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**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS'  
REPORT**

**JUNE 30, 2020**

## **INTRODUCTORY SECTION**

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD**

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**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD**

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**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD**

**OFFICIAL ROSTER  
JUNE 30, 2020**

**City Council**

<b>Name</b>	<b>Title</b>
Cynthia Atencio	Mayor
George Walter	City Councilor
Tony Herrera	City Councilor
Sue Finch	City Councilor
Ken Hare	City Councilor

**Administration**

George Duncan	City Manager
Crystal Hornberger	City Clerk
Brad Ellsworth	Finance Director

**FINANCIAL SECTION**



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## Independent Auditors' Report

Ms. Cynthia Atencio, Mayor,  
City of Bloomfield  
and  
Mr. Brian S. Colón, Esq.,  
New Mexico State Auditor

### Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund of the State of New Mexico, City of Bloomfield (the City), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City'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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 City'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 modified audit opinions.

### Basis for Modified Opinion

There was no system of internal control for capital assets on which we could rely for the purpose of our audit. We were unable to obtain sufficient audit evidence to conclude that capital asset balances were materially correct.

## **Opinion**

In our opinion, except for the effects of the capital assets ending balances, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund of the City as of June 30, 2020, and the respective changes in financial position and where applicable cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Management has omitted 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 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, Schedule of the City's Proportionate Share of the Net Pension Liability, Schedule of City Contributions on pages 62-68, respectively, Schedule of Proportionate Share of the Net OPEB Liability on pages 69-71, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of 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 financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary information, such as the Combining and Individual Nonmajor Fund Financial Statements, and, the other schedules required by 2.2.2 NMAC are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated December 15, 2020, on our consideration of the City'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* and in considering the City's internal control over financial reporting and compliance.

*Ricci & Company LLC*

Albuquerque, New Mexico  
December 15, 2020

## **BASIC FINANCIAL STATEMENTS**

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
STATEMENT OF NET POSITION  
JUNE 30, 2020**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Current assets			
Cash and cash equivalents	\$ 3,930,577	1,745,662	\$ 5,676,239
Property taxes receivable	72,690	-	72,690
Other taxes receivable	1,070,193	-	1,070,193
Due from customers (net)	-	755,438	755,438
Other receivables	36,510	-	36,510
Due from other funds	1,800	5,222	7,022
Inventory	-	179,945	179,945
Total current assets	<u>5,111,770</u>	<u>2,686,267</u>	<u>7,798,037</u>
Noncurrent assets			
Restricted cash and investments	1,184,121	343,530	1,527,651
Capital assets	44,127,556	27,028,417	71,155,973
Less: accumulated depreciation	<u>(16,286,955)</u>	<u>(10,924,984)</u>	<u>(27,211,939)</u>
Total noncurrent assets	<u>29,024,722</u>	<u>16,446,963</u>	<u>45,471,685</u>
<b>Deferred outflows of resources</b>			
Deferred amount on refunding of debt	492,042	-	492,042
Pension - deferred outflows	1,136,614	213,805	1,350,419
OPEB - deferred outflows	<u>55,393</u>	<u>19,135</u>	<u>74,528</u>
Total deferred outflows of resources	<u>1,684,049</u>	<u>232,940</u>	<u>1,916,989</u>
Total assets and deferred outflows of resources	<u>\$ 35,820,541</u>	<u>19,366,170</u>	<u>\$ 55,186,711</u>

*The Notes to the Financial Statements are an integral part of this statement.*

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
STATEMENT OF NET POSITION (CONTINUED)  
JUNE 30, 2020**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Liabilities</b>			
Current liabilities			
Accounts payable	\$ 135,326	220,690	\$ 356,016
Accrued payroll expenses	142,355	57,223	199,578
Accrued compensated absences	219,485	40,001	259,486
Meter deposits	-	139,781	139,781
Accrued interest	27,611	21,572	49,183
Current portion of bond payable	135,000	-	135,000
Current portion of loans and notes payable	715,365	553,819	1,269,184
Judgments payable	233,334	-	233,334
Due to other funds	5,222	1,800	7,022
<b>Total current liabilities</b>	<u>1,613,698</u>	<u>1,034,886</u>	<u>2,648,584</u>
Noncurrent liabilities			
Accrued compensated absences, net of current	136,526	84,733	221,259
Bonds payable	-	-	-
Loans and notes payable, net of current	8,264,608	4,034,839	12,299,447
Net pension liability	6,400,835	1,105,472	7,506,307
Net OPEB liability	1,889,368	652,665	2,542,033
<b>Total noncurrent liabilities</b>	<u>16,691,337</u>	<u>5,877,709</u>	<u>22,569,046</u>
<b>Total liabilities</b>	<u>18,305,035</u>	<u>6,912,595</u>	<u>25,217,630</u>
Deferred inflows of resources			
Pension - deferred inflows	1,848,100	179,555	2,027,655
OPEB - deferred inflows	2,089,563	721,820	2,811,383
<b>Total deferred inflows of resources</b>	<u>3,937,663</u>	<u>901,375</u>	<u>4,839,038</u>
Net position			
Net investment in capital assets	18,725,628	11,514,775	30,240,403
Restricted for:			
Debt service	1,185,133	343,530	1,528,663
Capital projects	734,136	-	734,136
Special revenue	423,079	-	423,079
Reserve requirement	490,300	-	490,300
Unrestricted (deficit)	<u>(7,980,433)</u>	<u>(306,105)</u>	<u>(8,286,538)</u>
<b>Total net position</b>	<u>13,577,843</u>	<u>11,552,200</u>	<u>25,130,043</u>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<u>\$ 35,820,541</u>	<u>19,366,170</u>	<u>\$ 55,186,711</u>

*The Notes to the Financial Statements are an integral part of this statement.*



**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
BALANCE SHEET – GOVERNMENTAL FUNDS  
JUNE 30, 2020**

	General Fund	Other Governmental Funds	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,707,116	2,407,582	\$ 5,114,698
Receivables:		-	
Property taxes	62,323	10,367	72,690
Other taxes	951,179	119,014	1,070,193
Other receivables	36,510	-	36,510
Due from other funds	59,832	4,346	64,178
<b>Total assets</b>	<b>\$ 3,816,960</b>	<b>2,541,309</b>	<b>\$ 6,358,269</b>
<b>LIABILITIES</b>			
Accounts payable	120,124	15,202	135,326
Accrued payroll expenses	130,148	12,207	142,355
Due to other funds	402	67,198	67,600
<b>Total liabilities</b>	<b>250,674</b>	<b>94,607</b>	<b>345,281</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue- property taxes	56,359	9,355	65,714
<b>Total deferred inflows of resources</b>	<b>56,359</b>	<b>9,355</b>	<b>65,714</b>
<b>FUND BALANCES</b>			
Nonspendable	-	-	-
Restricted	490,300	2,342,348	2,832,648
Committed	-	35,344	35,344
Assigned	-	102,502	102,502
Unassigned	3,019,627	(42,847)	2,976,780
<b>Total fund balances</b>	<b>3,509,927</b>	<b>2,437,347</b>	<b>5,947,274</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 3,816,960</b>	<b>2,541,309</b>	<b>6,358,269</b>

*The Notes to the Financial Statements are an integral part of this statement.*

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2020**

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

Fund balances - total governmental funds	\$ 5,947,274
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	27,840,601
Delinquent property taxes not collected within sixty days after year end are not considered "available" revenues and are considered to be deferred inflows of resources in the fund financial statements, but are considered revenue in the Statement of Activities	65,714
Items related to the defined benefit pension plan and other postemployment benefits are not financial resources and, therefore, are not reported in the funds. Deferred outflows of resources	1,192,007
Loan proceeds paid to refunded bond escrow agent reported as an other financing use in the funds are netted against the refunded bonds with the difference being reported as a deferred outflow of resources in the government-wide statement of net position and amortized over the remaining life of the refunded bonds	492,042
Items related to the defined benefit pension plan and other postemployment benefits are not due and payable in the current period and, therefore, are not reported in the funds Deferred inflows of resources	(3,937,663)
Certain liabilities, including bonds payable and related components, accrued interest, and current and long-term portions of accrued compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds	
Accrued interest	(27,611)
Accrued compensated absences	(356,011)
Bonds and notes payable	(9,114,973)
Judgments payable	(233,334)
Net pension liability	(6,400,835)
Net OPEB liability	(1,889,368)
	<hr/>
Net position of governmental activities	<u>\$ 13,577,843</u>

*The Notes to the Financial Statements are an integral part of this statement.*

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2020**

	General Fund	Other Governmental Funds	Total
<b>REVENUES</b>			
Taxes:			
Property	\$ 858,587	143,550	\$ 1,002,137
Gross receipts	5,502,210	453,932	5,956,142
Gasoline and motor vehicle	-	273,873	273,873
Other	305,033	50,018	355,051
Intergovernmental			
Federal operating grants	2,117	-	2,117
Federal capital grants	-	-	-
State operating grants	400,104	819,379	1,219,483
State capital grants	-	-	-
Charges for services	213,032	-	213,032
Licenses and fees	148,600	4,902	153,502
Investment income	37	21,160	21,197
Miscellaneous	6,680	11,660	18,340
<b>Total revenues</b>	<u>7,436,400</u>	<u>1,778,474</u>	<u>9,214,874</u>
<b>EXPENDITURES</b>			
Current:			
General government	1,730,803	99,800	1,830,603
Public safety	2,989,036	259,190	3,248,226
Public works	-	633,743	633,743
Culture and recreation	887,814	114,486	1,002,300
Health and welfare	192,168	-	192,168
Capital outlay	-	-	-
Debt service:			
Principal	-	852,792	852,792
Interest	-	285,636	285,636
<b>Total expenditures</b>	<u>5,799,821</u>	<u>2,245,647</u>	<u>8,045,468</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>1,636,579</u>	<u>(467,173)</u>	<u>1,169,406</u>
<b>Other financing sources (uses)</b>			
Transfers in	-	1,344,412	1,344,412
Transfers out	(837,745)	(615,228)	(1,452,973)
<b>Total other financing sources (uses)</b>	<u>(837,745)</u>	<u>729,184</u>	<u>(108,561)</u>
Net change in fund balance	798,834	262,011	1,060,845
Fund balance - beginning of year	<u>2,711,093</u>	<u>2,175,336</u>	<u>4,886,429</u>
Fund balance - end of year	<u>\$ 3,509,927</u>	<u>2,437,347</u>	<u>\$ 5,947,274</u>

*The Notes to the Financial Statements are an integral part of this statement.*

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2020**

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

Net change in fund balances - total governmental funds	\$ 1,060,845
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds:	
Change in deferred inflow related to property taxes receivable	(86,264)
Expenses in the Statement of Activities that do not require current financial resources are not reported as expenditures in the funds:	
Change in accrued compensated absences	(864)
Change in accrued interest	2,898
Change in judgments payable	233,333
Change in net pension liability and the related deferred outflows and deferred inflows of resources related to pensions	143,281
Change in net OPEB liability and the related deferred outflows and deferred inflows of resources related to other postemployment benefits	575,922
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. Also, governmental funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities:	
Principal payments on bonds, loans and notes payable	852,792
Amortization of deferred amount on refunding of debt	<u>(86,831)</u>
Change in net position of governmental activities	<u>\$ 2,695,112</u>

*The Notes to the Financial Statements are an integral part of this statement.*

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE BUDGET (NON GAAP BUDGETARY BASIS)  
AND ACTUAL – GENERAL FUND  
YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues:</i>				
<i>Taxes</i>				
Property	\$ 973,374	973,374	870,054	\$ (103,320)
Gross receipts	5,541,500	5,541,500	5,669,786	128,286
Other	330,500	330,500	429,990	99,490
<i>Intergovernmental income:</i>				
State operating grant	161,350	161,350	402,221	240,871
State capital grant	-	-	-	-
Charges for services	384,500	384,500	228,462	(156,038)
Licenses and fees	16,500	16,500	16,312	(188)
Investment income	50	50	37	(13)
Miscellaneous	74,200	74,200	75,954	1,754
<i>Total revenues</i>	<u>7,481,974</u>	<u>7,481,974</u>	<u>7,692,816</u>	<u>210,842</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General government	2,596,812	2,596,812	2,381,226	215,586
Public safety	3,344,376	3,344,376	2,798,892	545,484
Public Works	-	-	-	-
Culture and recreation	420,045	420,045	412,472	7,573
Health and welfare	241,231	241,231	228,383	12,848
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>6,602,464</u>	<u>6,602,464</u>	<u>5,820,973</u>	<u>781,491</u>
<i>Excess of revenues over expenditures</i>	<u>879,510</u>	<u>879,510</u>	<u>1,871,843</u>	<u>992,333</u>
<i>Other financing sources (uses)</i>				
Transfers out	(923,193)	(1,952,728)	(837,745)	1,114,983
<i>Total other financing sources (uses)</i>	<u>(923,193)</u>	<u>(1,952,728)</u>	<u>(837,745)</u>	<u>1,114,983</u>
<i>Net change in fund balance</i>	(43,683)	(1,073,218)	1,034,098	2,107,316
<i>Fund balance - beginning of year</i>	-	-	155,124	155,124
<i>Fund balance - end of year</i>	<u>\$ (43,683)</u>	<u>\$ (1,073,218)</u>	<u>\$ 1,189,222</u>	<u>\$ 2,262,440</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ 1,034,098	
Adjustments to revenues for taxes and other receivables.			(256,416)	
Adjustments to expenditures for salaries and accounts payable.			21,152	
Net change in fund balance (GAAP)			<u>\$ 798,834</u>	

*The Notes to the Financial Statements are an integral part of this statement.*

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
June 30, 2020**

	Business-type Activities		
	Enterprise Funds		
	Joint Utility	Solid Waste	Total
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ 1,336,143	409,519	\$ 1,745,662
Accounts receivable, net	657,050	98,388	755,438
Inventory	179,945	-	179,945
Due from other funds	5,222	-	5,222
<b>Total noncurrent assets</b>	<b>2,178,360</b>	<b>507,907</b>	<b>2,686,267</b>
Noncurrent assets			
Restricted cash and investments	326,656	16,874	343,530
Capital assets	26,524,519	503,898	27,028,417
Accumulated depreciation	(10,789,168)	(135,816)	(10,924,984)
<b>Total noncurrent assets</b>	<b>16,062,007</b>	<b>384,956</b>	<b>16,446,963</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension - deferred outflows	213,805	-	213,805
OPEB - deferred outflows	19,135	-	19,135
<b>Total deferred outflows of resources</b>	<b>232,940</b>	<b>-</b>	<b>232,940</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 18,473,307</b>	<b>892,863</b>	<b>\$ 19,366,170</b>
<b>Liabilities, deferred inflows of resources, and Net Position</b>			
Liabilities			
Current liabilities			
Accounts payable	\$ 168,205	52,485	\$ 220,690
Accrued payroll expenses	57,223	-	57,223
Accrued compensated absences	40,001	-	40,001
Meter deposits	139,781	-	139,781
Due to other funds	1,800	-	1,800
Accrued interest	21,052	520	21,572
Current maturity of loans, notes and capital leases payable	540,727	13,092	553,819
<b>Total current liabilities</b>	<b>968,789</b>	<b>66,097</b>	<b>1,034,886</b>
Noncurrent liabilities			
Accrued compensated absences	84,733	-	84,733
Loans, notes and capital leases payable	3,976,479	58,360	4,034,839
Net pension liability	1,105,472	-	1,105,472
Net OPEB liability	652,665	-	652,665
<b>Total noncurrent liabilities</b>	<b>5,819,349</b>	<b>58,360</b>	<b>5,877,709</b>
<b>Total liabilities</b>	<b>6,788,138</b>	<b>124,457</b>	<b>6,912,595</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension - deferred inflows	179,555	-	179,555
OPEB - deferred inflows	721,820	-	721,820
<b>Total deferred inflows of resources</b>	<b>901,375</b>	<b>-</b>	<b>901,375</b>
<b>NET POSITION</b>			
Net investment in capital assets	11,218,145	296,630	11,514,775
Restricted for:			
Debt service	326,656	16,874	343,530
Unrestricted	(761,007)	454,902	(306,105)
<b>Total net position</b>	<b>10,783,794</b>	<b>768,406</b>	<b>11,552,200</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 18,473,307</b>	<b>892,863</b>	<b>\$ 19,366,170</b>

The Notes to the Financial Statements are an integral part of this statement.

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION - PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2020**

	Business-type Activities		
	Enterprise Funds		
	Joint Utility	Solid Waste	Total
<b>OPERATING REVENUES</b>			
Charges for services	\$ 4,206,124	732,006	\$ 4,938,130
<b>Total operating revenues</b>	<u>4,206,124</u>	<u>732,006</u>	<u>4,938,130</u>
<b>OPERATING EXPENSES</b>			
Depreciation	-	-	-
Personnel services	1,458,545	-	1,458,545
Contractual services	954,196	595,610	1,549,806
Supplies and purchased power	639,128	-	639,128
Maintenance and materials	301,396	-	301,396
Miscellaneous	376,383	-	376,383
Utilities	22,911	-	22,911
Equipment	162,088	-	162,088
Gross receipts taxes	195,917	-	195,917
<b>Total operating expenses</b>	<u>4,110,564</u>	<u>595,610</u>	<u>4,706,174</u>
Operating income (loss)	<u>95,560</u>	<u>136,396</u>	<u>231,956</u>
Non-operating revenues (expenses):			
Interest expense	(179,369)	(3,229)	(182,598)
Investment income	7,077	291	7,368
Miscellaneous income	1,247	-	1,247
<b>Total non-operating revenues (expenses)</b>	<u>(171,045)</u>	<u>(2,938)</u>	<u>(173,983)</u>
Income (loss) before contributions and transfers	<u>(75,485)</u>	<u>133,458</u>	<u>57,973</u>
Government contributions	644,017	-	644,017
Transfers in	1,420,893	-	1,420,893
Transfers out	(1,305,888)	(6,444)	(1,312,332)
Change in net position	683,537	127,014	810,551
Total net position, beginning of year	<u>10,100,257</u>	<u>641,392</u>	<u>10,741,649</u>
Total net position, end of year	<u>\$ 10,783,794</u>	<u>768,406</u>	<u>\$ 11,552,200</u>

*The Notes to the Financial Statements are an integral part of this statement.*

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2020**

	Business-type Activities		
	Enterprise Funds		Total
	Joint Utility	Solid Waste	
Cash flows from operating activities:			
Cash received from user charges	\$ 4,144,967	724,814	\$ 4,869,781
Other receipts	1,247	-	1,247
Cash payments to employees for services	(1,474,211)	-	(1,474,211)
Cash payments to suppliers for goods and services	(2,666,544)	(597,772)	(3,264,316)
<b>Net cash provided by operating activities</b>	<u>5,459</u>	<u>127,042</u>	<u>132,501</u>
Cash flows from noncapital financing activities:			
Government contributions	644,017	-	644,017
Internal balances and transfers	109,703	(6,444)	103,259
Other receipts	-	-	-
<b>Net cash (used) provided by noncapital financing activities:</b>	<u>753,720</u>	<u>(6,444)</u>	<u>747,276</u>
Cash flows from investing activities:			
Interest on investments	7,077	291	7,368
<b>Net cash provided from investing activities</b>	<u>7,077</u>	<u>291</u>	<u>7,368</u>
Cash flows from capital and related financing activities:			
Interest paid	(181,921)	(3,316)	(185,237)
Principal payments on bonds, loans and notes payable	(549,647)	(12,555)	(562,202)
<b>Net cash (used) from capital and related financing activities</b>	<u>(731,568)</u>	<u>(15,871)</u>	<u>(747,439)</u>
Net increase (decrease) in cash and cash equivalents	34,688	105,018	139,706
Cash and cash equivalents - beginning of year	<u>1,628,111</u>	<u>321,375</u>	<u>1,949,486</u>
Cash and cash equivalents - end of year	<u>\$ 1,662,799</u>	<u>426,393</u>	<u>\$ 2,089,192</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 95,560	136,396	\$ 231,956
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	-	-	-
Net pension expense	(13,129)	-	(13,129)
Net OPEB expense	(28,183)	-	(28,183)
Miscellaneous income	1,247	-	1,247
Changes in assets and liabilities:			
Receivables	(202,790)	(7,192)	(209,982)
Inventory	148,648	-	148,648
Accounts payable	(14,525)	(2,162)	(16,687)
Accrued payroll expenses	5,293	-	5,293
Accrued compensated absences	20,353	-	20,353
Meter deposits	(7,015)	-	(7,015)
<b>Net cash provided by operating activities</b>	<u>\$ 5,459</u>	<u>127,042</u>	<u>\$ 132,501</u>

*The Notes to the Financial Statements are an integral part of this statement.*

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES -  
AGENCY FUNDS  
June 30, 2020**

<b>ASSETS</b>	
Cash	\$           141
	<hr/>
Total assets	\$           141
	<hr/> <hr/>
<b>LIABILITIES</b>	
Due to other entities	\$           141
	<hr/>
Total liabilities	\$           141
	<hr/> <hr/>

*The Notes to the Financial Statements are an integral part of this statement.*

**NOTES TO FINANCIAL STATEMENTS**

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Bloomfield (City) was incorporated in 1953 under provisions of Chapter 3, Article 2, NMSA, 1978 as amended. The City operates under a Council-Mayor form of government and provides the following services as authorized by its charter: public safety (police and fire); highways and streets; water and sewer services; refuse collection; health and social services; culture-recreation; public improvements; planning and zoning; and general administrative services.

The City is a body politic and corporate under the name and form of government selected by its qualified electors. The City may:

1. Sue or be sued;
2. Enter into contracts and leases;
3. Acquire and hold property, both real and personal;
4. Have common seal, which may be altered at pleasure;
5. Exercise such other privileges that are incident to corporations of like character or degree that are not inconsistent with the laws of New Mexico;
6. Protect generally the property of its municipality and its inhabitants;
7. Preserve peace and order within the municipality; and
8. Establish rates for services provided by municipal utilities and revenue-producing projects, including amounts which the governing body determines to be reasonable in the operation of similar facilities.

This summary of significant accounting policies of the City is presented to assist in the understanding of the City's financial statements. The financial statements and notes are the representation of the City's management who is responsible for their integrity and objectivity. The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units.

***A. Financial Reporting Entity***

In evaluating how to define the City, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statement No. 14, No. 39, and No. 61. Blended component units, although legally separate entities, are in substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***A. Financial Reporting Entity (Continued)***

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity. Based upon the application of these criteria, the City does not have any component units required to be reported under GASB Statements No. 14, No. 39, and No. 61.

***B. 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 nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for services provided.

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

In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognized all long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position.

STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***B. Government-Wide and Fund Financial Statements (Continued)***

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

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

***C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation***

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues, other than property tax revenue, to be available if they are collected within 120 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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 are 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 requirements 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.

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation  
(Continued)***

The government-wide full accrual basis property tax receivables recognize revenues net of estimated refunds and uncollectible amounts, in the period for which the taxes are levied, even if they are not available. All other revenue items are considered to be measurable and available only when cash is received by the City.

Program revenues included in the Statement of Activities are derived directly from the program itself or from parties outside the City's taxpayer or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the City's general revenues. Program revenues are categorized as (a) charges for services, which include revenues collected for fees and use of City facilities, etc., (b) program-specific operating grants, which includes revenues received from state and federal sources such as small cities assistance to be used as specified within each program grant agreement, and (c) program-specific capital grants and contributions, which include revenues from state sources 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.

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

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met.

Governmental funds are used to account for the City'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 general long-term debt.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenue of the City's enterprise fund is charges for services for the City's utilities. Operating expenses for enterprise funds include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation  
(Continued)***

Under the requirements of GASB Statement No. 34, the City is required to present certain of its governmental funds as major based upon certain criteria. The major funds presented in the fund financial statements include the following:

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

The City reports its proprietary funds as major funds. Proprietary funds include:

The *Joint Utility Fund* accounts for fees generated from charges for utilities.

The *Solid Waste Fund* accounts for fees generated from charges for trash collection.

Additionally, the government reports the following agency fund:

The *Fiduciary Funds* are purely custodial (assets equal liabilities) and do not involve measurement of results of operations. The City's fiduciary funds are used to account for the collection and payment of motor vehicle fees.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes, because elimination of these charges would distort the direct costs and program revenues reported in the Statement of Activities.

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

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*D. Assets, Liabilities, Deferred Inflows/Outflows of Resources, and Net Position or Equity*

**Deposits and Investments**

The City'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 City to invest in Certificates of Deposit, obligations of the U.S. Government, and the State Treasurer's Investment Pool.

Investments for the City are reported at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties. All of the City's investments at June 30, 2020, are considered cash equivalents for financial statement purposes.

**Receivables and Payables**

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

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.

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. In the government-wide and governmental fund financial statements, delinquent property taxes are recorded when levied.

Property taxes are levied on November 1 based on the assessed value of property as listed on the previous January 1 and are due in two payments by November 10th and April 10th. Property taxes uncollected after November 10<sup>th</sup> and April 10<sup>th</sup> are considered delinquent and the City may assess penalties and interest. The taxes attach as an enforceable lien on property thirty (30) days thereafter, at which time they become delinquent. Property taxes are collected by San Juan County and remitted monthly to the City.

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*D. Assets, Liabilities, Deferred Inflows/Outflows of Resources, and Net Position or Equity (Continued)*

**Inventory**

The City's method of accounting for inventory is the consumption method. Under the consumption approach, governments report inventories they purchase as an asset and defer the recognition of the expenditures until the period in which the inventories actually are consumed. Inventory is valued at cost and consists of supplies and materials. The cost of purchased supplies and materials is recorded as an expenditure at the time individual inventory items are consumed.

**Restricted Assets**

Restricted assets consist of those funds expendable for operating purposes but restricted by donors or other outside agencies as to the specific purpose for which they may be expended.

**Capital Assets**

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. In accordance with NMAC 2.20.1.7 G, capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Pursuant to the implementation of GASB Statement No. 34, the City was a phase III government for purposes of implementation, and accordingly, has prospectively reported infrastructure assets at historical cost as part of the governmental capital assets reported in the government-wide statements as of June 30, 2020. Donated capital assets are recorded at estimated fair market value at the date of donation. The City does not develop any software.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction.

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*D. Assets, Liabilities, Deferred Inflows/Outflows of Resources, and Net Position or Equity (Continued)*

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>
Infrastructure	40
Distribution System	40
Buildings and Improvements	45
Land Improvements	20
Furniture, Fixtures, and Equipment	5-20

**Accrued Expenses**

Accrued expenses are comprised of payroll expenditures based on amounts earned by the employees through June 30, 2020, along with applicable PERA and Retiree Health Care.

**Deferred Inflows/Outflows of Resources**

In addition to liabilities, the statement of net position and the balance sheet report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Revenue must be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period) to be recognized. If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding liability for deferred inflows 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, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has only one type of item, which arises under the modified accrual basis of accounting that qualifies for reporting as a deferred inflow of resources. Accordingly, the item, unavailable revenue - property taxes, is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City has recorded \$65,714 related to property taxes considered "unavailable." In the government-wide financial statements, the City reports both deferred outflows of resources and deferred inflows of resources in relation to its pension activity. See the statement of net position for amounts for both governmental activities and business-type activities.

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*D. Assets, Liabilities, Deferred Inflows/Outflows of Resources, and Net Position or Equity (Continued)*

**Compensated Absences**

Qualified employees are entitled to accumulate annual leave according to a graduated leave schedule of ten days to twenty days per year, depending on length of service. Employees may accumulate up to 320 hours (forty days) of annual leave and carry that leave forward from calendar year to calendar year. Upon termination, employees will be paid for up to 320 hours (forty days) of accrued annual leave.

Qualified employees are entitled to accumulate sick leave at a rate of twelve days per year. Sick leave can be carried over from year to year up to 720 hours (90 days). Upon termination employees will be paid for 25% of their accumulated sick time. Retiring employees will be paid for 50% of their accumulated sick time.

Vested or accumulated vacation and sick leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. In prior years, substantially all of the related expenditures have been liquidated by the general fund. Amounts of vested or accumulated vacation and sick leave that are not expected to be liquidated with expendable available financial resources are reported in the government-wide statement of net position.

**Long-term Obligations**

In the government-wide fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method, or the straight-line method, if the difference is inconsequential.

**Pensions**

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

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*D. Assets, Liabilities, Deferred Inflows/Outflows of Resources, and Net Position or Equity (Continued)*

**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.

**Fund Balance Classification Policies and Procedures**

For committed fund balance, the City's highest level of decision-making authority is the City Council. The formal action that is required to be taken to establish a fund balance commitment is an ordinance or resolution passed by the City Council.

For assigned fund balance, the City Council or an official or body to which the City Council delegates the authority is authorized to assign amounts to a specific purpose. The authorization policy is that in governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

For the classification of fund balances, the City considers restricted amounts to have been spent first when an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available. Also for the classification of fund balances, the City considers committed amounts to have been spent first, followed by assigned amounts, and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

**Nonspendable Fund Balance**

At June 30, 2020, the City did not have any nonspendable fund balance categorized in the governmental funds balance sheet.

**Restricted and Committed Fund Balance**

At June 30, 2020, the City has presented restricted fund balance on the governmental funds balance sheet in the amount of \$2,834,648 for various City operations, of which \$1,148,811 is restricted by enabling legislation, and \$1,683,837 by externally imposed restrictions from creditors, grantors, contributors, or laws or regulations of other governments. Of the \$1,683,837, \$490,300 is restricted in the General Fund by a reserve requirement imposed by the New Mexico Department of Finance and Administration which is one twelfth of budgeted General Fund expenditures. The City has also presented committed fund balance on the governmental funds balance sheet in the

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*D. Assets, Liabilities, Deferred Inflows/Outflows of Resources, and Net Position or Equity (Continued)*

amount of \$35,344 in order to provide services throughout the City. The \$35,344 was committed by formal action of the City Council. Assigned fund balance, in the amount of \$102,502, has also been reported, of which \$92,574 was assigned by the City Council, and \$9,928 was assigned at the department level by policy.

**Minimum Fund Balance Policy**

The City's policy for maintaining a minimum amount of fund balance for operations is to minimize any sudden and unplanned discontinuity to programs and operations and for unforeseen contingencies. At a minimum, the budget shall ensure that the City holds cash reserves of 1/12th of General Fund expenditures.

**Interfund Transactions**

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

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

**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 in the City's financial statements include the allowance for uncollectible accounts in the joint utility and solid waste funds.

**NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

*Budgetary Information*

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

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY  
(CONTINUED)**

*Budgetary Information (Continued)*

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

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

The City is required to balance its budgets each year. Accordingly, amounts that are excess or deficient are presented as changes in cash designated for expenditures, not as an excess or deficiency of revenues over expenditures.

The accompanying Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual presents comparisons of the legally adopted budget with actual data on a budgetary basis. Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of resultant basis, perspective, equity and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2020 is presented.

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 3. DEPOSITS AND INVESTMENTS**

State statutes authorize the investment of City funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested funds of the City properly followed State investment requirements as of June 30, 2020.

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 City. Deposits may be made to the extent that they are insured by an agency of the United States or collateralized as required by statute. The financial institution must provide pledged collateral for 50% of the deposit amount in excess of the deposit insurance.

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

Excess 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.

By operation of federal law, beginning January 1, 2013, funds deposited in a noninterest-bearing transaction account (including an Interest on Lawyer Trust Account) no longer will receive unlimited deposit insurance coverage by the FDIC. Beginning January 1, 2013, all of the City's accounts at an insured depository institution, including all noninterest-bearing transaction accounts, will be insured by the FDIC up to the Standard Maximum Deposit Insurance Amount of \$250,000.

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2020, \$5,585,961 of the City's bank balance of \$6,085,961 was exposed to custodial credit risk. Although the \$5,585,961 was uninsured, \$4,053,350 of this amount was collateralized by collateral held by the pledging bank's trust department, not in the City's name. \$1,532,611 of the City's deposits were uninsured at June 30, 2020.

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)**

	<b>Wells Fargo Bank</b>	<b>Citizens Bank</b>	<b>Total</b>
Amount of deposits	\$ 4,858,207	1,227,754	\$ 6,085,961
FDIC coverage	(250,000)	(250,000)	(500,000)
Total uninsured public funds	<u>4,608,207</u>	<u>977,754</u>	<u>5,585,961</u>
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the City's name	2,598,311	1,455,039	4,053,350
Uninsured and uncollateralized	<u>\$ 2,009,896</u>	<u>(477,285)</u>	<u>\$ 1,532,611</u>
Collateral requirement (50% of uninsured funds)	\$ 2,304,104	488,877	\$ 2,792,981
Pledged collateral	2,598,311	1,455,039	4,053,350
Over collateralized	<u>\$ 294,207</u>	<u>966,162</u>	<u>\$ 1,260,369</u>

As of June 30, 2020, the City had the following investments and maturities:

	<b>Maturities</b>	<b>Fair Value</b>	<b>Rating</b>
U.S. Treasury MM Mutual Funds	<360 days	1,245,073	Aaa*

\*Rating based on Moody's

*Custodial Credit Risk - Investments* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's policy related to investments is to comply with the state statute as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). The carrying value of the City's investments at June 30, 2020 was \$1,245,073.

The investments are listed on the schedule of deposit accounts of this report. They are considered restricted cash and investments for financial statement purposes. The total restricted cash and cash equivalents balance of \$1,527,651 also consists of \$140,137 in cash being held in the Joint Utility Fund for customer deposits and \$142,441 in cash being held in the G.O. Bond Debt Service Fund for payment of general obligation bonds.

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)**

Reconciliation to the Statements of Net Position

The carrying amount of deposits and investments shown above are included in the City’s Statement of Net Position as follows:

Cash and cash equivalents	\$ 5,676,239
Restricted cash and investments	1,527,651
Agency funds cash	141
Total cash and cash equivalents	<u>7,204,031</u>
 Add: deposits in transit and other reconciling items	 129,553
Less: Petty cash	(2,550)
Bank balance deposits	<u><u>\$ 7,331,034</u></u>

**NOTE 4. RECEIVABLES**

Receivables as of June 30, 2020, including the applicable allowances for uncollectible accounts, are as follows:

**Governmental Activities:**

	<b>General Fund</b>	<b>Other Governme ntal Funds</b>	<b>Total</b>
Property taxes	\$ 62,323	10,367	\$ 72,690
Other taxes:			
Gross receipts taxes	800,177	66,336	866,513
Gasoline taxes	-	47,953	47,953
Motor vehicle taxes	18,576	-	18,576
Franchise and lodgers taxes	132,426	4,725	137,151
Other receivables:			
Intergovernmental state grants	31,303	-	31,303
Miscellaneous	5,207	-	5,207
	<u>\$ 1,050,012</u>	<u>129,381</u>	<u>\$ 1,179,393</u>

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 4. RECEIVABLES (CONTINUED)**

In accordance with GASB No. 33, the property tax revenues that were not collected within the period of availability, \$65,714, have been reclassified as deferred inflows in the governmental fund financial statements. The above receivables are deemed 100% collectible.

**Business-Type Activities:**

	<u>Joint</u>	<u>Solid</u>	<u>Total</u>
Utility fees	\$ 919,061	144,358	\$ 1,063,419
Less: Allowance for uncollectible accounts	(262,011)	(45,970)	(307,981)
	<u>\$ 657,050</u>	<u>98,388</u>	<u>\$ 755,438</u>

**NOTE 5. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The City recorded interfund receivable/payable to reflect a temporary loan between funds. The purpose of the loan was to cover cash shortages until grant reimbursements could be obtained.

<u>Due To:</u>	<u>Due From:</u>	<u>Amount</u>
General fund	Senior Citizen Center	\$ 54,291
General fund	Joint Utility Fund	1,800
General fund	Special Street Maintenance	2,441
General fund	Keep America Beautiful Fund	1,300
Fire Protection Fund	Emergency Medical Services Grant	3,944
Fire Department Construction Fund	General Fund	402
Joint Utility Fund	Fire Protection Fund	5,222
		<u>\$ 69,400</u>

All interfund transactions are short-term and are expected to be repaid within a year.

Operating transfers, made to close out funds and to supplement other funding sources in the normal course of operations, were as follows:

<u>Transfers In:</u>	<u>Transfers Out:</u>	<u>Amount</u>
Debt Service	Joint Utility Fund	\$ 957,156
Special Street Maintenance	General Fund	381,022
Special Street Maintenance	Joint Utility Fund	6,234
Joint Utility Fund	Capital Equipment Replacement Fund	534,945
Joint Utility Fund	Fire Protection Fund	80,283
Joint Utility Fund	General Fund	456,723
Joint Utility Fund	Joint Utility Fund	342,498
Joint Utility Fund	Solid Waste Fund	6,444
		<u>\$ 2,765,305</u>

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 6. CAPITAL ASSETS**

A summary of capital assets and changes occurring during the year ended June 30, 2020, including those changes pursuant to the implementation of GASB Statement No. 34, follows. Land and construction in progress are not subject to depreciation.

<b>Governmental Activities:</b>	<b>Balance</b>			<b>Balance</b>
	<b>June 30, 2019</b>	<b>Additions</b>	<b>Deletions</b>	<b>June 30, 2020</b>
Capital assets not being depreciated:				
Land	\$ 2,256,522	-	-	\$ 2,256,522
Construction-in-progress	524,696	-	-	524,696
<b>Total capital assets not being depreciated</b>	<b>2,781,218</b>	<b>-</b>	<b>-</b>	<b>2,781,218</b>
Capital assets being depreciated:				
Land improvements	2,628,230	-	-	2,628,230
Buildings and improvements	17,911,491	-	-	17,911,491
Furniture, fixtures and equipment	9,912,641	-	-	9,912,641
Infrastructure	10,893,976	-	-	10,893,976
<b>Total capital assets being depreciated</b>	<b>41,346,338</b>	<b>-</b>	<b>-</b>	<b>41,346,338</b>
<b>Total capital assets</b>	<b>44,127,556</b>	<b>-</b>	<b>-</b>	<b>44,127,556</b>
Accumulated Depreciation				
Land improvements	(871,834)	-	-	(871,834)
Buildings and improvements	(5,813,327)	-	-	(5,813,327)
Furniture, fixtures and equipment	(7,245,978)	-	-	(7,245,978)
Infrastructure	(2,355,816)	-	-	(2,355,816)
<b>Total accumulated depreciation</b>	<b>(16,286,955)</b>	<b>-</b>	<b>-</b>	<b>(16,286,955)</b>
<b>Total capital assets, net of depreciation</b>	<b>\$ 27,840,601</b>	<b>-</b>	<b>-</b>	<b>\$ 27,840,601</b>

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 6. CAPITAL ASSETS (CONTINUED)**

<b>Business-Type Activities:</b>	<b>Balance</b>			<b>Balance</b>
	<b>June 30, 2019</b>	<b>Additions</b>	<b>Deletions</b>	<b>June 30, 2020</b>
Capital assets not being depreciated:				
Land	\$ 395,469	-	-	\$ 395,469
Water rights	313,686	-	-	313,686
Construction-in-progress	618,910	-	-	618,910
<b>Total capital assets not being depreciated</b>	<b>1,328,065</b>	<b>-</b>	<b>-</b>	<b>1,328,065</b>
Capital assets being depreciated:				
Land improvements	1,753,859	-	-	1,753,859
Buildings and improvements	10,908,287	-	-	10,908,287
Distribution system	12,413,049	-	-	12,413,049
Furniture, fixtures and equipment	625,157	-	-	625,157
<b>Total capital assets being depreciated</b>	<b>25,700,352</b>	<b>-</b>	<b>-</b>	<b>25,700,352</b>
<b>Total capital assets</b>	<b>27,028,417</b>	<b>-</b>	<b>-</b>	<b>27,028,417</b>
Accumulated Depreciation				
Land improvements	(354,335)	-	-	(354,335)
Buildings and improvements	(3,694,589)	-	-	(3,694,589)
Distribution system	(6,501,947)	-	-	(6,501,947)
Furniture, fixtures and equipment	(374,113)	-	-	(374,113)
<b>Total accumulated depreciation</b>	<b>(10,924,984)</b>	<b>-</b>	<b>-</b>	<b>(10,924,984)</b>
<b>Total capital assets, net of depreciation</b>	<b>\$ 16,103,433</b>	<b>-</b>	<b>-</b>	<b>\$ 16,103,433</b>

As described in the auditor's report, capital asset activity and related depreciation has not been tracked and recorded, thus resulting in a modified opinion over capital asset balances.

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 7. LONG-TERM DEBT**

During the year ended June 30, 2020, the following changes occurred in the liabilities reported in the government-wide statement of net position:

<b>Governmental Activities:</b>	<b>Balance</b>			<b>Balance</b>		<b>Due Within One Year</b>
	<b>June 30, 2019</b>	<b>Additions</b>	<b>Retirements</b>	<b>June 30, 2020</b>		
2005 General Obligation Series	\$ 265,000	-	(130,000)	135,000	\$	135,000
Capital Lease	60,751	-	(43,103)	17,648		17,648
NMFA Loans	9,642,014	-	(679,689)	8,962,325		697,717
Judgments	466,667	-	(233,333)	233,334		233,334
Compensated Absences	355,147	220,349	(219,485)	356,011		219,485
<b>Total long-term debt</b>	<b>10,789,579</b>	<b>220,349</b>	<b>(1,305,610)</b>	<b>9,704,318</b>		<b>1,303,184</b>

Governmental obligations consist of the following:

Description	Date of Issue	Term	Interest Rate	Amount of Issue	Balance as of June 30, 2020
2005 General Obligation Series	January 2005	15 years	2.87%-4.30%	1,600,000	\$ 135,000
NMFA PPRF Loan-Refinance Fire Dept Loan	April 2012	18 years	3.25%	1,580,054	924,966
NMFA PPRF Loan-Refinance PD/Landscape/EPC	July 2015	18 years	3.02%	9,009,000	7,402,000
NMFA PPRF Loan-Refinance Fiber Optic Project	September 2015	15 years	3.34%	535,998	404,245
NMFA PPRF Loan-Fire Truck	June 2018	4 years	2.03%	300,000	231,114
Street Sweeper Lease	January 2016	5 years	3.59%	58,944	17,648
Server Lease	December 2016	3 years	9.05%	1,807	-
					<u>\$ 9,114,973</u>

The annual requirements to amortize the Bonds as of June 30, 2020, including interest payments are as follows:

<b>Fiscal Year Ending June 30:</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>
2021	\$ 135,000	2,902	\$ 137,902
	<u>\$ 135,000</u>	<u>2,902</u>	<u>\$ 137,902</u>

General obligation bonds have been liquidated by the G.O. Bond Fund in prior years.

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 7. LONG-TERM DEBT (CONTINUED)**

The annual requirements to amortize the NMFA Loans as of June 30, 2020, including interest payments are as follows:

<b>Fiscal Year Ending June 30:</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>
2021	\$ 697,717	268,321	\$ 966,038
2022	712,276	253,762	966,038
2023	728,390	237,647	966,037
2024	665,565	220,192	885,757
2025	682,603	203,152	885,755
2026-2030	3,602,774	697,580	4,300,354
2031-2033	1,873,000	137,501	2,010,501
	<u>\$ 8,962,325</u>	<u>2,018,155</u>	<u>\$ 10,980,480</u>

The annual requirements to amortize the capital lease as of June 30, 2020, including interest payments are as follows:

<b>Fiscal Year Ending June 30:</b>	<b>Principal</b>	<b>Interest</b>	<b>Service</b>
2021	\$ 17,648	159	\$ 17,807
	<u>\$ 17,648</u>	<u>159</u>	<u>\$ 17,807</u>

Compensated Absences – Employees of the City are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2020, long-term compensated absences increased \$864 from the prior year accrual.

Judgments – On December 5, 2017, the City reached a settlement agreement in the case of Felix, et al. v. City of Bloomfield. The City agreed to pay the sum of \$700,000 for attorneys’ fees and costs to the plaintiff’s attorneys payable in full by close of business on June 30, 2021. If payment is not made in full by that date, the City agreed to pay interest at the rate of 8.75% as to all amounts remaining unpaid as of June 30, 2021, to be calculated as of the date of the Court’s judgment for attorneys’ fees and costs.

In prior years, the general fund has typically been used to liquidate long-term liabilities other than debt including capital leases and compensated absences.

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 7. LONG-TERM DEBT (CONTINUED)**

**Proprietary Funds**

The Joint Utility fund has incurred various forms of debt which were used for the purposes of constructing, expanding, repairing and making improvements to its property, plant and equipment. The following schedule shows the changes to its various forms of debt during the fiscal year ended June 30, 2020:

<b>Business-Type Activities:</b>	<b>Balance</b>			<b>Balance</b>	<b>Due Within</b>
	<b>June 30, 2019</b>	<b>Additions</b>	<b>Retirements</b>	<b>June 30, 2020</b>	<b>One Year</b>
EID Notes	\$ 1,169,216	-	(152,590)	1,016,626	\$ 157,168
Loans Payable	3,572,496	-	(375,407)	3,197,089	361,120
Capital Lease	409,148	-	(34,205)	374,943	35,531
Compensated Absences	104,381	60,354	(40,001)	124,734	40,001
<b>Total long-term debt</b>	<b>5,255,241</b>	<b>60,354</b>	<b>(602,203)</b>	<b>4,713,392</b>	<b>593,820</b>

On October 24, 2004, the City received a note for improvements to the waste water plant for \$2,700,000. The note is financed over twenty years at 3%. The annual requirements to amortize the note as of June 30, 2020, including interest payments, are as follows:

<b>Fiscal Year Ending June 30:</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>
2021	\$ 157,168	30,499	\$ 187,667
2022	161,883	25,784	187,667
2023	166,739	20,927	187,666
2024	171,742	15,925	187,667
2025	176,894	10,773	187,667
2026	182,200	5,466	187,666
	<b>\$ 1,016,626</b>	<b>109,374</b>	<b>\$ 1,126,000</b>

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 7. LONG-TERM DEBT (CONTINUED)**

On August 18, 2006, the City entered into a loan agreement with the New Mexico Finance Authority for the drinking water state revolving fund in the amount of \$3,737,000. The loan is financed over twenty-two years at 1.75%. The annual requirements to amortize the loan as of June 30, 2020, including interest payments, are as follows:

<b>Fiscal Year Ending June 30:</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>
2021	\$ 207,525	30,861	\$ 238,386
2022	211,686	26,710	238,396
2023	215,930	22,476	238,406
2024	220,259	18,158	238,417
2025	224,676	13,753	238,429
2026-2027	462,955	13,935	476,890
	\$ 1,543,031	125,893	\$ 1,668,924

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 7. LONG-TERM DEBT (CONTINUED)**

On February 9, 2007, the City entered into a loan agreement with the New Mexico Water Trust Board and the New Mexico Finance Authority for Water Project Fund in the amount of \$87,500. The loan is financed over twenty years. The annual requirements to amortize the loan as of June 30, 2020, including interest payments, are as follows:

<b>Fiscal Year Ending June 30:</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>
2021	\$ 4,592	69	\$ 4,661
2022	4,604	58	4,662
2023	4,615	46	4,661
2024	4,627	35	4,662
2025	4,638	23	4,661
2026	4,649	12	4,661
	<u>\$ 27,725</u>	<u>243</u>	<u>\$ 27,968</u>

On December 5, 2008, the City entered into a loan agreement with the New Mexico Water Trust Board and the New Mexico Finance Authority for Waterline Project in the amount of \$60,000. The loan is financed over twenty years. The annual requirements to amortize the loan as of June 30, 2020, including interest payments, are as follows:

<b>Fiscal Year Ending June 30:</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>
2021	\$ 3,071	62	\$ 3,133
2022	3,079	54	3,133
2023	3,086	47	3,133
2024	3,094	39	3,133
2025	3,102	31	3,133
2026-2028	9,352	46	9,398
	<u>\$ 24,784</u>	<u>279</u>	<u>\$ 25,063</u>

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 7. LONG-TERM DEBT (CONTINUED)**

On April 30, 2010, the City entered into a loan agreement with the New Mexico Water Trust Board and the New Mexico Finance Authority for Waterline Project in the amount of \$220,000. The loan is financed over twenty years. The annual requirements to amortize the loan as of June 30, 2020, including interest payments, are as follows:

<b>Fiscal Year Ending June 30:</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>
2021	\$ 11,013	278	\$ 11,291
2022	11,040	251	11,291
2023	11,068	223	11,291
2024	11,095	196	11,291
2025	11,123	168	11,291
2026-2030	56,034	421	56,455
	\$ 111,373	1,537	\$ 112,910

On June 25, 2007, the City entered into a loan agreement with the New Mexico Environment Department for the Rural Infrastructure Loan Fund in the amount of \$500,000. The loan is financed over twenty years at 3%. The annual requirements to amortize the loan as of June 30, 2020, including interest payments, are as follows:

<b>Fiscal Year Ending June 30:</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>
2021	\$ 27,326	6,282	\$ 33,608
2022	28,146	5,462	33,608
2023	28,990	4,617	33,607
2024	29,860	3,748	33,608
2025	30,756	2,852	33,608
2026-2027	64,308	2,907	67,215
	\$ 209,386	25,868	\$ 235,254

**STATE OF NEW MEXICO  
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NOTES TO FINANCIAL STATEMENTS  
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**NOTE 7. LONG-TERM DEBT (CONTINUED)**

On January 27, 2008, the City entered into a loan agreement with the New Mexico Environment Department for the Rural Infrastructure Loan Fund in the amount of \$206,277. The loan is financed over twenty years at 3%. The annual requirements to amortize the loan as of June 30, 2020, including interest payments, are as follows:

<b>Fiscal Year Ending June 30:</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>
2021	\$ 10,945	2,920	\$ 13,865
2022	11,274	2,591	13,865
2023	11,612	2,253	13,865
2024	11,960	1,905	13,865
2025	12,319	1,546	13,865
2026-2028	39,219	2,377	41,596
	<u>\$ 97,329</u>	<u>13,592</u>	<u>\$ 110,921</u>

On February 15, 2007, the City received a lease purchase contract for the construction of a solid waste facility in the amount of \$216,218. The lease purchase contract is financed over 20 years at 3.925%. The annual requirements to amortize the lease purchase contract as of June 30, 2020, including interest payments, are as follows:

<b>Fiscal Year Ending June 30:</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>
2021	\$ 13,092	3,158	\$ 16,250
2022	13,659	2,593	16,252
2023	14,257	1,996	16,253
2024	14,889	1,366	16,255
2025	15,555	702	16,257
	<u>\$ 71,452</u>	<u>9,815</u>	<u>\$ 81,267</u>

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 7. LONG-TERM DEBT (CONTINUED)**

On November 19, 2010, the City entered into a loan agreement with the New Mexico Water Trust Board and the New Mexico Finance Authority for the Blanco/Navajo Dam Regional Water Project in the amount of \$55,000. The loan is financed over twenty years at 0.25%. The annual requirements to amortize the loan as of June 30, 2020, including interest payments, are as follows:

<b>Fiscal Year Ending June 30:</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>
2021	\$ 2,753	70	\$ 2,823
2022	2,760	63	2,823
2023	2,767	56	2,823
2024	2,774	49	2,823
2025	2,781	42	2,823
2026-2029	14,009	105	14,114
	\$ 27,844	385	\$ 28,229

On May 13, 2011, the City entered into a loan agreement with the New Mexico Finance Authority for the upgrade and replacement of sewer lines under US Highway 64 in the amount of \$1,426,075. The loan is financed over twenty years at 4.176%. The annual requirements to amortize the loan as of June 30, 2020, including interest payments, are as follows:

<b>Fiscal Year Ending June 30:</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>
2021	\$ 66,208	39,699	\$ 105,907
2022	68,632	37,275	105,907
2023	71,274	34,633	105,907
2024	74,161	31,746	105,907
2025	77,246	28,661	105,907
2026-2030	441,382	88,155	529,537
2031	101,056	4,851	105,907
	\$ 899,959	265,020	\$ 1,164,979

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 7. LONG-TERM DEBT (CONTINUED)**

On June 24, 2011, the City entered into a loan agreement with the New Mexico Water Trust Board and the New Mexico Finance Authority for the upgrade and replacement of water lines under US Highway 64 in the amount of \$240,000. The loan is financed over twenty years at 0.25%. The annual requirements to amortize the loan as of June 30, 2020, including interest payments, are as follows:

<b>Fiscal Year Ending June 30:</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>
2021	\$ 11,984	334	\$ 12,318
2022	12,014	304	12,318
2023	12,044	274	12,318
2024	12,074	243	12,317
2025	12,104	213	12,317
2026-2030	60,976	612	61,588
2031	12,286	31	12,317
	<u>\$ 133,482</u>	<u>2,011</u>	<u>\$ 135,493</u>

On January 6, 2017, the City entered into a loan agreement with the New Mexico Water Trust Board and the New Mexico Finance Authority for the design of a city owned raw water source of the San Juan River in the amount of \$53,280. The loan is financed over twenty years at 0.25%. The annual requirements to amortize the loan as of June 30, 2020, including interest payments, are as follows:

<b>Fiscal Year Ending June 30:</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>
2021	\$ 2,610	127	\$ 2,737
2022	2,617	120	2,737
2023	2,623	114	2,737
2024	2,630	107	2,737
2025	2,636	101	2,737
2026-2030	13,281	404	13,685
2031-2035	13,448	237	13,685
2036-2038	10,879	67	10,946
	<u>\$ 50,724</u>	<u>1,277</u>	<u>\$ 52,001</u>

**STATE OF NEW MEXICO  
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**NOTE 7. LONG-TERM DEBT (CONTINUED)**

The aggregated debt service payments required on the outstanding debt of the proprietary funds is as follows:

<b>Fiscal Year Ending June 30:</b>	<b>EID Notes</b>	<b>Loans Payable</b>	<b>Total Debt Service</b>
2021	\$ 187,667	444,978	\$ 632,645
2022	187,667	444,992	632,659
2023	187,666	445,002	632,668
2024	187,667	445,014	632,681
2025	187,667	445,028	632,695
2026-2030	187,666	1,275,138	1,462,804
2031-2035	-	131,908	131,908
2036-2040	-	10,948	10,948
2041-2042	-	-	-
Total payments	\$ 1,126,000	3,643,008	\$ 4,769,008
Less: interest	(109,374)	(445,919)	(555,293)
Net long-term debt	\$ 1,016,626	3,197,089	\$ 4,213,715

In December 2019 and March 2020, the City executed loan agreements with NMED for \$7,650,000 and \$10,000, respectively, for construction and engineering of a major facility upgrade. Because the funding was not received prior to June 30, 2020, these loans are not included in the financial statements or the schedules above.

On June 9, 2009, the City entered into a lease purchase contract with the City of Aztec for a main water line in the amount of \$687,900. The lease purchase contract is financed over 20 years at 3.81%. The annual requirements to amortize the lease purchase contract as of June 30, 2020, are as follows:

<b>Fiscal Year Ending June 30:</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>
2021	\$ 35,531	13,669	\$ 49,200
2022	36,908	12,292	49,200
2023	38,339	10,860	49,199
2024	39,826	9,374	49,200
2025	41,370	7,830	49,200
2026-2029	182,969	17,931	200,900
	\$ 374,943	71,956	\$ 446,899

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 7. LONG-TERM DEBT (CONTINUED)**

Compensated Absences – Employees of the City are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2020, long-term compensated absences increased \$20,353 from the prior year accrual.

Proprietary debt has been liquidated by the Joint Utility Fund in prior years.

**NOTE 8. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts, thefts of, damage to, and destruction of property, errors and omissions and natural disasters. The City participates in the New Mexico Self-Insurers' Fund risk pool. The City has not filed any claims for which the settlement amount exceeded the insurance coverage during the past three years. However, should a claim be filed against the City which exceeds the insurance coverage, the City would be responsible for a loss in excess of the coverage amounts. As claims are filed, the New Mexico Self-Insurers' Fund assesses and estimates the potential for loss and handles all aspects of the claim. Insurance coverage's have not changed significantly from prior years and coverage's are expected to be continued.

At June 30, 2020, no unpaid claims have been filed which exceed the policy limits and to the best of management's knowledge and belief all known and unknown claims will be covered by insurance.

New Mexico Self-Insurers' Fund has not provided information on an entity by entity basis that would allow for a reconciliation of changes in the aggregate liabilities for claims for the current fiscal year and the prior fiscal year.

**NOTE 9. PERA PENSION PLAN**

*Plan Description.* Public Employees Retirement Fund is a cost-sharing, multiple employer defined benefit pension plan. This fund has six divisions of members, including State General, State Police/Adult Correction Officers, Municipal General, Municipal Police/Detention Officers, Municipal Fire, and State Legislative Divisions, and offers 24 different types of coverage within the PERA plan. All assets accumulated may be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined by the terms of this plan. Certain coverage plans are only applicable to a specific division. Eligibility for membership in the Public Employees Retirement Fund is set forth in the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). Except as provided for in the Volunteer Firefighters Retirement Act (10-11A-1 to 10-11A-7, NMSA 1978), the Judicial Retirement Act (10-12B-1 to 10-12B-19, NMSA 1978), the Magistrate Retirement Act (10-12C-1 to 10-12C-18, NMSA 1978), and the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978), each employee and elected official of every affiliated public employer is required to be a member in the Public Employees Retirement Fund, unless specifically excluded.

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**NOTE 9. PERA PENSION PLAN (CONTINUED)**

*Benefits Provided.* Benefits are generally available at age 65 with five or more years of service or after 25 years of service regardless of age for TIER I members. Provisions also exist for retirement between ages 60 and 65, with varying amounts of service required. Certain police and fire members may retire at any age with 20 or more years of service for Tier I members. Generally, the amount of retirement pension is based on final average salary, which is defined under Tier I as the average of salary for the 36 consecutive months of credited service producing the largest average; credited service; and the pension factor of the applicable coverage plan. Monthly benefits vary depending upon the plan under which the member qualifies, ranging from 2% to 3.5% of the member's final average salary per year of service. The maximum benefit that can be paid to a retiree may not exceed a range of 60% to 90% of the final average salary, depending on the division. Benefits for duty and non-duty death and disability and for post-retirement survivors' annuities are also available.

**TIER II**

The retirement age and service credit requirements for normal retirement for PERA state and municipal general members hired increased effective July 1, 2013 with the passage of Senate Bill 27 in the 2013 Legislative Session. Under the new requirements (Tier II), general members are eligible to retire at any age if the member has at least eight years of service credit and the sum of the member's age and service credit equals at least 85 or at age 67 with 8 or more years of service credit. General members hired on or before June 30, 2013 (Tier I) remain eligible to retire at any age with 25 or more years of service credit. Under Tier II, police and firefighters in Plans 3, 4 and 5 are eligible to retire at any age with 25 or more years of service credit. State police and adult correctional officers, peace officers and municipal juvenile detention officers will remain in 25-year retirement plans, however, service credit will no longer be enhanced by 20%. All public safety members in Tier II may retire at age 60 with 6 or more years of service credit. Generally, under Tier II pension factors were reduced by .5%, employee Contribution increased 1.5 percent and effective July 1, 2014 employer contributions were raised .05 percent. The computation of final average salary increased as the average of salary for 60 consecutive months.

*Contributions* – See PERA's publicly available financial report and comprehensive annual financial report obtained at <http://saonm.org/> using the Audit Report Search function for agency 366, for the employer and employee contribution rates in effect for fiscal year, 2019. The PERA coverage options that apply to the City are: Municipal General Division, Municipal Police Division, and Municipal Fire Division. Statutorily required contributions to the pension plan from the City were \$484,369 for the year ended June 30, 2020.

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
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**NOTE 9. PERA PENSION PLAN (CONTINUED)**

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.* At June 30, 2020, the City reported a combined liability of \$7,506,307 for its proportionate share of the net pension liability of the three divisions in which it participates. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2019 using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2019. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2019. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined.

Municipal General Division

For PERA Fund Municipal General Division, at June 30, 2020, the City of Bloomfield reported a liability of \$3,820,537 for its proportionate share of the net pension liability. At June 30, 2019, the City's proportion was 0.2207 percent, which was a decrease of 0.0304 percent from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the City of Bloomfield recognized PERA Fund Municipal General Division pension expense of \$363964. At June 30, 2020, the City reported PERA Fund Municipal General Division deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b><u>Municipal General Division</u></b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 114,546	\$ 41,330
Changes of assumptions	170,356	9,410
Net differences between projected and actual earnings on pension plan investments	128,742	-
Changes in proportion and differences between the City's contributions and proportionate share of contributions	1,817	569,805
City contributions subsequent to the measurement date	206,297	-
Total	\$ 621,758	\$ 620,545

\$206,297 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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**NOTE 9. PERA PENSION PLAN (CONTINUED)**

<u>Year ended June 30:</u>	<u>Amount</u>
2021	\$ (132,449)
2022	(59,094)
2023	(34,722)
2024	21,181
2025	-
	<u>\$ (205,084)</u>

Municipal Police Division

For PERA Fund Municipal Police Division, at June 30, 2020, the City of Bloomfield reported a liability of \$2,992,348 for its proportionate share of the net pension liability. At June 30, 2019, the City's proportion was 0.4051 percent, which was a decrease of 0.0923 percent from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the City of Bloomfield recognized PERA Fund Municipal Police Division pension expense of \$283,345. At June 30, 2020, the City reported PERA Fund Municipal Police Division deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Municipal Police Division</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 125,011	\$ 127,469
Changes of assumptions	169,734	7,613
Net differences between projected and actual earnings on pension plan investments	93,442	-
Changes in proportion and differences between the City's contributions and proportionate share of contributions	20,511	484,848
City contributions subsequent to the measurement date	241,818	-
Total	<u>\$ 650,516</u>	<u>\$ 619,930</u>

\$241,818 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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**NOTE 9. PERA PENSION PLAN (CONTINUED)**

<u>Year ended June 30:</u>	<u>Amount</u>
2021	\$ (116,286)
2022	(28,605)
2023	(81,676)
2024	15,335
2025	-
	<u>\$ (211,232)</u>

Municipal Fire Division

For PERA Fund Municipal Fire Division, at June 30, 2020, the City of Bloomfield reported a liability of \$693,422 for its proportionate share of the net pension liability. At June 30, 2019, the City's proportion was 0.1009 percent, which was a decrease of 0.0665 percent from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the City of Bloomfield recognized PERA Fund Municipal Fire Division pension income of \$319,336. At June 30, 2020, the City reported PERA Fund Municipal Fire Division deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Municipal Fire Division</u>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 11,777	\$ 21,913
Changes of assumptions	19,025	1,097
Net differences between projected and actual earnings on pension plan investments	11,089	-
Changes in proportion and differences between the City's contributions and proportionate share of contributions	-	\$ 764,170
City contributions subsequent to the measurement date	36,254	-
<b>Total</b>	<u>\$ 78,145</u>	<u>\$ 787,180</u>

\$36,254 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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**NOTE 9. PERA PENSION PLAN (CONTINUED)**

<u>Year ended June 30:</u>	<u>Amount</u>
2021	\$ (417,139)
2022	(238,488)
2023	(91,472)
2024	1,810
2025	-
	<u>\$ (745,289)</u>

*Actuarial assumptions.* The total pension liability in the June 30, 2019 actuarial valuation was determined using the following significant actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	June 30, 2018
Actuarial cost method	Entry age normal
Amortization period	Level percentage of pay
Asset valuation method	Solved for based on statutory rates
Actuarial assumptions:	
Investment rate of return	7.25% annual rate, net of investment experience
Projected benefit payment	100 years
Payroll growth	3.00%
Projected salary increases	3.25% to 13.50% annual rate
Includes inflation at	2.50%
	2.75% all other years
Mortality assumption	The mortality assumptions are based on the RPH-2014 Blue Collar mortality table with female ages set forward one year. Future improvement in mortality rates is assumed using 60% of the MP-2017 projection scale generationally. For non-public safety groups, 25% of in-service deaths are assumed to be duty related and 35% are assumed to be duty-related for public safety groups.
Experience study dates	July 1, 2008 to June 30, 2017 (demographic) and July 1, 2010 through June 30, 2018 (economic)

**STATE OF NEW MEXICO  
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**NOTE 9. PERA PENSION PLAN (CONTINUED)**

The total pension liability, net pension liability, and certain sensitivity information are based on an actuarial valuation performed as of June 30, 2018. The total pension liability was rolled-forward from the valuation date to the plan year ended June 30, 2019. These assumptions were adopted by the Board use in the June 30, 2018 actuarial valuation.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges 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 and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<b>ALL FUNDS - Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Global Equity	42.33%	7.48%
Risk Reduction & Mitigation	21.37%	2.37%
Credit Oriented Fixed Income	15.00%	5.47%
Real Assets to include Real Estate Equity	20.00%	6.48%
Multi-risk allocation	1.30%	
Total	100.00%	

*Discount rate.* A single discount rate of 7.25% was used to measure the total pension liability as of June 30, 2019. This single discount rate was based on a long-term expected rate of return on pension plan investments of 7.25%, compounded annually, net of expense. Based on the stated assumptions and the projection of cash flows, the plan’s fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

The projections of cash flows used to determine this single discount rate assumed that plan member and employer contributions will be made at the current statutory levels.

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 9. PERA PENSION PLAN (CONTINUED)**

*Sensitivity of the City of Bloomfield's proportionate share of the net pension liability to changes in the discount rate.* The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	<u>1% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
<b>PERA Fund Division</b>			
<b>Municipal General Division:</b>			
City's proportionate share of the net pension liability	\$ 5,778,331	3,820,537	\$ 2,200,724
<b>PERA Fund Division</b>			
<b>Municipal Police Division:</b>			
City's proportionate share of the net pension liability	\$ 4,528,373	2,992,348	\$ 1,739,241
<b>PERA Fund Division</b>			
<b>Municipal Fire Division:</b>			
City's proportionate share of the net pension liability	\$ 919,000	693,422	\$ 508,555

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in separately issued PERA financial reports.

*Payables to the pension plan.* There were no unpaid contractually required employer contributions outstanding to PERA at June 30, 2020. Contractually required contributions are remitted to PERA monthly for the previous month's withholdings. Accrued payroll includes the employer's portion of retirement contributions related to employee services as of June 30, 2020 but paid in July 2020.

**STATE OF NEW MEXICO  
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NOTES TO FINANCIAL STATEMENTS  
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**NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

*General Information about the OPEB*

*Plan description.* Employees of the City are provided with 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.

*Employees covered by benefit terms.* At June 30, 2019, the Fund’s measurement date, the following employees were covered by the benefit terms:

<b>Plan Membership</b>	
Current retirees and surviving spouses	52,179
Inactive and eligible for deferred benefit	10,916
Current active members	91,082
	<u>154,177</u>
<b>Active Membership</b>	
State general	17,097
State police and corrections	1,830
Municipal general	17,538
Municipal police	3,159
Municipal FIRE	1,966
Educational Retirement Board	49,492
	<u>91,082</u>

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

*General Information about the OPEB (Continued)*

*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 City were \$74,528 for the year ended June 30, 2020.

At June 30, 2019, the City reported a liability of \$2,542,033 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that June 30, 2018. The City’s proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2019. At June 30, 2019, the City’s proportion was 0.07840 percent.

For the year ended June 30, 2020, the City recognized OPEB income of \$529,578. At June 30, 2020 the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ -	\$ 639,705
Changes of assumptions	-	820,445
Changes in proportion	-	1,327,598
Net difference between projected and actual earnings on OPEB plan investments	-	-
City contributions subsequent to the measurement date	74,528	23,635
<b>Total</b>	<b>\$ 74,528</b>	<b>\$ 2,811,383</b>

STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
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**NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

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

Deferred outflows of resources totaling \$74,528 represent City 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

<u>Year ended June 30:</u>	<u>Amount</u>
2021	\$ (736,638)
2022	(736,638)
2023	(685,666)
2024	(480,645)
2025	(171,796)
Thereafter	-
	<u>\$ (2,811,383)</u>

*OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)*

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

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	2.50% for ERB members; 2.50% for PERA members
Projected salary increases	3.25% to 13.50%, based on years of service, including inflation
Investment rate of return	7.25%, net of OPEB plan investment expense and margin for adverse deviation including inflation
Health care cost trend	8% graded down to 4.5% over 14 years for Non-Medicare medical plan costs and 7.5% graded down to 4.5% over 12 years for Medicare plan costs
Mortality	ERB members: RP-2000 Combined Healthy Mortality Table with White Collar Adjustment (males) and GRS Southwest Region Teacher Mortality Table (females) PERA members: RP-2014 Combined Healthy Mortality

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

*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. .

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

Asset Class	Long-Term Expected Rate of Return
U.S. core fixed income	2.1%
U.S. equity - large cap	7.1%
Non U.S. - emerging markets	10.2%
Non U.S. - developed equities	7.8%
Private equity	11.8%
Credit and structured finance	5.3%
Real estate	4.9%
Absolute return	4.1%
U.S. equity - small/mid cap	7.1%

*Discount Rate.* The discount rate used to measure the Fund's total OPEB liability is 4.16% as of June 30, 2019. 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, 2039. Thus, the 7.25% discount rate was used to calculate the net OPEB liability through 2039. The index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher was used beyond 2039, resulting in a blended discount rate of 4.16%.

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

*OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)*

*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 City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.16 percent) or 1-percentage-point higher (4.16 percent) than the current discount rate:

	<u>1% Decrease (3.16%)</u>	<u>Current Discount Rate (4.16%)</u>	<u>1% Increase (5.16%)</u>
City's proportionate share of the net OPEB liability	\$ 3,109,519	2,542,033	\$ 2,095,935

The following presents the net OPEB liability of the School, as well as what the School'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 Discount Rate</u>	<u>1% Increase</u>
City's proportionate share of the net OPEB liability	\$ 2,116,406	2,542,033	\$ 2,882,807

*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, 2019.

*Payables to the OPEB Plan.* At June 30, 2020, the City did not report any payables for outstanding contributions due to NMRHCA.

**NOTE 11. CONTINGENT LIABILITIES**

The City is party to various claims and lawsuits in the normal course of business. Management and the City's attorney are unaware of any material pending or threatened litigation, claims or assessments against the City which are not covered by the City's insurance.

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 12. FEDERAL AND STATE GRANTS**

In the normal course of operations, the City receives grant funds from various federal and state agencies. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as a result of these audits is not believed to be material.

**NOTE 13. LANDFILL CLOSURE AND POST CLOSURE CARE COSTS**

The City currently contracts with an independent commercial entity to collect, haul away and maintain a landfill site for its solid waste. City management believes that the City does not have any real or potential liability for closure or post closure care costs at the landfill sites used by its contractor. All other landfill sites used by the City were closed more than 20 years ago.

**NOTE 14. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES**

Generally accepted accounting principles require disclosures of certain information concerning individual funds including:

- A. Deficit fund balance of individual funds. There were two funds with a deficit fund balance as of June 30, 2020. The KAB- Bloomfield Pride fund and the Senior Citizen's Center fund (special revenue funds) reported deficit balances of \$40 and \$42,807, respectively.
- B. Excess of expenditures over appropriations. There were no funds that exceeded approved budgetary authority for the year ended June 30, 2020.
- C. Designated cash appropriations in excess of available balances. There were no funds that had designated cash appropriations in excess of available balances at June 30, 2020.

**NOTE 15. RESTRICTED NET POSITION**

The government-wide statement of net position reports \$3,176,178 of restricted assets, \$1,148,811 of which is restricted by enabling legislation, and \$2,027,367 is restricted by creditors, grantors, contributors, or laws or regulations of other governments.

**NOTE 16. GASB 77**

***Tax Abatements***

As of June 30, 2020 there were no tax abatements that would affect the City.

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 17. PLEDGED REVENUES**

The City of Bloomfield has pledged revenues from various sources to repay its debt. The following table gives detail on specific pledges and the debt with which they are associated:

Debt	Original Amount	Amount Outstanding at June 30, 2020	Maturity Date	Pledged Revenue
				General (ad valorem) taxes levied against all taxable property within the City
2005 General Obligation Series	\$ 1,060,000	\$ 135,000	8/2020	without limitation as to rate or amount
NMFA PPRF Loan-Refinance Fire Dept Loan	1,580,054	924,966	5/2030	
NMFA PPRF Loan-Refinance PD/Landscape/EPC	9,009,000	7,402,000	6/2033	Capital outlay (0.25% ) and municipal
NMFA PPRF Loan-Refinance Fiber Optic Project	535,998	404,245	6/2033	(0.25% ) gross receipts tax
NMFA PPRF Loan-Fire Truck	300,000	231,114	5/2028	State fire protection fund distribution
NMED Waste Water Plant	2,700,000	1,016,624	4/2026	
WTB Water Plant	87,500	27,725	6/2026	
WTB North Heights Water Line	60,000	24,784	6/2028	
WTB Water Storage Tank	220,000	111,373	6/2030	
WTB Blanco/Navajo Dam Regional Project	55,000	27,844	6/2030	
WTB Highway 64 Water Lines	240,000	133,482	6/2031	
NMED Water Plant	500,000	209,386	4/2027	
NMED Water Rights	206,277	97,329	2/2028	
NMFA Solid Waste Building	216,218	71,452	5/2025	
WTB Raw Water Source	53,280	50,724	6/2038	Net utility system revenues
				Net utility system revenues and state- shared gross receipts tax
NMFA Water Plant	3,737,000	1,543,031	4/2027	
				Municipal infrastructure gross receipts tax (0.125%)
NMFA Highway 64 Sewer Lines	1,426,075	899,959	5/2031	
<b>Total</b>	<u>\$ 21,986,402</u>	<u>\$ 13,311,038</u>		

**NOTE 18. RECENT GASB PRONOUNCEMENTS**

The City evaluated the following Governmental Accounting Standards Board Statements (GASBS) which became effective in the year ended June 30, 2020:

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018 (FY 2020). As allowed by GASB Statement No. 95, the City has elected to delay implementation of this standard for one year.

In August 2018, the GASB issued Statement No. 90, *Majority Interests an amendment of GASB Statements No. 14 and No. 6*. The requirements of this statement are effective for periods beginning after December 15, 2018 (FY 2020). This statement is not applicable to the City.

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 18. RECENT GASB PRONOUNCEMENTS (CONTINUED)**

In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The effective dates of certain provisions contained in the specified pronouncements are postponed by one year. The effective date for GASB Statement No. 87, *Leases*, has been postponed by 18 months. The requirements of this statement are effective immediately. The City has adopted this standard in the year ended June 30, 2020.

The following standards have been issued but have future implementation dates:

In June 2017, the GASB issued Statement No. 87, *Leases*. The provisions of this Statement are effective for reporting periods beginning after December 15, 2019 (FY 2021), however as allowed by GASB Statement No. 95, implementation requirements have been postponed for eighteen months. Earlier application is encouraged. The City is still evaluating how this pronouncement will affect future financial statements.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019 (FY 2021), however as allowed by GASB Statement No. 95, implementation requirements have been postponed for one year. Earlier application is encouraged. The City is still evaluating how this pronouncement will affect future financial statements.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020 (FY 2022), however as allowed by GASB Statement No. 95, implementation requirements have been postponed for one year. Earlier application is encouraged. The City will continue to evaluate in subsequent years but does not anticipate that this pronouncement will affect future financial statements.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. This Statement addresses a variety of topics. The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance. The requirements of this Statement for all other topics are effective for reporting periods beginning after June 15, 2020 (FY 2021), however as allowed by GASB Statement No. 95, implementation requirements have been postponed for one year. Earlier application is encouraged. The City will continue to evaluate in subsequent years but does not anticipate that this pronouncement will affect future financial statements.

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 18. RECENT GASB PRONOUNCEMENTS (CONTINUED)**

In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address agreements in which variable payments made or received depend on an interbank offered rate (IBOR) and other accounting and financial reporting implications that result from the replacement of an IBOR. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021 (FY 2023). All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020 (FY 2021), however as allowed by GASB Statement No. 95, implementation requirements have been postponed for one year. Earlier application is encouraged. The City will continue to evaluate in subsequent years but does not anticipate that this pronouncement will affect future financial statements.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020 (FY 2022). Earlier application is encouraged. The City will continue to evaluate in subsequent years but does not anticipate that this pronouncement will affect future financial statements.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022 (FY 2023). Earlier application is encouraged. The City will continue to evaluate in subsequent years but does not anticipate that this pronouncement will affect future financial statements.

In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021 (FY 2022). The City will continue to evaluate in subsequent years but does not anticipate that this pronouncement will affect future financial statements.

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 19. SUBSEQUENT EVENTS**

The date to which events occurring after June 30, 2020, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or disclosures is December 15, 2020 which is the date on which the financial statements were available to be issued.

On March 11, 2020, the World Health Organization declared the outbreak of a novel coronavirus (“COVID-19”) as a global pandemic, which continues to spread throughout the United States and around the world. As of December 15, 2020, the City is aware of changes in its business as a result of COVID-19 but uncertain of the impact of those changes on its financial position, results of operations or cash flows. Management believes any disruption, when and if experienced, could be temporary; however, there is uncertainty around when any disruption might occur, the duration and hence the potential impact. As a result, we are unable to estimate the potential impact on our City as of the date of issuance.

**REQUIRED SUPPLEMENTARY INFORMATION**

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY –MUNICIPAL GENERAL DIVISION  
JUNE 30, 2020**

Fiscal Year Measurement Date	June 30:					
	2020 2019	2019 2018	2018 2017	2017 2016	2016 2015	2015 2014
The City's proportion of the net pension liability (asset)	0.22%	0.06%	0.07%	0.09%	0.08%	0.08%
The City's proportionate share of the net pension liability (asset)	\$ 3,821	4,003	3,626	5,386	3,356	\$ 2,523
The City's covered payroll	\$ 2,014	2,044	2,317	2,887	2,728	\$ 2,728
The City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	189.72%	195.84%	156.50%	186.56%	123.02%	92.49%
Plan fiduciary net position as a percentage of the total pension liability	70.52%	71.13%	73.74%	69.18%	76.99%	81.29%

*\*Governmental Accounting Standards Board Statement 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 city is not available prior to fiscal year 2015, the year the statement's requirements became effective.

*The Notes to Required Supplementary Information are an integral part of this statement.*

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY –MUNICIPAL POLICE DIVISION  
JUNE 30, 2020**

Fiscal Year Measurement Date	June 30:					
	2020 2019	2019 2018	2018 2017	2017 2016	2016 2015	2015 2014
The City's proportion of the net pension liability (asset)	0.4051%	0.05%	0.05%	0.07%	0.06%	0.06%
The City's proportionate share of the net pension liability (asset)	\$ 2,992	3,394	2,727	4,087	2,573	\$ 1,943
The City's covered payroll	\$ 902	1,015	1,012	1,102	1,053	\$ 1,053
The City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	331.71%	334.38%	269.47%	370.87%	244.35%	184.52%
Plan fiduciary net position as a percentage of the total pension liability	70.52%	71.13%	73.74%	69.18%	76.99%	81.29%

*\*Governmental Accounting Standards Board Statement 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 city is not available prior to fiscal year 2015, the year the statement's requirements became effective.

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**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY –MUNICIPAL FIRE DIVISION  
JUNE 30, 2020**

Fiscal Year Measurement Date	June 30:					
	2020 2019	2019 2018	2018 2017	2017 2016	2016 2015	2015 2014
The City's proportion of the net pension liability (asset)(%)	0.1009%	0.02%	0.03%	0.04%	0.05%	0.03%
The City's proportionate share of the net pension liability (asset)(\$)	\$ 693	1,071	1,519	2,695	2,092	\$ 902
The City's covered payroll	\$ 134	205	324	471	464	\$ 464
The City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	517.16%	522.44%	468.83%	572.19%	450.86%	194.40%
Plan fiduciary net position as a percentage of the total pension liability	70.52%	71.13%	73.74%	69.18%	76.99%	81.29%

*\*Governmental Accounting Standards Board Statement 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 City is not available prior to fiscal year 2015, the year the statement's requirements became effective.

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**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
SCHEDULE OF THE CITY'S PENSION CONTRIBUTIONS  
PERA - MUNICIPAL GENERAL DIVISION  
JUNE 30, 2020**

	<b>June 30:</b>					
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 206	192	195	221	276	\$ 260
Contributions in relation to the contractually required contribution	<u>(206)</u>	<u>(192)</u>	<u>(195)</u>	<u>(221)</u>	<u>(276)</u>	<u>(260)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
The City's covered payroll	\$ 2,157	2,014	2,044	2,317	2,887	\$ 2,728
Contributions as a percentage of covered payroll	9.55%	9.53%	9.54%	9.54%	9.56%	9.53%

*\*Governmental Accounting Standards Board Statement 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 city is not available prior to fiscal year 2015, the year the statement's requirements became effective.

*The Notes to Required Supplementary Information are an integral part of this statement.*

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
SCHEDULE OF THE CITY'S PENSION CONTRIBUTIONS  
PERA - MUNICIPAL POLICE DIVISION  
JUNE 30, 2020**

	<b>June 30:</b>					
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Contractually required contribution	\$ 242	170	192	191	208	\$ 199
Contributions in relation to the contractually required contribution	(242)	(170)	(192)	(191)	(208)	(199)
Contribution deficiency (excess)	\$ -	-	-	-	-	\$ -
The City's covered payroll	\$ 1,280	902	1,015	1,012	1,102	\$ 1,053
Contributions as a percentage of covered payroll	18.90%	18.85%	18.92%	18.87%	18.87%	18.90%

*\*Governmental Accounting Standards Board Statement 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 city is not available prior to fiscal year 2015, the year the statement's requirements became effective.

*The Notes to Required Supplementary Information are an integral part of this statement.*

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
SCHEDULE OF THE CITY'S PENSION CONTRIBUTIONS  
PERA - MUNICIPAL FIRE DIVISION  
JUNE 30, 2020**

	<b>June 30:</b>					
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 36	29	44	70	102	\$ 101
Contributions in relation to the contractually required contribution	<u>(36)</u>	<u>(29)</u>	<u>(44)</u>	<u>(70)</u>	<u>(102)</u>	<u>(101)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
The City's covered payroll	\$ 166	134	205	324	471	\$ 464
Contributions as a percentage of covered payroll	21.65%	21.65%	21.46%	21.60%	21.66%	21.77%

*\*Governmental Accounting Standards Board Statement 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 city is not available prior to fiscal year 2015, the year the statement's requirements became effective.

*The Notes to Required Supplementary Information are an integral part of this statement.*

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
PUBLIC EMPLOYEES RETIREMENT PLAN (PERA)  
JUNE 30, 2020**

*Changes of benefit terms:* The PERA and COLA and retirement eligibility benefits changes in recent years are described in Note 1 of PERA's CFAR. <https://www.saonm.org>

*Assumptions:* The Public Employee Retirement Association of New Mexico Annual Actuarial Valuations as of June 30, 2019 report is available at <http://www.nmpera.org/>

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE  
OF THE NET OPEB LIABILITY  
NEW MEXICO RETIREE HEALTH CARE AUTHORITY PLAN  
JUNE 30, 2020**

Fiscal year Measurement date:	<b>June 30:</b>		
	2020 2019	2019 2018	2018 2019
The City's proportion of the net OPEB liability	0.07840%	0.08759%	0.11285%
The City's proportionate share of the net OPEB liability	\$ 2,542	3,809	\$ 5,114
The City's covered payroll	3,212	3,444	3,444
The City's proportionate share of the net OPEB liability as a percentage of its covered payroll	79.14%	110.60%	148.49%
Plan fiduciary net position as a percentage of the total OPEB liability	18.92%	13.14%	11.34%

*\*Governmental Accounting Standards Board Statement 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 City is not available prior to fiscal year 2018, the year the statement's requirements became effective.

*The Notes to Required Supplementary Information are an integral part of this statement.*

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
SCHEDULE OF THE CITY'S OPEB CONTRIBUTIONS  
NEW MEXICO RETIREE HEALTH CARE AUTHORITY PLAN  
JUNE 30, 2020**

	<b>June 30:</b>		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 75	69	\$ 75
Contributions in relation to the contractually required contribution	<u>(75)</u>	<u>(69)</u>	<u>(75)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
The City's covered payroll	\$ 3,443	3,212	\$ 3,444
Contributions as a percentage of covered payroll	2.18%	2.15%	2.18%

*\*Governmental Accounting Standards Board Statement 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 City is not available prior to fiscal year 2018, the year the statement's requirements became effective.

*The Notes to Required Supplementary Information are an integral part of this statement.*

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
NEW MEXICO RETIREE HEALTH CARE AUTHORITY PLAN  
JUNE 30, 2020**

***Plan membership*** . At June 30, 2019 (captured as of January 1, 2019, with service for active members increased by half-year from census date to valuation date).

***Changes in OPEB assumptions and methods*** . The mortality, retirement, disability, turnover, and salary increase assumptions are based on the Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation as of June 30, 2018 and the New Mexico Educational Retirement Board (ERB) Actuarial Experience Study as of June 30, 2018.

***Changes in OPEB benefit provisions*** . For calendar years 2017 and prior there was a NMRHCA-paid basic life benefit of \$6,000 for all retirees who commenced benefits on or before December 31, 2012. The \$6,000 benefit decreased \$1,500 per year commencing January 1, 2018 until January 1, 2021 at which time retirees must pay 100% of the premium cost.

**SUPPLEMENTARY INFORMATION**

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
NONMAJOR FUND DESCRIPTIONS  
JUNE 30, 2020**

**Special Revenue Funds**

Fire Protection Fund (004)

To account for the operations and maintenance of the fire department. Funding is provided by a distribution from the fire protection fund established by Section 59A-6-5 NMSA 1978 as authorized by Section 59A-53-2. Funds are used in the operation, maintenance and betterment of local fire departments, to the end that the hazard of loss by fire and fire insurance rates may be reduced and the public safety thereby promoted.

Recreation Fund (005)

To account for the operations and maintenance of recreation facilities. Funding managed and/or owned by the City is provided by recreational fees charged to users and cigarette taxes received pursuant to Section 7-12-15 NMSA 1978 which provides that the cigarette taxes received under this section shall be used for recreational facilities and salaries of instructors and other employees necessary to the operation of recreational facilities. Such recreational facilities shall be for the use of all persons, and juveniles and elderly persons shall not be excluded.

Capital Equipment Replacement (006)

To account for expenditures for capital equipment funded by special revenues for standby services designated by the City Council. Funding authority by City Council Resolution No. 90-16.

Corrections Fees Fund (007)

To account for the correction fees (\$10) imposed pursuant to 35-14-11B (1) NMSA 1978. The correction fees shall be used for municipal jailer or juvenile detention officer training, for the construction planning, construction and maintenance of a municipal jail or juvenile detention facility, for paying the cost of housing municipal prisoners in a county jail or housing juveniles in a detention facility or for complying with match or contribution requirements for the receipt of federal funds relating to jails or juvenile detention facilities.

Police Evidence Fund (008)

To account for funds acquired during police raids and gathering of evidence. Fund authorized by city council.

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
NONMAJOR FUND DESCRIPTIONS (CONTINUED)  
JUNE 30, 2020**

**Special Revenue Funds (Continued)**

DARE Fund (011)

To account for expenditures of the drug prevention program D.A.R.E. The fund is funded by citizen's contributions and a federal grant from U.S. Department of Justice. Fund authorized by city council resolution and the Anti-Drug Abuse Act of 1988, Public law 100- 690, Title VI, Subtitle.

Library Fund (012)

To account for the operations of a library grant from the New Mexico State Library for additions to the city library. The authority is the Laws of New Mexico 2002, Chapter 93, G.O. Bonds for Public Library Resources.

Law Enforcement Fund (013)

To account for grant funds used for maintenance and development of the City's police force. Financing is provided by a grant from the State of New Mexico. Such revenue provides for purchase and repairs of equipment as well as classes to upgrade the training of police personnel and may be used only for these purposes. Funding authority is NMSA 29-13-1.

Judicial Education Fund (018)

To account for fine income and expenditures for the judicial education center. The Judicial Education fee (\$1) is imposed pursuant to 35-14-1 IB (2) NMSA 1978.

Traffic Safety Education Fund (019)

To account for expenditures of a grant from the New Mexico Department of Transportation Department to educate the citizens of Bloomfield in traffic safety. Funding authority is 66-7-512 NMSA 1978.

Court Automation Fund (020)

To account for fine income and expenditures for computer equipment to improve the courts computer system. The Court Automation fee (\$6) is imposed pursuant to 35-14-1 IB (3) NMSA 1978.

KAB - Bloomfield Pride (046)

To account for the expenditures of a grant from the New Mexico Beautification Inc. under the litter Control and Beautification Act. Funding authority is NMSA 67-16-14.

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
NONMAJOR FUND DESCRIPTIONS (CONTINUED)  
JUNE 30, 2020**

**Special Revenue Funds (Continued)**

Emergency Medical Fund (048)

To account for the operations of the City Emergency Medical Service Unit. Sources of funds are the State of New Mexico Health and Environment Department, Emergency Medical Service Bureau. Expenditures are subject to approval of the state agency and the City Council. Funding authority is NMSA 24-IOA-1 to 24-IOA-10 or 63-9D-1 to 63-9D-11.1.

Senior Citizen's Center Fund (060)

To account for a portion of the operations of the City's Senior Citizens Center. The sales of ceramics, fees, and dues are accounted for in this fund and a portion of the operating expenses. The operations are funded by donations and sales made by San Juan-McKinley County Senior Citizens and was set up administratively.

BLM Wildland Grant (068)

To account for funds received from the State of New Mexico Forestry Division to acquire equipment to fight brush fires in rural fire districts. Fund authorized by city council.

Enhanced 911 Addressing (071)

To account for the operations of the City's Emergency Medical Services Unit. Sources of funds are the State of New Mexico Health and Environment Department, Emergency Medical Services Bureau. Funding authority is NMSA 24-IOA-1.

Lodger' s Tax (077)

To account for lodger's tax revenues collected from the lodges within the City of Bloomfield and expenditures in accordance with the Lodger's Tax Law. Funding authority is NMSA 3-38-15.

**Capital Projects Funds**

Fire Department Construction (015)

The fire department construction project was approved by City Council Resolution 92-26. The revenues came from the sale of the old fire station to the State Highway Department. The monies in this fund are for future fire department construction projects.

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
NONMAJOR FUND DESCRIPTIONS (CONTINUED)  
JUNE 30, 2020**

**Capital Projects Funds (Continued)**

Land Acquisition (025)

To account for monies that have been designated by the City Council for future land purchases. The land acquisition fund was authorized by City Council Resolution No. 99-13.

Park Purchase & Improvement (030)

To account for the project costs to acquire park land funded by a grant from the State of New Mexico under a special appropriation authorized by NMSA Laws of 2002, Chapter 110.

Special Street Maintenance Capital Projects Fund (055)

To account for project costs of paving certain streets funded by the City and a cooperation agreement with the New Mexico State Highway Department.

Highway Co-op Projects (070)

To account for state funds provided by the New Mexico State Highway and Transportation Department. The purpose of the program is to maintain or construct various streets within the City of Bloomfield.

Park Improvements (882)

To account for grant monies for park improvements as well as plan, design and construct the Parks and Recreation office building and workshop. Funding is provided by the State of New Mexico under a special appropriation authorized by NMSA Laws of 2004, Chapter 126.

**Debt Service Funds (Continued)**

G.O. Bond Debt Service Fund (032)

To account for the principal and interest expenditures on the City's general obligation bonds and NMFA loans.

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2020**

	Special Revenue			
	Fire Protection Fund (004)	Recreation Fund (005)	Capital Equipment Replacement (006)	Correction Fees Fund (007)
<b>ASSETS</b>				
Cash and cash equivalents	\$ 339,421	9,928	26,238	\$ 450
Investments	-	-	-	-
Receivables:				
Property taxes	-	-	-	-
Other taxes	-	-	66,336	-
Other receivables	-	-	-	-
Due from other funds	3,944	-	-	-
<b>Total assets</b>	<b>\$ 343,365</b>	<b>9,928</b>	<b>92,574</b>	<b>\$ 450</b>
<b>LIABILITIES</b>				
Accounts payable	\$ -	-	-	\$ -
Accrued payroll expenses	-	-	-	-
Due to other funds	5,222	-	-	-
<b>Total liabilities</b>	<b>5,222</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue- property taxes	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	338,143	-	-	450
Committed	-	-	-	-
Assigned	-	9,928	92,574	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<b>338,143</b>	<b>9,928</b>	<b>92,574</b>	<b>450</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 343,365</b>	<b>9,928</b>	<b>92,574</b>	<b>\$ 450</b>

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2020**

	Special Revenue			
	Police Evidence Fund (008)	DARE Fund (011)	Library Fund (012)	Law Enforcement Fund (013)
<b>ASSETS</b>				
Cash and cash equivalents	\$ 7,124	123	2,142	\$ -
Investments	-	-	-	-
Receivables:				
Property taxes	-	-	-	-
Other taxes	-	-	-	-
Other receivables	-	-	-	-
Due from other funds	-	-	-	-
<b>Total assets</b>	<b>\$ 7,124</b>	<b>123</b>	<b>2,142</b>	<b>\$ -</b>
<b>LIABILITIES</b>				
Accounts payable	\$ -	-	-	\$ -
Accrued payroll expenses	-	-	-	-
Due to other funds	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue- property taxes	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	123	2,142	-
Committed	7,124	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<b>7,124</b>	<b>123</b>	<b>2,142</b>	<b>-</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 7,124</b>	<b>123</b>	<b>2,142</b>	<b>\$ -</b>

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2020**

	Special Revenue			
	Judicial Education Fund (018)	Traffic Safety Education Fund (019)	Court Automation Fund (020)	KAB - Bloomfield Pride (046)
<b>ASSETS</b>				
Cash and cash equivalents	\$ 223	4,796	7,453	\$ 1,260
Investments	-	-	-	-
Receivables:				
Property taxes	-	-	-	-
Other taxes	-	-	-	-
Other receivables	-	-	-	-
Due from other funds	-	-	-	-
<b>Total assets</b>	<b>\$ 223</b>	<b>4,796</b>	<b>7,453</b>	<b>\$ 1,260</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 131	-	276	\$ -
Accrued payroll expenses	-	-	-	-
Due to other funds	-	-	-	1,300
<b>Total liabilities</b>	<b>131</b>	<b>-</b>	<b>276</b>	<b>1,300</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue- property taxes	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	92	4,796	7,177	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	(40)
<b>Total fund balances</b>	<b>92</b>	<b>4,796</b>	<b>7,177</b>	<b>(40)</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 223</b>	<b>4,796</b>	<b>7,453</b>	<b>\$ 1,260</b>

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2020**

	Special Revenue			
	Emergency Medical Fund (048)	Senior Citizen's Center Fund (060)	BLM Wildland Grant (068)	Enhanced 911 Addressing (071)
<b>ASSETS</b>				
Cash and cash equivalents	\$ 3,944	11,484	161	\$ 2,554
Investments	-	-	-	-
Receivables:				
Property taxes	-	-	-	-
Other taxes	-	-	-	-
Other receivables	-	-	-	-
Due from other funds	-	-	-	-
<b>Total assets</b>	<b>\$ 3,944</b>	<b>11,484</b>	<b>161</b>	<b>\$ 2,554</b>
<b>LIABILITIES</b>				
Accounts payable	\$ -	-	-	\$ -
Accrued payroll expenses	-	-	-	-
Due to other funds	3,944	54,291	-	-
<b>Total liabilities</b>	<b>3,944</b>	<b>54,291</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue- property taxes	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	-	161	2,554
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	(42,807)	-	-
<b>Total fund balances</b>	<b>-</b>	<b>(42,807)</b>	<b>161</b>	<b>2,554</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 3,944</b>	<b>11,484</b>	<b>161</b>	<b>\$ 2,554</b>

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2020**

	Special Revenue		Capital Projects	
	Lodger's Tax (077)	Fire Department Construction (015)	Land Acquisition (025)	Park Purchase & Improvement (030)
<b>ASSETS</b>				
Cash and cash equivalents	\$ 67,326	21,889	5,929	\$ 12,287
Investments	-	-	-	-
Receivables:				
Property taxes	-	-	-	-
Other taxes	4,725	-	-	-
Other receivables	-	-	-	-
Due from other funds	-	402	-	-
<b>Total assets</b>	<b>\$ 72,051</b>	<b>22,291</b>	<b>5,929</b>	<b>\$ 12,287</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 4,610	-	-	\$ -
Accrued payroll expenses	-	-	-	-
Due to other funds	-	-	-	-
<b>Total liabilities</b>	<b>4,610</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue- property taxes	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	67,441	-	-	12,287
Committed	-	22,291	5,929	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<b>67,441</b>	<b>22,291</b>	<b>5,929</b>	<b>12,287</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 72,051</b>	<b>22,291</b>	<b>5,929</b>	<b>\$ 12,287</b>

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2020**

	Capital Projects			Debt Service	Total Nonmajor Governmental Funds
	Special Street Maintenance (055)	Highway Co-op Projects (070)	Park Improvements (882)	GO Bond (032)	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 690,280	5,978	2,471	1,184,121	\$ 2,407,582
Investments	-	-	-	-	-
Receivables:					
Property taxes	-	-	-	10,367	10,367
Other taxes	47,953	-	-	-	119,014
Other receivables	-	-	-	-	-
Due from other funds	-	-	-	-	4,346
<b>Total assets</b>	<b>\$ 738,233</b>	<b>5,978</b>	<b>2,471</b>	<b>1,194,488</b>	<b>\$ 2,541,309</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 10,185	-	-	-	\$ 15,202
Accrued payroll expenses	12,207	-	-	-	12,207
Due to other funds	2,441	-	-	-	67,198
<b>Total liabilities</b>	<b>24,833</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>94,607</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue- property taxes	-	-	-	9,355	9,355
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,355</b>	<b>9,355</b>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted	713,400	5,978	2,471	1,185,133	2,342,348
Committed	-	-	-	-	35,344
Assigned	-	-	-	-	102,502
Unassigned	-	-	-	-	(42,847)
<b>Total fund balances</b>	<b>713,400</b>	<b>5,978</b>	<b>2,471</b>	<b>1,185,133</b>	<b>2,437,347</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 738,233</b>	<b>5,978</b>	<b>2,471</b>	<b>1,194,488</b>	<b>\$ 2,541,309</b>

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2020**

	Special Revenue			
	Fire Protection Fund (004)	Recreation Fund (005)	Capital Equipment Replacement (006)	Correction Fees Fund (007)
<b>REVENUES</b>				
Taxes:				
Property	\$ -	-	-	\$ -
Gross receipts	-	-	453,932	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental	-	-	-	-
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	376,951	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Contributions and donations	-	-	-	-
Investment income	7	-	-	-
Miscellaneous	-	6,370	-	-
Total revenues	<u>376,958</u>	<u>6,370</u>	<u>453,932</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	13,630	-
Public safety	219,360	-	-	-
Public works	-	-	-	-
Culture and recreation	-	5,351	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>219,360</u>	<u>5,351</u>	<u>13,630</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>157,598</u>	<u>1,019</u>	<u>440,302</u>	<u>-</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(80,283)	-	(534,945)	-
Total other financing sources (uses)	<u>(80,283)</u>	<u>-</u>	<u>(534,945)</u>	<u>-</u>
Net change in fund balance	77,315	1,019	(94,643)	-
Fund balance - beginning of year	<u>260,828</u>	<u>8,909</u>	<u>187,217</u>	<u>450</u>
Fund balance - end of year	<u>\$ 338,143</u>	<u>9,928</u>	<u>92,574</u>	<u>\$ 450</u>

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
YEAR ENDED JUNE 30, 2020**

	Special Revenue			
	Police	DARE Fund	Library Fund	Law
	Evidence Fund			Enforcement
	(008)	(011)	(012)	Fund (013)
<b>REVENUES</b>				
Taxes:				
Property	\$ -	-	-	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental	-	-	-	-
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	9,404	29,600
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Contributions and donations	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	24	-
Total revenues	<u>-</u>	<u>-</u>	<u>9,428</u>	<u>29,600</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Public safety	133	-	-	29,600
Public works	-	-	-	-
Culture and recreation	-	-	18,435	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>133</u>	<u>-</u>	<u>18,435</u>	<u>29,600</u>
Excess (deficiency) of revenues over expenditures	<u>(133)</u>	<u>-</u>	<u>(9,007)</u>	<u>-</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(133)	-	(9,007)	-
Fund balance - beginning of year	<u>7,257</u>	<u>123</u>	<u>11,149</u>	<u>-</u>
Fund balance - end of year	<u>\$ 7,124</u>	<u>123</u>	<u>2,142</u>	<u>\$ -</u>

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
YEAR ENDED JUNE 30, 2020**

	Special Revenue			
	Judicial Education Fund (018)	Traffic Safety Education Fund (019)	Court Automation Fund (020)	KAB - Bloomfield Pride (046)
<b>REVENUES</b>				
Taxes:				
Property	\$ -	-	-	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental	-	-	-	-
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	1,595	108	3,199	-
Contributions and donations	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>1,595</u>	<u>108</u>	<u>3,199</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
General government	1,528	-	-	-
Public safety	-	-	3,079	-
Public works	-	-	-	60
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>1,528</u>	<u>-</u>	<u>3,079</u>	<u>60</u>
Excess (deficiency) of revenues over expenditures	<u>67</u>	<u>108</u>	<u>120</u>	<u>(60)</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	67	108	120	(60)
Fund balance - beginning of year	<u>25</u>	<u>4,688</u>	<u>7,057</u>	<u>20</u>
Fund balance - end of year	<u>\$ 92</u>	<u>4,796</u>	<u>7,177</u>	<u>\$ (40)</u>

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
YEAR ENDED JUNE 30, 2020**

	Special Revenue			
	Emergency Medical Fund (048)	Senior Citizen's Center Fund (060)	BLM Wildland Grant (068)	Enhanced 911 Addressing (071)
<b>REVENUES</b>				
Taxes:				
Property	\$ -	-	-	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental	-	-	-	-
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	6,652	21,100	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Contributions and donations	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>6,652</u>	<u>21,100</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Public safety	6,652	-	-	-
Public works	-	-	-	-
Culture and recreation	-	90,700	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>6,652</u>	<u>90,700</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(69,600)</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	(69,600)	-	-
Fund balance - beginning of year	<u>-</u>	<u>26,793</u>	<u>161</u>	<u>2,554</u>
Fund balance - end of year	<u>\$ -</u>	<u>(42,807)</u>	<u>161</u>	<u>\$ 2,554</u>

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
YEAR ENDED JUNE 30, 2020**

	Special Revenue	Fire	Capital Projects	Park
	Lodger's Tax (077)	Department Construction (015)	Land Acquisition (025)	Purchase & Improvement (030)
<b>REVENUES</b>				
Taxes:				
Property	\$ -	-	-	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	50,018	-	-	-
Intergovernmental	-	-	-	-
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Contributions and donations	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	5,266	-	-	-
Total revenues	<u>55,284</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
General government	83,194	-	-	-
Public safety	-	366	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>83,194</u>	<u>366</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(27,910)</u>	<u>(366)</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(27,910)	(366)	-	-
Fund balance - beginning of year	<u>95,351</u>	<u>22,657</u>	<u>5,929</u>	<u>12,287</u>
Fund balance - end of year	<u>\$ 67,441</u>	<u>22,291</u>	<u>5,929</u>	<u>\$ 12,287</u>

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
YEAR ENDED JUNE 30, 2020**

	Capital Projects			Debt Service	Total Nonmajor Governmental Funds
	Special Street Maintenance (055)	Highway Co- op Projects (070)	Park Improvements (882)	GO Bond (032)	
<b>REVENUES</b>					
Taxes:					
Property	\$ -	-	-	143,550	\$ 143,550
Gross receipts	-	-	-	-	453,932
Gasoline and motor vehicle	273,873	-	-	-	273,873
Other	-	-	-	-	50,018
Intergovernmental					
Federal operating grants	-	-	-	-	-
Federal capital grants	-	-	-	-	-
State operating grants	375,672	-	-	-	819,379
State capital grants	-	-	-	-	-
Charges for services	-	-	-	-	-
Licenses and fees	-	-	-	-	4,902
Contributions and donations	-	-	-	-	-
Investment income	-	-	-	21,153	21,160
Miscellaneous	-	-	-	-	11,660
Total revenues	<u>649,545</u>	<u>-</u>	<u>-</u>	<u>164,703</u>	<u>1,778,474</u>
<b>EXPENDITURES</b>					
Current:					
General government	-	-	-	1,448	99,800
Public safety	-	-	-	-	259,190
Public works	633,683	-	-	-	633,743
Culture and recreation	-	-	-	-	114,486
Health and welfare	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	41,296	-	-	811,496	852,792
Interest	1,441	-	-	284,195	285,636
Total expenditures	<u>676,420</u>	<u>-</u>	<u>-</u>	<u>1,097,139</u>	<u>2,245,647</u>
Excess (deficiency) of revenues over expenditures	<u>(26,875)</u>	<u>-</u>	<u>-</u>	<u>(932,436)</u>	<u>(467,173)</u>
Other financing sources (uses)					
Transfers in	387,256	-	-	957,156	1,344,412
Transfers out	-	-	-	-	(615,228)
Total other financing sources (uses)	<u>387,256</u>	<u>-</u>	<u>-</u>	<u>957,156</u>	<u>729,184</u>
Net change in fund balance	360,381	-	-	24,720	262,011
Fund balance - beginning of year	<u>353,019</u>	<u>5,978</u>	<u>2,471</u>	<u>1,160,413</u>	<u>2,175,336</u>
Fund balance - end of year	<u>\$ 713,400</u>	<u>5,978</u>	<u>2,471</u>	<u>1,185,133</u>	<u>\$ 2,437,347</u>

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
SCHEDULE OF DEPOSIT ACCOUNTS  
JUNE 30, 2020**

Bank Account Type/Name	Wells			Totals
	Fargo Bank	Citizen's Bank	Bank of Albuquerque	
Cash and cash equivalents:				
Operating - Checking	\$4,596,992	-	-	\$ 4,596,992
Senior Citizens - Checking	11,334	-	-	11,334
G.O. Water - Checking	139,466	-	-	139,466
Money Market	106,857	-	-	106,857
Motor Vehicle - Checking	3,558	-	-	3,558
Payroll -Checking	-	33,115	-	33,115
BLM Wildland Grant - Checking	-	161	-	161
Police Evidence - Checking	-	7,124	-	7,124
W/W Debt Service - Checking	-	322,668	-	322,668
IMMA	-	148,546	-	148,546
Fire Fund -Checking	-	343,616	-	343,616
Interest Bond Retirement - Checking	-	1,277	-	1,277
Meter Deposits - Checking	-	149,692	-	149,692
Wastewater Replacement - Checking	-	221,555	-	221,555
NMFA Pn Dtd 5/1/05 Bloomfield*	-	-	1	1
NMFA Pn Dtd 5/1/05 Bloomfield DS RES*	-	-	16,860	16,860
DW - Bloomfield*	-	-	51,885	51,885
DL - Bloomfield City*	-	-	25,488	25,488
DL - Bloomfield City Ds Res*	-	-	109,160	109,160
2007 E PPRF - Bloomfield City*	-	-	35,752	35,752
2007 E PPRF - Bloomfield City Ds Res*	-	-	126,965	126,965
2015 C PPRF - Bloomfield City*	-	-	69,958	69,958
2015 C PPRF - Bloomfield City Ds Res*	-	-	747,103	747,103
2016 B PPRF - Bloomfield City*	-	-	5,998	5,998
2016 B PPRF - Bloomfield City DS Res*	-	-	55,076	55,076
2018 C-1 PPRF*	-	-	827	827
<b>Total</b>	<b>4,858,207</b>	<b>1,227,754</b>	<b>1,245,073</b>	<b>7,331,034</b>
Reconciling items	(62,084)	(67,469)	-	(129,553)
Reconciled balance	<u>\$4,796,123</u>	<u>1,160,285</u>	<u>1,245,073</u>	7,201,481
Petty cash				2,550
Less: agency funds cash				(141)
Less: restricted cash and investments				(1,527,651)
<b>Total unrestricted cash and cash equivalents</b>				<u><u>\$ 5,676,239</u></u>

\* These cash and investment accounts are restricted for debt services by the New Mexico Finance Authority

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
SCHEDULE OF COLLATERAL PLEDGED  
BY DEPOSITORY FOR PUBLIC FUNDS  
JUNE 30, 2020**

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value at June 30, 2020
<b>Wells Fargo Bank</b>				
	FMAC FEPC 3.500%	10/1/2033	3131XECT8	\$ 130,069
	FMAC FEPC 3.000%	3/1/2043	3131XL2S5	583,018
	FMAC FEPC 3.000%	9/1/2036	31329KVR2	20,783
	FMAC FEPC 3.500%	7/1/2045	3132A5D36	681,096
	FMAC FEPC 3.500%	8/1/2045	3132A5D77	566,768
	FNMA FNMS 3.000%	9/1/2049	3140JQTX1	2,455
	FNMA FNMS 3.000%	2/1/2050	3140QCWM4	18,744
	FNMA FNMS 3.500%	7/1/2043	31417G3Z7	595,378
	Total Wells Fargo Bank			<u>2,598,311</u>

The location of the safekeeper of the above security is 101 Barclay Street, Fourth Floor East, New York, NY 10286.

**Citizen's Bank**

	FM MULT CERT SERIES 3800 4.000%	2/15/2031	3137A7G46	1,455,039
	Total Citizen's Bank			<u>1,455,039</u>

The location of the safekeeper of the above securities is 8500 Freeport Parkway, South Irving, TX.

	Total Pledged Collateral			<u>\$ 4,053,350</u>
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**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
SCHEDULE OF CHANGES IN FIDUCIARY ASSETS  
AND LIABILITIES – AGENCY FUND  
JUNE 30, 2020**

	Balance at June 30, 2019	Receipts	Disbursements	Balance at June 30, 2020
Motor Vehicle	\$ 141	519,713	519,713	\$ 141
Total	<u>\$ 141</u>	<u>519,713</u>	<u>519,713</u>	<u>\$ 141</u>

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
SCHEDULE OF JOINT POWERS AGREEMENTS  
JUNE 30, 2020**

<u>Joint Powers Agreements</u>	<u>Participants</u>	<u>Responsible Party</u>	<u>Description</u>	<u>Term</u>	<u>Project Amount</u>	<u>Portion Applicable to the City</u>	<u>Audit Responsibility</u>
Crime Stoppers	City of Bloomfield San Juan County City of Farmington City of Aztec	City of Bloomfield San Juan County City of Farmington City of Aztec	Task force formed to combat illegal controlled substance activities.	6/30/2019 - 4/14/2020	\$41,637 annually	\$ 5,833	City of Bloomfield
Consolidated Communications	City of Bloomfield San Juan County City of Farmington City of Aztec	City of Bloomfield San Juan County City of Farmington City of Aztec	Establish and operate a consolidated communication center to provide emergency and law enforcement communications.	Indefinite	\$75,000 for first year and adjusted each subsequent year to the most recent Consumer Price Index	1% of total costs	City of Bloomfield
School District	City of Bloomfield  Bloomfield School District	City of Bloomfield  Bloomfield School District	Construction, management, maintenance and operation of a new outdoor swimming pool and to renovate the existing indoor pool.	25 years beginning December 1, 2005	Estimated to be \$3,212,000 for construction costs.	Liable for operation maintenance costs.	City of Bloomfield
Detention Center Services	City of Bloomfield San Juan County	City of Bloomfield San Juan County	City uses County Detention Center to incarcerate adult offenders sentenced in Municipal Court.	Indefinite	Unknown	\$86 per prisoner per day	City of Bloomfield
Metropolitan Planning Organization	City of Bloomfield San Juan County City of Farmington City of Aztec	City of Bloomfield San Juan County City of Farmington City of Aztec	Establishing, overseeing and directing transportation related policy within Farmington Metro Area	Indefinite	Unknown	10% of costs	City of Bloomfield

## **COMPLIANCE SECTION**



Service plus value, it all adds up.

1030 18<sup>th</sup> Street NW  
Albuquerque, NM 87104  
505 338 0800 office www.riccicpa.com

**Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in  
Accordance with *Governmental Auditing Standards***

**Independent Auditors' Report**

Ms. Cynthia Atencio, Mayor,  
City of Bloomfield  
and,  
Mr. Brian S. Colón, Esq., State Auditor

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, the business type activities, the aggregate remaining fund information, and the budgetary comparison for the general fund of the State of New Mexico, City of Bloomfield (City), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 15, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit, of the financial statements, we considered the City'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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and responses, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

*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.

We consider the deficiencies described in the accompanying schedule of findings and responses as items 2020-002 and 2020-003 to be material weaknesses.

*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.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance or other matters which are required to be reported under *Government Auditing Standards* or in accordance with 2.2.2 NMAC which are reported as findings 2020-001 and 2020-004.

### **City's Response to Findings**

The City's response to the findings identified in our audit is described in the accompanying schedule of Findings and Responses. Management's responses were not subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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

*Ricci & Company LLC*

Albuquerque, New Mexico  
December 15, 2020

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2020**

**A. SUMMARY OF AUDIT RESULTS**

Type of report issued:	Modified
Internal controls over Financial Reporting:	
Material weaknesses reported?	Yes
Significant deficiencies reported?	No
Noncompliance material to the financial statements noted?	No

**B. STATUS OF PRIOR YEAR FINDINGS**

2020-001 (2018-002) Controls Over Gasoline Cards (Other Non-Compliance)	Modified and Repeated
2019-002 Physical Inventory Count not Certified (Other Non-Compliance)	Resolved

**C. CURRENT YEAR FINDINGS AND RESPONSES**

Financial Statement Findings

2020-002	Capital Asset Tracking (Material Weakness)
2020-003	Financial Close and Reporting (Material Weakness)

Findings in Accordance with 2.2.2 NMAC

2020-001	(2018-002) Controls Over Gasoline Cards (Other Non-Compliance)
2020-004	Lack of Review of Codes of Conduct (Other Non-Compliance)

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)  
JUNE 30, 2020**

**C. CURRENT YEAR FINDINGS AND RESPONSES (CONTINUED)**

**2020-001 (2018-002) Controls Over Gasoline Cards (Other Non-Compliance) Repeated and modified**

***Condition***

During our audit procedures regarding gas credit cards, we noted that 2 of 8 gas card purchases tested were used for more than one vehicle, therefore it is not possible if the gallons purchased is reasonable based on tank size or mileage.

The City has made moderate progress on addressing this issue but does not have complete resolution.

***Criteria***

Pursuant to 2.2.2.10.J NMAC and the City's internal policy. The City should establish policy for use of procurement, travel, or gas cards, including placing limits on the amount and types of purchases that may be made on the perspective cards.

***Cause***

The City lacks proper internal control and non-compliance to 2.2.2.10.J NMAC.

***Effect***

Lack of control, review and non-compliance to internal policy could lead to misuse of City funds via the gas cards purchases.

***Recommendation***

We recommend the City implement proper processes regarding the use of gas cards to ensure compliance and reduce risk of misuse in resources.

***Management Response***

The City has done away with gasoline cards as of June 30, 2020 and has begun using procurement cards with policies and procedures to ensure compliance.

***Estimated Timeline to Correct***

July 1, 2020

***Responsible Official***

City Clerk/Accounts Payable Specialist

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)  
JUNE 30, 2020**

**C. CURRENT YEAR FINDINGS AND RESPONSES (CONTINUED)**

**2020-002 Capital Asset Tracking (Material Weakness)**

***Condition***

Capital asset records were not adequately maintained; detailed records did not agree to the trial balance and had not been properly updated and adjusted during the year. In addition, there was not enough information provided to ascertain what adjustments would be required to correctly adjust the accounts.

***Criteria***

Pursuant to 2.20.1.8 (A) NMAC, Agencies should implement systematic and well documented methods for accounting for their capital assets.

***Cause***

During the year, the City did not have a systematic approach to accounting for the activity in the capital asset accounts due to turnover in finance department.

***Effect***

The auditor was not able to obtain sufficient evidence of the capital asset accounts, the auditor's opinion will be modified over capital assets.

***Recommendation***

We recommend the City implement proper processes and controls over their capital asset records and transactions.

***Management Response***

The City will implement a systematic and well documented method to account for the purchase, disposal and control mechanisms of all capital assets.

***Estimated Timeline to Correct***

June 30, 2021

***Responsible Official***

Finance Director

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)  
JUNE 30, 2020**

**C. CURRENT YEAR FINDINGS (CONTINUED)**

**2020-003 Financial Close and Reporting (Material Weakness)**

***Condition***

In preparation for final field work it was identified that significant adjustments to various key transaction cycles were required after the deadline established for the final trial balance. Additionally, the City does not have adequate procedures for year-end close processes related to fund balance, long-term debt, transfers, and various accrual accounts resulting in subsequent adjustments to the trial balance totaling \$5,799,341

***Criteria***

2.20.5.8 NMAC requires that an internal control structure exists and is functioning properly, transactions are recorded timely and properly classified, and account balances are reconciled and reviewed regularly.

***Cause***

There is a lack of formal procedures over year-end financial close and reporting.

***Effect***

The lack of procedures can result in late audits, significant misstatements, and increases potential for misstatements and/or misappropriation of assets.

***Recommendation***

We recommend that management implement a year end process and set internal deadlines with all financial staff regarding when and how year-end closing processes must be completed.

***Management Response***

The City will implement formal procedures for year-end financial close and reporting.

***Estimated Timeline to Correct***

June 30, 2021

***Responsible Official***

Finance Director

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)  
JUNE 30, 2020**

**C. CURRENT YEAR FINDINGS (CONTINUED)**

**2020-004 Lack of review of Codes of Conduct (Other Non-Compliance)**

***Condition***

Auditor noted that code of conduct has not been reviewed or approved in the last 4 years

***Criteria***

Pursuant to Governmental Conduct Act (Sections 10-16-1 to 10-16-18 NMSA 1978) and 2.2.2.10.J NMAC, Codes of Conduct should be reviewed and approved every 4 years by the Commission/Council.

***Cause***

The City has not reviewed its code of conduct since the released date in 2009.

***Effect***

Lack of review and approval would result in non-compliance of 2.2.2.10.J NMAC.

***Recommendation***

We recommend that management review, revise and approve the code of conduct every 4 years as required.

***Management Response***

The City will review their entire personnel policies and procedures manual to include codes of conduct and make updates and changes as needed. Process has begun as of October 2020.

***Estimated Timeline to Correct***

March 31, 2021

***Responsible Official***

Human Resources Director and City Manager with City Council Approval

**STATE OF NEW MEXICO  
CITY OF BLOOMFIELD  
EXIT CONFERENCE  
JUNE 30, 2020**

An exit conference was held on December 15, 2020 via Zoom, to discuss the annual financial report. Attending were the following:

**Representing the City of Bloomfield:**

Cynthia Atencio	Mayor
Kimberly Simpson	Finance Director
George Duncan	City Manager

**Representing Ricci & Company, LLC:**

Mark Santiago, CPA	Senior Audit Manager
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The financial statements were prepared with the assistance of Ricci & Company, LLC from the books and record of the City of Bloomfield. The financial statements and related footnotes remain the responsibility of management.