000
 Interest rates: 1.55% to 2.90%
 Retirement schedule:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>
6/30/15	\$ 25,000	\$ 15,275
6/30/16	25,000	14,888
6/30/17	100,000	14,500
6/30/18	100,000	11,600
6/30/19	125,000	9,000
6/30/20	125,000	6,500
6/30/21	125,000	4,000
6/30/22	<u>75,000</u>	<u>1,500</u>
	<u>\$ 700,000</u>	<u>\$ 77,263</u>

B. Operating Lease

Corona Public Schools leases copiers on a monthly long-term contract. The lease provides for monthly lease payments until August, 2015. The property may be purchased at the fair market value upon expiration of the lease. The following yearly payments will be due:

Fiscal year 2015 **\$ 5,297**

C. Short-Term Liabilities

The District did not have any short-term liabilities during the fiscal year.

5. REVENUES

A. Property Tax Levies

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 1st. Mill levy rates are set by the State of New Mexico each year for the General Fund and SB-9 Capital Improvement Fund. Taxes are payable in two equal installments on November 10 and April 10 following the levy and become delinquent after 30 days. Taxes on real property are liens on the property on January 1 of the year for which the taxes are imposed.

B. State Equalization Guarantee

Each school district in the State of New Mexico receives 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 8-25, 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-multi cultural education; (5) size, etc. Payment is made from the public school fund under the authority of the chief (director of public school finance). The District received \$1,535,743 state equalization guarantee distributions during the year ended June 30, 2014.

C. Transportation Distribution

Money in the transportation distribution of the public school fund 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 the grades K through twelve attending public school within the school district. Except in unusual circumstances as determined by the local school board and confirmed by the state transportation director, midday bus routes for early childhood education students shall not be approved for funding in excess of twenty miles one way.

Money in the vocational education transportation distribution of the public school fund is used for the purpose of making payments to school districts for transportation of students to and from their regular attendance centers and the place where vocation education programs are being offered, pursuant to Section 22-16-4.1 (NMSA 1978) of the Act. The transportation distribution is allocated to each school district according to an objective formula developed by the state transportation director and the director of public school finance.

In the event the sum of the proposed transportation allocations to each school district exceeds the amounts in the transportation distribution, each school district to receive an allocation shares in a reduction in the proportion that each school district's forty-day average daily membership bears to the forty-day average daily membership of all school districts to receive allocations.

Notes to Financial Statements (continued)

Local school boards shall negotiate school bus contracts in accordance with regulations promulgated by the state transportation director with the approval of the State Board of Education.

Local school boards, with the approval of the state transportation director, may provide additional transportation services pursuant to Section 22-16-2 NMSA 1978 to meet established program needs.

The District received \$278,510 in transportation distribution during the year ended June 30, 2014.

D. SB-9 State Match

The Director shall distribute to any school district that has imposed a tax under the Public School Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978) an amount from the public school capital improvements fund that is equal to the amount by which the revenue estimated to be received from the imposed tax as specified in Subsection B of Section 22-25-3 NMSA 1978, assuming a one hundred percent collection rate, is less than an amount calculated by multiplying the product obtained by the rate imposed in the District under the Public School Capital Improvements Act. The distribution shall be made by December 1, of each year that the tax is imposed in accordance with Section 22-25-3 NMSA 1978. Provided, however, in the event that sufficient funds are not available in the public school capital improvement funds to make the state distribution provided for in this section, the dollar per program unit figure shall be reduced as necessary.

The District received \$2,608 in state SB-9 matching during the year ended June 30, 2014.

E. Public School Capital Outlay

Under the provisions of Chapter 22, Article 24, a public school capital outlay fund was created. The money in the fund may be used only for capital expenditures deemed by the public school capital outlay council necessary for an adequate educational program, and the capital outlay expenditures are limited to the purchase, or construction of temporary or permanent classrooms.

The council shall approve an application for grant assistance from the fund when the council determines that:

1. A critical need exists requiring action;
2. The residents of the school district have provided all available resources to the district to meet its capital outlay requirements;
3. The school district has used its resources in a prudent manner.
4. The District is in a county or counties which have participated in the reappraisal program and the reappraised values are on the tax rolls, or will be used for the tax year 1979 as certified by the property tax division; and
5. The school district has provided insurance for buildings of the school district in accordance with the provisions of Section 13-5-3 NMSA 1978.

The council shall consider all applications for assistance from the fund and after public hearing shall either approve or deny the application. Applications for grant assistance shall only be accepted by the council after a district has complied with the

provisions of this section. The council shall list all applications in order of priority and all allocations shall be made on a priority basis.

Money in the fund shall be disbursed by warrant of the Department of Finance and Administration on vouchers signed by the Secretary of Finance and Administration following certification by the council that the application has been approved.

During the year ended June 30, 2014, the District received \$25,000 in special capital outlay funds.

F. Instructional Materials

The New Mexico State Department of Education (Department) received federal mineral leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, seventy percent is restricted to the requisition of materials listed in the State Board of Education "State Adopted Instructional Material" list, while thirty percent of each allocation is available for purchases directly from vendors. Beginning with the fiscal year ended June 30, 2011, Districts received their total allocation at the beginning of the fiscal year, instead of being reimbursed for purchases as was done in the prior year. During the year ended June 30, 2014, the District received \$4,994 in instructional materials allocation.

G. Federal Grants

The District receives revenues from various Federal departments (both direct and indirect) which are legally restricted to expenditures for specific purposes. These programs are reported as Special Revenue Funds. Each program operated under its own budget, which has been approved by the Federal Department or the flow-through agency (usually the New Mexico Department of Education). The various budgets are approved by the Local School Board and the New Mexico Department of Education.

The District also receives reimbursement under the National School Lunch and Breakfast Programs for its food service operations, and distributions of commodities through the New Mexico Human Services Department.

6. REVENUES NOT YET EARNED

Revenues not yet earned represents advances on cost-reimbursement type grants which have not yet been earned.

7. CASH OVERDRAFTS

The cash overdrafts shown in some federal, state and local projects in the special revenue fund represent expenditures made by the District which will be reimbursed by the grantor. Receivables from the grantor are presented to off-set these overdrafts.

Notes to Financial Statements (continued)

8. 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.

9. RECONCILIATION OF BUDGETARY BASIS TO GAAP BASIS STATEMENTS

	<u>General</u>	<u>Title I</u>	<u>IDEA-B Risk Pool</u>	<u>IDEA-B Entitlement</u>
Revenues per modified accrual basis	\$ 1,871,073	\$ 28,090	\$ 32,518	\$ 52,148
Receivables	(316)	-	-	-
Deferred revenues/ Due from grantor	-	(892)	(32,518)	(32,056)
Revenues per budgetary basis	<u>\$ 1,870,757</u>	<u>\$ 27,198</u>	<u>\$ -</u>	<u>\$ 20,092</u>
Expenditures per modified accrual basis	\$ 1,794,903	\$ 28,090	\$ 32,518	\$ 52,148
Accounts payable	-	-	-	-
Inventory	-	-	-	-
Expenditures per budgetary basis	<u>\$ 1,794,903</u>	<u>\$ 28,090</u>	<u>\$ 32,518</u>	<u>\$ 52,148</u>
	<u>Bond Building</u>	<u>Capital Improvements SB-9</u>	<u>Debt Service</u>	<u>Non-Major Special Revenue</u>
Revenues per modified accrual basis	\$ -	\$ 120,557	\$ 122,535	\$ 87,163
Receivables	-	(41)	(128)	-
Deferred revenues/ Due from grantor	-	-	-	12,012
Revenues per budgetary basis	<u>\$ -</u>	<u>\$ 120,516</u>	<u>\$ 122,407</u>	<u>\$ 99,175</u>
Expenditures per modified accrual basis	\$ 25,382	\$ 58,304	\$ 103,602	\$ 89,724
Accounts payable	-	-	-	-
Inventory	-	-	-	(363)
Expenditures per budgetary basis	<u>\$ 25,382</u>	<u>\$ 58,304</u>	<u>\$ 103,602</u>	<u>\$ 89,361</u>

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10. INSURANCE COVERAGE

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; error and omissions; and injuries to employees; and natural disasters. The District, as a New Mexico Public School, is insured through the New Mexico Public Schools Insurance Authority (NMPSIA). Annual premiums are paid by the District to NMPSIA for coverage provided in the following areas:

Workers Compensation
Property and Automobile Liability and Physical Damage
Liability and Civil Rights and Personal Injury
Contract School Bus Coverage; and
Crime

11. RISK MANAGEMENT

The school is exposed to various risks of loss related to torts; theft of damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The school carries insurance for all risks listed above.

12. RETIREMENT PLAN

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

Funding Policy

Member Contributions

Plan members whose annual salary is \$20,000 or less are required by statute to contribute 7.9% of their gross salary. Plan members whose annual salary is over \$20,000 are required to make the following contributions to the Plan: 9.40% of their gross salary in fiscal year 2013; 10.1% of their gross salary in fiscal year 2014; and 10.7% of their gross salary in fiscal year 2015 and thereafter.

Employer Contributions

In the fiscal year 2013, the Corona Public Schools was required to contribute 12.4% of the gross covered salary for employees whose annual salary is \$20,000 or less, and 10.9% of the gross covered salary for employees whose annual salary is more than \$20,000.

In the future, Corona Public Schools will contribute the following percentages of the gross covered salary of employees: 13.15% of gross covered salary in fiscal year 2014; and 13.9% of gross covered salary in fiscal year 2015.

The contribution requirements of plan members and the Corona Public Schools are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The Corona Public Schools contributions to ERB for the fiscal years ending June 30, 2014, 2013, and 2012, were \$135,837, \$114,081, and \$99,095, respectively, which equal the amount of the required contributions for each fiscal year.

13. POST-EMPLOYMENT BENEFITS - STATE RETIREE HEALTH CARE PLAN

Plan Description. Corona Public School District 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 event the time period required for employee and employer contributions shall become the period of time between the employers 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. The report and further information can be obtained by writing to Retiree Health Care Authority, 4308 Carlisle Boulevard, Suite 104, Albuquerque, New Mexico 87107.

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

The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the employer and employee contributions can be changed by the New Mexico State Legislature. Employers that choose to become participating employers after January 1, 1998, are required to make contributions to the RHCA fund in the amount determined to be appropriate by the board.

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. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2013, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2013, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The Corona Public Schools contributions to the RHCA for the years ended June 30, 2014, 2013 and 2012 were \$20,624, \$20,559, and \$19,144, respectively, which equal the required contributions for each year.

14. PENSION LIABILITY

Agencies that contribute to pensions subject to GASB 68 must include a pension liability in the financial statements beginning in the fiscal year ending June 30, 2015 audit report. At this time the Educational Retirement Board is a Statewide pension for Education Employees that will fall under the requirements of GASB 68. This liability and the total amount needed to be reported are unknown at this time.

15. FUND BALANCES CLASSIFIED

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented on the following page.

Notes to Financial Statements (continued)

	General Fund	Title I	IDEA-B Risk Pool	Read2Lead	Bond Building	Capital Improvement SB-9	Debt Service	Non-Major Governmental Fund	Total
Fund Balances									
Nonspendable:									
Interfund loans	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Inventory	-	-	-	-	-	-	-	862	862
Total nonspendable	-	-	-	-	-	-	-	862	862
Restricted for:									
Teachrage units	(1,008)	-	-	-	-	-	-	-	(1,008)
Transportation services	-	-	-	-	-	-	-	-	-
Instructional materials	4,076	-	-	-	-	-	-	-	4,076
Capital improvements	-	-	-	-	678,373	143,937	-	-	822,310
Debt service payments	-	-	-	-	-	-	101,003	-	101,003
Athletic services	-	-	-	-	-	-	-	491	491
Cafeteria services	-	-	-	-	-	-	-	2,053	2,053
Special grants	-	-	-	-	-	-	-	-	-
Total restricted	<u>3,068</u>	-	-	-	<u>678,373</u>	<u>143,937</u>	<u>101,003</u>	<u>2,544</u>	<u>928,925</u>
Committed to:									
Other purposes	-	-	-	-	-	-	-	-	-
Total committed	-	-	-	-	-	-	-	-	-
Unassigned:									
	93,747	-	-	-	-	-	-	-	93,747
Total fund balances	<u>\$ 96,815</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 678,373</u>	<u>\$ 143,937</u>	<u>\$ 101,003</u>	<u>\$ 3,406</u>	<u>\$ 1,023,534</u>

OTHER MAJOR FUNDS BUDGETS

STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Bond Building
Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Earnings from Investments	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES				
Instructional support	\$ 732,654	\$ 732,654	\$ 25,382	\$ 707,272
Total expenditures	<u>\$ 732,654</u>	<u>\$ 732,654</u>	<u>\$ 25,382</u>	<u>\$ 707,272</u>
BUDGETED CASH BALANCE	<u>\$ 732,654</u>	<u>\$ 732,654</u>		

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

STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Capital Improvements - SB-9 Fund
Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Taxes	\$ 83,493	\$ 83,493	\$ 92,908	\$ 9,415
Local sources	-	-	-	-
State sources	25,000	27,608	27,608	-
Earnings from Investments	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total revenues	<u><u>\$ 108,493</u></u>	<u><u>\$ 111,101</u></u>	<u><u>\$ 120,516</u></u>	<u><u>\$ 9,415</u></u>
EXPENDITURES				
Capital outlay	<u>\$ 185,557</u>	<u>\$ 188,165</u>	<u>\$ 58,304</u>	<u>\$ 129,861</u>
Total expenditures	<u><u>\$ 185,557</u></u>	<u><u>\$ 188,165</u></u>	<u><u>\$ 58,304</u></u>	<u><u>\$ 129,861</u></u>
BUDGETED CASH BALANCE	<u><u>\$ 77,064</u></u>	<u><u>\$ 77,064</u></u>		

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

STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Debt Service Fund
Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Taxes	\$ 95,531	\$ 95,531	\$ 122,407	\$ 26,876
Total revenues	<u>\$ 95,531</u>	<u>\$ 95,531</u>	<u>\$ 122,407</u>	<u>\$ 26,876</u>
EXPENDITURES				
Instructional support	\$ 2,520	\$ 2,520	\$ 1,844	\$ 676
Bonds paid	75,000	75,000	75,000	-
Coupons paid	<u>20,531</u>	<u>26,758</u>	<u>26,758</u>	<u>-</u>
Total expenditures	<u>\$ 98,051</u>	<u>\$ 104,278</u>	<u>\$ 103,602</u>	<u>\$ 676</u>
BUDGETED CASH BALANCE	<u>\$ 2,520</u>	<u>\$ 8,747</u>		

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

NON-MAJOR GOVERNMENTAL FUNDS

NON-MAJOR SPECIAL REVENUE FUNDS

ALL FUNDS - All funds were created by the State Department of Education.

IDEA-B ENTITLEMENT- To account for resources for the operation and maintenance of meeting special education needs of children with disabilities. Financing and authority is the Individual With Disabilities Act, Part B, Sec. 611, as amended; Public Law 105-17.

IDEA-B - PRESCHOOL - To account for monies received for the operation and maintenance of meeting the special education needs of children with disabilities. Financing and authority is the Individuals With Disabilities Act, Part B, Sec. 611, as amended; Public Law 105-17.

IMPROVING TEACHER QUALITY - To account for grant funds to increase student academic achievement through strategies such as improving teacher and principal quality. Financing and authority is Elementary and Secondary Education Act of 1965 as amended, Title II, Part A, Public Law 107-110.

MEDICAID - To account for reimbursement of health-related services of medical eligible students receiving related services for administrative time study, and for a statement of service costs study. The fund is administered by the Lea Regional Cooperative Center #7. It is included in this report to identify the loan from operational to cover cost not yet reimbursed by the Cooperative Authorized by Public Law 92-222, Public Law 104-208.

REAP (RURAL EDUCATIONAL ACHIEVEMENT PROGRAM) - 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.

FRESH FRUIT & VEGETABLES - To account for resources to purchase New Mexico grown fresh fruits and vegetables for use in school nutrition programs. Authority is from the Public Education Department.

DUAL CREDIT INSTRUCTIONAL MATERIALS - To account for resources received from House Bill 2, 2009, to be used for dual credit instructional materials through a course approved by Higher Education Department and through a college/university for which the district has an approved agreement.

NON-MAJOR SPECIAL REVENUE FUNDS - CONTINUED

GO BOND STUDENT LIBRARY - To account for monies received from the SB66, Laws 2012 Appropriation to be used to improve the library, acquire library books or library resources that support the library program.

ATHLETICS FUND - This fund provides financing for school athletic activities. Funding is provided by fees from patrons. Fund is authorized by 6-20-2 NMAC.

SCHOOL LUNCH FUND - This program provides 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, U.S.C. 1751 et seq.; 80 Stat. 889, as amended; 84 Stat. 270; and the Child Nutrition Act of 1966, as amended; Sections 4 and 10. Public Law 89-642, 80 Stat. 886, 889, 42 U.S.C. 1773, 1779; Public Law 99-591, 100 Stat. 3341; Public Law 100-71, 101 Stat. 430. Also State Law NMSA 22-13-13.

STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
Non-Major Special Revenue Funds
Combining Balance Sheet
June 30, 2014

	IDEA-B Entitlement	IDEA-B Preschool	Improving Teacher Quality	Medicaid	REAP	Fresh Fruit & Vegetables
ASSETS						
Cash on deposit	\$ 7,972	\$ -	\$ -	\$ 8,814	\$ 78	\$ -
Due from grantor	-	32	264	-	-	-
Inventory	-	-	-	-	-	-
Total assets	\$ 7,972	\$ 32	\$ 264	\$ 8,814	\$ 78	\$ -
LIABILITIES						
Cash overdraft	-	32	264	-	-	-
Revenues not earned	7,972	-	-	8,814	78	-
Total liabilities	7,972	32	264	8,814	78	-
FUND BALANCES						
Non-spendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Total fund balance	-	-	-	-	-	-
Total liabilities and fund balance	\$ 7,972	\$ 32	\$ 264	\$ 8,814	\$ 78	\$ -

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

STATE OF NEW MEXICO
 CORONA PUBLIC SCHOOLS
 Non-Major Special Revenue Funds
 Combining Balance Sheet
 June 30, 2014

Statement A-1
 Page 2 of 2

	Dual Credit	GO Bond	Common	Athletics	Cafeteria	Totals
	Instructional Materials	Student Library	Core			
ASSETS						
Cash on deposit	\$ -	-	\$ 2,423	\$ 491	\$ 5,275	\$ 25,053
Due from grantor	-	-	-	-	-	296
Inventory	-	-	-	-	862	862
Total assets	<u>\$ -</u>	<u>-</u>	<u>\$ 2,423</u>	<u>\$ 491</u>	<u>\$ 6,137</u>	<u>\$ 26,211</u>
LIABILITIES						
Cash overdraft	\$ -	-	-	-	-	296
Revenue not earned	-	-	2,423	-	3,222	22,509
Total liabilities	<u>-</u>	<u>-</u>	<u>2,423</u>	<u>-</u>	<u>3,222</u>	<u>22,805</u>
FUND BALANCES						
Non-spendable	-	-	-	-	862	862
Restricted	-	-	-	491	2,053	2,544
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>491</u>	<u>2,053</u>	<u>2,544</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ 2,423</u>	<u>\$ 491</u>	<u>\$ 5,275</u>	<u>\$ 25,349</u>

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

	IDEA-B		Improving Teacher Quality		Medicaid	REAP	Fresh Fruit & Vegetables
	Entitlement	Preschool	IDEA-B	Teacher Quality			
REVENUES							
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Local sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	98
Federal sources	17,151	374	7,114	1,027	13,184		
Total revenues	17,151	374	7,114	1,027	13,184		98
EXPENDITURES							
Direct instruction	17,151	374	7,114	1,027	13,184		
Instructional support	-	-	-	-	-	-	-
Food Services	-	-	-	-	-	-	98
Total expenditures	17,151	374	7,114	1,027	13,184		98
Net change in fund balance	-	-	-	-	-	-	-
Fund balance at beginning of year	-	-	-	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
Non-Major Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 2014

	Dual Credit	GO Bond	Common	Athletics	Cafeteria	Totals
	Instructional	Student	Core			
	Materials	Library				
REVENUES						
Charges for services	\$ -	\$ -	\$ -	\$ 5,194	\$ 1,863	\$ 7,057
Local sources	-	-	77	-	-	77
State sources	358	6,091	-	-	-	6,547
Federal sources	-	-	-	-	34,632	73,482
Total revenues	358	6,091	77	5,194	36,495	87,163
EXPENDITURES						
Direct instruction	358	-	77	6,222	-	45,507
Instructional support	-	6,091	-	-	-	6,091
Food Service	-	-	-	-	38,028	38,126
Total expenditures	358	6,091	77	6,222	38,028	89,724
Net change in fund balance	-	-	-	(1,028)	(1,533)	(2,561)
Fund balance at beginning of year	-	-	-	1,519	4,448	5,967
Fund balance at end of year	\$ -	\$ -	\$ -	\$ 491	\$ 2,915	\$ 3,406

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

STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
Non-Major Special Revenue - IDEA-B Entitlement
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Federal sources	<u>\$ 16,166</u>	<u>\$ 26,578</u>	<u>\$ 12,470</u>	<u>\$ (14,108)</u>
Total revenues	<u><u>\$ 16,166</u></u>	<u><u>\$ 26,578</u></u>	<u><u>\$ 12,470</u></u>	<u><u>\$ (14,108)</u></u>
EXPENDITURES				
Direct instruction	<u>\$ 16,166</u>	<u>\$ 26,578</u>	<u>\$ 17,151</u>	<u>\$ 9,427</u>
Total expenditures	<u><u>\$ 16,166</u></u>	<u><u>\$ 26,578</u></u>	<u><u>\$ 17,151</u></u>	<u><u>\$ 9,427</u></u>
REVENUES				
Budgetary basis			\$ 12,470	
(Decrease) in revenue not earned			<u>4,681</u>	
Modified accrual basis			<u><u>\$ 17,151</u></u>	

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

STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
Non-Major Special Revenue - IDEA-B Preschool
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Federal sources	\$ -	\$ 470	\$ 471	\$ 1
Total revenues	<u>\$ -</u>	<u>\$ 470</u>	<u>\$ 471</u>	<u>\$ 1</u>
EXPENDITURES				
Direct instruction	\$ -	\$ 470	\$ 374	\$ 96
Total expenditures	<u>\$ -</u>	<u>\$ 470</u>	<u>\$ 374</u>	<u>\$ 96</u>
REVENUES				
Budgetary basis			\$ 471	
(Decrease) in due from grantor			<u>(97)</u>	
Modified accrual basis			<u>\$ 374</u>	

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

STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
Non-Major Special Revenue - Improving Teacher Quality
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Federal sources	\$ 5,029	\$ 11,791	\$ 7,100	\$ (4,691)
Total revenues	<u>\$ 5,029</u>	<u>\$ 11,791</u>	<u>\$ 7,100</u>	<u>\$ (4,691)</u>
EXPENDITURES				
Direct instruction	\$ 5,029	\$ 11,791	\$ 7,114	\$ 4,677
Total expenditures	<u>\$ 5,029</u>	<u>\$ 11,791</u>	<u>\$ 7,114</u>	<u>\$ 4,677</u>
REVENUES				
Budgetary basis			\$ 7,100	
(Decrease) in due from grantor			<u>14</u>	
Modified accrual basis			<u>\$ 7,114</u>	

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

STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
Non-Major Special Revenue - Medicaid
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Federal sources	\$ -	\$ -	\$ 8,691	\$ 8,691
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,691</u>	<u>\$ 8,691</u>
EXPENDITURES				
Direct instruction	\$ -	\$ 1,150	\$ 1,027	\$ 123
Total expenditures	<u>\$ -</u>	<u>\$ 1,150</u>	<u>\$ 1,027</u>	<u>\$ 123</u>
Budgeted Cash Balance	<u>\$ -</u>	<u>\$ 1,150</u>		
REVENUES				
Budgetary basis			\$ 8,691	
(Increase) in revenue not earned			<u>(7,664)</u>	
Modified accrual basis			<u>\$ 1,027</u>	

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

STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
Non-Major Special Revenue - REAP
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Federal sources	\$ -	\$ 13,261	\$ 13,262	\$ 1
Total revenues	<u>\$ -</u>	<u>\$ 13,261</u>	<u>\$ 13,262</u>	<u>\$ 1</u>
EXPENDITURES				
Direct instruction	\$ -	\$ 13,261	\$ 13,184	\$ 77
Total expenditures	<u>\$ -</u>	<u>\$ 13,261</u>	<u>\$ 13,184</u>	<u>\$ 77</u>
REVENUES				
Budgetary Basis			\$ 13,262	
(Increase) in revenues not earned			<u>(78)</u>	
Modified Accrual Basis			<u>\$ 13,184</u>	

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

STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
Non-Major Special Revenue - Fresh Fruits & Vegetables
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
State sources	\$ -	\$ 591	\$ 98	\$ (493)
Total revenues	<u>\$ -</u>	<u>\$ 591</u>	<u>\$ 98</u>	<u>\$ (493)</u>
EXPENDITURES				
Food Service	\$ -	\$ 591	\$ 98	\$ 493
Total expenditures	<u>\$ -</u>	<u>\$ 591</u>	<u>\$ 98</u>	<u>\$ 493</u>

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

STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
Non-Major Special Revenue - Dual Credit Instructional Materials
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
State sources	\$ -	\$ 421	\$ 358	\$ (63)
Total revenues	<u>\$ -</u>	<u>\$ 421</u>	<u>\$ 358</u>	<u>\$ (63)</u>
EXPENDITURES				
Direct instruction	\$ -	\$ 421	\$ 358	\$ 63
Total expenditures	<u>\$ -</u>	<u>\$ 421</u>	<u>\$ 358</u>	<u>\$ 63</u>

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

STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
Non-Major Special Revenue - GO Bond Student Library
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
State sources	\$ 6,093	\$ 6,093	\$ 6,091	\$ (2)
Total revenues	<u>\$ 6,093</u>	<u>\$ 6,093</u>	<u>\$ 6,091</u>	<u>\$ (2)</u>
EXPENDITURES				
Instructional Support	\$ 6,093	\$ 6,093	\$ 6,091	\$ 2
Total expenditures	<u>\$ 6,093</u>	<u>\$ 6,093</u>	<u>\$ 6,091</u>	<u>\$ 2</u>

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

STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
Non-Major Special Revenue - Common Core
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Local sources	\$ -	\$ 2,500	\$ 2,500	\$ -
Total revenues	<u>\$ -</u>	<u>\$ 2,500</u>	<u>\$ 2,500</u>	<u>\$ -</u>
EXPENDITURES				
Direct instruction	\$ -	\$ 2,500	\$ 77	\$ 2,423
Total expenditures	<u>\$ -</u>	<u>\$ 2,500</u>	<u>\$ 77</u>	<u>\$ 2,423</u>
REVENUES				
Budgetary Basis			\$ 2,500	
(Increase) in revenues not earned			<u>(2,423)</u>	
Modified Accrual Basis			<u>\$ 77</u>	

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

STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
Non-Major Special Revenue - Athletics
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Charges for services	\$ 5,000	\$ 5,000	\$ 5,194	\$ 194
Total revenues	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 5,194</u>	<u>\$ 194</u>
EXPENDITURES				
Direct instruction	\$ 6,222	\$ 6,222	\$ 6,222	\$ -
Total expenditures	<u>\$ 6,222</u>	<u>\$ 6,222</u>	<u>\$ 6,222</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	<u>\$ 1,222</u>	<u>\$ 1,222</u>		

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

STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
Non-Major Special Revenue - Cafeteria
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Charges for services	\$ 2,500	\$ 2,500	\$ 1,863	\$ (637)
Federal Sources	<u>46,295</u>	<u>46,295</u>	<u>41,077</u>	<u>(5,218)</u>
Total revenues	<u>\$ 48,795</u>	<u>\$ 48,795</u>	<u>\$ 42,940</u>	<u>\$ (5,855)</u>
EXPENDITURES				
Food Service	\$ 58,606	\$ 58,606	\$ 37,665	\$ 20,941
Total expenditures	<u>\$ 58,606</u>	<u>\$ 58,606</u>	<u>\$ 37,665</u>	<u>\$ 20,941</u>
BUDGETED CASH BALANCE	<u>\$ 9,811</u>	<u>\$ 9,811</u>		
REVENUES				
Budgetary Basis			\$ 42,940	
Increase in revenues not earned			(3,222)	
Decrease in accounts receivable			<u>(3,223)</u>	
Modified accrual basis			<u>\$ 36,495</u>	
EXPENDITURES				
Budgetary Basis			\$ 37,665	
Decrease in inventory			<u>363</u>	
Modified accrual basis			<u>\$ 38,028</u>	

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

GENERAL FUND

OPERATIONAL FUND - This fund is the chief operating fund of the School District. It is used to account for all financial resources of the School District except for those required to be accounted for in another fund.

TEACHERAGE FUND - To account for resources received from the rental of School owned facilities.

TRANSPORTATION FUND - To account for resources received from the Public Education Department to be used only for eligible to and from school transportation costs.

INSTRUCTIONAL MATERIALS FUND - to account for resources received from the Public Education Department to be used to purchase materials used as the basis for instruction.

STATE OF NEW MEXICO
 CORONA PUBLIC SCHOOLS
 Combining Balance Sheet
 General Fund
 June 30, 2014

	Operational	Teacherege	Transporation	Instructional Materials	Total
ASSETS					
Cash on deposit	\$ 93,668	\$ 192	\$ -	\$ 4,076	\$ 97,936
Accounts receivable, collectible	<u>79</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>79</u>
Total assets	<u>\$ 93,747</u>	<u>\$ 192</u>	<u>\$ -</u>	<u>\$ 4,076</u>	<u>\$ 98,015</u>
LIABILITIES					
Rental deposits	\$ -	\$ 1,200	\$ -	\$ -	\$ 1,200
Total liabilities	<u>-</u>	<u>1,200</u>	<u>-</u>	<u>-</u>	<u>1,200</u>
FUND BALANCES					
Nonspendable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Restricted	<u>-</u>	<u>(1,008)</u>	<u>-</u>	<u>4,076</u>	<u>3,068</u>
Unassigned	<u>93,747</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>93,747</u>
Total fund balance	<u>93,747</u>	<u>(1,008)</u>	<u>-</u>	<u>4,076</u>	<u>96,815</u>
Total liabilities and fund balance	<u>\$ 93,747</u>	<u>\$ 192</u>	<u>\$ -</u>	<u>\$ 4,076</u>	<u>\$ 98,015</u>

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

STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
General Fund
Year Ended June 30, 2014

	Operational	Teacherae	Transportation	Instructional Materials	Total
REVENUES					
Taxes	\$ 22,920	-	-	-	\$ 22,920
Charges for services	-	12,180	-	-	12,180
Local sources	-	-	-	-	-
State sources	1,548,540	-	278,510	4,994	1,832,044
Federal sources	3,602	-	-	-	3,602
Earnings from investments	327	-	-	-	327
Total revenues	<u>1,575,389</u>	<u>12,180</u>	<u>278,510</u>	<u>4,994</u>	<u>1,871,073</u>
EXPENDITURES					
Direct instruction	841,047	-	-	4,018	845,065
Instructional support	628,791	18,834	278,510	-	926,135
Food service	18,507	-	-	-	18,507
Capital outlay	-	5,196	-	-	5,196
Total expenditures	<u>1,488,345</u>	<u>24,030</u>	<u>278,510</u>	<u>4,018</u>	<u>1,794,903</u>
Net change in fund balance	87,044	(11,850)	-	976	76,170
Fund balance at beginning of year	<u>6,703</u>	<u>10,842</u>	<u>-</u>	<u>3,100</u>	<u>20,645</u>
Fund balance at end of year	<u>\$ 93,747</u>	<u>\$ (1,008)</u>	<u>-</u>	<u>\$ 4,076</u>	<u>\$ 96,815</u>

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

STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
General Fund - Operational Fund
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Taxes	\$ 20,718	\$ 20,178	\$ 22,904	\$ 2,726
Charges for services	-	-	-	-
Local sources	-	-	-	-
State sources	1,530,512	1,538,856	1,548,540	9,684
Federal sources	-	-	3,602	3,602
Earnings from investments	450	450	327	(123)
Total revenues	<u>\$ 1,551,680</u>	<u>\$ 1,559,484</u>	<u>\$ 1,575,373</u>	<u>\$ 15,889</u>
EXPENDITURES				
Direct instruction	\$ 885,367	\$ 873,367	\$ 841,047	\$ 32,320
Instructional support	652,917	680,614	628,791	51,823
Food services	19,325	19,325	18,507	818
Total expenditures	<u>\$ 1,557,609</u>	<u>\$ 1,573,306</u>	<u>\$ 1,488,345</u>	<u>\$ 84,961</u>
BUDGETED CASH BALANCE	<u>\$ 5,929</u>	<u>\$ 13,822</u>		

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

STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
General Fund - Teacherage Fund
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	14,000	14,000	11,880	(2,120)
Local sources	-	-	-	-
State sources	-	-	-	-
Federal sources	-	-	-	-
Earnings from investments	-	-	-	-
Total revenues	<u>\$ 14,000</u>	<u>\$ 14,000</u>	<u>\$ 11,880</u>	<u>\$ (2,120)</u>
EXPENDITURES				
Direct instruction	\$ -	\$ -	\$ -	\$ -
Instructional support	33,732	33,732	24,030	9,702
Food services	-	-	-	-
Total expenditures	<u>\$ 33,732</u>	<u>\$ 33,732</u>	<u>\$ 24,030</u>	<u>\$ 9,702</u>
BUDGETED CASH BALANCE	<u>\$ 19,732</u>	<u>\$ 19,732</u>		

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

STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
General Fund - Transportation Fund
Statement of Revenues and Expenditures
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Local sources	-	-	-	-
State sources	267,353	278,510	278,510	-
Federal sources	-	-	-	-
Earnings from investments	-	-	-	-
Total revenues	<u>\$ 267,353</u>	<u>\$ 278,510</u>	<u>\$ 278,510</u>	<u>\$ -</u>
EXPENDITURES				
Direct instruction	\$ -	\$ -	\$ -	\$ -
Instructional support	267,353	278,510	278,510	-
Food services	-	-	-	-
Total expenditures	<u>\$ 267,353</u>	<u>\$ 278,510</u>	<u>\$ 278,510</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	<u>\$ -</u>	<u>\$ -</u>		

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

STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
General Fund - Instructional Materials Fund
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Local sources	-	-	-	-
State sources	4,018	4,018	4,994	976
Federal sources	-	-	-	-
Earnings from investments	-	-	-	-
Total revenues	<u>\$ 4,018</u>	<u>\$ 4,018</u>	<u>\$ 4,994</u>	<u>\$ 976</u>
EXPENDITURES				
Direct instruction	\$ 4,018	\$ 4,018	\$ 4,018	\$ -
Instructional support	-	-	-	-
Food services	-	-	-	-
Total expenditures	<u>\$ 4,018</u>	<u>\$ 4,018</u>	<u>\$ 4,018</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	<u>\$ -</u>	<u>\$ -</u>		

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

SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
 CORONA PUBLIC SCHOOLS
 Schedule of Cash Receipts and
 Disbursements - All Funds by
 School District Classification
 Year Ended June 30, 2014

	Operational	Teacheraage	Transportation	Instructional	Food	Athletics				
				Materials	Services		Capital	Debt	Improvement	Service
		Local	State	Federal	Bond		SB-9			
Cash Balance, June 30, 2013	\$ 6,640	\$ 12,343	\$ -	\$ 3,100	\$ -	\$ 1,519				
Cash Receipts, 2013-2014	1,575,373	11,579	278,510	4,994	42,940	5,194				
Security Deposits Forfeited	-	300	-	-	-	-				
Cash Disbursements, 2013-2014	(1,488,345)	(24,030)	(278,510)	(4,018)	(37,665)	(6,222)				
Cash Balance, June 30, 2014	<u>\$ 93,668</u>	<u>\$ 192</u>	<u>\$ -</u>	<u>\$ 4,076</u>	<u>\$ 5,275</u>	<u>\$ 491</u>				
Cash Balance, June 30, 2013	\$ 51,818	\$ -	\$ -	\$ 4,060	\$ 703,755	\$ 81,403				\$ 81,772
Cash Receipts, 2013-2014	70,417	2,500	26,639	69,192	-	120,516				122,407
Cash Disbursements, 2013-2014	(69,950)	(77)	(58,695)	(99,458)	(25,382)	(58,304)				(103,602)
Cash Balance, June 30, 2014	<u>\$ 52,285</u>	<u>\$ 2,423</u>	<u>\$ (32,056)</u>	<u>\$ (26,206)</u>	<u>\$ 678,373</u>	<u>\$ 143,615</u>				<u>\$ 100,577</u>

STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
Schedule of Changes in Assets
and Liabilities - All Agency Funds
Year Ended June 30, 2014

	Balances June 30, 2013	Additions	Deletions	Balances June 30, 2014
ASSETS				
Cash and cash equivalent	\$ 51,818	\$ 70,417	\$ 69,950	\$ 52,285
Total assets	<u>\$ 51,818</u>	<u>\$ 70,417</u>	<u>\$ 69,950</u>	<u>\$ 52,285</u>
LIABILITIES				
Deposits held for others:				
Girls Basketball	\$ 2	\$ 50	\$ -	\$ 52
Volleyball	351	2,132	1,717	766
Power School	473	-	450	23
Pee Wee Basketball	282	-	-	282
Class of 2014	2,583	890	3,473	-
Class of 2015	4,989	2,863	1,293	6,559
Class of 2016	2,836	1,505	433	3,908
Class of 2017	3,126	1,356	233	4,249
Class of 2018	545	1,918	758	1,705
Class of 2019	238	1,057	305	990
Annual	1,443	3,496	2,689	2,250
Student Council	612	586	499	699
FFA	11,860	38,625	42,430	8,055
Cheerleaders	82	-	-	82
Honor Society	205	-	-	205
Library	251	-	-	251
Jr. High Girls Basketball	459	-	-	459
Curriculum	742	-	-	742
Sunshine Fund	2,636	1,195	1,047	2,784
PTO - Popcorn	22	1,000	1,000	22
Cardinal Athletics	752	-	-	752
Boys Basketball	1,201	-	479	722
PTO Fund	175	2,063	780	1,458
Art	126	-	-	126
EPSS	283	-	-	283
Accelerated Reader	547	677	1,224	-
Elementary Teachers	1,790	3,991	2,902	2,879
Elementary Pep Squad	109	-	-	109
Plant Fund	426	-	-	426
Building Usage	225	-	-	225
Memorial	1,359	-	-	1,359
Elementary Playground Equipment	1,184	-	-	1,184
Elementary Activities Association	1,465	26	-	1,491
Knowledge Bowl	1,179	1,181	635	1,725
Scholarship	100	-	-	100
Due to Bond Holder	5,345	18	-	5,363
Corona Activity Fund	1,815	5,788	7,603	-
Total liabilities	<u>\$ 51,818</u>	<u>\$ 70,417</u>	<u>\$ 69,950</u>	<u>\$ 52,285</u>

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

Rice and Associates, C.P.A.

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**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**

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, the budgetary comparisons of the General, Title I, IDEA-B Risk Pool, Read2Lead, Bond Building, Capital Improvements SB-9 and Debt Service Funds of the Corona Public Schools, as of and for the year ended June 30, 2014 and the related notes to the financial statements, which collectively comprise the Corona Public Schools basic financial statements, and the combining and individual funds and the related budgetary comparison of the non-major funds, presented as supplemental information, and have issued our report thereon dated August 13, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Corona Public Schools 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 Schools internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Corona Public Schools internal control over financial reporting.

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

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be a material weakness. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corona Public Schools financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance 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.

Purpose of this Report

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



Albuquerque, New Mexico
August 13, 2014

STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
Status of Findings
June 30, 2014

Prior Year Audit Findings:

1. Expenditures Paid Out of the Wrong Fund (13-01) - Resolved.

Current Year Audit Findings:

NONE

FINANCIAL STATEMENT PREPARATION

The combining and individual fund financial statements and notes to the financial statements for the year ended, June 30, 2014 were prepared by Rice & Associates, CPA, based on managements chart of accounts and trial balances including any adjusting, correcting or closing entries approved by management. These services are allowable under SAS 115.

EXIT CONFERENCE

An exit conference was held at the School District on August 13, 2014, to discuss the current audit report. In attendance were Ms. Barbara Sultimeier, Business Manager, Mr. Travis Lightfoot, Superintendent, Ms. Alena Brandenberger, Board Member, Ms. Terri Racher, Board Vice-President, Mr. Shad Cox, Board Secretary, Mr. Joseph Erramouspe, Board Member, Mr. Rick Cogdill, Principal/Counselor and Ms. Pamela A. Rice, CPA, Contract Auditor. A properly closed regular session was held.