

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS**

**AUDITED FINANCIAL STATEMENTS AND
ANNUAL FINANCIAL REPORT
WITH INDEPENDENT AUDITORS'
REPORT THEREON
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS**

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**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS**

OFFICIAL ROSTER

JUNE 30, 2018

Board of Education

Terri Racher President
Shad Cox Vice-President
Alena Brandenburger Secretary
Mark Schmidt Member
Cody Lightfoot Member

School Officials

Travis Lightfoot Superintendent
Karen Seely Business Manager



Independent Auditors' Report

Honorable Wayne Johnson
New Mexico State Auditor
Santa Fe, New Mexico
and
The 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, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of the Corona Public Schools (District), as of and for the year ended June 30, 2018, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 District as of June 30, 2018, and the respective changes in financial position and respective budgetary comparisons for the general fund and the major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information:

The District has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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 the 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 that the *District's Proportionate Share of the Net Pension Liability* and their *Proportionate Share of the OPEB Liability* on page 59, the *Schedule of the District's Contributions* on page 60, and the notes to the required supplementary information, on page 63 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 and historical context. We have applied certain limited procedures to the Schedule of the *District's Proportionate Share of the Net Pension Liability* and *District's Proportionate Share of the OPEB Liability* in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries 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 we 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 District's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The other schedules required by Section 2.2.2 NMAC are presented for purposes of additional analysis and are not a required part of the financial statements.

The other schedules required by Section 2.2.2 NMAC are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the other schedules required by Section 2.2.2 NMAC are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2018 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Kubiak Melton & Associates, LLC

Kubiak Melton & Associates, LLC
Auditors – Business Consultants – CPAs

Albuquerque, New Mexico
November 1, 2018

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
STATEMENT OF NET POSITION
AS OF JUNE 30, 2018**

ASSETS	Governmental Activities
Current Assets	
Cash and Cash Equivalents	\$ 402,667
Receivables:	
Property Taxes	1,385
Due From Other Governments	22,817
Inventory	2,780
Total Current Assets	<u>429,649</u>
Noncurrent Assets	
Capital Assets:	
Land	4,697
Capital Assets Being Depreciated	6,105,445
Less: Accumulated Depreciation	<u>(3,926,641)</u>
Total Noncurrent Assets	<u>2,183,501</u>
Deferred Outflows of Resources:	
Deferred Outflows, OPEB Related	21,453
Deferred Outflows, Pension Related	<u>1,392,319</u>
Total Deferred Outflows of Resources	<u>1,413,772</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 4,026,922</u>
 LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 642
Accrued Liabilities	161,462
Accrued Compensated Absences, Current	12,913
Current Portion of Long-Term Debt	<u>125,000</u>
Total Current Liabilities	<u>300,017</u>
Noncurrent Liabilities:	
Bond Due in More than One Year	325,000
Net OPEB Liability	1,121,136
Net Pension Liability	<u>4,156,437</u>
Total Noncurrent Liabilities	<u>5,602,573</u>
Total Liabilities	<u>5,902,590</u>
Deferred Inflows of Resources:	
Deferred Inflows, OPEB Related	255,167
Deferred Inflows, Pension Related	<u>85,950</u>
Total Deferred Inflows of Resources	<u>341,117</u>
Total Liabilities and Deferred Inflows of Resources	<u>6,243,707</u>
 NET POSITION	
Net Investment in Capital Assets	1,728,804
Restricted for:	
Special Revenue	33,013
Capital Projects	187,009
Debt Service	49,826
Unrestricted	<u>(4,215,437)</u>
Total Net Position	<u>(2,216,785)</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 4,026,922</u>

See Independent Auditors' Report and Notes to Financial Statements

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018**

<u>Functions and Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Capital Grants and Contributions</u>	<u>Net (Expenses) Revenues and and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		
PRIMARY GOVERNMENT					
Direct Instruction	\$ 1,179,409	\$ 2,787	\$ 104,401	\$ -	\$ (1,072,221)
Instructional Support	1,577,651	18,820	291,712	-	(1,267,119)
Food Services	51,607	2,994	-	-	(48,613)
Other	160,190	-	-	-	(160,190)
Interest on Long-Term Debt	11,600	-	-	-	(11,600)
Total Governmental Activities	<u>\$ 2,980,457</u>	<u>\$ 24,601</u>	<u>\$ 396,113</u>	<u>\$ -</u>	<u>(2,559,743)</u>
General Revenues:					
Property Taxes:					
General Purpose					31,536
Capital Projects					127,115
Debt Service					134,632
Other					7,020
State Equalization Guarantee Revenue					1,671,534
Loss on Disposal of Capital Assets					(36,131)
Total General Revenues					<u>1,935,706</u>
Change in Net Position					(624,037)
Net Position, Beginning					(261,017)
Restatement (Note 18)					(1,331,731)
Net Position, As Restated					<u>(1,592,748)</u>
Net Position, Ending					<u>\$ (2,216,785)</u>

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
BALANCE SHEET – GOVERNMENTAL FUNDS
AS OF JUNE 30, 2018**

	General Fund				
	Operational	Teacherage	Pupil Transportation	Instructional Materials	Title I IASA
ASSETS					
Cash and Temporary Investments	\$ 147,503	\$ 22,021	\$ 1	\$ -	\$ 1,379
Receivables:					
Property Taxes	144	-	-	-	-
Due From Other Governments	-	-	-	-	3,001
Inventory	-	-	-	-	-
Total Assets	<u>\$ 147,647</u>	<u>\$ 22,021</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 4,380</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Cash Overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Payable	390	-	-	-	-
Accrued Liabilities	146,542	-	-	-	4,342
Total Liabilities	<u>146,932</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,342</u>
FUND BALANCES					
Nonspendable:					
Inventories	-	-	-	-	-
Restricted for:					
Pupil Transportation	-	-	1	-	-
Instructional Materials	-	-	-	-	-
Special Revenue	-	22,021	-	-	38
Capital Projects	-	-	-	-	-
Debt Service	-	-	-	-	-
Unassigned	715	-	-	-	-
Total Fund Balances	<u>715</u>	<u>22,021</u>	<u>1</u>	<u>-</u>	<u>38</u>
Total Liabilities and Fund Balances	<u>\$ 147,647</u>	<u>\$ 22,021</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 4,380</u>

See Independent Auditors' Report and Notes to Financial Statements

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
BALANCE SHEET – GOVERNMENTAL FUNDS (continued)
AS OF JUNE 30, 2018**

	<u>Entitlement IDEA-B</u>	<u>NM Reads to Lead</u>	<u>SB-9 Local</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Activities</u>
ASSETS					
Cash and Temporary Investments	\$ -	\$ -	\$ 187,261	\$ 62,110	\$ 420,275
Receivables:					
Property Taxes	-	-	-	1,241	1,385
Due From Other Governments	3,036	10,212	-	6,568	22,817
Inventory	-	-	-	2,780	2,780
Total Assets	<u>\$ 3,036</u>	<u>\$ 10,212</u>	<u>\$ 187,261</u>	<u>\$ 72,699</u>	<u>\$ 447,257</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Cash Overdraft	\$ 1,042	\$ 5,183	\$ -	\$ 11,383	\$ 17,608
Accounts Payable	-	-	252	-	642
Accrued Liabilities	2,002	5,609	-	2,967	161,462
Total Liabilities	<u>3,044</u>	<u>10,792</u>	<u>252</u>	<u>14,350</u>	<u>179,712</u>
FUND BALANCES					
Nonspendable:					
Inventories	-	-	-	2,780	2,780
Restricted for:					
Pupil Transportation	-	-	-	-	1
Instructional Materials	-	-	-	-	-
Special Revenue	-	-	-	10,954	33,013
Capital Projects	-	-	187,009	-	187,009
Debt Service	-	-	-	49,826	49,826
Unassigned	(8)	(580)	-	(5,211)	(5,084)
Total Fund Balances	<u>(8)</u>	<u>(580)</u>	<u>187,009</u>	<u>58,349</u>	<u>267,545</u>
Total Liabilities and Fund Balances	<u>\$ 3,036</u>	<u>\$ 10,212</u>	<u>\$ 187,261</u>	<u>\$ 72,699</u>	<u>\$ 447,257</u>

See Independent Auditors' Report and Notes to Financial Statements

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2018**

	Governmental Funds
Amounts reported for governmental activities in the statement of net position are different because:	
Fund Balance - Total Governmental Funds	\$ 267,545
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds, (net):	2,183,501
Defined benefit pension plan and OPEB deferred outflows are not financial resources and, therefore, are not reported in the funds	1,413,772
Defined benefit pension plan and OPEB deferred inflows are not financial resources and, therefore, are not reported in the funds	(341,117)
Long-Term Liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:	
Bonds Payable	(450,000)
Net OPEB Liability	(1,121,136)
Net Pension Liability	(4,156,437)
Compensated Absences	(12,913)
Net Position per Statement of Net Position	<u>\$ (2,216,785)</u>

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	General				
	Operational	Teacherage	Pupil Transportation	Instructional Materials	Title I IASA
REVENUES:					
Taxes	\$ 31,536	\$ -	\$ -	\$ -	\$ -
Charges for Services	300	18,520	-	-	-
Local Sources	3,908	-	-	-	-
State Sources	1,674,475	-	284,339	2,208	-
Federal Sources	-	-	-	-	14,858
Earnings from Investments	227	-	-	-	-
Other	-	-	-	-	-
Donations	-	-	-	-	-
Total Revenues	<u>1,710,446</u>	<u>18,520</u>	<u>284,339</u>	<u>2,208</u>	<u>14,858</u>
EXPENDITURES:					
Current:					
Direct Instruction	1,051,069	-	-	2,208	14,858
Instructional Support	710,271	9,285	284,339	-	-
Food Services	25,258	-	-	-	-
Other	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service:					
Bond Principal	-	-	-	-	-
Bond Interest	-	-	-	-	-
TOTAL EXPENDITURES	<u>1,786,598</u>	<u>9,285</u>	<u>284,339</u>	<u>2,208</u>	<u>14,858</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(76,152)</u>	<u>9,235</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources and Financing Uses:					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources and Financing Uses:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(76,152)	9,235	-	-	-
Fund Balance at Beginning of Year	<u>76,867</u>	<u>12,786</u>	<u>1</u>	<u>-</u>	<u>38</u>
Fund Balance at End of Year	<u>\$ 715</u>	<u>\$ 22,021</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 38</u>

See Independent Auditors' Report and Notes to Financial Statements

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES
GOVERNMENTAL FUNDS (continued)
FOR THE YEAR ENDED JUNE 30, 2018**

	Entitlement IDEA-B	NM Reads to Lead	SB-9 Local	Other Governmental Funds	Total Governmental Activities
REVENUES:					
Taxes	\$ -	\$ -	\$ 127,115	\$ 134,632	\$ 293,283
Charges for Services	-	-	-	5,781	24,601
Local Sources	-	-	-	2,000	5,908
State Sources	-	29,202	-	7,519	1,997,743
Federal Sources	12,417	-	-	42,629	69,904
Earnings from Investments	-	-	-	-	227
Other	-	-	885	-	885
Donations	-	-	-	-	-
Total Revenues	<u>12,417</u>	<u>29,202</u>	<u>128,000</u>	<u>192,561</u>	<u>2,392,551</u>
EXPENDITURES:					
Current:					
Direct Instruction	12,418	29,782	-	24,431	1,134,766
Instructional Support	-	-	3,693	2,000	1,009,588
Food Services	-	-	-	25,795	51,053
Other	-	-	63,739	10,766	74,505
Capital Outlay	-	-	23,951	-	23,951
Debt Service:					
Bond Principal	-	-	-	100,000	100,000
Bond Interest	-	-	-	11,600	11,600
TOTAL EXPENDITURES	<u>12,418</u>	<u>29,782</u>	<u>91,383</u>	<u>174,592</u>	<u>2,405,463</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1)</u>	<u>(580)</u>	<u>36,617</u>	<u>17,969</u>	<u>(12,912)</u>
Other Financing Sources and Financing Uses:					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources and Financing Uses:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(1)	(580)	36,617	17,969	(12,912)
Fund Balance at Beginning of Year	<u>(7)</u>	<u>-</u>	<u>150,392</u>	<u>40,380</u>	<u>280,457</u>
Fund Balance at End of Year	<u>\$ (8)</u>	<u>\$ (580)</u>	<u>\$ 187,009</u>	<u>\$ 58,349</u>	<u>\$ 267,545</u>

See Independent Auditors' Report and Notes to Financial Statements

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
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, 2018**

	Governmental Funds
Amounts reported for governmental activities in the statement of activities are different because:	
Net Change in Fund Balance - Total Governmental Funds	\$ (12,912)
<p>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 position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which depreciation exceeds capital outlays for the period:</p>	
Capital Outlay	23,951
Loss on Disposal of Capital Assets	(36,131)
Depreciation Expense	(176,115)
<p>Governmental funds report 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:</p>	
OPEB Expense	(23,119)
Pension Expense	(499,614)
<p>The issuance of long-term debt (e.g., bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. In addition, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Also, governmental funds report issuance of capital lease obligations as other financing sources while it is not accounted for in the statement of activities:</p>	
Compensated Absences Expense	(97)
Principal Payments on Bonds	100,000
Change in Net Position - Total Governmental Activities	\$ (624,037)

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
OPERATIONAL FUND - 11000
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
– BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:				
Taxes	\$ 29,802	\$ 29,802	\$ 31,511	\$ 1,709
Charges for Services	-	-	300	300
Local Sources	9,000	9,000	3,908	(5,092)
State Sources	1,771,245	1,793,898	1,674,475	(119,423)
Federal Sources	-	-	-	-
Earnings from Investments	140	140	227	87
Other	-	-	-	-
Donations	-	-	-	-
Total Revenues	<u>1,810,187</u>	<u>1,832,840</u>	<u>1,710,421</u>	<u>(122,419)</u>
EXPENDITURES:				
Current:				
Direct Instruction	1,087,029	1,096,558	1,051,069	45,489
Instructional Support	766,646	774,770	709,881	64,889
Food Services	25,647	30,647	25,258	5,389
Other	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Bond Principal	-	-	-	-
Bond Interest	-	-	-	-
Total Expenditures	<u>1,879,322</u>	<u>1,901,975</u>	<u>1,786,208</u>	<u>115,767</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>(69,135)</u>	<u>(69,135)</u>	<u>(75,787)</u>	<u>(6,652)</u>
Other Financing Sources and Financing Uses:				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources and Financing Uses:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(69,135)	(69,135)	(75,787)	(6,652)
Fund Balance at Beginning of Year	-	-	76,867	76,867
Fund Balance at End of Year	<u>\$ (69,135)</u>	<u>\$ (69,135)</u>	<u>\$ 1,080</u>	<u>\$ 70,215</u>
Reconciliation of Budgetary Basis to GAAP Basis:				
Revenues - Budgetary Basis			\$ 1,710,421	
Revenues - Modified Accrual Basis			<u>1,710,446</u>	
Prior Year asset accrual			<u>(25)</u>	
Expenditures - Budgetary Basis			\$ 1,786,208	
Expenditures - Modified Accrual Basis			<u>1,786,598</u>	
Curent Year Liability accrual			<u>(390)</u>	

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
TEACHERAGE FUND - 12000
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
– BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Services	14,000	14,000	18,520	4,520
Local Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	-	-	-	-
Earnings from Investments	-	-	-	-
Other	-	-	-	-
Donations	-	-	-	-
Total Revenues	<u>14,000</u>	<u>14,000</u>	<u>18,520</u>	<u>4,520</u>
EXPENDITURES:				
Current:				
Direct Instruction	-	-	-	-
Instructional Support	24,143	24,143	9,285	14,858
Food Services	-	-	-	-
Other	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Bond Principal	-	-	-	-
Bond Interest	-	-	-	-
Total Expenditures	<u>24,143</u>	<u>24,143</u>	<u>9,285</u>	<u>14,858</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>(10,143)</u>	<u>(10,143)</u>	<u>9,235</u>	<u>19,378</u>
Other Financing Sources and Financing Uses:				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources and Financing Uses:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(10,143)	(10,143)	9,235	19,378
Fund Balance at Beginning of Year	-	-	76,867	76,867
Fund Balance at End of Year	<u>\$ (10,143)</u>	<u>\$ (10,143)</u>	<u>\$ 86,102</u>	<u>\$ 96,245</u>
Reconciliation of Budgetary Basis to GAAP Basis:				
Revenues - Budgetary Basis			\$ 18,520	
Revenues - Modified Accrual Basis			<u>18,520</u>	
			<u>\$ -</u>	
Expenditures - Budgetary Basis			\$ 9,285	
Expenditures - Modified Accrual Basis			<u>9,285</u>	
			<u>\$ -</u>	

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
PUPIL TRANSPORTATION FUND - 13000
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
- BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018**

	Original Budget	Final Budget	Actual	Variance
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-
Local Sources	-	-	-	-
State Sources	256,255	284,339	284,339	-
Federal Sources	-	-	-	-
Earnings from Investments	-	-	-	-
Other	-	-	-	-
Donations	-	-	-	-
Total Revenues	<u>256,255</u>	<u>284,339</u>	<u>284,339</u>	<u>-</u>
EXPENDITURES:				
Current:				
Direct Instruction	-	-	-	-
Instructional Support	256,255	284,339	284,339	-
Food Services	-	-	-	-
Other	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Bond Principal	-	-	-	-
Bond Interest	-	-	-	-
Total Expenditures	<u>256,255</u>	<u>284,339</u>	<u>284,339</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources and Financing Uses:				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources and Financing Uses:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance at Beginning of Year	-	-	76,867	76,867
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76,867</u>	<u>\$ 76,867</u>
Reconciliation of Budgetary Basis to GAAP Basis:				
Revenues - Budgetary Basis			\$ 284,339	
Revenues - Modified Accrual Basis			<u>284,339</u>	
			<u>\$ -</u>	
Expenditures - Budgetary Basis			\$ 284,339	
Expenditures - Modified Accrual Basis			<u>284,339</u>	
			<u>\$ -</u>	

See Independent Auditors' Report and Notes to Financial Statements

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
INSTRUCTIONAL MATERIALS FUND - 14000
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
– BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-
Local Sources	-	-	-	-
State Sources	2,223	2,223	2,208	(15)
Federal Sources	-	-	-	-
Earnings from Investments	-	-	-	-
Other	-	-	-	-
Donations	-	-	-	-
Total Revenues	<u>2,223</u>	<u>2,223</u>	<u>2,208</u>	<u>(15)</u>
EXPENDITURES:				
Current:				
Direct Instruction	2,223	2,223	2,208	15
Instructional Support	-	-	-	-
Food Services	-	-	-	-
Other	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Bond Principal	-	-	-	-
Bond Interest	-	-	-	-
Total Expenditures	<u>2,223</u>	<u>2,223</u>	<u>2,208</u>	<u>15</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources and Financing Uses:				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources and Financing Uses:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance at Beginning of Year	-	-	76,867	76,867
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76,867</u>	<u>\$ 76,867</u>
Reconciliation of Budgetary Basis to GAAP Basis:				
Revenues - Budgetary Basis			\$ 2,208	
Revenues - Modified Accrual Basis			<u>2,208</u>	
			<u>\$ -</u>	
Expenditures - Budgetary Basis			\$ 2,208	
Expenditures - Modified Accrual Basis			<u>2,208</u>	
			<u>\$ -</u>	

See Independent Auditors' Report and Notes to Financial Statements

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
TITLE I IASA FUND - 24101
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
– BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-
Local Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	16,124	17,825	17,331	(494)
Earnings from Investments	-	-	-	-
Other	-	-	-	-
Donations	-	-	-	-
Total Revenues	<u>16,124</u>	<u>17,825</u>	<u>17,331</u>	<u>(494)</u>
EXPENDITURES:				
Current:				
Direct Instruction	16,124	17,825	14,858	2,967
Instructional Support	-	-	-	-
Food Services	-	-	-	-
Other	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Bond Principal	-	-	-	-
Bond Interest	-	-	-	-
Total Expenditures	<u>16,124</u>	<u>17,825</u>	<u>14,858</u>	<u>2,967</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>-</u>	<u>-</u>	<u>2,473</u>	<u>2,473</u>
Other Financing Sources and Financing Uses:				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources and Financing Uses:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	2,473	2,473
Fund Balance at Beginning of Year	-	-	76,867	76,867
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 79,340</u>	<u>\$ 79,340</u>
Reconciliation of Budgetary Basis to GAAP Basis:				
Revenues - Budgetary Basis			\$ 17,331	
Revenues - Modified Accrual Basis			<u>14,858</u>	
Prior Year asset accrual			<u>\$ 2,473</u>	
Expenditures - Budgetary Basis			\$ 14,858	
Expenditures - Modified Accrual Basis			<u>14,858</u>	
			<u>\$ -</u>	

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
ENTITLEMENT IDEA-B - 24106
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
- BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018**

	Original Budget	Final Budget	Actual	Variance
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-
Local Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	15,417	25,392	13,188	(12,204)
Earnings from Investments	-	-	-	-
Other	-	-	-	-
Donations	-	-	-	-
Total Revenues	<u>15,417</u>	<u>25,392</u>	<u>13,188</u>	<u>(12,204)</u>
EXPENDITURES:				
Current:				
Direct Instruction	15,417	25,392	12,418	12,974
Instructional Support	-	-	-	-
Food Services	-	-	-	-
Other	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Bond Principal	-	-	-	-
Bond Interest	-	-	-	-
Total Expenditures	<u>15,417</u>	<u>25,392</u>	<u>12,418</u>	<u>12,974</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>770</u>	<u>770</u>
Other Financing Sources and Financing Uses:				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources and Financing Uses:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	770	770
Fund Balance at Beginning of Year	-	-	76,867	76,867
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 77,637</u>	<u>\$ 77,637</u>
Reconciliation of Budgetary Basis to GAAP Basis:				
Revenues - Budgetary Basis			\$ 13,188	
Revenues - Modified Accrual Basis			<u>12,417</u>	
Prior Year asset accrual			<u>771</u>	
Expenditures - Budgetary Basis			\$ 12,418	
Expenditures - Modified Accrual Basis			<u>12,418</u>	
			<u>\$ -</u>	

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
NM READS TO LEAD - 24114
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
– BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-
Local Sources	-	-	-	-
State Sources	30,000	30,000	38,555	8,555
Federal Sources	-	-	-	-
Earnings from Investments	-	-	-	-
Other	-	-	-	-
Donations	-	-	-	-
Total Revenues	<u>30,000</u>	<u>30,000</u>	<u>38,555</u>	<u>8,555</u>
EXPENDITURES:				
Current:				
Direct Instruction	30,000	30,000	29,782	218
Instructional Support	-	-	-	-
Food Services	-	-	-	-
Other	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Bond Principal	-	-	-	-
Bond Interest	-	-	-	-
Total Expenditures	<u>30,000</u>	<u>30,000</u>	<u>29,782</u>	<u>218</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>8,773</u>	<u>8,773</u>
Other Financing Sources and Financing Uses:				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources and Financing Uses:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	8,773	8,773
Fund Balance at Beginning of Year	-	-	76,867	76,867
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 85,640</u>	<u>\$ 85,640</u>
Reconciliation of Budgetary Basis to GAAP Basis:				
Revenues - Budgetary Basis			\$ 38,555	
Revenues - Modified Accrual Basis			<u>29,202</u>	
Prior Year asset accrual			<u>\$ 9,353</u>	
Expenditures - Budgetary Basis			\$ 29,782	
Expenditures - Modified Accrual Basis			<u>29,782</u>	
			<u>\$ -</u>	

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES – AGENCY FUNDS
JUNE 30, 2018**

	<u>Agency Funds</u>
Assets	
Cash and Cash Equivalents	\$ <u>84,151</u>
Total Assets	<u>\$ 84,151</u>
Liabilities	
Deposits Held for Others	\$ <u>84,151</u>
Total Liabilities	<u>\$ 84,151</u>

See Independent Auditors' Report and Notes to Financial Statements

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1: Summary of Significant Accounting Policies

The Corona Public School District (District) was created under the provision of Chapter 22, Article 5, Paragraph, 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.

The District's financial statements 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 Standards 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.

Reporting Entity

GASB Statement No. 61 and the amendment of GASB Statement No. 14 established criteria for determining the government 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. 61, fiscally independent means that the District may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The District also has no component units, as defined by GASB as there are no other legally separate organizations for which the elected School Board members are financially accountable.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District reports no business-type activities.

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

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1: Summary of Significant Accounting Policies (continued)

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

Measurement Focus and Basis of Accounting

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

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

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Sales and use taxes are classified as derived tax revenues and recognized as revenue when the underlying exchange takes place and the revenues are measurable and available. Grants and similar items are recognized as revenue as soon as all eligibility requirement imposed by the provider have been met. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the District.

Ad valorem taxes (property taxes), and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grants requirements have been met and the susceptible to accrual criteria have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

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

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1: Summary of Significant Accounting Policies (continued)

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The District has elected not to follow subsequent private sector guidance.

Program revenues are categorized as (a) charges for services, which include revenues collected for cafeteria fees and lost books, etc., (b) program-specific operating grants, which include revenues received from state and federal sources such as Title I, IDEA-B, Charter Schools and Magnet School funding to be used as specified within each program grant agreement, and (c) program-specific capital grants and contributions, which include revenues from state sources such as SB-9 and HB-33 funding to be used for capital projects. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is specifically identified by function and is included in the direct expenses of each function, except for that portion of depreciation that is identified as unallocated on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

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 is maintained and is consistent with legal and managerial requirements.

Governmental Funds

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

Operational (General Fund(s))

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

Special Revenue Funds

The Special Revenue Funds accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1: Summary of Significant Accounting Policies (continued)

Capital Projects Funds

The Capital Projects Funds account for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

Debt Service Funds

The Debt Service Fund accounts for the services of long-term debt not being financed by proprietary or non-expendable trust funds.

Under the requirements of GASB statement No. 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), which may include funds that were not required to be presented as major but were at the discretion of management:

General Fund – Funds individually presented but make up the General Fund:

Operational Fund (General Fund) (11000) – The primary operating fund of the District accounts for all financial resources except those required to be account for in other funds. Per GASB, the General Fund is always considered a major fund.

Teacherage Fund (12000) – To account for resources received from the rental of school-owned facilities. This is considered by PED to be a sub-fund of the General Fund.

The Pupil Transportation Fund (13000) – used to account for the State Equalization received from the NM Public Education Department (PED), which is used to pay for the costs associated with transporting school-age children. This is considered by PED to be a sub-fund of the General Fund.

Instructional Materials Fund (14000) – used to account for the monies received from PED for the purposes of purchasing instructional materials (books, manuals, periodicals, etc.) used in the education of students. This is considered by PED to be a sub-fund of the General Fund.

Special Revenue Funds:

Title I IASA Fund (24101) – provides supplemental educational opportunities for academically disadvantaged children residing in the area. Campuses are identified for program participation by the percentage of students on free or reduced price lunch plans. Any school with a free and reduced price lunch percentage that is equal to or greater than the total district percentage becomes eligible for program participation. Any student whose test scores fall below District-established criteria and who is attending a Title I campus is eligible to receive Title I services. Poverty is the criterion that identifies a campus; educational need determines the students to be served. Federal revenues accounted for in this fund are allocated to the District through the PED. Authority for creation of this fund is Part A of the Chapter I of Title I of Elementary and Secondary Education Act (ESEA) of 1965, as amended, Public Law 103-383.

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1: Summary of Significant Accounting Policies (continued)

Entitlement IDEA-B (24106)

The Entitlement IDEA-B program is to provide grants to states that flow through to schools, to assist them in providing free, appropriate public education to all children with disabilities. The program is funded by the United States government, under the Individuals with Disabilities Education Act, Part B, Section 611-617, and part D, Section 619, as amended, 20 U.S.C. 1711-1417 and 1420.

New Mexico Reads to Lead (27114)

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, Early Reading Initiative.

Capital Projects Fund

Capital Improvements SB-9 – Local (31701)

To account for erecting, remodeling, making additions to and furnishing of school buildings, or purchasing or improving school grounds or any combination thereof as identified by the local school board. Financing is provided by the State of New Mexico's State Equalization Matching and a special levy tax levy as authorized by the Public School District Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978).

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Fiduciary Funds

The Fiduciary Funds account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. The District has the following agency fund:

The School Activity Fund (Agency Fund) – accounts for resources held by the District in a purely custodial capacity (assets equal liabilities). Agency funds typically involve the receipt, temporary investment, and remittance of fiduciary resources to student activity groups.

GASB issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions effective for reporting periods beginning after June 15, 2010. The statement establishes fund balance classifications, provides for a hierarchy or spending constraints for spendable resources and requires disclosures of nonspendable and spendable resources.

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1: Summary of Significant Accounting Policies (continued)

Assets, Liabilities, Deferred Outflows / Inflows of Resources and Net Position / Fund Balance

Deposits and Investments

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

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

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

The rate of interest in non-demand interest-bearing accounts shall be set by the State Board of Finance but in no case shall the rate of interest be less than 100% of the asked price on United States treasury bills of the same maturity on the day of deposit.

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

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

Receivables and Payables

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

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

The District receives monthly income from a tax levy in Lincoln County. The funds are collected by the County Treasurer and are remitted to the School District the following month.

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1: Summary of Significant Accounting Policies (continued)

Under the modified accrual method of accounting, the amount remitted by the Lincoln County Treasurer in July and August, 2016, is considered measurable and available and, accordingly, is recorded as revenue during the year ended June 30, 2018.

Certain Special Revenue funds are administered on a reimbursement method of funding and other funds are operated on a cash advance method of funding. The funds incur the cost and then submit the necessary request for reimbursement or advance, respectively.

Prepaid Items

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

Instructional Materials

PED receives federal material leasing funds from which it makes annual allocations to various schools districts for the purchase of educational materials. Of each allocation, fifty percent is restricted to the requisition of material listed in the PED "State Adopted Instructional Manual" list, while the other fifty percent of each allocation is available for purchases directly from vendors, for which the school district receives cash drawdowns or transfers to the other fifty percent account for requisitions of materials from the adopted list.

Inventories

Inventory is valued at lower of cost (first in, first out) or market. Inventory in the Special Revenue Funds consists of USDA commodities and other purchased food and non-food supplies. The cost of purchased food is recorded as expenditures at the time individual inventory items are consumed. The USDA commodities are recorded at year-end by audit adjusting entries. Commodities consumed during the year are reported as revenues and expenditures; unused commodities are reported as inventories. Non-commodity 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. Inventories are valued at \$991 as of June 30, 2018.

Capital Assets

Capital assets, which include property, plant and equipment (including computer software), are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost and estimated historical cost if purchased or constructed. Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets (retroactive to 1979) are to be included as part of the governmental capital assets reported in the government-wide statements.

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1: Summary of Significant Accounting Policies (continued)

Information technology equipment, including software, is being capitalized and included in furniture and equipment as the District did not maintain internally developed software. Library books are also being capitalized and depreciated. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's useful life are not capitalized. No interest was included as part of the cost of capital assets under construction during the year ended June 30, 2018.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest on construction projects has not been capitalized.

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

<u>Assets</u>	<u>Years</u>
Buildings	40 - 50
Building Improvements	20
Land Improvements	10 - 20
Vehicles	5 - 7
Office Equipment	5
Computer Equipment	3 - 5

Compensated Absences

All personnel employed by the District are entitled to leave as per the following categories and schedules.

Annual leave – Twelve month employees are entitled to annual leave with full pay computed as follows:

- 1 – 4 consecutive years of employment: 10 days
- 5 – 19 consecutive years of employment: 15 days
- 20 plus consecutive years of employment: 20 days

Twelve month employees who have resigned, retired or who have been laid off or dismissed are entitled to and shall be paid for a maximum of 20 days of earned and unused annual leave.

The District's recognition and measurement criteria for compensated absences follow GASB Statement No. 16, which provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by employees if the employees right to receive compensation is attributable to services already rendered and it is probable that the employer will compensate the employee for the benefits at termination or retirement.

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1: Summary of Significant Accounting Policies (continued)

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. In prior years, substantially all of the related expenditures have been liquidated by the general fund. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the government-wide Statement of Net Position.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the New Mexico Retiree Health Care Authority (NMRHCA) and additions to and deductions from NMRHCA's fiduciary net position have been determined on the same basis as they are reported by NMRHCA. For this purpose, NMRHCA recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Unearned Revenues

The District recognizes grant revenue at the time the related expense is made if the expenditure of funds is the prime factor for determining eligibility for reimbursement; therefore, amounts received and not expended in the Special Revenue funds are shown as unearned revenues. Amounts receivable from the property taxes levied for the current year that are not considered to be "available" under the current financial resources measurement focus are reported as unearned revenues in the governmental fund financial statements. For the fiscal year ended June 30, 2018, there were no unearned revenue.

Deferred Outflows / Inflows of Resources

Deferred Outflow of Resources: In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element represents a use of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until that time. The District has three types of items that qualify for reporting in this category related to GASB 68 and GASB 75: changes in proportion, net difference between expected and actual experience and employer contributions subsequent to measurement date. These total \$1,413,772 and have been reported as deferred outflows of resources. These amounts are reported in the Statement of Net Position. These amounts are deferred and recognized as outflows of resources the next period.

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 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.

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1: Summary of Significant Accounting Policies (continued)

The District has three types of deferred inflows which arise due to the implementation of GASB 68 and the related net pension liability and GASB 75 and the related postemployment benefits other than pensions (OPEB). Accordingly, these items, net difference between projected and actual investment earnings, change in assumptions, and differences between expected and actual experience, are reported on the Statement of Net Position in the amount of \$341,117 as of June 30, 2018. Net difference between expected and actual investment earnings are amortized into expense over a five-year period. Changes in assumptions are amortized into pension expense over the average remaining service life of the employee participants. Differences between expected and actual experience are amortized into pension expense over the five-year period. Detail is found in the notes and the required supplementary information.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, statement of net position. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as capital projects expenditures.

Fund Balance and Net Position

In the government-wide financial statements, fund equity is classified as net position and is displayed in the following components:

Net Investment in Capital Assets: This component consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted Net Position: Net position is reported as restricted when constraints placed on net position use either (1) externally imposed by creditors, grantors, contributions or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position: Net position which does not meet the definition of "restricted" and "net investment in capital assets".

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1: Summary of Significant Accounting Policies (continued)

In the fund financial statements, governmental funds report aggregate amounts for several classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form (prepaid items, inventories) or are legally or contractually required to be maintained intact. The District has inventories that are considered nonspendable. The District will maintain a fund balance equal to the value of inventory balances and prepaid items (to the extent that such balances are not offset by liabilities and actually result in fund balance). The District does not have any prepaid items but does have nonspendable funds related to inventories.

In addition to the nonspendable fund balance, GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

Nonspendable fund balances includes amount that are not in spendable form or are legally or contractually required to be maintained intact. This criterion includes items that are not expected to be converted to cash such as inventories, prepaid items and long-term notes receivable.

Restricted fund balances are constrained by external parties, constitutional provisions or enabling legislation.

Committed fund balances contain self-imposed constraints of the government from its highest level of decision making authority or the Board of Education. Commitments will only be used for specific purposes pursuant to a formal action by the Board of Education.

Assigned fund balances contain self-imposed constraints of the government to be used for a particular purpose.

Unassigned fund balances of the general fund are not constrained for any particular purpose.

When both restricted and unrestricted resources are available for use, it is the District's policy to use externally restricted resources first, then restricted resources – committed, assigned, and unassigned in that order.

Spendable refers to the District's spendable fund balances as restricted, assigned and unassigned and considers each to have been spent when expenditures are incurred. The District currently has no funds classified as committed.

Restricted for grant activities, food services, instructional materials, debt service, capital projects and pupil transportation means that federal and state statutes require that certain revenues be specifically designed for the purposes of federal and state grant activities, food services, debt service and capital projects. The funds have been included in restricted category of fund balance.

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1: Summary of Significant Accounting Policies (continued)

Interfund Activity

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Some transactions constitute reimbursements to a fund from expenditures/expenses initially made from it that are properly applicable to another fund. These transactions 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 nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Indirect Costs

The District's general fund receives indirect cost reimbursements from the various federal programs it administers. These reimbursements are for expenses incurred in performing administrative functions on behalf of the special revenue funds. They are shown as expenditures in the special revenue funds and as other special federal revenue in the general fund.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures.

Accordingly, actual results could differ from those estimates. Significant estimates affecting the District's financial statements include management's estimate of the useful lives of capital assets.

Revenues

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

A school district's program costs are determined through the use of various formulas using 'program units' which take into consideration early childhood education, basic education, special education, bilingual multicultural education, size, etc. Payment is made from the public school fund under the authority of the Director of Public School Finance. The District received \$1,466,534 in state equalization guarantee during the year ended June 30, 2018.

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1: Summary of Significant Accounting Policies (continued)

Tax Revenues: The District receives mill levy and ad valorem tax revenues primarily for debt service and capital outlay purposes. Tax revenues are recognized when they are in the hands of the collecting agency. The District records only the portion of the taxes considered to be measurable and available. The District recognized \$293,283 in tax revenues during the year ended June 30, 2018. Descriptions of the individual debt service and capital outlay funds found in these financial statements include information regarding the authority for the collection and use of these taxes.

Lincoln County levies and collects the property taxes on real property for Corona Public Schools on November 10 and April 10 of each year. Taxes become delinquent by December 10 and May 10, respectively and liens are filed by Lincoln County on property that is delinquent for three years. Property taxes collected and held by the county at year-end on behalf of the District are included in an account called Due From Other Governments.

Transportation Distribution: School districts in the State of New Mexico receive student transportation distributions. The transportation distribution is allocated to each school district in accordance with formulas developed by the State Transportation Director and the Director of Public School Finance. The funds shall be used only for the purpose of making payments to each school district for the to-and-from school transportation costs of students in grades K through twelve attending public school within the school district. The District received \$284,339 in transportation distributions during the year ended June 30, 2018.

Instructional Materials: The New Mexico Public Education Department (PED) receives federal material leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials.

Of each allocation, fifty percent is restricted to the requisition of materials listed in the State Board of Education "State-Adopted Instructional Material" list, while the other fifty percent of each allocation is available for purchases directly from vendors. Allocations received from the PED for the year ended June 30, 2018 totaled \$2,208.

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.

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1: Summary of Significant Accounting Policies (continued)

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

- A critical need exists requiring action;
- The residents of the school districts have provided all available resources to the district to meet its capital outlay requirements;
- The School district has used its resources in a prudent manner;
- 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 as certified by the property tax division; and
- 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 following certification by the council that the application has been approved.

During the year ended June 30, 2018, the District received a direct special capital outlay appropriation for \$23,951 for building improvements and equipment.

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 had \$965 of instate SB-9 matching carryover for the year ended June 30, 2018.

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 in the Special Revenue funds. Each program operates under its own budget, which has been approved by the Federal Department or the flow-through agency (usually PED). The various budgets are approved by the Local School Board and the PED.

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1: Summary of Significant Accounting Policies (continued)

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

NOTE 2: Stewardship, Compliance and Accountability

Budgets for the general, special revenue, capital projects and debt service funds are prepared by management and are approved by the local Board and Public School Budget and Planning Unit of the Department of Education. Auxiliary student activities accounts are budgeted.

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

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

The budgetary information presented in these financial statements has been amended in accordance with the above procedures. The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In April or May, the superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing the following July. The operating budget includes proposed expenditures and the means of financing them, and has approval by the Department of Education.
2. In May or June, the budget is approved by the Board of Education.
3. The school board meeting, while not intended for the general public, is open for the general public unless a closed meeting is called.
4. The operating budget will be used by the District until they have been notified that the budget has been approved by the School Budget Planning Unit (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. The District shall make corrections, revisions and amendments to the estimated budgets fixed by the local school board and the PED.
5. The superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the school board and the New Mexico Public Education Department.

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 2: Stewardship, Compliance and Accountability (continued)

6. Budget change requests are processed in accordance with Supplement I (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 them in the subsequent fiscal year's budget. The budget of the District has been amended during the current fiscal year in accordance with these procedures. The budget schedules included in the accompanying financial statements reflect the approved budget and amendments thereto.
9. Formal budgetary integration is employed as a management control device during the year for the general fund, special revenues funds, debt service funds and capital projects funds.
10. Budgets for the general, special revenue, debt service and capital projects funds are adopted on a basis not consistent with GAAP. Encumbrances are treated the same way for GAAP purposes and for budget purposes.

The Board may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balances. New Mexico State Law prohibits a governmental agency from exceeding an individual line item.

The Accompanying Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual present comparisons of the legally adopted budget with actual data on a budgetary basis.

Since accounting principles applied for purposes of developing data on a budgetary basis differ from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of resultant basis, perspective, equity, and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2018, is presented.

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 3: Cash and Temporary Investments

The stated listed below will meet the State of New Mexico Office of the State Auditor's requirement in reporting the uninsured portion of the deposits. As of June 30, 2018, none of the Districts' bank balance of \$485,671 was exposed to custodial risk as follows:

	Bank
Total Amount of Deposits	\$ 485,671
Less: FDIC Coverage	<u>(250,000)</u>
Total Uninsured Public Funds	<u>\$ 235,671</u>
Collateral requirement (50% of uninsured public funds)	\$ 117,836
Less: Pledged Securities	<u>(211,033)</u>
Total (Over) Under Collateralized	<u><u>\$ (93,197)</u></u>

New Mexico State Statutes require collateral pledged for deposits in excess of federal deposit insurance to be delivered, or joint safekeeping receipts be issued, to the District for at least one-half of the amount on deposit with the institution. The schedule listed below will meet the State of New Mexico, Office of the State Auditor's requirements in reporting the insured portion of the deposits.

The collateral pledged is listed in the supplementary section of this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, district or political subdivision of the State of New Mexico.

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 3: Cash and Temporary Investments (continued)

A reconciliation of cash and temporary investments as of June 30, 2018 is as follows:

Reconciliation of Cash and Temporary Investments

Governmental Funds - Balance Sheet:	
Cash and Cash Equivalents	\$ 420,275
Cash Overdraft	(17,608)
Cash - Agency Funds	84,151
Reconciled Balance of Deposits	\$ 486,818
Reconciled Balance of Deposits	\$ 486,818
Less: Fiduciary Cash	(84,151)
Cash per statement of net position	\$ 402,667

According to the Federal Deposit Insurance Corporation, public unit deposits are funds owned by the public unit. 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 and separate from the \$250,000 coverage for public unit demand deposits at the same institution. Additionally, all deposits in non-interest bearing transaction accounts (such as non-interest bearing checking accounts) at participating institutions are fully guaranteed, regardless of dollar amount.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. New Mexico State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued to the District for at least one-half of the amount on deposit with the institution.

NOTE 4: Receivables

Receivables as of June 30, 2018 for the following funds are as follows:

Receivables:	General	Other Major	Other Governmental	Total
Property Taxes	\$ 144	\$ -	\$ 1,241	\$ 1,385
Intergovernmental	-	16,249	6,568	22,817
Total Receivables	\$ 144	\$ 16,249	\$ 7,809	\$ 24,202

The above receivables are deemed 100% collectible. In accordance with the GASB statement No. 33, property tax receivables should be presented net of deferred revenues on the governmental fund financial statements. However, we were unable to obtain the delinquent property tax listing from the District.

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 5: Interfund Receivables, Payable and Transfers

Interfund balances are primarily recorded when funds overdraw their share of pooled cash when the District is waiting for grant reimbursements. There were no interfund receivables or payables recorded as of June 30, 2018.

NOTE 6: Capital Assets

Capital asset activity for the year ended June 30, 2018 was as follows:

Governmental Activities	Balance June 30, 2017	Increases	Decreases	Balance June 30, 2018
Capital assets not being depreciated:				
Land	\$ 4,697	\$ -	\$ -	\$ 4,697
Total Capital Assets not being depreciated	<u>4,697</u>	<u>-</u>	<u>-</u>	<u>4,697</u>
Capital assets being depreciated:				
Land Improvements	205,700	-	360	205,340
Buildings and Improvements	5,405,849	6,795	62,052	5,350,592
Vehicles	311,482	-	3,599	307,883
Equipment	388,208	17,156	163,734	241,630
Total Capital Assets being depreciated	<u>6,311,239</u>	<u>23,951</u>	<u>229,745</u>	<u>6,105,445</u>
Less: Accumulated Depreciation for:				
Land Improvements	153,161	5,000	124	158,037
Buildings and Improvements	3,313,485	142,032	33,382	3,422,135
Vehicles	129,209	17,631	650	146,190
Equipment	348,285	11,452	159,458	200,279
Total Accumulated Depreciation	<u>3,944,140</u>	<u>176,115</u>	<u>193,614</u>	<u>3,926,641</u>
Total Capital Assets being Depreciated, Net	<u>2,367,099</u>	<u>(152,164)</u>	<u>36,131</u>	<u>2,178,804</u>
Capital Assets, Net	<u>\$2,371,796</u>	<u>\$ (152,164)</u>	<u>\$ 36,131</u>	<u>\$2,183,501</u>

Depreciation has been allocated to these functions in the following amounts:

<u>Allocated Depreciation Expense:</u>	<u>Amount</u>
Instruction	\$ 44,643
Support Services - General Administration	893
Operation and Maintenance of Plant	44,340
Food Services	554
Other Capital Outlay	85,685
Total	<u>\$ 176,115</u>

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 7: Long-Term Debt

During the year ended June 30, 2018, the following changes occurred in liabilities reported in the general obligation bonds account group:

	Beginning Balance	Additions	Retirements	Ending Balance	Amount Due Within One Year
General Obligation Bonds	\$ 550,000	\$ -	\$ 100,000	\$ 450,000	\$ 125,000
Compensated Absences	12,816	14,612	14,515	12,913	12,913
Total	\$ 562,816	\$ 14,612	\$ 114,515	\$ 462,913	\$ 137,913

General Obligation Bonds: The District issues general obligation bonds to provide funds for the purpose of erecting, remodeling, making additions to and furnishing school buildings, purchasing or improving school grounds, purchasing computer software and hardware for student use in public schools, providing matching funds for capital outlay projects funded pursuant to the Public School Capital Outlay Act, or any combination of these purposes. Bonds are direct obligations and pledge the full faith and credit of the District. The bonds will be paid from taxes levied against property owners living within the District boundaries. The details of the bonds and notes as of June 30, 2018 are as follows:

Original Amount:	\$ 750,000
Dated:	May 15, 2012
Annual Principal Payments:	\$25,000 - \$125,000
Interest Rate:	1.55% - 2.90%
Maturity Date:	May 15, 2022

Balances shown for bonds and notes do not include unamortized premiums or deferred amounts on refinancing. Annual debt service requirements to maturity for general obligation bonds are as follows:

General Obligation Bonds			
Year Ending June 30,	Principal	Interest	Total Requirements
2019	\$ 125,000	\$ 9,000	\$ 134,000
2020	125,000	6,500	131,500
2021	125,000	4,000	129,000
2022	75,000	750	75,750
2023	-	-	-
Total	\$ 450,000	\$ 20,250	\$ 470,250

The liability of compensated absences is liquidated with resources from the general fund and several special revenue funds. The liquidation of bonds payable is done with resources from the debt service funds.

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 8: Lease Obligations

The District has the following lease, which can be terminated due to lack of funding with no penalty to the District:

- A lease with Xerox for copiers/printers entered into on July 15, 2014, which requires 60 monthly payments. The lease expires on July 15, 2019.
- A lease with PTS Office Systems, Inc. for copiers/printers entered into on October 19, 2016, which requires 60 monthly payments. The lease expires on October 18, 2021.
- A lease with PTS Office Systems, Inc. for copiers/printers entered into on July 9, 2018, which requires 60 monthly payments. The lease expires on July 8, 2023.

The schedule of future lease payments is as follows:

<u>Year Ending</u>	<u>Payments</u>
2019	\$ 14,132
2020	9,158
2021	6,927
2022	6,300
2023	525
Total	<u><u>\$ 37,042</u></u>

NOTE 9: Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injury to employees; and natural disasters. The New Mexico Public Schools Insurance Authority (NMSIA) was formed on April 5, 1985 under the New Mexico Public Schools Insurance Authority Act, Chapter 22, Section 2 of the New Mexico Statutes Annotated (NMSA 1978), as amended, as an insurance fund to provide health, disability, and life insurance coverage (benefits coverage), and property, casualty and workers' compensation insurance coverage (risk coverage) to participating public schools, school board members, public school employees, and retirees within the State of New Mexico. Participation in NMPSIA is mandatory for all K-12 public schools except those with enrollment exceeding 60,000 students. Participation is voluntary for other public education institutions. The District pays an annual premium to the pool for its general insurance coverage. The agreement for formation of NMPSIA provides that the pool will be self-sustaining through member's premiums. NMPSIA establishes self-insured retentions by line of coverage and procures insurance or re-insurance, where indicated, in excess of the self-insured retention on a per occurrence basis. NMPSIA will publish its own financial report for the year ended June 30, 2018.

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
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NOTE 9: Risk Management (continued)

The NMPSIA provides coverage for up to a maximum of \$500 million for each property damage claim with a \$750 deductible for each building. General liability coverage is afforded to all employees, volunteers and school board members and the limit is subject to the NMSA Tort Claims Act on a per-occurrence basis. The automobile and property liability limit is subject to the provisions of the Tort Claims Act. The crime limit is \$250,000 per occurrence for faithful performance. A limit of \$250,000 applies to depositor's forgery, credit card forgery and money orders. A limit of \$100,000 applies to money and security, which includes a \$750 deductible.

NOTE 10: Pension Plan

Plan description. The New Mexico Educational Retirement Act (ERA) was enacted in 1957. The act created the Educational Employees Retirement Plan (Plan) and, to administer it, the New Mexico Educational Retirement Board (NMERB). The Plan is included in NMERB's comprehensive annual financial report. The report can be found on NMERB's Web site:

https://www.nmerb.org/Annual_reports.html.

The Plan is a cost-sharing, multiple-employer pension 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 state agencies providing educational programs. Additional tenets of the ERA can be found in Section 22- 11-1 through 22-11-52, NMSA 1978, as amended.

The Plan is considered a component unit of the State's financial reporting entity. The ERA assigns the authority to establish and amend benefit provisions to a seven-member Board of Trustees (Board); the state legislature has the authority to set or amend contribution rates and other terms of the Plan which is a pension benefit trust fund of the State of New Mexico. NMERB is self-funded through investment income and educational employer contributions. The Plan does not receive General Fund Appropriations from the State of New Mexico.

All accumulated assets are held by the Plan in trust to pay benefits, including refunds of contributions as defined in the terms of the Plan. Eligibility for membership in the Plan is a condition of employment, as defined Section 22-11- 2, NMSA 1978. Employees of public schools, universities, colleges, junior colleges, technical-vocational institutions, state special schools, charter schools, and state agencies providing an educational program, who are employed more than 25% of a full-time equivalency, are required to be members of the Plan, unless specifically excluded.

Benefits benefit – A member's retirement benefit is determined by a formula which includes three component parts: 1) the member's final average salary (FAS), 2) the number of years of service credit, and 3) 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.

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 10: Pension Plan (continued)

Summary of Plan Provisions for Retirement Eligibility – 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 and before July 1, 2013. The eligibility for a member who either becomes a new member on or after July 1, 2010 and before July 1, 2013, or at any time prior to July 1, 2010 refunded all member contributions and then becomes re-employed after July 1, 2010 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.

Section 2-11-23.2, NMSA 1978 added eligibility requirements for new members who were first employed on or after July 1, 2013, or who were employed before July 1, 2013 but terminated employment and subsequently withdrew all contributions, and returned to work for an ERB employer on or after July 1, 2013. These members must meet one of the following requirements.

- The member's minimum age is 55, and has earned 30 or more years of service credit. Those who retire earlier than age 55, but with 30 years of earned service credit will have a reduction in benefits to the actuarial equivalent of retiring at age 55.
- The member's minimum age and earned service credit add up to the sum of 80 or more. Those who retire under the age of 65, and who have fewer than 30 years of earned service credit will receive reduced retirement benefits.
- The member's age is 67, and has earned 5 or more years of service credit.

Forms of Payment – 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.

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 10: Pension Plan (continued)

Benefit Options – The Plan has three benefit options available.

- *Option A* – Straight Life Benefit – The single life annuity option has no reductions to the monthly benefit, and there is no continuing benefit due to a beneficiary or estate, except the balance, if any, of member contributions plus interest less benefits paid prior to the member's death.
- *Option B* – Joint 100% Survivor Benefit – The single life annuity monthly benefit is reduced to provide for a 100% survivor's benefit. The reduced benefit is payable during the life of the member, with the provision that, upon death, the same benefit is paid to the beneficiary for his or her lifetime. If the beneficiary predeceases the member, the member's monthly benefit is increased to the amount the member would have received under Option A Straight Life benefit. The member's increased monthly benefit commences in the month following the beneficiary's death.
- *Option C* – Joint 50% Survivor Benefit – The single life annuity monthly benefit is reduced to provide for a 50% survivor's benefit. The reduced benefit is payable during the life of the member, with the provision that, upon death, the reduced 50% benefit is paid to the beneficiary for his or her lifetime. If the beneficiary predeceases the member, the member's monthly benefit is increased to the amount the member would have received under Option A Straight Life benefit. The member's increased monthly benefit commences in the month following the beneficiary's death.

Disability Benefit – An NMERB member is eligible for disability benefits if they have acquired at least ten years of earned service credit and is found totally disabled. The disability benefit is equal to 2% of the member's Final Average Salary (FAS) multiplied by the number of years of total service credits. However, the disability benefit shall not be less than the smaller of (a) one-third of the member's FAS or (b) 2% of the member's FAS multiplied by total years of service credit projected to age 60.

Cost of Living Adjustment (COLA) – All retired members and beneficiaries receiving benefits receive an automatic adjustment in their benefit on July 1 following the later of 1) the year a member retires, or 2) the year a member reaches age 65 (Tier 1 and Tier 2) or age 67 (Tier 3).

- Tier 1 membership is comprised of employees who became members prior to July 1, 2010
- Tier 2 membership is comprised of employees who became members after July 1, 2010, but prior to July 1, 2013
- Tier 3 membership is comprised of employees who became members on or after July 1, 2013

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 10: Pension Plan (continued)

As of July 1, 2013, for current and future retirees the COLA is immediately reduced until the Plan is 100% funded. The COLA reduction is 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%. 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%.

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.

Refund of Contributions – Members may withdraw their contributions only when they terminate covered employment in the State and their former employer(s) certification determination has been received by NMERB. Interest is paid to members when they withdraw their contributions following termination of employment at a rate set by the Board. Interest is not earned on contributions credited to accounts prior to July 1, 1971, or for contributions held for less than one year.

Contributions – For the fiscal year ended June 30, 2018 and 2016 educational employers contributed to the Plan based on the following rate schedule.

<u>Fiscal Year</u>	<u>Date Range</u>	<u>Wage Category</u>	<u>Member Rate</u>	<u>Employer Rate</u>	<u>Combined Rate</u>	<u>Increase Over Prior Year</u>
2018	7/1/17 to 6/30/18	Over \$20K	10.70%	13.90%	24.60%	0.00%
2018	7/1/17 to 6/30/18	\$20K or less	7.90%	13.90%	21.80%	0.00%
2017	7/1/16 to 6/30/17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7/1/16 to 6/30/17	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements are established in statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico Legislature. For the fiscal years ended June 30, 2018, the District paid employer contributions of \$149,101, which equal the amount of the required contributions for each fiscal year.

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 10: Pension Plan (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2018, the District reported a liability of \$4,156,437 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2016 using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date of June 30, 2017. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2018. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating educational institutions, actuarially determined.

At June 30, 2018, the District's proportion was .03740 %, which was an increase of 0.00039% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2018, the District recognized pension expense of \$499,614. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 7,461	\$ 64,034
Net difference between projected and actual investment earnings on pension plan investments	-	570
Changes of assumptions	1,213,346	-
Changes in proportion and differences between District's contributions and proportionate share of contributions	22,410	21,346
District's contributions subsequent to the measurement date	149,102	-
Total	<u>\$ 1,392,319</u>	<u>\$ 85,950</u>

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 10: Pension Plan (continued)

\$149,102 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended</u>	<u>Amount</u>
2019	\$ 438,237
2020	466,344
2021	286,912
2022	(34,225)
2023	-
Total	<u>\$ 1,157,268</u>

Actuarial assumptions. The total pension liability in the June 30, 2018 actuarial valuation was determined using the following significant actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age
Inflation	3.00%
Salary Increases	Composition: 3.00% inflation plus .75% productivity increase rate, plus step-rate promotional increases for members with less than ten years of service
Investment Rate of Return	7.25%
Single Discount Rate	5.90%
Retirement Age	Experience table of rates based on age and service. Adopted by NMERB on June 12, 2015 in conjunction with the six-year experience study for the period ended June 30, 2014.
Mortality	<p>Healthy males: RP-2000 Combined Mortality Table with white collar adjustments, generational mortality improvements with Scale BB.</p> <p>Healthy females: GRS Southwest Region Teacher Mortality Table, set back one year, generational mortality improvements in accordance with scale BB from the table's base year of 2012.</p>

**STATE OF NEW MEXICO
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NOTE 10: Pension Plan (continued)

The liabilities reflect the impact of Senate Bill 115, signed into law on March 29, 2013, and new assumptions adopted by the Board of Trustees on June 12, 2015 in conjunction with the six-year experience study period ended June 30, 2014. Specifically, the liabilities measured as of June 30, 2016 incorporate the following assumptions:

- All members with annual salary of more than \$20,000 will contribute 10.70% during the fiscal year ending June 30, 2015 and thereafter,
- 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,
- COLAs for most retirees are reduced until NMERB attains a 100% funded status, and
- For purposes of projecting benefits, it is assumed that the full COLA is paid in all future years.

Basis for Allocation – The employers’ proportionate share, reported in the Schedule of Employer Allocations, is calculated using employer contributions for employers that were members of NMERB, as of June 30, 2017.

Rate of Return – 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.) developed for each major asset class.

Discount Rate – A single discount rate of 5.90% was used to measure the total pension liability as of June 30, 2017. This discount rate was based on an expected rate of return on pension plan investments of 7.25% and a municipal bond rate of 3.56%. Based on the stated assumptions and the projection of cash flows, the Plan’s fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2053. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the 2053 fiscal year, and the municipal bond rate was applied to all benefit payments after that date.

Sensitivity of the Net Pension Liability – The following table shows the sensitivity of the net pension liability to changes in the discount rate as of June 30, 2017. In particular, the table presents the REC’s net pension liability if it were calculated using a discount rate one percentage point lower (4.90%) or one percentage point higher (6.90%) than the single discount rate.

	1% Decrease (4.90%)	Current Discount Rate (5.90%)	1% Increase (6.90%)
District's proportionate share of the net pension liability	\$ 5,410,647	\$ 4,156,437	\$ 3,131,222

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
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NOTE 10: Pension Plan (continued)

Asset Allocation Policy – NMERB has adopted a strategic Asset Allocation Plan, containing weights, ranges, and benchmarks for each asset class. Over time this strategy is expected to achieve NMERB’s assumed overall rate of return on Plan assets of 7.25 percent. Achieving the target weights is a long-term goal. In the short term, a particular asset position may represent an intermediate point in the process of attaining its target weight.

NMERB’s investment allocation policy was reviewed and amended by the Board of Trustees on August 26, 2016. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan. The following schedule shows the asset allocation policy adopted on August 26, 2016 as well as the prior allocation policy targets.

Schedule of Target Investment Allocations		
Asset Class	After 8/26/2016	Prior to 8/26/2016
Equities		
Domestic Equities:		
Large Cap Equities	16%	18%
Small/Mid Cap Equities	3%	2%
Total Domestic Equities	19%	20%
International Equities:		
Developed	5%	5%
Emerging Markets	9%	10%
Total International Equities	14%	15%
Fixed Income		
Opportunistic Credit	18%	20%
Core Bonds	6%	6%
Emerging Market Debt	2%	2%
Total Fixed Income	26%	28%
Alternatives		
Real Estate/ REITS	7%	7%
Real Assets	8%	8%
Private Equity	13%	11%
Global Asset Allocation	4%	5%
Risk Parity	3%	5%
Other	5%	0%
Total Alternatives	40%	36%
Cash	1%	1%
Total	100%	100%

See Independent Auditors’ Report

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
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NOTE 10: Pension Plan (continued)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued NMERB'S financial reports. The reports can be found on NMERB's Web site at https://www.nmerb.org/Annual_reports.html.

The District had payables of \$0 to the pension plan as of June 30, 2018.

NOTE 11: Post-Employment Benefits – State Retiree Health Care Plan

Plan Description – The District contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees 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 employer's effective date and the date of retirement; 2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; and 4) former governing authority members who served at least four years.

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

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

The 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.

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
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NOTE 11: Post-Employment Benefits – State Retiree Health Care Plan (continued)

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, 2016, the statutes 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, 2016, 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 safeguard the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The District's contributions to the RHCA for the years ended June 30, 2018, 2017 and 2016 were \$21,452, \$21,300 and \$21,152, respectively, which equal the required contributions for each year.

NOTE 12: Postemployment Benefits Other Than Pensions

General Information

Plan description. Employees of the District are provided with Postemployment Benefits Other Than Pensions (OPEB) through the Retiree Health Care Fund (the Fund)—a cost-sharing multiple-employer defined benefit OPEB plan administered by the New Mexico Retiree Health Care Authority (NMRHCA). NMRHCA was formed February 13, 1990, under the New Mexico Retiree Health Care Act (the Act) of New Mexico Statutes Annotated, as amended (NMSA 1978), to administer the Fund under Section 10-7C-1-19 NMSA 1978. The Fund was created to provide comprehensive group health insurance coverage for individuals (and their spouses, dependents and surviving spouses) who have retired or will retire from public service in New Mexico.

NMRHCA is an independent agency of the State of New Mexico. The funds administered by NMRHCA are considered part of the State of New Mexico financial reporting entity and are OPEB trust funds of the State of New Mexico. NMRHCA's financial information is included with the financial presentation of the State of New Mexico.

Benefits provided. The Fund is a multiple employer cost sharing defined benefit healthcare plan that provides eligible retirees (including terminated employees who have accumulated benefits but are not yet receiving them), their spouses, dependents and surviving spouses and dependents with health insurance and prescription drug benefits consisting of a plan, or optional plans of benefits, that can be contributions to the Fund and by co-payments or out-of-pocket payments of eligible retirees.

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
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NOTE 12: Postemployment Benefits Other Than Pensions (continued)

Employees covered by benefit terms – At June 30, 2017, the Fund’s measurement date, the following employees were covered by the benefit terms:

Plan membership	
Current retirees and surviving spouses	\$ 51,208
Inactive and eligible for deferred benefits	11,478
Current Active Members	<u>97,349</u>
	<u>\$ 160,035</u>
Active membership	
State general	\$ 19,593
State police and corrections	1,886
Municipal General	21,004
Municipal Police	3,820
Municipal FTRE	2,290
Educational Retirement Board	<u>48,756</u>
	<u>\$ 97,349</u>

Contributions – Employer and employee contributions to the Fund total 3% for non-enhanced retirement plans and 3.75% of enhanced retirement plans of each participating employee’s salary as required by Section 10-7C-15 NMSA 1978. The contributions are established by statute and are not based on an actuarial calculation. All employer and employee contributions are non-refundable under any circumstance, including termination of the employer’s participation in the Fund. Contributions to the Fund from the District were \$21,453 for the year ended June 30, 2018.

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
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NOTE 12: Postemployment Benefits Other Than Pensions (continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2018, the District reported a liability of \$1,121,136 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2017. At June 30, 2017, the District's proportion was 0.02474 percent.

For the year ended June 30, 2018, the District recognized OPEB expense of \$44,573. At June 30, 2018 the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 43,023
Changes of Assumptions	-	196,016
Difference between actual and projected earnings on OPEB plan investments	-	16,128
Contributions made after the measurement date	21,453	-
Total	\$ 21,453	\$ 255,167

Deferred outflows of resources totaling \$21,453 represent the District's contributions to the Fund made subsequent to the measurement date and will be recognized as a reduction of net OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year ended June 30,	
2019	\$ (54,250)
2020	(54,250)
2021	(54,250)
2022	(54,250)
2023	(38,167)
Total	\$ (255,167)

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 12: Postemployment Benefits Other Than Pensions (continued)

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation using the following actuarial assumptions:

Valuation Date	June 30, 2017
Actuarial Cost Method	Entry age normal, level percent of pay, calculated on individual employee basis
Asset valuation method	Market value of assets
Actuarial assumptions:	
Inflation	2.5% for ERB
Projected payroll increases	3.5%
Investment rate of return	7.25%, net of OPEB plan investment expense and margin for adverse deviation including inflation
Health care cost trend rate	8% graded down to 4.5% over 14 year for Non-Medicare medical plan costs and 7.5% graded down to 4.5% over 12 years for Medicare medical plan costs
Mortality	ERB members: RP-2000 Combined Healthy Mortality Table with White Collar Adjustment (males) and GRS Southwest Region Teacher Mortality Table (females)

Rate of Return. The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which the expected future real rates of return (net of investment fees and inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumptions.

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 12: Postemployment Benefits Other Than Pensions (continued)

The best estimates for the long-term expected rate of return is summarized as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Rate of Return</u>
U.S core fixed income	20%	4.1%
U.S equity - large cap	20%	9.1%
Non U.S. - emerging markets	15%	12.2%
Non U.S - developed equities	12%	9.8%
Private equity	10%	13.8%
Credit and structured finance	10%	7.3%
Real estate	5%	6.9%
Absolute return	5%	6.1%
U.S equity - small / mid cap	3%	9.1%

Discount Rate. The discount rate used to measure the Fund's total OPEB liability is 3.81% as of June 30, 2017. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates proportional to the actuary determined contribution rates. For this purpose, employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members through the fiscal year ending June 30, 2028. Thus, the 7.25% discount rate was used to calculate the net OPEB liability through 2029. Beyond 2029, the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. Thus, 3.81% is the blended discount rate.

Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates. The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.81 percent) or 1-percentage-point higher (4.81 percent) than the current discount rate:

<u>1% Decrease (2.81%)</u>	<u>Current Discount (3.81%)</u>	<u>1% Increase (4.81%)</u>
\$ 1,359,920	\$ 1,121,136	\$ 933,788

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

<u>1% Decrease</u>	<u>Current Trend Rates</u>	<u>1% Increase</u>
\$ 953,603	\$ 1,121,136	\$ 1,251,770

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 12: Postemployment Benefits Other Than Pensions (continued)

OPEB plan fiduciary net position. Detailed information about the OPEB plan's fiduciary net position is available in NMRHCA's audited financial statements for the year ended June 30, 2017.

Payable Changes in the Net OPEB Liability. At June 30, 2018, the District reported a payable of \$0 for outstanding contributions due to NMRHCA for the year ended June 30, 2018.

NOTE 13: Contingent Liabilities

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

The District is involved in various claims and lawsuits arising in the normal course of business. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the District's legal counsel that resolution of these matters will not have a material adverse effect on the financial condition of the District.

NOTE 14: Budgeted Activity Funds

The Student Activity Funds, while budgeted under the Non-Instructional Support in the financial statements, are considered for reporting purposes as agency funds and related activity has been reported as such in the Statement of Changes in Assets and Liabilities – All Agency Funds section of the financial statements.

NOTE 15: Reconciliation of Budgetary Basis to GAAP Basis Financial Statements

In functions where the revenues and expenditures on a budgetary basis were different from revenues and expenditures on a modified accrual basis, the differences are explained in a table below the budget and actual comparison statements.

NOTE 16: Deficit Fund Balance

As of June 30, 2018, the District has the following deficit fund balances:

- Entitlement IDEA-B (24106) had a deficit fund balance of \$8 as of June 30, 2018.
- NM Leads to Read (27114) had a deficit fund balance of \$580 as of June 30, 2018.
- Literacy for Children (27107) had a deficit fund balance of \$172 as of June 30, 2018.
- SB-9 State (31700) had a deficit fund balance of \$4,040 as of June 30, 2018.

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 17: Concentrations

The District depends on financial resources flowing from, or associated with, both the Federal Government and the State of New Mexico. Because of this dependency, the District is subject to changes in specific flows of intergovernmental revenues based on modification to the Federal and State laws and Federal and State appropriations.

NOTE 18: Restatement

A restatement of \$1,331,731 is reported on the Statement of Activities due to the implementation of *GASB No. 75, Postemployment Events other Than Pensions*, as described in *Note 12*.

NOTE 19: Subsequent Events

A review of subsequent events through November 1, 2018, which is the date the financial statements were available for issuance, revealed no significant subsequent events which require disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF NET PENSION
LIABILITY
EDUCATIONAL RETIREMENT BOARD
LAST 10 FISCAL YEARS***

	<u>2018</u>	<u>2017</u>
The District's proportion of the net pension liability	0.037400%	0.037010%
The District's proportion of the net pension liability	\$ 4,156,437	\$ 2,663,400
The District's covered employee payroll	\$ 1,073,004	\$ 1,065,137
The District's proportionate share of the net pension liability as a percentage of its covered employee payroll	<u>387.36%</u>	<u>250.05%</u>
Plan fiduciary net position as a percentage of the total pension liability	52.95%	61.58%
	<u>2016</u>	<u>2015</u>
The District's proportion of the net pension liability	0.03772%	0.03748%
The District's proportion of the net pension liability	\$ 2,443,222	\$ 2,138,501
The District's covered employee payroll	\$ 1,057,121	\$ 1,070,709
The District's proportionate share of the net pension liability as a percentage of its covered employee payroll	<u>231.12%</u>	<u>199.73%</u>
Plan fiduciary net position as a percentage of the total pension liability	63.97%	66.54%

* Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for the District is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
EDUCATIONAL RETIREMENT BOARD
LAST 10 FISCAL YEARS***

	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 149,148	\$ 148,054
Contributions in relation to the contractually required contribution	<u>149,102</u>	<u>148,054</u>
Contributions deficiency (excess)	\$ 46	\$ -
The District's covered employee payroll	\$ 1,073,004	\$ 1,065,137
Contributions as a percentage of covered employee payroll	13.90%	13.90%
	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 146,940	\$ 112,434
Contributions in relation to the contractually required contribution	<u>146,940</u>	<u>112,434</u>
Contributions deficiency (excess)	\$ -	\$ -
The District's covered employee payroll	\$ 1,057,121	\$ 1,070,709
Contributions as a percentage of covered employee payroll	13.90%	10.50%

* Governmental Accounting Standards Board Statement No. 68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for the District is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>2018*</u>
District's proportion of the net OPEB liability	0.02474%
District's proportionate share of the net OPEB liability	\$ 1,352,972
District covered employee payroll	\$ 1,073,004
District's proportionate share of the net OPEB liability as a percentage of its covered employee payroll	79.31%
Plan fiduciary net position as a percentage of the total OPEB liability	11.34%

*This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten year trend is compiled, the District will present information for available years.

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS
FOR THE YEAR ENDED JUNE 30, 2018**

	2018*
Contractually required contribution	\$ 21,460
Less: Contributions in relation to the contractually required contributions	43,413
	<u>\$ (21,953)</u>
District's covered employee payroll	\$ 1,073,004
Contributions as a percentage of covered employee payroll	4.05%

*This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten year trend is compiled, the District will present information for available years.

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2018**

Changes of benefit terms and assumptions: There were no benefit or assumption changes adopted since the last actuarial valuation. However, the actual cost of living adjustment (COLA) was less than the expected 2.0%, which resulted in a net \$138 million decrease in the unfunded actuarial accrued liability.

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
COMBINED BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Total</u>
ASSETS				
Cash and Temporary Investments	\$ 12,922	\$ -	\$ 49,188	\$ 62,110
Receivables:				
Property Taxes	-	603	638	1,241
Due From Other Governments	2,034	4,534	-	6,568
Inventory	<u>2,780</u>	<u>-</u>	<u>-</u>	<u>2,780</u>
Total Assets	<u>\$ 17,736</u>	<u>\$ 5,137</u>	<u>\$ 49,826</u>	<u>\$ 72,699</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Cash Overdraft	\$ 2,206	\$ 9,177	\$ -	\$ 11,383
Accounts Payable	-	-	-	-
Accrued Liabilities	<u>2,967</u>	<u>-</u>	<u>-</u>	<u>2,967</u>
Total Liabilities	<u>5,173</u>	<u>9,177</u>	<u>-</u>	<u>14,350</u>
FUND BALANCES				
Nonspendable:				
Inventories	2,780	-	-	2,780
Restricted for:				
Pupil Transportation	-	-	-	-
Instructional Materials	-	-	-	-
Special Revenue	10,954	-	-	10,954
Capital Projects	-	-	-	-
Debt Service	-	-	49,826	49,826
Unassigned	<u>(1,171)</u>	<u>(4,040)</u>	<u>-</u>	<u>(5,211)</u>
Total Fund Balances	<u>12,563</u>	<u>(4,040)</u>	<u>49,826</u>	<u>58,349</u>
Total Liabilities and Fund Balances	<u>\$ 17,736</u>	<u>\$ 5,137</u>	<u>\$ 49,826</u>	<u>\$ 72,699</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Total</u>
REVENUES:				
Taxes	\$ -	\$ -	\$ 134,632	\$ 134,632
Charges for Services	5,781	-	-	5,781
Local Sources	2,000	-	-	2,000
State Sources	3,087	4,432	-	7,519
Federal Sources	42,629	-	-	42,629
Earnings From Investments	-	-	-	-
Other	-	-	-	-
Donations	-	-	-	-
Total Revenues	<u>53,497</u>	<u>4,432</u>	<u>134,632</u>	<u>192,561</u>
EXPENDITURES:				
Current:				
Direct Instruction	24,431	-	-	24,431
Instructional Support	2,000	-	-	2,000
Food Services	25,795	-	-	25,795
Other	-	9,177	1,589	10,766
Capital Outlay	-	-	-	-
Debt Service:				
Bond Principal	-	-	100,000	100,000
Bond Interest	-	-	11,600	11,600
Total Expenditures	<u>52,226</u>	<u>9,177</u>	<u>113,189</u>	<u>174,592</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>1,271</u>	<u>(4,745)</u>	<u>21,443</u>	<u>17,969</u>
Other Financing Sources and Financing Uses:				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources and Financing Uses:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	1,271	(4,745)	21,443	17,969
Fund Balance at Beginning of Year	<u>11,292</u>	<u>705</u>	<u>28,383</u>	<u>40,380</u>
Fund Balance at End of Year	<u>\$ 12,563</u>	<u>\$ (4,040)</u>	<u>\$ 49,826</u>	<u>\$ 58,349</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
NON-MAJOR SPECIAL REVENUE FUNDS DESCRIPTIONS
FOR THE YEAR ENDED JUNE 30, 2018**

The Special Revenue Funds are used to account for Federal, State and locally funded grants. These grants are awarded to the District with the purpose of accomplishing specific educational tasks. The Special Revenue Funds consist of:

FOOD SERVICES (Fund 21000)

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

ATHLETICS (22000)

This fund provides financing for school athletic activities. Funding is provided by fees from patrons. The authority for creation of this fund is 6.20.2 NMAC.

PRESCHOOL IDEA-B (24109)

To enhance special education for the handicapped children from ages 3 to 5. The program is funded by the U.S. government under the Individuals with Disabilities Act, part B, section 619, as amended. Public Laws 94-142, 99*457,100-630, 101947 and 101-476.

PRIVATE DIRECT GRANTS (29102)

To account for private direct grants for special purposes.

TEACHER PRINCIPAL RECRUITING (24154)

To improve the skills of teachers and the quality of instruction in mathematics, and science, and also to increase the accessibility of such instruction to all students.

TITLE XIX MEDICAID (25153)

To provide Medicaid services to students to improve their performance.

LITERACY FOR CHILDREN (27107)

Funding made available to update and expand library collections, authorized by state statute.

RURAL EDUCATION ACHIEVEMENT (25233)

To provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in schools. Elementary and Secondary Education Act, Title VI, Part B.

NM GROWN FRESH FRUITS AND VEGETABLES (27183)

To account for funds provided by the New Mexico Public Education Department to purchase New Mexico locally grown fresh fruits and vegetables for school meal programs.

2009 DUAL CREDIT INSTRUCTIONAL MATERIALS (27103)

To account for funds received from House Bill 2, 2009, for dual credit instructional materials for courses approved by HED and through a college or university with approved programs.

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2018**

	Food Services	Athletics	Preschool IDEA-B	Private Direct Grants
ASSETS				
Cash and Temporary Investments	\$ 1,968	\$ 138	\$ 342	\$ -
Receivables:				
Property Taxes	-	-	-	-
Due From Other Governments	-	-	-	-
Inventory	2,780	-	-	-
Total Assets	\$ 4,748	\$ 138	\$ 342	\$ -
LIABILITIES AND FUND BALANCES				
Liabilities				
Cash Overdraft	\$ -	\$ -	\$ -	\$ -
Accounts Payable	-	-	-	-
Accrued Liabilities	2,967	-	-	-
Total Liabilities	2,967	-	-	-
FUND BALANCES				
Nonspendable:				
Inventories	2,780	-	-	-
Restricted for:				
Pupil Transportation	-	-	-	-
Instructional Materials	-	-	-	-
Special Revenue	-	138	342	-
Capital Projects	-	-	-	-
Debt Service	-	-	-	-
Unassigned	(999)	-	-	-
Total Fund Balances	1,781	138	342	-
Total Liabilities and Fund Balances	\$ 4,748	\$ 138	\$ 342	\$ -

See Independent Auditors' Report

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (continued)
JUNE 30, 2018**

	<u>Teacher Principal Recruiting</u>	<u>Title XIX Medicaid</u>	<u>Literacy for Children</u>
ASSETS			
Cash and Temporary Investments	\$ -	\$ 10,474	\$ -
Receivables:			
Property Taxes	-	-	-
Due From Other Governments	1,841	-	193
Inventory	-	-	-
Total Assets	<u>\$ 1,841</u>	<u>\$ 10,474</u>	<u>\$ 193</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Cash Overdraft	\$ 1,841	\$ -	\$ 365
Accounts Payable	-	-	-
Accrued Liabilities	-	-	-
Total Liabilities	<u>1,841</u>	<u>-</u>	<u>365</u>
FUND BALANCES			
Nonspendable:			
Inventories	-	-	-
Restricted for:			
Pupil Transportation	-	-	-
Instructional Materials	-	-	-
Special Revenue	-	10,474	-
Capital Projects	-	-	-
Debt Service	-	-	-
Unassigned	-	-	(172)
Total Fund Balances	<u>-</u>	<u>10,474</u>	<u>(172)</u>
Total Liabilities and Fund Balances	<u>\$ 1,841</u>	<u>\$ 10,474</u>	<u>\$ 193</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (continued)
JUNE 30, 2018**

	<u>Rural Education Achievement</u>	<u>NM Fresh Fruits & Vegetables</u>	<u>2009 Dual CR IM/HB2</u>	<u>Total</u>
ASSETS				
Cash and Temporary Investments	\$ -	\$ -	\$ -	\$ 12,922
Receivables:				
Property Taxes	-	-	-	-
Due From Other Governments	-	-	-	2,034
Inventory	-	-	-	2,780
Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,736</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Cash Overdraft	\$ -	\$ -	\$ -	\$ 2,206
Accounts Payable	-	-	-	-
Accrued Liabilities	-	-	-	2,967
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,173</u>
Fund Balance:				
Nonspendable:				
Inventories	-	-	-	2,780
Restricted For:				
Pupil Transportation	-	-	-	-
Instructional Materials	-	-	-	-
Special Revenue	-	-	-	10,954
Capital Projects	-	-	-	-
Debt Service	-	-	-	-
Unassigned	-	-	-	(1,171)
Total Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,563</u>
Total Liabilities and Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,736</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Food Services</u>	<u>Athletics</u>	<u>Preschool IDEA-B</u>	<u>Private Direct Grants</u>
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Services	2,994	2,787	-	-
Local Sources	-	-	-	2,000
State Sources	-	-	-	-
Federal Sources	23,583	-	-	-
Earnings From Investments	-	-	-	-
Other	-	-	-	-
Donations	-	-	-	-
Total Revenues	<u>26,577</u>	<u>2,787</u>	<u>-</u>	<u>2,000</u>
EXPENDITURES:				
Current:				
Direct Instruction	-	4,401	-	-
Instructional Support	-	-	-	2,000
Food Services	25,795	-	-	-
Other	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Bond Principal	-	-	-	-
Bond Interest	-	-	-	-
Total Expenditures	<u>25,795</u>	<u>4,401</u>	<u>-</u>	<u>2,000</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>782</u>	<u>(1,614)</u>	<u>-</u>	<u>-</u>
Other Financing Sources and Financing Uses:				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources and Financing Uses:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	782	(1,614)	-	-
Fund Balance at Beginning of Year	999	1,752	342	-
Fund Balance at End of Year	<u>\$ 1,781</u>	<u>\$ 138</u>	<u>\$ 342</u>	<u>\$ -</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (continued)
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Teacher Principal Recruiting</u>	<u>Title XIX Medicaid</u>	<u>Literacy for Children</u>
REVENUES:			
Taxes	\$ -	\$ -	\$ -
Charges for Services	-	-	-
Local Sources	-	-	-
State Sources	-	965	1,652
Federal Sources	1,841	1,717	-
Earnings From Investments	-	-	-
Other	-	-	-
Donations	-	-	-
Total Revenues	<u>1,841</u>	<u>2,682</u>	<u>1,652</u>
EXPENDITURES:			
Current:			
Direct Instruction	1,841	407	1,824
Instructional Support	-	-	-
Food Services	-	-	-
Other	-	-	-
Capital Outlay	-	-	-
Debt Service:			
Bond Principal	-	-	-
Bond Interest	-	-	-
Total Expenditures	<u>1,841</u>	<u>407</u>	<u>1,824</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>2,275</u>	<u>(172)</u>
Other Financing Sources and Financing Uses:			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources and Financing Uses:	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	2,275	(172)
Fund Balance at Beginning of Year	-	8,199	-
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 10,474</u>	<u>\$ (172)</u>

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**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (continued)
FOR THE YEAR ENDED JUNE 30, 2018**

	Rural Education Achievement	NM Fresh Fruits & Vegetables	2009 Dual CR IM/HB2	Total
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	5,781
Local Sources	-	-	-	2,000
State Sources	-	-	470	3,087
Federal Sources	15,488	-	-	42,629
Earnings From Investments	-	-	-	-
Other	-	-	-	-
Donations	-	-	-	-
Total Revenues	<u>15,488</u>	<u>-</u>	<u>470</u>	<u>53,497</u>
EXPENDITURES:				
Current:				
Direct Instruction	15,488	-	470	24,431
Instructional Support	-	-	-	2,000
Food Services	-	-	-	25,795
Other	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Bond Principal	-	-	-	-
Bond Interest	-	-	-	-
Total Expenditures	<u>15,488</u>	<u>-</u>	<u>470</u>	<u>52,226</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,271</u>
Other Financing Sources and Financing Uses:				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources and Financing Uses:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	1,271
Fund Balance at Beginning of Year	-	-	-	11,292
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,563</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
NON-MAJOR CAPITAL PROJECTS FUNDS DESCRIPTIONS
FOR THE YEAR ENDED JUNE 30, 2018**

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The District has the following separate funds classified as Capital Projects Funds:

Special Capital Outlay - State (31400)

To account for special appropriation monies received from the State of New Mexico under Chapter 4, Laws of 1996 for the purpose of upgrading Corona Public School facilities.

(Capital Improvements) SB-9 (31700)

To account for erecting, remodeling, making additions to and furnishing of school buildings, or purchasing or improving school grounds or any combination thereof as identified by the local school board. Financing is provided by the State of New Mexico's State Equalization Matching and a special levy tax levy as authorized by the Public School District Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978).

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
COMBINING BALANCE SHEET
NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2018**

	Special Capital Outlay State	SB-9 State	Total
ASSETS			
Cash and Temporary Investments	\$ -	\$ -	\$ -
Receivables:			
Property Taxes	-	603	603
Due From Other Governments	-	4,534	4,534
Inventory	-	-	-
Total Assets	\$ -	\$ 5,137	\$ 5,137
LIABILITIES AND FUND BALANCE			
Liabilities:			
Cash Overdraft	\$ -	\$ 9,177	9,177
Accounts Payable	-	-	-
Accrued Liabilities	-	-	-
Total Liabilities	-	9,177	9,177
Fund Balance:			
Nonspendable:			
Inventories	-	-	-
Restricted For:			
Pupil Transportation	-	-	-
Instructional Materials	-	-	-
Special Revenue	-	-	-
Capital Projects	-	-	-
Debt Service	-	-	-
Unassigned	-	(4,040)	(4,040)
Total Fund Balance	-	(4,040)	(4,040)
Total Liabilities and Fund Balance	\$ -	\$ 5,137	\$ 5,137

See Independent Auditors' Report

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NON-MAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	Special Capital Outlay State	SB-9 State	Total
REVENUES:			
Taxes	\$ -	\$ -	\$ -
Charges for Services	-	-	-
Local Sources	-	-	-
State Sources	-	4,432	4,432
Federal Sources	-	-	-
Earnings From Investments	-	-	-
Other	-	-	-
Donations	-	-	-
Total Revenues	<u>-</u>	<u>4,432</u>	<u>4,432</u>
EXPENDITURES:			
Current:			
Direct Instruction	-	-	-
Instructional Support	-	-	-
Food Services	-	-	-
Other	-	9,177	9,177
Capital Outlay	-	-	-
Debt Service:			
Bond Principal	-	-	-
Bond Interest	-	-	-
Total Expenditures	<u>-</u>	<u>9,177</u>	<u>9,177</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>(4,745)</u>	<u>(4,745)</u>
Other Financing Sources and Financing Uses:			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources and Financing Uses:	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	(4,745)	(4,745)
Fund Balance at Beginning of Year	-	705	705
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ (4,040)</u>	<u>\$ (4,040)</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
NON-MAJOR DEBT SERVICE FUNDS DESCRIPTIONS
FOR THE YEAR ENDED JUNE 30, 2018**

Debt Service Fund (Fund 41000)

This fund is used to account for the accumulation of resources for, and the payment of general long-term debt principal and interest. The resources of this fund are generated by the tax levy based upon property values.

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
COMBINING BALANCE SHEETS
NON-MAJOR DEBT SERVICE FUNDS
AS OF JUNE 30, 2018**

	Debt Services Fund	Total Debt Services Funds
ASSETS		
Cash and Temporary Investments	\$ 49,188	\$ 49,188
Receivables:		
Property Taxes	638	638
Due From Other Governments	-	-
Inventory	-	-
Total Assets	\$ 49,826	\$ 49,826
LIABILITIES AND FUND BALANCE		
Liabilities:		
Cash Overdraft	\$ -	\$ -
Accounts Payable	-	-
Accrued Liabilities	-	-
Total Liabilities	-	-
Fund Balance:		
Nonspendable:		
Inventories	-	-
Restricted For:		
Pupil Transportation	-	-
Instructional Materials	-	-
Special Revenue	-	-
Capital Projects	-	-
Debt Service	49,826	49,826
Unassigned	-	-
Total Fund Balance	49,826	49,826
Total Liabilities and Fund Balance	\$ 49,826	\$ 49,826

See Independent Auditors' Report

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NON-MAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	Debt Services	Total
REVENUES:		
Taxes	\$ 134,632	\$ 134,632
Charges for Services	-	-
Local Sources	-	-
State Sources	-	-
Federal Sources	-	-
Earnings From Investments	-	-
Other	-	-
Donations	-	-
Total Revenues	134,632	134,632
EXPENDITURES:		
Current:		
Direct Instruction	-	-
Instructional Support	-	-
Food Services	-	-
Other	1,589	1,589
Capital Outlay	-	-
Debt Service:		
Bond Principal	100,000	100,000
Bond Interest	11,600	11,600
Total Expenditures	113,189	113,189
Excess (Deficiency) of Revenues Over Expenditures	21,443	21,443
Other Financing Sources and Financing Uses:		
Transfers In	-	-
Transfers Out	-	-
Total Other Financing Sources and Financing Uses:	-	-
Net Change in Fund Balance	21,443	21,443
Fund Balance at Beginning of Year	28,383	28,383
Fund Balance at End of Year	\$ 49,826	\$ 49,826

See Independent Auditors' Report

SUPPLEMENTARY SCHEDULES

STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
AGENCY FUNDS
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES – AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

Fund	Balance 6/30/2017	Additions	Deletions	Balance 6/30/2018
Agency Funds	<u>\$ 72,234</u>	<u>\$ 98,882</u>	<u>\$ 86,965</u>	<u>\$ 84,151</u>
Total	<u>\$ 72,234</u>	<u>\$ 98,882</u>	<u>\$ 86,965</u>	<u>\$ 84,151</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
AGENCY FUNDS
DETAILED SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES –
ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

Title	Beginning Balance	Increases	Decreases	Ending Balance
GIRLS BASKETBALL	\$ 52	\$ -	\$ -	\$ 52
VOLLEYBALL	378	-	-	378
POWER SCHOOL	278	-	-	278
PEE WEE BASKETBALL	10	-	-	10
UNCLAIMED PROPERTY	5,420	188	169	5,439
BOOSTER CLUB	416	4,836	4,482	770
CLASS OF 2018	4,310	792	4,922	180
CLASS OF 2020	1,754	1,362	236	2,880
ANNUAL STAFF	2,160	3,218	2,309	3,069
STUDENT COUNCIL	80	2,767	2,484	363
FFA	14,586	39,914	31,281	23,219
CHEERLEADERS	82	-	-	82
NAT'L HONOR SOCIETY	505	-	-	505
LIBRARY	2,269	-	-	2,269
JH GIRLS BASKETBALL	459	-	-	459
CURRICULUM	215	-	-	215
SUNSHINE FUND	2,358	995	1,169	2,184
CLA COMMUNITY FUND	7,039	18,652	23,398	2,293
CARDINAL ATHLETICS	752	-	-	752
BOYS BASKETBALL	722	-	-	722
PTO FUND	3,625	5,351	4,668	4,308
ART	126	-	-	126
CLASS OF 2021	1,993	752	209	2,536
CLASS OF 2019	5,685	3,814	1,916	7,583
EPSS	283	-	-	283
ACCELERATED READER	-	63	63	-
ELEMENTARY TEACHERS	6,634	2,188	-	8,822
ELEM PEP SQUAD	57	772	458	371
CLASS OF 2022	835	771	74	1,532
PLANT FUND	426	-	-	426
BUILDING USAGE	225	-	-	225
MEMORIAL	1,359	-	-	1,359
ELM PLAYGROUND EQUIPMENT	959	-	-	959
ELEM. ACTIVITY ASSOCIATION	3,367	3,495	3,147	3,715
KNOWLEDGE BOWL FUND	2,177	2,986	1,618	3,545
SCHOLARSHIP	100	-	-	100
CLASS OF 2017	28	1,115	395	748
CORONA ACTIVITY FUND	510	4,851	3,967	1,394
TOTAL	<u>\$ 72,234</u>	<u>\$ 98,882</u>	<u>\$ 86,965</u>	<u>\$ 84,151</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY
FOR PUBLIC FUNDS
JUNE 30, 2018**

Name of Depository	Description of Pledged Collateral	Quantity	Fair / Par Market Value at June 30, 2018	Name and Location of Safekeeper
First Savings Bank	FHLMC #31307BJV3	3/1/2023	\$ 23,143	Federal Reserve
First Savings Bank	GNMA #36176xe21	3/15/2017	68,234	Federal Reserve
First Savings Bank	FNMA #3138EKJA4	1/1/2028	13,036	Federal Reserve
First Savings Bank	FNMA #3138ER2Q2	1/1/2032	78,568	Federal Reserve
First Savings Bank	GNR #38377TBL4	11/20/2038	7,222	Federal Reserve
First Savings Bank	GNR #38377TBL4	11/20/2038	7,222	Federal Reserve
First Savings Bank	GNR # 38377NLJ1	9/20/2039	<u>13,608</u>	Federal Reserve
Total			<u>\$ 211,033</u>	

See Independent Auditors' Report

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
SCHEDULE OF CASH AND TEMPORARY INVESTMENT ACCOUNTS
JUNE 30, 2018**

Bank Account Type	Amount
Certificate of Deposit	\$ 5,439
Checking - General Fund	481,025
Total on Deposit	486,464
Reconciling Items	<u>354</u>
Reconciled Balance, June 30, 2017	486,818
Less: Fiduciary Funds Cash	<u>(84,151)</u>
Cash per Statement of Net Position	<u>\$ 402,667</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
SCHEDULE OF CASH RECONCILIATIONS
JUNE 30, 2018**

	<u>Operational</u>	<u>Teacherage</u>	<u>Pupil Transportation</u>	<u>Instructional Materials</u>	<u>Title I IASA</u>
Cash, June 30, 2017	\$ 221,105	\$ 12,786	\$ 1	\$ -	\$ (2,455)
Add:					
FY 2018 Revenues	1,710,446	18,520	284,339	2,208	14,858
Permanent Cash Transfers In	-	-	-	-	-
Loans From Other Funds	<u>2,550</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,834</u>
Total Cash Available	1,934,101	31,306	284,340	2,208	16,237
Less:					
FY 2018 Expenditures	1,786,598	9,285	284,339	2,208	14,858
Permanent Cash Transfers Out	-	-	-	-	-
Loans to Other Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Disbursements	<u>1,786,598</u>	<u>9,285</u>	<u>284,339</u>	<u>2,208</u>	<u>14,858</u>
Cash, June 30, 2018	<u>\$ 147,503</u>	<u>\$ 22,021</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1,379</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
SCHEDULE OF CASH RECONCILIATIONS - CONTINUED
JUNE 30, 2018**

	<u>Food</u>	<u>Athletics</u>	<u>Student Activities</u>	<u>Entitlement IDEA-B</u>	<u>Preschool IDEA-B</u>
Cash, June 30, 2017	\$ 1,431	\$ 1,752	\$ 72,234	\$ (1,831)	\$ 342
Add:					
FY 2018 Revenues	26,577	2,787	98,882	12,417	-
Permanent Cash Transfers In	-	-	-	-	-
Loans From Other Funds	-	-	-	790	-
Total Cash Available	<u>28,008</u>	<u>4,539</u>	<u>171,116</u>	<u>11,376</u>	<u>342</u>
Less:					
FY 2018 Expenditures	25,795	4,401	86,965	12,418	-
Permanent Cash Transfers Out	-	-	-	-	-
Loans to Other Funds	245	-	-	-	-
Total Disbursements	<u>26,040</u>	<u>4,401</u>	<u>86,965</u>	<u>12,418</u>	<u>-</u>
Cash, June 30, 2018	<u>\$ 1,968</u>	<u>\$ 138</u>	<u>\$ 84,151</u>	<u>\$ (1,042)</u>	<u>\$ 342</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
SCHEDULE OF CASH RECONCILIATIONS - CONTINUED
JUNE 30, 2018**

	<u>Teacher Principal Training</u>	<u>Title XIX Medicaid</u>	<u>2009 Dual CR</u>	<u>NM Reads to Lead</u>	<u>Capital Imp. SB-9 State</u>
Cash, June 30, 2017	\$ (1,190)	\$ 8,199	\$ (132)	\$ (14,011)	\$ -
Add:					
FY 2018 Revenues	1,841	2,682	470	29,202	4,432
Permanent Cash Transfers In	-	-	-	-	-
Loans From Other Funds	-	-	132	9,408	-
Total Cash Available	<u>651</u>	<u>10,881</u>	<u>470</u>	<u>24,599</u>	<u>4,432</u>
Less:					
FY 2018 Expenditures	1,841	407	470	29,782	9,177
Permanent Cash Transfers Out	-	-	-	-	-
Loans to Other Funds	651	-	-	-	4,432
Total Disbursements	<u>2,492</u>	<u>407</u>	<u>470</u>	<u>29,782</u>	<u>13,609</u>
Cash, June 30, 2018	<u>\$ (1,841)</u>	<u>\$ 10,474</u>	<u>\$ -</u>	<u>\$ (5,183)</u>	<u>\$ (9,177)</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
SCHEDULE OF CASH RECONCILIATIONS - CONTINUED
JUNE 30, 2018**

	<u>Capital Imp. SB- 9 Local</u>	<u>Debt Service</u>	<u>Literacy for Children</u>	<u>Total</u>
Cash, June 30, 2017	\$ 152,541	\$ 27,696	\$ -	\$ 478,468
Add:				
FY 2018 Revenues	128,000	134,632	1,652	2,473,945
Permanent Cash Transfers In	-	-	-	-
Loans From Other Funds	-	49	-	16,763
Total Cash Available	<u>280,541</u>	<u>162,377</u>	<u>1,652</u>	<u>2,969,176</u>
Less:				
FY 2018 Expenditures	91,383	113,189	1,824	2,474,940
Permanent Cash Transfers Out	-	-	-	-
Loans to Other Funds	1,897	-	193	7,418
Total Disbursements	<u>93,280</u>	<u>113,189</u>	<u>2,017</u>	<u>2,482,358</u>
Cash, June 30, 2018	<u>\$ 187,261</u>	<u>\$ 49,188</u>	<u>\$ (365)</u>	<u>\$ 486,818</u>

See Independent Auditors' Report



Independent Auditors' 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

Honorable Wayne Johnson
New Mexico State Auditor
Santa Fe, New Mexico
and
The 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, the aggregate remaining fund information, the budgetary comparisons of the general fund and the major special revenue funds, of the Corona Public Schools (District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and the combining and individual funds of the District presented as supplementary information, and have issued our report thereon dated November 1, 2018.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kubiak Melton & Associates, LLC

Kubiak Melton & Associates, LLC

Albuquerque, New Mexico
November 1, 2018

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2018**

Section I – Financial Statement Findings

There were no audit findings for the year ended June 30, 2018.

Section II – Status of Prior Year Audit Findings

2017-001 – Per Diem and Mileage Act – Noncompliance – Other - RESOLVED

2017-002 – Internal Control over Payroll Disbursements – Noncompliance – Other - RESOLVED

**STATE OF NEW MEXICO
CORONA PUBLIC SCHOOLS
EXIT CONFERENCE
JUNE 30, 2018**

The contents of this report were discussed at an exit conference held November 1, 2018.

The District was represented by:

Terri Racher, Board Member
Travis Lightfoot, Superintendent
Karen Seely, Administrative Assistant
Nancy Anderson, Admin. Asst. / FSD

The firm of Kubiak Melton & Associates, LLC was represented by

Daniel O. Trujillo, CPA, CFE, CGFM, CGMA

Preparation of Financial Statements

The financial statements in this report were prepared substantially by the Independent Audit firm of Kubiak Melton & Associates, LLC, with the assistance of District management.