

State of New Mexico

# CORONA PUBLIC SCHOOLS



FOR YEAR ENDED JUNE 30, 2015  
(WITH AUDITOR'S REPORT THEREON)

*"Where Excellence is Never an  
Accident."*

**RICE & ASSOCIATES**

CERTIFIED PUBLIC ACCOUNTANTS

STATE OF NEW MEXICO  
CORONAL PUBLIC SCHOOLS  
AUDIT REPORT  
For The Year Ended June 30, 2015  
(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, 2015

Board of Education

<u>Name</u>	<u>Title</u>
Ms. Terri Racher	President
Mr. Shad Cox	Vice-President
Ms. Alena Brandenberger	Secretary
Mr. Mark Schmidt	Member

School Officials

Mr. Travis Lightfoot	Superintendent
Ms. Barbara Sultemeier	Business Manager

# *Rice and Associates, C.P.A.*

AUDITING  
BOOKKEEPING  
(505) 292-8275

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11805 Menaul NE  
Albuquerque, NM 87112

TAX PLANNING  
TAX PREPARATION  
FAX (505) 294-8904

## INDEPENDENT AUDITOR'S REPORT

Mr. Tim Keller  
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, Medicaid, IDEA-B Entitlement, Bond Building, Capital Improvements SB-9 and Debt Service Funds of the Corona Public Schools, as of and for the year ended June 30, 2015, 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, 2015 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, 2015, 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, 2015, 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.

## Emphasis of Matter

### *Adoption of New Accounting Pronouncement*

As discussed in Note 12 to the financial statements, effective July 1, 2014, the School District adopted Governmental Accounting Standards Board Statement (GASB) No. 68 *Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27*. Our opinions are not modified with respect to this matter.

## 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.

Accounting principles generally accepted in the United States of America require the Schedules I and II and the notes to the Required Supplementary Information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *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.

Schedule V, the Schedule of Vendor Information, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

#### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2015 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  
September 22, 2015

**FINANCIAL STATEMENTS**

STATE OF NEW MEXICO  
CORONA PUBLIC SCHOOLS  
Statement of Net Position  
June 30, 2015

Statement 1  
Page 1 of 2

	Governmental Activities
<b>ASSETS</b>	
<b>Current assets</b>	
Cash	\$ 345,067
Accounts receivable	73
Due from grantor	12,208
Inventory	729
<b>Total current assets</b>	<b>358,077</b>
<b>Non-current assets</b>	
Land (non-depreciable)	4,697
Capital assets (depreciable)	6,179,919
Less accumulated depreciation	(3,622,200)
<b>Total non-current assets</b>	<b>2,562,416</b>
<b>Total assets</b>	<b>2,920,493</b>
<b>Deferred outflows of resources</b>	
Change in proportion	-
Employer contributions subsequent to the measurement date	112,434
<b>Total deferred outflows of resources</b>	<b>112,434</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 3,032,927</b>

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

STATE OF NEW MEXICO  
CORONA PUBLIC SCHOOLS  
Statement of Net Position  
June 30, 2015

Statement 1  
Page 2 of 2

**LIABILITIES**

<b>Current liabilities</b>	
Accounts payable	\$ -
Security deposit payable	1,200
Accrued interest payable	20,261
Revenues not yet earned	342
Current portion of long-term liabilities	<u>95,000</u>
<b>Total current liabilities</b>	<u>116,803</u>
 <b>Long-term obligations:</b>	
Net pension liability	2,138,301
Compensated absences	16,417
Non-current portion of long-term liabilities	<u>75,000</u>
<b>Total long-term liabilities</b>	<u>2,879,918</u>
<b>Total liabilities</b>	<u>2,996,721</u>

**Deferred inflows of resources**

Actuarial experience	31,853
Investment experience	194,380
Change in proportion	<u>27,963</u>
<b>Total deferred inflows of resources</b>	<u>254,196</u>

**NET POSITION**

Net investment in capital assets	1,742,416
Restricted for:	
Cafeteria fund (inventory)	729
Capital outlay	152,100
Debt service	106,072
Special grants	32,706
Unrestricted	<u>(2,252,101)</u>
<b>Total net position</b>	<u>(217,990)</u>
<b>Total liabilities, deferred inflows of resources and net position</b>	<u>\$ 3,032,927</u>

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, 2015

Statement 2

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenue and Changes Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
<b>EXPENSES:</b>					
<b>Governmental activities:</b>					
Direct instruction	\$ 1,144,292	\$ 7,658	\$ 173,182	\$ -	\$ (963,452)
Instructional support	1,032,525	18,411	282,976	-	(731,138)
Food services	71,197	4,523	43,554	-	(23,120)
Depreciation - unallocated	200,261	-	-	-	(200,261)
Interest on long-term obligations	<u>20,262</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(20,262)</u>
<b>Total governmental activities</b>	<u>2,468,537</u>	<u>30,592</u>	<u>499,712</u>	<u>-</u>	<u>(1,938,233)</u>
<b>General revenues:</b>					
<b>Taxes</b>					
Property taxes, levied for general purposes					23,714
Property taxes, levied for capital projects					99,925
Property taxes, levied for debt service					115,975
Federal and State aid not restricted to specific purpose					
General					1,590,603
Forest reserve					3,475
Interest and investment earnings					<u>157</u>
<b>Sub-total, general revenues</b>					<u>1,833,849</u>
<b>Change in net position</b>					<b>(104,384)</b>
<b>Net position - beginning of year</b>					2,140,759
<b>Restatement</b>					<u>(2,254,370)</u>
<b>Net position - beginning of year - restated</b>					<u>(113,611)</u>
<b>Net position - end of year</b>					<u>\$ (217,995)</u>

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, 2015

Statement 3

	General	Title 1	Medicaid	IDEA-B Entitlement	Bond Building	Capital Improvements SB-9	Debt Service	Other Governmental	Total
<b>ASSETS</b>									
Cash on deposit	\$ 69,818	\$ -	\$ 3,918	\$ -	\$ -	\$ 152,188	\$ 106,036	\$ 8,137	\$ 345,067
Accounts receivable, collectible	7	-	-	-	-	30	36	-	73
Due from grantor	-	8,329	-	3,879	-	-	-	-	12,208
Due from other funds	12,208	-	-	-	-	-	-	-	12,208
Inventory, at cost	-	-	-	-	-	-	-	729	729
<b>Total assets</b>	<b>\$ 82,033</b>	<b>\$ 8,329</b>	<b>\$ 8,918</b>	<b>\$ 3,879</b>	<b>\$ -</b>	<b>\$ 152,188</b>	<b>\$ 106,072</b>	<b>\$ 8,866</b>	<b>\$ 370,285</b>
<b>LIABILITIES</b>									
Due to other funds	\$ -	\$ 8,329	\$ -	\$ 3,879	\$ -	\$ -	\$ -	\$ -	\$ 12,208
Accounts payable	-	-	-	-	-	-	-	-	1,200
Security deposit payable	1,200	-	-	-	-	-	-	-	1,200
Revenues not earned	-	-	-	-	-	-	-	342	342
<b>Total liabilities</b>	<b>1,200</b>	<b>8,329</b>	<b>-</b>	<b>3,879</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>342</b>	<b>13,750</b>
<b>FUND BALANCE</b>									
Nonspendable	-	-	-	-	-	-	-	729	729
Restricted	15,983	-	8,918	-	-	152,188	106,072	7,795	290,966
Committed	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	66,050	-	-	-	-	-	-	-	66,050
<b>Total fund balance</b>	<b>66,050</b>	<b>-</b>	<b>8,918</b>	<b>-</b>	<b>-</b>	<b>152,188</b>	<b>106,072</b>	<b>8,524</b>	<b>356,535</b>
<b>Total liabilities and fund balance</b>	<b>\$ 82,033</b>	<b>\$ 8,329</b>	<b>\$ 8,918</b>	<b>\$ 3,879</b>	<b>\$ -</b>	<b>\$ 152,188</b>	<b>\$ 106,072</b>	<b>\$ 8,866</b>	<b>\$ 370,285</b>

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

STATE OF NEW MEXICO  
CORONA PUBLIC SCHOOLS

Statement 4

Reconciliation of the Balance Sheet - Governmental Funds  
to the Statement of Net Position  
June 30, 2015

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

Total fund balances - governmental funds	\$ 356,535
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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	6,184,616	
Accumulated depreciation	<u>(3,622,200)</u>	2,562,416

Deferred outflows and inflows or resources related to pensions are applicable to future periods and therefore, are not reported in the funds

Deferred outflows of resources related to employer contributions subsequent to the measurement date	112,434
Deferred inflows of resources related to actuarial experience	(31,853)
Deferred inflows or resources related to investment experience	(194,380)
Deferred inflows of resources related to changes in proportion	(27,963)

Long-term and certain other liabilities, including bonds payable and net pension liability, 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:

Net pension liability	(2,138,501)
Bonds Payable	(820,000)
Compensated absences payable	(16,417)
Accrued interest payable	<u>(20,261)</u>

Total net position - governmental funds	<u>\$ (217,990)</u>
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The accompanying notes are an integral part of these financial statements.



STATE OF NEW MEXICO  
 PUBLIC SCHOOLS  
 Statement of Revenues, Expenditures and Changes in  
 Fund Balances - All Governmental Funds  
 Year Ended June 30, 2015

Statement 5

	General	Title I	Medicaid	IDEB-B Entitlement	Bond Building	Capital Improvements SB-9	Debt Service	Other Governmental	Total
<b>REVENUES</b>									
Property taxes	\$ 23,714	\$ -	\$ -	\$ -	\$ -	\$ 99,925	\$ 115,975	\$ -	\$ 239,614
Charges for services	13,411	-	-	-	-	-	-	12,181	30,592
Local sources	30,157	-	-	-	-	-	-	4,223	34,380
State sources	1,678,277	-	-	-	-	-	-	58,224	1,936,501
Federal sources	3,475	30,359	9,312	25,689	-	-	-	54,070	122,909
Earnings from investments	157	-	-	-	-	-	-	-	157
<b>Total revenues</b>	<b>1,954,191</b>	<b>30,359</b>	<b>9,312</b>	<b>25,689</b>	<b>-</b>	<b>99,925</b>	<b>115,975</b>	<b>128,702</b>	<b>2,364,153</b>
<b>EXPENDITURES</b>									
<b>Current:</b>									
Direct instruction	986,758	30,359	394	25,689	-	-	-	78,539	1,121,739
Instructional support	957,264	-	-	-	-	73,126	2,135	-	1,032,525
Food services	26,152	-	-	-	-	-	-	45,045	71,197
Capital outlay	-	-	-	-	678,373	18,549	-	-	696,922
<b>Debt service:</b>									
Bonds	-	-	-	-	-	-	95,000	-	95,000
Interest	-	-	-	-	-	-	23,770	-	23,770
<b>Total expenditures</b>	<b>1,970,174</b>	<b>30,359</b>	<b>394</b>	<b>25,689</b>	<b>678,373</b>	<b>91,675</b>	<b>110,905</b>	<b>123,584</b>	<b>3,031,153</b>
<b>Net change in fund balance</b>	<b>(15,983)</b>	<b>-</b>	<b>8,918</b>	<b>-</b>	<b>(678,373)</b>	<b>8,250</b>	<b>5,070</b>	<b>5,118</b>	<b>(667,000)</b>
<b>Fund balance beginning of year</b>	<b>96,816</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>678,373</b>	<b>143,938</b>	<b>101,082</b>	<b>3,406</b>	<b>1,023,535</b>
<b>Fund balance end of year</b>	<b>\$ 80,833</b>	<b>\$ -</b>	<b>\$ 8,918</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 152,188</b>	<b>\$ 106,072</b>	<b>\$ 8,524</b>	<b>\$ 956,535</b>

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

STATE OF NEW MEXICO  
 MORONA PUBLIC SCHOOLS

Statement 5

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, 2015

Total net change in fund balances - governmental funds \$ (667,000)

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  
 capital outlays exceeds depreciation in the period

Capital outlays	696,922
Depreciation expense	<u>(200,261)</u>

Excess of depreciation expense over capital outlay 496,661

In the Statement of Activities, certain operating  
 expenses are 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 amount  
 actually paid). The (increases) decreases in the  
 liabilities for the year were:

Accrued interest payable	3,508
Compensated absences payable	3,340

Governmental funds report School district pension  
 contributions as expenditures. However in the Statement  
 of Activities, the cost of pension benefits earned net of employee  
 contributions is reported as pension expense

Pension contributions	112,434
Pension expense	<u>(138,327)</u>

The issuance of long-term debt (e.g. bonds) provides  
 current financial resources to government funds  
 while the repayment of the principal of long-term debt  
 consumes the current financial resources of governmental  
 funds

Proceeds of bond issue	-
Repayment of long-term debt	<u>85,000</u>

Change in net position of governmental activities \$ (104,384)

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, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Taxes	\$ 20,125	\$ 20,125	\$ 23,786	\$ 3,661
Charges for services	8,825	8,825	18,411	9,586
Local sources	-	-	30,157	30,157
State sources	1,919,131	1,897,802	1,878,277	(19,325)
Federal sources	-	-	3,475	3,475
Earnings from investments	250	250	157	(93)
<b>Total revenues</b>	<b><u>\$ 1,948,331</u></b>	<b><u>\$ 1,927,002</u></b>	<b><u>\$ 1,954,263</u></b>	<b><u>\$ 27,261</u></b>
<b>EXPENDITURES</b>				
Direct instruction	\$ 979,878	\$ 990,918	\$ 986,758	\$ 4,160
Instructional support	1,035,664	998,276	957,264	41,012
Food services	21,158	26,175	26,152	23
<b>Total expenditures</b>	<b><u>\$ 2,036,698</u></b>	<b><u>\$ 2,015,369</u></b>	<b><u>\$ 1,970,174</u></b>	<b><u>\$ 45,195</u></b>
<b>BUDGETED CASH BALANCE</b>	<b><u>\$ 88,367</u></b>	<b><u>\$ 88,367</u></b>		

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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>				
Federal sources	\$ 22,819	\$ 37,837	\$ 32,286	\$ (5,551)
Total revenues	<u>\$ 22,819</u>	<u>\$ 37,837</u>	<u>\$ 32,286</u>	<u>\$ (5,551)</u>
<b>EXPENDITURES</b>				
Direct instruction	\$ 22,819	\$ 37,837	\$ 30,359	\$ 7,478
Total expenditures	<u>\$ 22,819</u>	<u>\$ 37,837</u>	<u>\$ 30,359</u>	<u>\$ 7,478</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)  
Medicaid  
Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Federal sources	\$ -	\$ -	\$ 497	\$ 497
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 497</u>	<u>\$ 497</u>
<b>EXPENDITURES</b>				
Direct instruction	\$ -	\$ 9,312	\$ 394	\$ 8,918
Total expenditures	<u>\$ -</u>	<u>\$ 9,312</u>	<u>\$ 394</u>	<u>\$ 8,918</u>
BUDGETED CASH BALANCE	<u>\$ -</u>	<u>\$ 9,312</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 Entitlement  
Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES				
Federal sources	\$ 14,795	\$ 30,558	\$ 21,810	\$ (8,748)
Total revenues	<u>\$ 14,795</u>	<u>\$ 30,558</u>	<u>\$ 21,810</u>	<u>\$ (8,748)</u>
EXPENDITURES				
Direct instruction	\$ 14,795	\$ 30,558	\$ 25,689	\$ 4,869
Total expenditures	<u>\$ 14,795</u>	<u>\$ 30,558</u>	<u>\$ 25,689</u>	<u>\$ 4,869</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, 2015

ASSETS	
Cash	\$ 63,676
Total Assets	<u>\$ 63,676</u>
LIABILITIES	
Deposits held for others	\$ 63,676
Total Liabilities	<u>\$ 63,676</u>

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

STATE OF NEW MEXICO  
CORONA PUBLIC SCHOOLS  
Notes to Financial Statements  
Year Ended June 30, 2015

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 - 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.

Special Revenue Fund - 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.

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.

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.

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.

Notes to Financial Statements (continued)

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.

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.

Notes to Financial Statements (continued)

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.

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.

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.

Notes to Financial Statements (continued)

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	\$ 7	\$ 66	\$ -	\$ 73
Intergovernmental	-	12,208	-	12,208
Other	-	-	-	-
	<u>\$ 7</u>	<u>\$ 12,274</u>	<u>\$ -</u>	<u>\$ 12,281</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.

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

## Notes to Financial Statements (continued)

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.

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 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

## Notes to Financial Statements (continued)

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.

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. **Deferred Inflows of Resources**

In addition to liabilities, the balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Revenue must be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period) to be

recognized. If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding deferred inflow of resources. The School District has two types of items, which arise due to the implementation of GASB 68 and the related net pension liability. Accordingly, the items, net difference between expected and actual earnings and change in assumptions, are reported on the Statement of Net Position. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**11. Deferred Outflows of Resources**

In addition to assets, the balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a use of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until that time. The School District has two types of items that qualify for reporting in this category. Accordingly, the items, change in proportion and employer contributions subsequent to measurement date, are reported in the Statement of Net Position. These amounts are deferred and recognized as outflows of resources the next period.

**12. 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.

**13. 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.

14. **Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Educational Retirement Board (ERB) and additions to/deductions from ERB's fiduciary net position have been determined on the same basis as they are reported by ERB, on the economic resources measurement focus and accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

2. DEPOSITORY COLLATERAL

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

First Savings Bank	Checking	\$ 553,028
First Savings Bank	Certificate of Deposit	<u>5,382</u>
Total		<u>\$ 558,410</u>
Total amount on deposit		\$ 558,410
Outstanding checks		(149,667)
Deposit in transit		<u>-</u>
Total per financial statements		<u>\$ 408,743</u>

At June 30, 2015, the carrying amount of the School Districts deposits was \$408,743 and the bank balance was \$558,410. Of this balance \$250,000 was covered by federal depository insurance and \$531,040 was covered by collateral. The remaining \$0 is comprised of amounts in excess of those required to be collateralized under State law.

Cash on deposit at June 30	\$ 558,410
Less F.D.I.C.	<u>(250,000)</u>
Uninsured Funds	308,410
50% Collateral Requirement	154,205
Pledged Collateral	<u>531,040</u>
Excess of Pledged Collateral	<u>\$ 376,835</u>

Notes to Financial Statements (continued)

*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, \$308,410 of the School's bank balance of \$558,410 was exposed to custodial credit risk as follows:

A. Uninsured and uncollateralized	\$ -
B. Uninsured and collateralized with Securities held by the pledging banks trust department, not in the Schools name	<u>308,410</u>
Total	<u>\$ 308,410</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.

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</u>			<u>Maturity Date</u>	<u>Fair Market Value</u>
FHLMC	#31307BJV3		3-01-23	\$ 68,971
GNR	#38377TBL4		11-20-38	38,409
GNMA	#36176XE21		3-15-27	155,066
GNR	#38377TBL4		11-20-38	38,409
GNR	#38377NLJ1		9-20-39	41,832
FNMA	#31418BB54		4-01-24	165,309
FNMA	#3138EKJA4		1-01-28	<u>23,044</u>
				<u>\$ 531,040</u>

Notes to Financial Statements (continued)

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>\$ 558,410</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, 2014</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2015</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	4,674,798	696,922	-	5,371,720
Vehicles	264,490	-	-	264,490
Equipment	<u>371,652</u>	<u>-</u>	<u>-</u>	<u>371,652</u>
Total	<u>5,482,997</u>	<u>696,922</u>	<u>-</u>	<u>6,179,919</u>
Less accumulated depreciation:				
Land improvements	(142,891)	(713)	-	(143,604)
Buildings & building improvements	(2,852,115)	(170,043)	-	(3,022,158)
Vehicles	(115,114)	(13,840)	-	(128,954)
Equipment	<u>(311,819)</u>	<u>(15,665)</u>	<u>-</u>	<u>(327,484)</u>
Total	<u>(3,421,939)</u>	<u>(200,261)</u>	<u>-</u>	<u>(3,622,200)</u>
Governmental activities				
Capital assets, net	<u>\$ 2,065,755</u>	<u>\$ 496,661</u>	<u>\$ -</u>	<u>\$ 2,562,416</u>

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 June 30, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2015</u>	<u>Due Within One Year</u>
General Obligation Bonds	\$ 905,000	\$ -	\$ 85,000	\$ 820,000	\$ 95,000
Compensated Absences	19,757	-	3,340	16,417	-
Total	<u>\$ 924,757</u>	<u>\$ -</u>	<u>\$ 88,340</u>	<u>\$ 836,417</u>	<u>\$ 95,000</u>

Notes to Financial Statements (continued)

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, 2014	\$ 905,000
Bonds paid	(85,000)
Bonds issued	<u>          -</u>
 General obligation bonds payable, June 30, 2015	 <u><b>\$ 820,000</b></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.

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>
6/30/16	\$ 70,000	4.85%
6/30/17	<u>75,000</u>	4.90%
	<u><b>\$ 145,000</b></u>	

Notes to Financial Statements (continued)

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>
6/30/16	\$ 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	75,000	1,500
	<u>\$ 675,000</u>	<u>\$ 61,988</u>

B. Operating Lease

The District did not have any leases during the fiscal year.

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.



Notes to Financial Statements (continued)

Payment is made from the public school fund under the authority of the chief (director of public school finance). The District received \$1,590,603 state equalization guarantee distributions during the year ended June 30, 2015.

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. 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 \$282,976 in transportation distribution during the year ended June 30, 2015.

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 \$0 in state SB-9 matching during the year ended June 30, 2015.

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, 2015, the District received \$0 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, 2015, the District received \$4,698 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.

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>Medicaid</u>	<u>IDEA-B Entitlement</u>
Revenues per modified accrual basis	\$ 1,954,193	\$ 30,359	\$ 9,312	\$ 25,689
Receivables	72	-	-	-
Deferred revenues/ Due from grantor	-	1,927	(8,815)	(3,873)
Revenues per budgetary basis	<u>\$ 1,954,263</u>	<u>\$ 32,286</u>	<u>\$ 497</u>	<u>\$ 21,810</u>

Notes to Financial Statements (continued)

	<u>General</u>	<u>Title I</u>	<u>Medicaid</u>	<u>IDEA-3 Entitlement</u>
Expenditures per modified accrual basis	\$ 1,970,174	\$ 30,359	\$ 394	\$ 25,689
Accounts payable	-	-	-	-
Inventory	-	-	-	-
Expenditures per budgetary basis	<u>\$ 1,970,174</u>	<u>\$ 30,359</u>	<u>\$ 394</u>	<u>\$ 25,689</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	\$ -	\$ 99,925	\$ 115,975	\$ 128,702
Receivables	-	292	389	-
Deferred revenues/ Due from grantor	-	-	-	59,703
Revenues per budgetary basis	<u>\$ -</u>	<u>\$ 100,217</u>	<u>\$ 116,364</u>	<u>\$ 188,405</u>
Expenditures per modified accrual basis	\$ 678,373	\$ 91,675	\$ 110,905	\$ 123,584
Accounts payable	-	-	-	-
Inventory	-	-	-	(133)
Expenditures per budgetary basis	<u>\$ 678,373</u>	<u>\$ 91,675</u>	<u>\$ 110,905</u>	<u>\$ 123,451</u>

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. PENSION-PLAN - EDUCATIONAL RETIREMENT BOARD

**Plan description.** ERB was created by the state's Educational Retirement Act, Section 22-11-1 through 22-11-52, NMSA 1978, as amended, to administer the New Mexico Educational Employees' Retirement Plan (Plan). The Plan is a cost-sharing, multiple employer plan established to provide retirement and disability benefits for certified teachers and other employees of the state's public schools, institutions of higher learning, and agencies providing educational programs.

The Plan is a pension trust fund of the State of New Mexico. The New Mexico legislature has the authority to set or amend contribution rates. ERB issues a publicly available financial report and a comprehensive annual financial report that can be obtained at [www.nmerb.org](http://www.nmerb.org).

**Benefits provided.** A member's retirement benefit is determined by a formula which includes three component parts: the member's final average salary (FAS), the number of years of service credit, and a 0.0235 multiplier. The FAS is the average of the member's salaries for the last five years of service or any other consecutive five-year period, whichever is greater. A brief summary of Plan coverage provisions follows:

For members employed before July 1, 2010, a member is eligible to retire when one of the following events occurs: the member's age and earned service credit add up to the sum of 75 or more; the member is at least sixty-five years of age and has five or more years of earned service credit; or the member has service credit totaling 25 years or more.

Chapter 288, Laws of 2009 changed the eligibility requirements for new members first employed on or after July 1, 2010. The eligibility for a member who either becomes a new member on or after July 1, 2010, or at any time prior to that date refunded all member contributions and then became, or becomes, reemployed after that date is as follows: the member's age and earned service credit add up to the sum of 80 or more; the member is at least sixty-seven years of age and has five or more years of earned service credit; or the member has service credit totaling 30 years or more.

The benefit is paid as a monthly life annuity with a guarantee that, if the payments made do not exceed the member's accumulated contributions plus accumulated interest, determined as of the date of retirement, the balance will be paid in a lump sum to the member's surviving beneficiary. There are three benefit options available: single life annuity; single life annuity monthly benefit reduced to provide for a 100% survivor's benefit; or single life annuity monthly benefit is reduced to provide for a 50% survivor's benefit.

Retired members and surviving beneficiaries receiving benefits receive an automatic cost of living adjustment (COLA) to their benefit each July 1, beginning in the year the member attains or would have attained age 65 or on July 1 of the year following the member's retirement date, whichever is later. Prior to June 30, 2013 the COLA adjustment was equal to one-half the change in the Consumer Price Index (CPI), except that the COLA

shall not exceed 4% nor be less than 2%, unless the change in CPI is less than 2%, in which case, the COLA would equal the change in the CPI, but never less than zero. As of July 1, 2013, for current and future retirees the COLA was immediately reduced until the plan is 100% funded. The COLA reduction was based on the median retirement benefit of all retirees excluding disability retirements. Retirees with benefits at or below the median and with 25 or more years of service credit will have a 10% COLA reduction; their average COLA will be 1.8%. All other retirees will have a 20% COLA reduction; their average COLA will be 1.6%. Once the funding is greater than 90%, the COLA reductions will decrease. The retirees with benefits at or below the median and with 25 or more years of service credit will have a 5% COLA reduction; their average COLA will be 1.9%. All other retirees will have a 10% COLA reduction; their average will be 1.8%. Members on disability retirement are entitled to a COLA commencing on July 1 of the third full year following disability retirement. A member on regular retirement who can prove retirement because of a disability may qualify for a COLA beginning July 1 in the third full year of retirement.

A member is eligible for a disability benefit provided (a) he or she has credit for at least 10 years of service, and (b) the disability is approved by ERB. The monthly benefit is equal to 2% of FAS times years of service, but not less than the smaller of (a) one-third of FAS or (b) 2% of FAS times year of service projected to age 60. The disability benefit commences immediately upon the member's retirement. Disability benefits are payable as a monthly life annuity, with a guarantee that, if the payments made do not exceed the member's accumulated contributions, determined as of the date of retirement, the balance will be paid in a lump sum to the member's surviving beneficiary. If the disabled member survives to age 60, the regular optional forms of payment are then applied. A member with five or more years of earned service credit on deferred status may retire on disability retirement when eligible under the Rule of 75 or when the member attains age 65.

**Contributions.** The contribution requirements of defined benefit plan members and the school district are established in state statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. For the fiscal year ended June 30, 2014 employers contributed 13.15% of employees' gross annual salary to the Plan. Employees earning \$20,000 or less contributed 7.90% and employees earning more than \$20,000 contributed 10.10% of their gross annual salary. For fiscal year ended June 30, 2015 employers contributed 13.90%, and employees earning \$20,000 or less continued to contribute 7.90% and employees earning more than \$20,000 contributed an increased amount of 10.70% of their gross annual salary. Contributions to the pension plan from the school district were \$112,434 for the year ended June 30, 2015.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:**

The total ERB pension liability, net pension liability, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2013. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2014, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2014. At June 30, 2015, the

Notes to Financial Statements (continued)

school district reported a liability of \$2,138,501 for its proportionate share of the net pension liability. The school district's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2014. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2014, the school district's proportion was 0.03808 percent, which was an increase of 0.00060 from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the school district recognized pension expense of \$138,327. At June 30, 2015, the school district reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 31,853
Net difference between projected and actual earnings on pension plan investments	-	194,380
Changes in proportion and differences between the school district contributions and proportionate share of contributions	-	27,963
School district's contributions subsequent to the measurement date	<u>112,434</u>	<u>-</u>
Total	<u>\$ 112,434</u>	<u>\$ 254,196</u>

The \$112,434 is reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date June 30, 2014 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2016	\$ (69,371)
2017	(69,371)
2018	(66,878)
2019	(48,600)
2020	-
Thereafter	-

**Actuarial assumptions.** As described above, the total ERB pension liability and net pension liability are based on an actuarial valuation performed as of June 30, 2013. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2014 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2014. Specifically, the liabilities measured as of June 30, 2014 incorporate the following assumptions:

1. All members with an annual salary of more than \$20,000 will contribute 10.10% during the fiscal year ending June 30, 2014 and 10.7% thereafter.
2. Members hired after June 30, 2013 will have an actuarially reduced retirement benefit if they retire before age 55 and their COLA will be deferred until age 67.
3. COLAs for most retirees are reduced until ERB attains a 100% funded status.
4. These assumptions were adopted by ERB on April 26, 2013 in conjunction with the six-year experience study period ending June 30, 2012.

For the purposes of projecting future benefits, it is assumed that the full COLA is paid in all future years. The actuarial methods and assumptions used to determine contribution rates included in the measurement are as follows:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll
Remaining Period from to June 30, 2042	Amortized - closed 30 years 2012
Asset Valuation Method	5 year smoothed market for funding valuation (fair value for financial valuation)
Inflation	3.00%
Salary Increases	Composition: 3% inflation, plus 1.25% productivity increase rate, plus step rate promotional increases for members with less than 10 years of service
Investment Rate of Return	7.75%
Retirement Age	Experience based table of age and service rates
Mortality	90% of RP-2000 Combined Mortality Table with White Collar Adjustment projected to 2014 using Scale AA (one year setback for females)



Notes to Financial Statements (continued)

The long-term expected rate of return on pension plan investments is determined annually using a building-block approach that includes the following: 1) rate of return projections are the sum of current yield plus projected changes in price (valuation, defaults, etc.), 2) application of key economic projections (inflation, real growth, dividends, etc.), and 3) structural themes (supply and demand imbalances, capital flows, etc.). These items are developed for each major asset class. Best estimates of geometric real rates of return for each major asset class included in the Plan's target asset allocation for 2014 and 2013 for 30-year return assumptions are summarized in the following table:

<u>Asset Class</u>	<u>2014 Long-Term Expected Real Rate of Return</u>	<u>2013 Long-Term Expected Real Rate of Return</u>
Cash	1.50%	0.75%
Treasuries	2.00%	1.00%
IG Corp Credit	3.50%	3.00%
MBS	2.25%	2.50%
Core Bonds	2.53%	2.04%
TIPS	2.50%	1.50%
High Yield Bonds	4.50%	5.00%
Bank Loans	5.00%	5.00%
Global Bonds (Unhedged)	1.25%	0.75%
Global Bonds (Hedged)	1.38%	0.93%
EMD External	5.00%	4.00%
EMD Local Currency	5.75%	5.00%
Large Cap Equities	6.25%	6.75%
Small/Mid Cap	6.25%	7.00%
International Equities (Unhedged)	7.25%	7.75%
International Equities (Hedged)	7.50%	8.00%
Emerging International Equities	9.50%	9.75%
Private Equity	8.75%	9.00%
Private Debt	8.00%	8.50%
Private Real Assets	7.75%	8.00%
Real Estate	6.25%	6.00%
Commodities	5.00%	5.00%
Hedge Funds Low Vol	5.50%	4.75%
Hedge Funds Mod Vol	5.50%	6.50%

**Discount rate:** A single discount rate of 7.75% was used to measure the total ERB pension liability as of June 30, 2014 and June 30, 2013. This single discount rate was based on the expected rate of return on pension plan investments of 7.75%. Based on the stated assumptions and the projection of cash flows, the Plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current pension plan members. Therefore the long term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The projection of cash flows used to determine this single discount rate assumed that Plan contributions will be made at the current statutory levels. Additionally, contributions received through the Alternative Retirement Plan (ARP), ERB's defined contribution plan, are included in the projection of cash flows. ARP contributions are assumed to remain at a level percentage of ERB payroll, where the percentage of payroll is based on the most recent five year contribution history.

**Sensitivity of the school district's proportionate share of the net pension liability to changes in the discount rate.**

The following table shows the sensitivity of the net pension liability to changes in the discount rate as of the fiscal year end 2014. In particular, the table presents the (employer's) net pension liability under the current single rate assumption, as if it were calculated using discount rate one percentage point lower (6.75%) or one percentage point higher (8.75%) than the single discount rate.

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
School district's proportionate share of the net pension liability	\$ 2,909,677	\$ 2,138,501	\$ 1,494,211

**Pension plan fiduciary net position.** Detailed information about the ERB's fiduciary net position is available in the separately issued audited financial statements as of and for June 30, 2014 and 2013 which are publicly available at [www.nmerb.org](http://www.nmerb.org).

**Payables to the pension plan.** The School District remits the legally required employer and employee contributions on a monthly basis to ERB. The ERB requires that the contributions be remitted by the 15<sup>th</sup> day of the month following the month for which contributions are withheld. At June 30, 2015 the School District owed the ERB \$53,685 for the contributions withheld in the month of June 2015.

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](http://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, 2015, 2014 and 2013 were \$21,361, \$20,624 and \$20,559, respectively, which equal the required contributions for each year.

14. NET POSITION RESTATEMENT

The School District had a prior period adjustment of \$2,254,370 of which was required for the implementation of GASB Statement No. 68. The adjustment reflects a beginning net pension liability of \$2,390,207 and a beginning deferred outflow of resources - employer contributions subsequent to the measurement date of \$135,837.

15. FUND BALANCE CLASSIFIED

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned upon the use of the resources in the government funds.

	<u>General Fund</u>	<u>IDES-B Risk Pool</u>	<u>Capital Improvement SE-9</u>	<u>Debt Service</u>	<u>Non-Major Governmental Fund</u>	<u>Total</u>
<u>Fund Balances</u>						
<u>Nonspendable:</u>						
Interfund loans	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Inventory	-	-	-	-	729	729
<u>Total nonspendable</u>	-	-	-	-	729	729
<u>Restricted for:</u>						
Teacherae units	8,676	-	-	-	-	8,676
Transportation services	-	-	-	-	-	-
Instructional materials	4,076	-	-	-	-	4,076
Capital improvements	-	-	152,188	-	-	152,188
Debt service payments	-	-	-	106,072	-	106,072
Athletic services	-	-	-	-	2,577	2,577
Cafeteria services	-	-	-	-	5,218	5,218
Special grants	-	8,918	-	-	-	8,918
State mandated cash reserves	3,241	-	-	-	-	3,241
<u>Total restricted</u>	15,993	8,918	152,188	106,072	7,795	290,966
<u>Committed to:</u>						
<u>Other purposes</u>	-	-	-	-	-	-
<u>Total committed</u>	-	-	-	-	-	-
<u>Unassigned:</u>	64,840	-	-	-	-	64,840
<u>Total fund balances</u>	<u>\$ 80,833</u>	<u>\$ 8,918</u>	<u>\$ 152,188</u>	<u>\$ 106,072</u>	<u>\$ 8,524</u>	<u>\$ 356,535</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, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Earnings from Investments	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>EXPENDITURES</b>				
Capital outlay	\$ -	\$ 678,373	\$ 678,373	\$ -
Total expenditures	<u>\$ -</u>	<u>\$ 678,373</u>	<u>\$ 678,373</u>	<u>\$ -</u>
<b>BUDGETED CASH BALANCE</b>	<u>\$ -</u>	<u>\$ 678,373</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, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Taxes	\$ 81,124	\$ 81,124	\$ 100,217	\$ 19,093
Local sources	-	-	-	-
State sources	-	4,426	-	(4,426)
Earnings from Investments	-	-	-	-
<b>Total revenues</b>	<b><u>\$ 81,124</u></b>	<b><u>\$ 85,550</u></b>	<b><u>\$ 100,217</u></b>	<b><u>\$ 14,667</u></b>
<b>EXPENDITURES</b>				
Capital outlay	<u>\$ 194,122</u>	<u>\$ 198,548</u>	<u>\$ 91,675</u>	<u>\$ 106,873</u>
<b>Total expenditures</b>	<b><u>\$ 194,122</u></b>	<b><u>\$ 198,548</u></b>	<b><u>\$ 91,675</u></b>	<b><u>\$ 106,873</u></b>
<b>BUDGETED CASH BALANCE</b>	<b><u>\$ 112,998</u></b>	<b><u>\$ 112,998</u></b>		

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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>				
Taxes	\$ 108,770	\$ 108,770	\$ 116,364	\$ 7,594
Total revenues	<u>\$ 108,770</u>	<u>\$ 108,770</u>	<u>\$ 116,364</u>	<u>\$ 7,594</u>
<b>EXPENDITURES</b>				
Instructional support	\$ 3,250	\$ 3,250	\$ 2,135	\$ 1,115
Bonds paid	85,000	85,000	85,000	-
Coupons paid	<u>23,770</u>	<u>23,770</u>	<u>23,770</u>	<u>-</u>
Total expenditures	<u>\$ 112,020</u>	<u>\$ 112,020</u>	<u>\$ 110,905</u>	<u>\$ 1,115</u>
BUDGETED CASH BALANCE	<u>\$ 3,250</u>	<u>\$ 3,250</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.

**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.

**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.

**BREAKFAST FOR ELEMENTARY STUDENTS** - To account for grant funds received to fund the Elementary Breakfast Program. Financing and authority are 6.12.9 of the New Mexico Administrative Code (NMAC).

**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 administrators. Financing and authority is a special legislative appropriation, Laws of 2014, Chapter 63, Section 4, Item 1 (other Education), Early Reading Initiative.

**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**

**STEM TEACHER INITIATIVE** - To account for monies received from the Science, Technology, Engineering and Mathematics (STEM) Initiative to provide stipends to cover payroll expenditures for the fiscal year. Financing and authority are provided by the Public Education Department.

**INNOVATION GRANT** - To account for resources received to purchase laptops to help the Common Core Program. Funding is from ENMR Plateau, and the authority for the fund is the Public Education Department.

**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, 2015

Statement A-1  
Page 1 of 2

	REAP	IDEA-B Preschool	Improving Teacher Quality	Breakfast for Elementary Students	Read2Lead	Fresh Fruit & Vegetables
<b>ASSETS</b>						
Cash on deposit	\$ -	\$ 342	\$ -	\$ -	\$ -	\$ -
Due from grantor	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 342</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>LIABILITIES</b>						
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues not earned	-	342	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>342</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>						
Non-spendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
<b>Total fund balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and fund balance</b>	<b>\$ -</b>	<b>\$ 342</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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, 2015

Statement A-1  
Page 2 of 2

	Dual Credit Instructional Materials	STEM Teacher Initiative	Innovations Grant	Athletics	Cafeteria	Totals
<b>ASSETS</b>						
Cash on deposit	\$ -	\$ -	\$ -	\$ 2,557	\$ 5,218	\$ 8,117
Due from grantor	-	-	-	-	-	-
Inventory	-	-	-	-	729	729
<b>Total assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,557</b>	<b>\$ 5,947</b>	<b>\$ 8,846</b>
<b>LIABILITIES</b>						
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue not earned	-	-	-	-	-	342
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>342</b>
<b>FUND BALANCES</b>						
Non-spendable	-	-	-	-	729	729
Restricted	-	-	-	2,577	5,218	7,795
<b>Total fund balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,577</b>	<b>5,947</b>	<b>8,524</b>
<b>Total liabilities and fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,577</b>	<b>\$ 5,947</b>	<b>\$ 8,866</b>

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, 2015

Statement A-2  
Page 1 of 2

	REAP	IDEA-B Preschool	Improving Teacher Quality	Breakfast for Elementary Students	Read2Lead	Fresh Fruit & Vegetables
<b>REVENUES</b>						
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Local sources	-	-	-	-	-	-
State sources	-	-	-	2,509	49,209	256
Federal sources	10,725	199	2,361	-	-	-
Total revenues	<u>10,725</u>	<u>199</u>	<u>2,361</u>	<u>2,509</u>	<u>49,209</u>	<u>256</u>
<b>EXPENDITURES</b>						
Direct instruction	10,725	199	2,361	-	49,209	-
Instructional support	-	-	-	-	-	-
Food Services	-	-	-	2,509	-	256
Total expenditures	<u>10,725</u>	<u>199</u>	<u>2,361</u>	<u>2,509</u>	<u>49,209</u>	<u>256</u>
Net change in fund balance	-	-	-	-	-	-
Fund balance at beginning of year	-	-	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2015

Statement A-2  
Page 2 of 2

	Dual Credit Instructional Materials	STEM Teacher Initiative	Innovations Grant	Athletics	Cafeteria	Totals
<b>REVENUES</b>						
Charges for services	\$ -	\$ -	\$ -	\$ 7,658	\$ 4,523	\$ 12,181
Local sources	-	-	4,223	-	-	4,223
State sources	176	6,074	-	-	-	58,224
Federal sources	-	-	-	-	40,789	54,074
Total revenues	<u>176</u>	<u>6,074</u>	<u>4,223</u>	<u>7,658</u>	<u>45,312</u>	<u>128,702</u>
<b>EXPENDITURES</b>						
Direct instruction	176	6,074	4,223	5,572	-	78,539
Instructional support	-	-	-	-	-	-
Food Service	-	-	-	-	42,280	45,045
Total expenditures	<u>176</u>	<u>6,074</u>	<u>4,223</u>	<u>5,572</u>	<u>42,280</u>	<u>123,584</u>
Net change in fund balance	-	-	-	2,086	3,032	5,118
Fund balance at beginning of year	-	-	-	491	2,915	3,406
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,577</u>	<u>\$ 5,947</u>	<u>\$ 8,524</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, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Federal sources	\$ -	\$ 10,725	\$ 10,647	\$ (78)
Total revenues	<u>\$ -</u>	<u>\$ 10,725</u>	<u>\$ 10,647</u>	<u>\$ (78)</u>
<b>EXPENDITURES</b>				
Direct instruction	\$ -	\$ 10,725	\$ 10,725	\$ -
Total expenditures	<u>\$ -</u>	<u>\$ 10,725</u>	<u>\$ 10,725</u>	<u>\$ -</u>
<b>REVENUES</b>				
Budgetary basis			\$ 10,647	
Decrease in revenue not yet earned			<u>78</u>	
Modified accrual basis			<u>\$ 10,725</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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>				
Federal sources	\$ 419	\$ 562	\$ 572	\$ 10
Total revenues	<u>\$ 419</u>	<u>\$ 562</u>	<u>\$ 572</u>	<u>\$ 10</u>
<b>EXPENDITURES</b>				
Direct instruction	\$ 419	\$ 562	\$ 199	\$ 363
Total expenditures	<u>\$ 419</u>	<u>\$ 562</u>	<u>\$ 199</u>	<u>\$ 363</u>
<b>REVENUES</b>				
Budgetary basis			\$ 572	
(Decrease) in due from grantor			(32)	
(Increase) in revenues not yet earned			<u>(341)</u>	
Modified accrual basis			<u>\$ 199</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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Federal sources	\$ 2,075	\$ 7,018	\$ 2,625	\$ (4,393)
Total revenues	<u>\$ 2,075</u>	<u>\$ 7,018</u>	<u>\$ 2,625</u>	<u>\$ (4,393)</u>
<b>EXPENDITURES</b>				
Direct instruction	\$ 2,075	\$ 7,018	\$ 2,361	\$ 4,657
Total expenditures	<u>\$ 2,075</u>	<u>\$ 7,018</u>	<u>\$ 2,361</u>	<u>\$ 4,657</u>
<b>REVENUES</b>				
Budgetary basis			\$ 2,625	
(Decrease) in due from grantor			<u>(264)</u>	
Modified accrual basis			<u>\$ 2,361</u>	

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

STATE OF NEW MEXICO  
CORONA PUBLIC SCHOOLS  
Non-Major Special Revenue - Breakfast for Elementary Students  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
State sources	\$ -	\$ 2,509	\$ 2,509	\$ -
Total revenues	<u>\$ -</u>	<u>\$ 2,509</u>	<u>\$ 2,509</u>	<u>\$ -</u>
<b>EXPENDITURES</b>				
Food services	\$ -	\$ 2,509	\$ 2,509	\$ -
Total expenditures	<u>\$ -</u>	<u>\$ 2,509</u>	<u>\$ 2,509</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO  
CORONA PUBLIC SCHOOLS  
Non-Major Special Revenue - Read2Lead  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
State sources	\$ 50,000	\$ 50,000	\$ 81,480	\$ 31,480
Total revenues	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 81,480</u>	<u>\$ 31,480</u>
<b>EXPENDITURES</b>				
Direct instruction	\$ 50,000	\$ 50,000	\$ 49,209	\$ 791
Total expenditures	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 49,209</u>	<u>\$ 791</u>
<b>REVENUES</b>				
Budgetary Basis			\$ 81,480	
(Decrease) in due from grantor			<u>(32,271)</u>	
Modified Accrual Basis			<u>\$ 49,209</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, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
State sources	\$ -	\$ 2,500	\$ 256	\$ (2,244)
Total revenues	<u>\$ -</u>	<u>\$ 2,500</u>	<u>\$ 256</u>	<u>\$ (2,244)</u>
<b>EXPENDITURES</b>				
Food Service	\$ -	\$ 2,500	\$ 256	\$ 2,244
Total expenditures	<u>\$ -</u>	<u>\$ 2,500</u>	<u>\$ 256</u>	<u>\$ 2,244</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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES				
State sources	\$ -	\$ 207	\$ 176	\$ (31)
Total revenues	<u>\$ -</u>	<u>\$ 207</u>	<u>\$ 176</u>	<u>\$ (31)</u>
EXPENDITURES				
Direct instruction	\$ -	\$ 207	\$ 176	\$ 31
Total expenditures	<u>\$ -</u>	<u>\$ 207</u>	<u>\$ 176</u>	<u>\$ 31</u>

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

STATE OF NEW MEXICO  
CORONA PUBLIC SCHOOLS  
Non-Major Special Revenue - STEM Teacher Initiative  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
State sources	<u>\$ 6,075</u>	<u>\$ 6,075</u>	<u>\$ 6,074</u>	<u>\$ (1)</u>
Total revenues	<u><u>\$ 6,075</u></u>	<u><u>\$ 6,075</u></u>	<u><u>\$ 6,074</u></u>	<u><u>\$ (1)</u></u>
<b>EXPENDITURES</b>				
Direct Instruction	<u>\$ 6,075</u>	<u>\$ 6,075</u>	<u>\$ 6,074</u>	<u>\$ 1</u>
Total expenditures	<u><u>\$ 6,075</u></u>	<u><u>\$ 6,075</u></u>	<u><u>\$ 6,074</u></u>	<u><u>\$ 1</u></u>

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

STATE OF NEW MEXICO  
CORONA PUBLIC SCHOOLS  
Non-Major Special Revenue - Innovation Grant  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Local sources	\$ -	\$ 1,800	\$ 1,800	\$ -
Total revenues	<u>\$ -</u>	<u>\$ 1,800</u>	<u>\$ 1,800</u>	<u>\$ -</u>
EXPENDITURES				
Direct instruction	\$ -	\$ 4,223	\$ 4,223	\$ -
Total expenditures	<u>\$ -</u>	<u>\$ 4,223</u>	<u>\$ 4,223</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	<u>\$ -</u>	<u>\$ 2,423</u>		
REVENUES				
Budgetary Basis			\$ 1,800	
Decrease in revenues not earned			<u>2,423</u>	
Modified Accrual Basis			<u>\$ 4,223</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 "At Risk"  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Federal sources	\$ -	\$ -	\$ 32,518	\$ 32,518
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,518</u>	<u>\$ 32,518</u>
<b>EXPENDITURES</b>				
Direct instruction	\$ -	\$ -	\$ -	\$ -
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>REVENUES</b>				
Budgetary basis			\$ 32,518	
(Decrease) in due from grantor			<u>(32,518)</u>	
Modified accrual basis			<u>\$ -</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, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Charges for services	\$ 5,100	\$ 5,100	\$ 7,658	\$ 2,558
Total revenues	<u>\$ 5,100</u>	<u>\$ 5,100</u>	<u>\$ 7,658</u>	<u>\$ 2,558</u>
<b>EXPENDITURES</b>				
Direct instruction	\$ 5,591	\$ 5,591	\$ 5,572	\$ 19
Total expenditures	<u>\$ 5,591</u>	<u>\$ 5,591</u>	<u>\$ 5,572</u>	<u>\$ 19</u>
<b>BUDGETED CASH BALANCE</b>	<u>\$ 491</u>	<u>\$ 491</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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>				
Charges for services	\$ 2,500	\$ 2,500	\$ 4,523	\$ 2,023
Federal Sources	<u>36,836</u>	<u>36,836</u>	<u>37,567</u>	<u>731</u>
Total revenues	<u><b>\$ 39,336</b></u>	<u><b>\$ 39,336</b></u>	<u><b>\$ 42,090</b></u>	<u><b>\$ 2,754</b></u>
<b>EXPENDITURES</b>				
Food Service	<u>\$ 42,439</u>	<u>\$ 42,439</u>	<u>\$ 42,147</u>	<u>\$ 292</u>
Total expenditures	<u><b>\$ 42,439</b></u>	<u><b>\$ 42,439</b></u>	<u><b>\$ 42,147</b></u>	<u><b>\$ 292</b></u>
<b>BUDGETED CASH BALANCE</b>	<u><b>\$ 3,103</b></u>	<u><b>\$ 3,103</b></u>		
<b>REVENUES</b>				
Budgetary Basis			\$ 42,090	
Decrease in revenues not yet earned			<u>3,222</u>	
Modified accrual basis			<u><b>\$ 45,312</b></u>	
<b>EXPENDITURES</b>				
Budgetary Basis			\$ 42,147	
Decrease in inventory			<u>133</u>	
Modified accrual basis			<u><b>\$ 42,280</b></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, 2015

Statement B-1

	Operational	Teacherage	Transporation	Instructional Materials	Total
<b>ASSETS</b>					
Cash on deposit	\$ 68,074	\$ 9,876	\$ -	\$ 4,076	\$ 82,026
Accounts receivable, collectible	<u>7</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7</u>
 Total assets	 <u>\$ 68,081</u>	 <u>\$ 9,876</u>	 <u>\$ -</u>	 <u>\$ 4,076</u>	 <u>\$ 82,033</u>
<b>LIABILITIES</b>					
Rental deposits	\$ -	\$ 1,200	\$ -	\$ -	\$ 1,200
 Total liabilities	 <u>-</u>	 <u>1,200</u>	 <u>-</u>	 <u>-</u>	 <u>1,200</u>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted	3,241	8,676	-	4,076	15,993
Unassigned	<u>64,840</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,840</u>
 Total fund balance	 <u>68,081</u>	 <u>8,676</u>	 <u>-</u>	 <u>4,076</u>	 <u>80,833</u>
 Total liabilities and fund balance	 <u>\$ 68,081</u>	 <u>\$ 9,876</u>	 <u>\$ -</u>	 <u>\$ 4,076</u>	 <u>\$ 82,033</u>

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

STATE OF NEW MEXICO  
CORONA PUBLIC SCHOOLS

Statement B-2

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
General Fund  
Year Ended June 30, 2015

	<u>Operational</u>	<u>Teacherage</u>	<u>Transportation</u>	<u>Instructional Materials</u>	<u>Total</u>
<b>REVENUES</b>					
Taxes	\$ 23,714	\$ -	\$ -	\$ -	\$ 23,714
Charges for services	-	18,411	-	-	18,411
Local sources	30,157	-	-	-	30,157
State sources	1,590,603	-	282,976	4,698	1,878,277
Federal sources	3,475	-	-	-	3,475
Earnings from investments	157	-	-	-	157
<b>Total revenues</b>	<u>1,648,106</u>	<u>18,411</u>	<u>282,976</u>	<u>4,698</u>	<u>1,954,191</u>
<b>EXPENDITURES</b>					
Direct instruction	982,060	-	-	4,698	986,758
Instructional support	665,560	8,728	282,976	-	957,264
Food service	26,152	-	-	-	26,152
Capital outlay	-	-	-	-	-
<b>Total expenditures</b>	<u>1,673,772</u>	<u>8,728</u>	<u>282,976</u>	<u>4,698</u>	<u>1,970,174</u>
Net change in fund balance	(25,666)	9,683	-	-	(15,983)
Fund balance at beginning of year	<u>93,747</u>	<u>(1,007)</u>	<u>-</u>	<u>4,076</u>	<u>96,816</u>
Fund balance at end of year	<u>\$ 68,081</u>	<u>\$ 8,676</u>	<u>\$ -</u>	<u>\$ 4,076</u>	<u>\$ 80,833</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, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Taxes	\$ 20,125	\$ 20,125	\$ 23,786	\$ 3,661
Charges for services	-	-	-	-
Local sources	-	-	30,157	30,157
State sources	1,618,858	1,610,128	1,590,603	(19,525)
Federal sources	-	-	3,475	3,475
Earnings from investments	250	250	157	(93)
	<u>1,639,233</u>	<u>1,630,503</u>	<u>1,648,178</u>	<u>17,675</u>
Total revenues	<u>\$ 1,639,233</u>	<u>\$ 1,630,503</u>	<u>\$ 1,648,178</u>	<u>\$ 17,675</u>
<b>EXPENDITURES</b>				
Direct instruction	\$ 979,876	\$ 986,220	\$ 982,060	\$ 4,160
Instructional support	725,988	705,897	665,560	40,337
Food services	21,158	26,175	26,152	23
	<u>1,727,022</u>	<u>1,718,292</u>	<u>1,673,772</u>	<u>44,520</u>
Total expenditures	<u>\$ 1,727,022</u>	<u>\$ 1,718,292</u>	<u>\$ 1,673,772</u>	<u>\$ 44,520</u>
<b>BUDGETED CASH BALANCE</b>	<u>\$ 87,789</u>	<u>\$ 87,789</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, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	8,825	8,825	18,411	9,586
Local sources	-	-	-	-
State sources	-	-	-	-
Federal sources	-	-	-	-
Earnings from investments	-	-	-	-
<b>Total revenues</b>	<b><u>\$ 8,825</u></b>	<b><u>\$ 8,825</u></b>	<b><u>\$ 18,411</u></b>	<b><u>\$ 9,586</u></b>
<b>EXPENDITURES</b>				
Direct instruction	\$ -	\$ -	\$ -	\$ -
Instructional support	9,403	9,403	8,728	675
Food services	-	-	-	-
<b>Total expenditures</b>	<b><u>\$ 9,403</u></b>	<b><u>\$ 9,403</u></b>	<b><u>\$ 8,728</u></b>	<b><u>\$ 675</u></b>
<b>BUDGETED CASH BALANCE</b>	<b><u>\$ 578</u></b>	<b><u>\$ 578</u></b>		

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, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Local sources	-	-	-	-
State sources	300,273	282,976	282,976	-
Federal sources	-	-	-	-
Earnings from investments	-	-	-	-
<b>Total revenues</b>	<b>\$ 300,273</b>	<b>\$ 282,976</b>	<b>\$ 282,976</b>	<b>\$ -</b>
<b>EXPENDITURES</b>				
Direct instruction	\$ -	\$ -	\$ -	\$ -
Instructional support	300,273	282,976	282,976	-
Food services	-	-	-	-
<b>Total expenditures</b>	<b>\$ 300,273</b>	<b>\$ 282,976</b>	<b>\$ 282,976</b>	<b>\$ -</b>
<b>BUDGETED CASH BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>		

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, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Local sources	-	-	-	-
State sources	-	4,698	4,698	-
Federal sources	-	-	-	-
Earnings from investments	-	-	-	-
<b>Total revenues</b>	<b>\$ -</b>	<b>\$ 4,698</b>	<b>\$ 4,698</b>	<b>\$ -</b>
<b>EXPENDITURES</b>				
Direct instruction	\$ -	\$ 4,698	\$ 4,698	\$ -
Instructional support	-	-	-	-
Food services	-	-	-	-
<b>Total expenditures</b>	<b>\$ -</b>	<b>\$ 4,698</b>	<b>\$ 4,698</b>	<b>\$ -</b>
<b>BUDGETED CASH BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>		

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

REQUIRED SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO  
CORONA PUBLIC SCHOOLS  
Schedule of Proportionate Share of the Net Pension Liability  
Educational Retirement Board (ERB) Pension Plan  
Last 10 Fiscal Years\*

	<u>2014</u>
Corona Public School District's proportion of net pension liability (asset)	0.03748%
Corona Public School District's proportionate share of the net pension liability (asset)	\$ 2,138,501
Corona Public School District's covered-employee payroll	\$ 1,032,980
Corona Public School District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	207%
Plan fiduciary net position as a percentate of the total pension liability	66.54%

\*The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, Corona Public School District will present information for those years for which information is available.

See Independent Auditor's Report  
See notes to required supplementary information

STATE OF NEW MEXICO  
 CORONA PUBLIC SCHOOLS  
 Schedule of Contributions  
 Educational Retirement Board (ERB) Pension Plan  
 Last 10 Fiscal Years\*

	2015
Contractually required contributions	\$ 112,434
Contributions in relation to the contractually required Contribution	112,434
Contribution deficiency (excess)	\$ -
Corona Public School District's covered-employee payroll	\$ 1,070,709
Contribution as a percentage of covered-employee payroll	13.90%

\*The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, Corona Public School District will present information for those years for which information is available.

See Independent Auditor's Report  
 See notes to required supplementary information

STATE OF NEW MEXICO  
CORONA PUBLIC SCHOOLS  
Notes to Required Supplementary Information  
Year Ended June 30, 2015

*Changes in benefit terms.*

The COLA and retirement eligibility benefit changes in recent years are described in the Benefits Provided subsection of the financial statement note disclosure Pension Plan - Educational Retirement Board, General Information on the Pension Plan.

*Changes of assumptions.*

Per the ERB FY14 annual audit Management Discussion and Analysis, ERB conducts an actuarial experience study every two years. The actuarial experience study, presented to the Board of Trustees on April 26, 2013, compiled data for the six year period ending June 30, 2013.

1. Fiscal year 2014 and 2013 valuation assumptions that changed based on this study:
  - a. Lower wage inflation from 4.75% to 4.25%
  - b. Lower payroll growth from 3.75% to 3.5%
  - c. Minor changes to demographic assumptions
  - d. Population growth per year from 0.75% to 0.50%
2. Assumptions that were not changed:
  - a. Investment return will remain at 7.75%
  - b. Inflation will remain at 3.00%

See also the *Actuarial Assumptions* subsection of the financial statement note disclosure Pension Plan - Educational Retirement Board, General Information on the Pension Plan

**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, 2015

	Operational	Teacherage	Transportation	Instructional Materials	Food Services	Athletics		
Cash Balance, June 30, 2014	\$ 93,668	\$ 193	\$ -	\$ 4,076	\$ 5,275	\$ 491		
Cash Receipts, 2014-2015	1,648,178	18,411	282,976	4,698	42,090	7,658		
Security Deposits Forfeited	-	-	-	-	-	-		
Cash Disbursements, 2014-2015	<u>(1,673,772)</u>	<u>(8,728)</u>	<u>(282,976)</u>	<u>(4,698)</u>	<u>(42,147)</u>	<u>(5,572)</u>		
Cash Balance, June 30, 2015	<u>\$ 68,074</u>	<u>\$ 9,876</u>	<u>\$ -</u>	<u>\$ 4,076</u>	<u>\$ 5,218</u>	<u>\$ 2,577</u>		
	Non- Instructional	Local	State	Federal Projects	Bond Building	Capital Improvement SB-9	Debt Service	
Cash Balance, June 30, 2014	\$ 52,285	\$ 2,423	\$ (32,271)	\$ (34,176)	\$ 678,373	\$ 143,616	\$ 100,577	
Cash Receipts, 2014-2015	91,625	1,800	90,495	100,955	-	100,217	116,364	
Cash Disbursements, 2014-2015	<u>(80,234)</u>	<u>(4,223)</u>	<u>(58,224)</u>	<u>(69,727)</u>	<u>(678,373)</u>	<u>(91,675)</u>	<u>(116,905)</u>	
Cash Balance, June 30, 2015	<u>\$ 63,676</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,948)</u>	<u>\$ -</u>	<u>\$ 152,158</u>	<u>\$ 106,036</u>	



STATE OF NEW MEXICO  
CORONA PUBLIC SCHOOLS  
Schedule of Changes in Assets  
and Liabilities - All Agency Funds  
Year Ended June 30, 2015

	Balances June 30, 2014	Additions	Deletions	Balances June 30, 2015
<b>ASSETS</b>				
Cash and cash equivalent	\$ 52,285	\$ 91,625	\$ 80,234	\$ 63,676
Total assets	<u>\$ 52,285</u>	<u>\$ 91,625</u>	<u>\$ 80,234</u>	<u>\$ 63,676</u>
<b>LIABILITIES</b>				
Deposits held for others:				
Girls Basketball	\$ 52	\$ -	\$ -	\$ 52
Volleyball	767	570	1,023	314
Power School	23	241	-	264
Pee Wee Basketball	282	-	-	282
Class of 2015	6,559	4,449	9,297	1,711
Class of 2016	3,908	2,337	798	5,447
Class of 2017	4,249	1,090	211	5,128
Class of 2018	1,705	1,215	595	2,325
Class of 2019	990	1,411	154	2,247
Class of 2020	-	459	139	320
Class of 2021	-	200	-	200
Annual Staff	2,253	2,200	3,626	827
Student Council	699	1,215	1,677	237
FFA	8,055	54,190	49,964	12,281
Cheerleaders	82	-	-	82
Honor Society	205	100	-	305
Library	251	1,993	-	2,244
Jr. High Girls Basketball	459	-	-	459
Curriculum	742	66	593	215
Sunshine Fund	2,784	1,170	1,930	2,024
CLA Community Fund	22	3,760	260	3,522
Cardinal Athletics	752	-	-	752
Boys Basketball	722	-	-	722
PTO Fund	1,458	1,145	1,091	1,512
Art	126	-	-	126
EPSS	283	-	-	283
Accelerated Reader	-	455	-	455
Elementary Teachers	2,079	4,791	3,653	4,017
Elementary Pep Squad	109	2,159	2,224	44
Plant Fund	426	-	-	426
Building Usage	225	-	-	225
Memorial	1,359	-	-	1,359
Elementary Playground	-	-	-	-
Equipment	1,184	-	-	1,184
Elementary Activities	-	-	-	-
Association	1,491	-	-	1,491
Knowledge Bowl	1,725	260	403	1,582
Scholarship	100	-	-	100
Due to Bond Holder	5,362	19	-	5,381
Corona Activity Fund	-	6,130	2,626	3,504
Total liabilities	<u>\$ 52,285</u>	<u>\$ 91,625</u>	<u>\$ 80,234</u>	<u>\$ 63,676</u>

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

CORONA PUBLIC SCHOOLS  
 SCHEDULE OF VENDOR INFORMATION  
 (for Purchases Exceeding \$60,000 excluding GRT)  
 For the Year Ended June 30, 2015

Prepared by (Agency Staff Name): Barbara Sultemeier

Title: Business Manager

Date: September 22, 2015

<u>RFB#/RFP#</u>	<u>Type of Procurement</u>	<u>Awarded Vendor</u>	<u>Amount of Awarded Contract</u>	<u>Amount of Amended Contract</u>	<u>Name and Physical Address of All Respondents</u>	<u>In-State/Out-of-State Vendor</u>	<u>Veteran's Preference N/A for Federal Funds</u>	<u>Scope of Work</u>
N/A	Purchase	CES	\$ 661,822	\$ -	CES PO Box 92223 Albuquerque, NM 87199	In-State	N	Renovations to School Buildings

*Rice and Associates, C.P.A.*

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Albuquerque, NM 87112

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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. Tim Keller  
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, Medicaid, IDEA-B Entitlement, Bond Building, Capital Improvements SB-9 and Debt Service Funds of the Corona Public Schools, as of and for the year ended June 30, 2015 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 September 22, 2015.

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.

*Rosa Acosta, CPA*

Albuquerque, New Mexico  
September 22, 2015

STATE OF NEW MEXICO  
CORONA PUBLIC SCHOOLS  
Status of Findings  
June 30, 2015

**Prior Year Audit Findings:**

NONE

**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, 2015 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 September 22, 2015, to discuss the current audit report. In attendance were Ms. Barbara Sultmeier, Business Manager, Mr. Travis Lightfoot, Superintendent, Ms. Terri Racher, Board President, Mr. Antonio Lucero, Contract Auditor and Ms. Pamela A. Rice, CPA, Contract Auditor.