

STATE OF NEW MEXICO

CITY OF BLOOMFIELD



ANNUAL FINANCIAL REPORT

JUNE 30, 2011

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STATE OF NEW MEXICO
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ANNUAL FINANCIAL REPORT
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STATE OF NEW MEXICO

City of Bloomfield

Official Roster

June 30, 2011

<u>Name</u>	<u>City Council</u>	<u>Title</u>
Scott Eckstein		Mayor
Lynne Raner		City Councilor
Pat Lucero		City Councilor
Matt Pennington		City Councilor
Curtis Lynch		City Councilor
	<u>Administration</u>	
David Fuqua		City Manager
Carol Miller		City Clerk
Brad Ellsworth		Finance Director

FINANCIAL SECTION



Accounting & Consulting Group, LLP
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Hector Balderas
New Mexico State Auditor
The U.S. Office of Management and Budget and
Scott Eckstein, Mayor
City Council Members
City of Bloomfield
Bloomfield, New Mexico

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the budgetary comparison for the general fund and the aggregate remaining fund information of the City of Bloomfield, New Mexico (City) as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the City's nonmajor governmental funds, the budgetary comparisons for the major capital projects funds, the enterprise funds and the remaining nonmajor governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2011 as listed in the table of contents. These financial statements are the responsibility of the City's management. 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 includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2011, and the respective changes in financial position thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the City as of June 30, 2011, and the respective changes in financial position thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the budget comparisons referred to above present fairly, in all material respects, the respective budgetary comparisons for the year then ended in conformity with the budgetary basis of accounting as prescribed in the New Mexico Administrative Code, as more fully described in Note 2 to the financial statements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 5, 2012 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 should be considered in assessing the results of our audit.

The *Management's Discussion and Analysis* on pages 10 through 18 is not a required part of the basic financial statements, but is supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements, the combining and individual fund statements, and the budgetary comparisons. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The accompanying financial information listed as Supporting Schedules I through III in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements and the combining and individual fund statements, taken 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 express no opinion on it.

Accounting + Consulting Group, LLP

Accounting & Consulting Group, LLP
Albuquerque, New Mexico
March 5, 2012

State of New Mexico
City of Bloomfield
Management's Discussion and Analysis
June 30, 2011

As management of City of Bloomfield, we offer readers of City of Bloomfield financial statements this narrative overview and analysis of the financial activities of City of Bloomfield for the fiscal year ended June 30, 2011. We encourage readers to consider the information presented here in conjunction with the financial statements of City of Bloomfield and additional information provided.

FINANCIAL HIGHLIGHTS

- The assets of City of Bloomfield exceeded its liabilities at the close of the most recent fiscal year by \$31,332,505 (*net assets*). Of this amount, \$2,755,413 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$5,191,313 during the fiscal year. This increase is mainly attributable to the City's investment in capital assets, net of related debt, which increased by \$8,184,575. This was offset by a decrease in restricted net assets of \$1,428,622, due mainly to the expenditure of loan program funds on the City Hall Renovation project, and a decrease in unrestricted net assets of \$1,564,640, due mainly to a decline in tax revenues without a corresponding decrease to expenditures.
- As of June 30, 2011, the City's governmental funds reported combined ending net assets of \$21,615,243. Of this total, \$18,658,840 represents the City's investment in capital assets, net of any outstanding debt issued to pay for the assets.
- At the close of the current fiscal year, unassigned fund balance for the general fund was \$1,733,702, or 23 percent of total general fund expenditures.
- The City's total debt increased by \$910,573 during the current fiscal year. This increase was due to the addition of three new loans, two for the US Highway 64 Utilities Relocation Project in the amount of \$1,666,075, and one loan for the Blanco/Navajo Dam Regional Water Project in the amount of \$55,000. The City also purchased a new road grader on a capital lease in the amount of \$169,235. Also during the year \$973,435 was paid on the principal of the various government loans.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to City of Bloomfield's basic financial statements. City of Bloomfield's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of City of Bloomfield's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of City of Bloomfield's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether or not the financial position of City of Bloomfield is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of City of Bloomfield that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of City of Bloomfield include general government, public safety, public works, culture and recreation, and health and welfare. The business-type activities of the City include Joint Utility and Solid Waste Services.

The government-wide financial statements can be found at Exhibits A-1 and A-2 of this report.

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Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. City of Bloomfield, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of City of Bloomfield can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in determining what financial resources are available in the near future to finance the City's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains thirty individual governmental funds organized according to their type (special revenue, debt service and capital projects). Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances for the General Fund, Fire, Police, Court, and City Hall Capital Projects Fund, Special Street Maintenance Capital Projects Fund, and Dam Rehabilitation Capital Projects Fund, which are considered to be major funds. Data from the other twenty-six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund, Fire, Police, CRT, and City Hall Capital Projects Fund, Special Street Maintenance Capital Projects Fund, Dam Rehabilitation Capital Projects Fund, and all other funds. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. In addition, the individual financial statements of the nonmajor governmental fund types include budgetary comparison data.

The basic governmental fund financial statements can be found at Exhibits B-1 through C-1 of this report.

Proprietary funds. Proprietary funds are generally used to account for services for which the City charges customers – either outside customers or internal units or departments of the City. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The City maintains one type of proprietary fund:

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the joint utility and solid waste operations of the City. The enterprise funds are considered to be major funds of the City and can be found at Exhibits D-1 through D-3 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support City of Bloomfield's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

City of Bloomfield fiduciary funds account for the collection of motor vehicle fees and their remittance to other governmental agencies.

The basic fiduciary fund financial statement can be found at Exhibit E-1 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 36-65 of this report.

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Combining statements. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 72-83 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Analysis of Net Assets

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of City of Bloomfield, assets exceeded liabilities by \$31,332,505 at the close of the current fiscal year.

The significant portion of City of Bloomfield's net assets represents the City's investment of \$26,719,906 in capital assets (e.g., land improvements, buildings, infrastructure and machinery & equipment), less any related outstanding debt used to acquire those assets. City of Bloomfield uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although City of Bloomfield's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF BLOOMFIELD'S NET ASSETS

	June 30, 2011			June 30, 2010		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Assets						
Current and other assets	\$ 2,753,740	\$ 1,781,898	\$ 4,535,638	\$ 5,239,672	\$ 1,854,078	\$ 7,093,750
Restricted cash and cash equivalents	896,131	1,909,016	2,805,147	2,059,695	258,755	2,318,450
Bond issuance costs	108,172	65,699	173,871	133,478	47,826	181,304
Capital assets, net of accumulated depreciation	<u>30,122,769</u>	<u>15,877,915</u>	<u>46,000,684</u>	<u>22,919,471</u>	<u>15,742,953</u>	<u>38,662,424</u>
Total Assets	<u><u>33,880,812</u></u>	<u><u>19,634,528</u></u>	<u><u>53,515,340</u></u>	<u><u>30,352,316</u></u>	<u><u>17,903,612</u></u>	<u><u>48,255,928</u></u>
Liabilities						
Long-term liabilities outstanding	11,024,434	9,004,170	20,028,604	11,359,063	7,817,756	19,176,819
Other liabilities	<u>1,241,135</u>	<u>913,096</u>	<u>2,154,231</u>	<u>1,943,676</u>	<u>994,241</u>	<u>2,937,917</u>
Total Liabilities	<u><u>12,265,569</u></u>	<u><u>9,917,266</u></u>	<u><u>22,182,835</u></u>	<u><u>13,302,739</u></u>	<u><u>8,811,997</u></u>	<u><u>22,114,736</u></u>
Net Assets						
Invested in capital assets, net of related debt	18,658,840	8,061,066	26,719,906	11,160,988	7,374,343	18,535,331
Restricted	1,645,661	211,525	1,857,186	3,285,808	-	3,285,808
Unrestricted	<u>1,310,742</u>	<u>1,444,671</u>	<u>2,755,413</u>	<u>2,602,781</u>	<u>1,717,272</u>	<u>4,320,053</u>
Total Net Assets	<u><u>21,615,243</u></u>	<u><u>9,717,262</u></u>	<u><u>31,332,505</u></u>	<u><u>17,049,577</u></u>	<u><u>9,091,615</u></u>	<u><u>26,141,192</u></u>
Total Liabilities and Net Assets	<u><u>\$ 33,880,812</u></u>	<u><u>\$ 19,634,528</u></u>	<u><u>\$ 53,515,340</u></u>	<u><u>\$ 30,352,316</u></u>	<u><u>\$ 17,903,612</u></u>	<u><u>\$ 48,255,928</u></u>

A portion of City of Bloomfield's governmental net assets (8 percent) represents resources that are subject to restrictions. The restrictions relate to covenants provided by the City's long-term debt issuance and capital projects. The remaining balance of *unrestricted net assets*, \$1,310,742, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, City of Bloomfield is able to report positive balances in all three categories of net assets, for the government as a whole as well as for the business-type activities, as a whole.

State of New Mexico
City of Bloomfield
Management's Discussion and Analysis
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Analysis of Changes in Net Assets

The City's net assets overall increased by \$5,191,313 during the current fiscal year. These increases are explained in the government and business-type activities discussion below, and are primarily a result of additions to capital assets during the fiscal year.

Changes in Net Assets
For the Year Ended June 30, 2011

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Revenues			
Program revenues:			
Charges for services	\$ 1,094,592	\$ 4,174,830	\$ 5,269,422
Operating grants and contributions	515,263	87,738	603,001
Capital grants	5,361,400	38,702	5,400,102
General revenues:			
Property taxes	774,022	-	774,022
Gross receipts taxes	6,483,247	-	6,483,247
Gasoline and motor vehicle taxes	208,111	-	208,111
Franchise taxes	299,990	-	299,990
Cigarette and lodger's taxes	57,006	-	57,006
Miscellaneous revenue	25,771	1,265	27,036
Unrestricted investment earnings	4,344	1,601	5,945
Gain on disposal of capital assets	4,223	-	4,223
Total revenues	<u>14,827,969</u>	<u>4,304,136</u>	<u>19,132,105</u>
Expenses			
General government	2,631,772	-	2,631,772
Public safety	4,378,912	-	4,378,912
Public works	1,031,162	-	1,031,162
Culture and recreation	1,097,650	-	1,097,650
Health and welfare	400,947	-	400,947
Interest and other charges	643,706	-	643,706
Joint utility and solid waste	-	3,911,433	3,911,433
Total expenses	<u>10,184,149</u>	<u>3,911,433</u>	<u>14,095,582</u>
Increase in assets before transfers	<u>4,643,820</u>	<u>392,703</u>	<u>5,036,523</u>
Transfers	<u>(34,330)</u>	<u>34,330</u>	<u>-</u>
Increase in net assets	4,609,490	427,033	5,036,523
Net assets, beginning of year	17,049,577	9,091,615	26,141,192
Net assets, restatement	<u>(43,824)</u>	<u>198,614</u>	<u>154,790</u>
Net assets, as restated	17,005,753	9,290,229	26,295,982
Ending net assets	<u>\$ 21,615,243</u>	<u>\$ 9,717,262</u>	<u>\$ 31,332,505</u>

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Changes in Net Assets
For the Year Ended June 30, 2010

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Revenues			
Program revenues:			
Charges for services	\$ 944,767	\$ 4,274,833	\$ 5,219,600
Operating grants and contributions	707,515	691,815	1,399,330
Capital grants	2,526,415	-	2,526,415
General revenues:			
Property taxes	750,385	-	750,385
Gross receipts taxes	7,829,441	-	7,829,441
Gasoline and motor vehicle taxes	203,144	-	203,144
Franchise taxes	297,715	-	297,715
Cigarette and lodger's taxes	86,450	-	86,450
Miscellaneous revenue	20,218	14,736	34,954
Unrestricted investment earnings	17,615	2,447	20,062
Total revenues	<u>13,383,665</u>	<u>4,983,831</u>	<u>18,367,496</u>
Expenses			
General government	2,578,994	-	2,578,994
Public safety	3,651,120	-	3,651,120
Public works	1,410,219	-	1,410,219
Culture and recreation	961,912	-	961,912
Health and welfare	333,927	-	333,927
Interest and other charges	606,849	-	606,849
Joint utility and solid waste	-	4,060,537	4,060,537
Total expenses	<u>9,543,021</u>	<u>4,060,537</u>	<u>13,603,558</u>
Increase in assets before transfers	<u>3,840,644</u>	<u>923,294</u>	<u>4,763,938</u>
Transfers	<u>(108,390)</u>	<u>108,390</u>	<u>-</u>
Increase in net assets	3,732,254	1,031,684	4,763,938
Net assets, beginning of year	<u>13,317,323</u>	<u>8,059,931</u>	<u>21,377,254</u>
Ending net assets	<u>\$ 17,049,577</u>	<u>\$ 9,091,615</u>	<u>\$ 26,141,192</u>

Governmental activities. Governmental activities increased City of Bloomfield's net assets by \$4,565,666. The key elements of this increase are as follows:

- Capital grants and contributions made up the majority of the City's program revenue, accounting for \$5,361,400 or 36 percent of total governmental revenues. These grants and contributions were used for street projects, the new industrial park, the dam rehabilitation project, the city hall remodel, new ball field lighting, and other small projects.
- The City's direct charges to users of governmental services made up \$1,094,592 or 7 percent of total governmental revenues. These charges are for fees, fines and forfeitures, and licenses and permits.
- Tax revenues account for \$7,822,376 or 53 percent of governmental revenues. Tax revenues are made up of property, gross receipts, gasoline and motor vehicle and other taxes.

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Business-type activities. Business-type activities increased the City's net assets by \$625,647. Total business type revenues decreased by \$679,695 or 14% from last fiscal year due mainly to a decrease in grant revenues. However, total revenues were still sufficient to cover operating expenses and provide an increase to net assets.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, City of Bloomfield uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of City of Bloomfield's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing City of Bloomfield's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of Governmental funds reported by the City include the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds.

Revenues for governmental functions overall totaled \$14,827,969 in the fiscal year ended June 30, 2011, which represents an increase of \$1,444,304 from the fiscal year ended June 30, 2010. This is largely due to an increase in capital grants of \$2,834,985. This was offset by a decrease in gross receipts tax revenue of \$1,346,195. This decrease was due to lower sales of goods and services in the city brought on by a slowdown in the overall economy. Expenditures for governmental functions, totaling \$10,184,149, decreased by \$641,128 from the fiscal year ended June 30, 2010. Capital outlay expenditures decreased by \$737,702 from the prior fiscal year, but this decrease was offset by increases in public safety expenditures (\$370,435) for furniture and equipment and debt service expenditures (\$209,971) for the loan on the new police department/court/mvd building and a capital lease for a new grader at the municipal operations center. In the fiscal year ended June 30, 2011, revenues for governmental functions exceeded expenditures by \$4,643,820.

The General Fund is the chief operating fund of City of Bloomfield. At the end of the current fiscal year, *unassigned* fund balance of the general fund was also the total fund balance of \$1,733,702.

The fund balance of the City's general fund decreased by \$1,352,666 during the current fiscal year, due mainly to a decrease in gross receipts tax revenue of \$1.3 million and a slight increase in expenditures over the prior year amount. Transfers to other funds also increased by \$337,211, mainly for one time capital expenditures in the Fire, Police, CRT, City Hall Capital Projects Fund and the Recreation Special Revenue Fund.

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

At the end of the fiscal year, the unrestricted net assets for enterprise funds were \$1,444,671. The total increase in net assets for the enterprise funds was \$625,647. Factors concerning the finances of this fund have been addressed previously in the discussion of the City's business-type activities.

Fiduciary Funds. The City maintains fiduciary funds for the assets of the Motor Vehicle Division for the State of New Mexico. Changes to the fiduciary funds were immaterial for the fiscal year.

General Fund Budgetary Highlights

City budgets reflect the same pattern as seen in the revenue and expenditures of the City. The State of New Mexico budget process is defined under state law and regulation. To enhance the process of developing a budget at the City level, City of Bloomfield utilizes goals and objectives defined by the City Council, community input meetings, long term plans and input from various staff groups to develop the City budget. City priorities are well defined through this process.

GASB Statement No. 34 does not require a statement presenting the overall result of the budget for each year; however, all major budgetary funds are required to be reported as a separate statement.

State of New Mexico
City of Bloomfield
Management's Discussion and Analysis
June 30, 2011

The following table examines the summary budget performance of the general fund for the fiscal year ending June 30, 2011. Detailed budget performance is examined through the Statement of Revenues, Expenditures, and Changes in Fund Balance for the general fund found at Exhibit C-1. The City's final budget differs from the original budget due to budget increases and decreases that were made during the fiscal year. Net budget increases in the general fund totaled \$62,313 for expenditures. Actual general fund expenditures were \$63,333 less than the final budget amount (favorable variance). This was primarily due to a general government favorable variance of \$61,191. The difference between actual expenditures and budgeted expenditures is mainly due to management's efforts toward the end of the fiscal year to cut spending due to a decline in the City's gross receipts tax revenues.

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP	Favorable
			Budgetary	(Unfavorable)
			Basis)	Final to Actual
<i>Expenditures:</i>				
Current:				
General government	\$ 2,561,703	\$ 2,536,798	\$ 2,475,607	\$ 61,191
Public safety	3,660,719	3,610,719	3,616,402	(5,683)
Culture and recreation	920,501	961,074	961,352	(278)
Health and welfare	329,792	329,792	326,190	3,602
Capital outlay	61,000	157,645	153,144	4,501
<i>Total expenditures</i>	<u>\$ 7,533,715</u>	<u>\$ 7,596,028</u>	<u>\$ 7,532,695</u>	<u>\$ 63,333</u>

Capital Asset and Debt Administration

Capital assets. City of Bloomfield's capital assets for its governmental and business-type activities as of June 30, 2011 amount to \$46,000,684 (net of accumulated depreciation). Capital assets include land, land improvements, buildings and improvements, furniture, fixtures and equipment, and infrastructure. The total increase in the City's capital assets for the current fiscal year was \$7,203,298 for governmental activities and \$134,962 for business-type activities.

The significant additions to capital assets during the year were as follows:

- \$3,199,237 was an addition to governmental infrastructure for the dam rehabilitation project.
- \$1,999,520 was an addition to governmental infrastructure for the industrial park road and utility lines.
- \$1,662,883 was an addition to governmental infrastructure for improvements to Third Street.
- \$1,411,854 was an addition to governmental buildings and improvements for the city hall renovation project.
- \$1,385,610 was an addition to governmental infrastructure for improvements to Maple Street.

State of New Mexico
City of Bloomfield
Management's Discussion and Analysis
June 30, 2011

Capital Assets, Net of Depreciation
June 30, 2011

	Governmental Activities	Business-like Activities	Total
Land	\$ 2,256,522	\$ 395,469	\$ 2,651,991
Buildings and improvements	17,162,702	10,889,584	28,052,286
Land improvements	804,756	1,712,773	2,517,529
Furniture, fixtures and equipment	6,561,104	80,031	6,641,135
Construction in progress	475,995	240,921	716,916
Infrastructure	10,893,976	-	10,893,976
Distribution system	-	9,907,574	9,907,574
Total capital assets	38,155,055	23,226,352	61,381,407
Accumulated depreciation	(8,032,286)	(7,348,437)	(15,380,723)
Capital assets, net of accumulated depreciation	<u>\$ 30,122,769</u>	<u>\$ 15,877,915</u>	<u>\$ 46,000,684</u>

For government-wide financial statement presentation, all depreciable capital assets were depreciated from acquisition date to the end of the current fiscal year. Fund financial statements record capital asset purchases as expenditures. See Note 6 in the accompanying Notes to the Financial Statements for further information regarding capital assets.

Debt Administration. At the end of the current fiscal year, City of Bloomfield had total long-term obligations outstanding of \$21,480,720.

The significant additions to long term debt during the year were as follows:

- \$55,000 additions to loans payable for the upgrade of Blanco/Navajo Dam.
- \$1,426,075 addition to loans payable for the upgrade of sewer lines on the Highway 64 project.
- \$240,000 addition to loans payable for the upgrade of water lines on the Highway 64 project.
- \$169,235 addition to capital leases for the purchase of a new road grader.

City of Bloomfield's Outstanding Debt
June 30, 2011

	Governmental Activities	Business-like Activities	Total
General obligation bonds	\$ 1,450,000	\$ -	\$ 1,450,000
Capital leases	219,177	893,800	1,112,977
Loans payable	-	6,315,059	6,315,059
Promissory note	-	99,880	99,880
NMFA loans	9,794,752	-	9,794,752
EID notes	-	2,271,300	2,271,300
Compensated absences	366,450	70,302	436,752
Total long-term liabilities	<u>11,830,379</u>	<u>9,650,341</u>	<u>21,480,720</u>

See Note 7 in the accompanying Notes to the Financial Statements for further information regarding City of Bloomfield's long-term debt.

The City knows of no currently known facts, decisions or conditions that are expected to have a significant effect on financial position or results of operations.

State of New Mexico
City of Bloomfield
Management's Discussion and Analysis
June 30, 2011

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Bloomfield's finances for all of those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Bloomfield Administration, City of Bloomfield, Post Office Box 1839, Bloomfield, New Mexico, 87413.

**BASIC
FINANCIAL STATEMENTS**

STATE OF NEW MEXICO

City of Bloomfield

Statement of Net Assets

June 30, 2011

	Primary Government		Total
	Governmental Activities	Business-type Activities	
Assets			
Current assets			
Cash and cash equivalents	\$ 953,504	\$ 711,807	\$ 1,665,311
Property taxes receivable	96,543	-	96,543
Other taxes receivable	1,295,668	-	1,295,668
Due from customers (net)	-	454,221	454,221
Other receivables	689,959	-	689,959
Inventory	-	333,936	333,936
Internal balances	(281,934)	281,934	-
 Total current assets	 <u>2,753,740</u>	 <u>1,781,898</u>	 <u>4,535,638</u>
Noncurrent assets			
Restricted cash and cash equivalents	896,131	1,909,016	2,805,147
Bond issuance costs (net of accumulated amortization of \$11,590)	108,172	65,699	173,871
Capital assets	38,155,055	23,226,352	61,381,407
Less: accumulated depreciation	<u>(8,032,286)</u>	<u>(7,348,437)</u>	<u>(15,380,723)</u>
 Total noncurrent assets	 <u>31,127,072</u>	 <u>17,852,630</u>	 <u>48,979,702</u>
 Total assets	 <u>\$ 33,880,812</u>	 <u>\$ 19,634,528</u>	 <u>\$ 53,515,340</u>

The accompanying notes are an integral part of these financial statements

	Primary Government		Total
	Governmental Activities	Business-type Activities	
Liabilities			
Current liabilities			
Accounts payable	\$ 95,803	\$ 42,419	\$ 138,222
Accrued payroll expenses	282,403	52,640	335,043
Accrued compensated absences	256,369	53,660	310,029
Meter deposits	-	80,665	80,665
Deferred revenue	-	53,200	53,200
Accrued interest	75,303	38,001	113,304
Current portion of bond payable	165,000	-	165,000
Current portion of loans and notes payable	366,257	592,511	958,768
	<u>1,241,135</u>	<u>913,096</u>	<u>2,154,231</u>
Noncurrent liabilities			
Accrued compensated absences	110,081	16,642	126,723
Bond underwriter premiums (net of accumulated amortization of \$5,399)	920	-	920
Bond discount (net of accumulated amortization of \$2,061 and \$12,028, respectively)	(19,239)	-	(19,239)
Bonds payable	1,285,000	-	1,285,000
Loans and notes payable	9,647,672	8,987,528	18,635,200
	<u>11,024,434</u>	<u>9,004,170</u>	<u>20,028,604</u>
Total liabilities	<u>12,265,569</u>	<u>9,917,266</u>	<u>22,182,835</u>
Net Assets			
Invested in capital assets, net of related debt	18,658,840	8,061,066	26,719,906
Restricted for:			
Debt service	278,435	209,016	487,451
Capital projects	948,752	-	948,752
Special revenue	418,474	-	418,474
Construction	-	2,509	2,509
Unrestricted	1,310,742	1,444,671	2,755,413
	<u>21,615,243</u>	<u>9,717,262</u>	<u>31,332,505</u>
Total net assets	<u>21,615,243</u>	<u>9,717,262</u>	<u>31,332,505</u>
Total liabilities and net assets	<u>\$ 33,880,812</u>	<u>\$ 19,634,528</u>	<u>\$ 53,515,340</u>

STATE OF NEW MEXICO
City of Bloomfield
Statement of Activities
For the Year Ended June 30, 2011

<u>Functions/Programs</u>	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary Government				
Governmental Activities:				
General government	\$ 2,631,772	\$ 990,509	\$ 35,000	\$ 261,150
Public safety	4,378,912	99	446,343	50,078
Public works	1,031,162	-	-	4,950,172
Culture and recreation	1,097,650	59,201	19,364	100,000
Health and welfare	400,947	44,783	14,556	-
Interest on long-term debt	643,706	-	-	-
<i>Total governmental activities</i>	<u>10,184,149</u>	<u>1,094,592</u>	<u>515,263</u>	<u>5,361,400</u>
Business-type Activities:				
Joint Utility	3,317,324	3,448,650	87,738	38,702
Solid Waste	594,109	726,180	-	-
<i>Total business-type activities</i>	<u>3,911,433</u>	<u>4,174,830</u>	<u>87,738</u>	<u>38,702</u>
<i>Total</i>	<u>\$ 14,095,582</u>	<u>\$ 5,269,422</u>	<u>\$ 603,001</u>	<u>\$ 5,400,102</u>

General Revenues:

Taxes
Property taxes, levied for general purposes
Property taxes, levied for debt service
Gross receipts taxes
Gasoline and motor vehicle taxes
Franchise taxes
Cigarette and lodger's taxes
Investment income
Miscellaneous revenue
Transfers
Gain on disposal of capital assets
Total general revenues and transfers
Change in net assets
Net assets, beginning
Net assets, restatement (Note 19)
Net assets, as restated
Net assets, ending

The accompanying notes are an integral part of these financial statements

Net (Expense) Revenue and Changes in Net Assets		
Primary Government		
<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (1,345,113)	\$ -	\$ (1,345,113)
(3,882,392)	-	(3,882,392)
3,919,010	-	3,919,010
(919,085)	-	(919,085)
(341,608)	-	(341,608)
(643,706)	-	(643,706)
<u>(3,212,894)</u>	<u>-</u>	<u>(3,212,894)</u>
-	257,766	257,766
<u>-</u>	<u>132,071</u>	<u>132,071</u>
-	389,837	389,837
<u>(3,212,894)</u>	<u>389,837</u>	<u>(2,823,057)</u>
550,419	-	550,419
223,603	-	223,603
6,483,247	-	6,483,247
208,111	-	208,111
299,990	-	299,990
57,006	-	57,006
4,344	1,601	5,945
25,771	1,265	27,036
(34,330)	34,330	-
4,223	-	4,223
<u>7,822,384</u>	<u>37,196</u>	<u>7,859,580</u>
4,609,490	427,033	5,036,523
17,049,577	9,091,615	26,141,192
(43,824)	198,614	154,790
<u>17,005,753</u>	<u>9,290,229</u>	<u>26,295,982</u>
<u>\$ 21,615,243</u>	<u>\$ 9,717,262</u>	<u>\$ 31,332,505</u>

STATE OF NEW MEXICO

City of Bloomfield

Balance Sheet

Governmental Funds

June 30, 2011

	<u>General Fund</u>	<u>Fire, Police, CRT, and City Hall Capital Projects Fund</u>	<u>Special Street Maintenance Capital Projects Fund</u>	<u>Dam Rehabilitation Capital Projects Fund</u>
<i>Assets</i>				
Cash and cash equivalents	\$ 256,990	\$ 862,619	\$ -	\$ -
Receivables:				
Property taxes	68,593	-	-	-
Other taxes	1,165,007	-	38,879	-
Other receivables	33,302	-	400,493	-
Due from other funds	654,920	-	14,823	-
<i>Total assets</i>	<u>\$ 2,178,812</u>	<u>\$ 862,619</u>	<u>\$ 454,195</u>	<u>\$ -</u>
<i>Liabilities and fund balances</i>				
<i>Liabilities</i>				
Accounts payable	\$ 72,511	\$ -	\$ 11,671	\$ -
Accrued payroll expenses	263,737	-	18,666	-
Deferred revenue	48,825	-	350,494	-
Due to other funds	60,037	-	650,444	66,282
<i>Total liabilities</i>	<u>445,110</u>	<u>-</u>	<u>1,031,275</u>	<u>66,282</u>
<i>Fund balances</i>				
Nonspendable	-	-	-	-
Restricted	628,157	844,792	-	-
Committed	-	-	-	-
Assigned	-	17,827	-	-
Unassigned	1,105,545	-	(577,080)	(66,282)
<i>Total fund balances</i>	<u>1,733,702</u>	<u>862,619</u>	<u>(577,080)</u>	<u>(66,282)</u>
<i>Total liabilities and fund balances</i>	<u>\$ 2,178,812</u>	<u>\$ 862,619</u>	<u>\$ 454,195</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

Other Governmental Funds	Total
\$ 730,026	\$ 1,849,635
27,950	96,543
91,782	1,295,668
256,164	689,959
3,307	673,050
<u>\$ 1,109,229</u>	<u>\$ 4,604,855</u>
\$ 11,621	\$ 95,803
-	282,403
19,947	419,266
178,221	954,984
<u>209,789</u>	<u>1,752,456</u>
-	-
729,734	2,202,683
73,289	73,289
97,967	115,794
(1,550)	460,633
<u>899,440</u>	<u>2,852,399</u>
<u>\$ 1,109,229</u>	<u>\$ 4,604,855</u>

STATE OF NEW MEXICO

City of Bloomfield
Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Assets
June 30, 2011

Exhibit B-1
Page 2 of 2

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

Fund balances - total governmental funds	\$ 2,852,399
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	30,122,769
Delinquent property taxes not collected within sixty days after year end are not considered "available" revenues and are considered to be deferred revenue in the fund financial statements, but are considered revenue in the Statement of Activities	68,772
Other receivables not collected within 120 days after fiscal year end are not considered "available" revenues and are considered to be deferred revenue in the fund financial statements, but are considered revenue in the Statement of Activities	350,494
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	(75,303)
Current portion of accrued compensated absences	(256,369)
Long-term portion of accrued compensated absences	(110,081)
Bond issuance costs, net of amortization	108,172
Bond discounts, net of amortization	19,239
Bond underwriter premiums, net of amortization	(920)
Bonds and notes payable	<u>(11,463,929)</u>
Net assets of governmental activities	<u>\$ 21,615,243</u>

The accompanying notes are an integral part of these financial statements

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STATE OF NEW MEXICO
City of Bloomfield
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2011

	<u>General Fund</u>	<u>Fire, Police, CRT, and City Hall Capital Projects Fund</u>	<u>Special Street Maintenance Capital Projects Fund</u>	<u>Dam Rehabilitation Capital Projects Fund</u>
<i>Revenues:</i>				
Taxes:				
Property	\$ 552,242	\$ -	\$ -	\$ -
Gross receipts	5,986,143	-	-	-
Gasoline and motor vehicle	-	-	208,111	-
Other	302,510	-	-	-
Intergovernmental				
Federal operating grants	39,608	-	-	-
Federal capital grants	39,793	261,150	530,599	-
State operating grants	149,400	-	-	-
State capital grants	-	-	397,636	2,539,015
Charges for services	520,031	-	-	-
Licenses and fees	377,450	-	-	-
Contributions and donations	-	-	-	-
Investment income	1,802	1,857	-	-
Miscellaneous	13,551	-	-	-
<i>Total revenues</i>	<u>7,982,530</u>	<u>263,007</u>	<u>1,136,346</u>	<u>2,539,015</u>
<i>Expenditures:</i>				
Current:				
General government	2,380,476	-	-	-
Public safety	3,695,807	135,477	-	-
Public works	-	-	862,952	415
Culture and recreation	940,698	-	-	-
Health and welfare	326,622	-	-	-
Capital outlay	197,299	1,441,949	2,468,979	2,546,618
Debt service:				
Principal	-	-	41,743	-
Interest	-	-	9,557	-
<i>Total expenditures</i>	<u>7,540,902</u>	<u>1,577,426</u>	<u>3,383,231</u>	<u>2,547,033</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>441,628</u>	<u>(1,314,419)</u>	<u>(2,246,885)</u>	<u>(8,018)</u>
<i>Other financing sources (uses)</i>				
Loan proceeds	-	-	169,235	-
Proceeds from sale of capital assets	-	-	39,640	-
Transfers in	-	136,466	1,424,498	-
Transfers out	(1,794,294)	-	-	-
<i>Total other financing sources (uses)</i>	<u>(1,794,294)</u>	<u>136,466</u>	<u>1,633,373</u>	<u>-</u>
<i>Net change in fund balance</i>	(1,352,666)	(1,177,953)	(613,512)	(8,018)
<i>Fund balance - beginning of year</i>	<u>3,086,368</u>	<u>2,040,572</u>	<u>36,432</u>	<u>(58,264)</u>
<i>Fund balance - end of year</i>	<u>\$ 1,733,702</u>	<u>\$ 862,619</u>	<u>\$ (577,080)</u>	<u>\$ (66,282)</u>

The accompanying notes are an integral part of these financial statements

Other Governmental Funds	Total
\$ 221,053	\$ 773,295
497,103	6,483,246
-	208,111
54,486	356,996
-	39,608
853,197	1,684,739
286,462	435,862
211,508	3,148,159
161,850	681,881
35,261	412,711
217,801	217,801
685	4,344
12,220	25,771
<u>2,551,626</u>	<u>14,472,524</u>
63,686	2,444,162
109,930	3,941,214
4,102	867,469
45,850	986,548
66,668	393,290
1,528,421	8,183,266
436,974	478,717
586,285	595,842
<u>2,841,916</u>	<u>17,890,508</u>
<u>(290,290)</u>	<u>(3,417,984)</u>
-	169,235
-	39,640
1,199,012	2,759,976
(1,000,012)	(2,794,306)
<u>199,000</u>	<u>174,545</u>
(91,290)	(3,243,439)
<u>990,730</u>	<u>6,095,838</u>
<u>\$ 899,440</u>	<u>\$ 2,852,399</u>

STATE OF NEW MEXICO

City of Bloomfield

Governmental Funds

Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2011

Exhibit B-2

Page 2 of 2

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

Net change in fund balances - total governmental funds	\$	(3,243,439)
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Governmental funds report capital outlays as expenditures. However in
the statement of activities, the cost of those assets is allocated over their
estimated useful lives and reported as depreciation expense:

Capital expenditures recorded in capital outlay		8,183,266
Depreciation expense		(900,728)
Disposal of capital assets		(35,416)

Revenues in the statement of activities that do not provide current financial
resources are not reported as revenue in the funds:

Increase in deferred revenue related to property taxes receivable		728
Increase in deferred revenue related to capital grants		350,494

Expenses in the Statement of Activities that do not require current financial
resources are not reported as expenditures in the funds:

Increase in accrued compensated absences		(1,097)
Increase in accrued interest		(47,864)

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 assets. 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:

Amortization of bond premiums and bond discounts		(785)
Amortization of bond issuance costs		(5,151)
Proceeds from the issuance of capital leases		(169,235)
Principal payments on bonds, loans and notes payable		478,717

Change in net assets of governmental activities	\$	<u>4,609,490</u>
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The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Exhibit C-1

City of Bloomfield

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues:</i>				
Taxes				
Property	\$ 468,791	\$ 540,791	\$ 543,588	\$ 2,797
Gross receipts	5,940,000	5,940,000	5,942,463	2,463
Gasoline and motor vehicle	-	-	-	-
Other	305,000	307,520	294,292	(13,228)
Intergovernmental income:				
Federal operating grant	-	-	39,793	39,793
State operating grant	169,600	196,900	161,726	(35,174)
Charges for services	603,200	603,200	520,894	(82,306)
Licenses and fees	391,000	391,000	379,288	(11,712)
Investment income	10,000	10,000	1,802	(8,198)
Miscellaneous	1,600	7,900	13,254	5,354
<i>Total revenues</i>	<u>7,889,191</u>	<u>7,997,311</u>	<u>7,897,100</u>	<u>(100,211)</u>
<i>Expenditures:</i>				
Current:				
General government	2,561,703	2,536,798	2,475,607	61,191
Public safety	3,660,719	3,610,719	3,616,402	(5,683)
Culture and recreation	920,501	961,074	961,352	(278)
Health and welfare	329,792	329,792	326,190	3,602
Capital outlay	61,000	157,645	153,144	4,501
<i>Total expenditures</i>	<u>7,533,715</u>	<u>7,596,028</u>	<u>7,532,695</u>	<u>63,333</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>355,476</u>	<u>401,283</u>	<u>364,405</u>	<u>(36,878)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	937,064	1,535,815	-	(1,535,815)
Transfers in	-	-	-	-
Transfers out	(1,292,540)	(1,937,098)	(1,794,294)	142,804
<i>Total other financing sources (uses)</i>	<u>(355,476)</u>	<u>(401,283)</u>	<u>(1,794,294)</u>	<u>(1,393,011)</u>
<i>Net change in fund balance</i>	-	-	(1,429,889)	(1,429,889)
<i>Fund balance - beginning of year</i>	-	-	2,281,762	2,281,762
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 851,873</u>	<u>\$ 851,873</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ (1,429,889)	
Adjustments to revenues for property taxes and state operating grants.			85,429	
Adjustments to expenditures for salaries and operating expenses.			(8,206)	
Net change in fund balance (GAAP)			<u>\$ (1,352,666)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Exhibit D-1

City of Bloomfield
Statement of Net Assets
Proprietary Funds
June 30, 2011

	<u>Joint Utility</u>	<u>Solid Waste</u>	<u>Total</u>
<i>Assets</i>			
<i>Current assets</i>			
Cash and cash equivalents	\$ 641,283	\$ 70,524	\$ 711,807
Accounts receivable (net of allowance for doubtful accounts of \$153,318 and \$17,958, respectively)	389,402	64,819	454,221
Inventory	333,936	-	333,936
Due from other funds	108,189	224,894	333,083
<i>Total current assets</i>	<u>1,472,810</u>	<u>360,237</u>	<u>1,833,047</u>
<i>Noncurrent assets</i>			
Restricted cash and cash equivalents	1,892,796	16,220	1,909,016
Bond issuance costs (net of amortization of \$12,028)	65,699	-	65,699
Capital assets	22,722,454	503,898	23,226,352
Accumulated depreciation	<u>(7,293,008)</u>	<u>(55,429)</u>	<u>(7,348,437)</u>
<i>Total noncurrent assets</i>	<u>17,387,941</u>	<u>464,689</u>	<u>17,852,630</u>
<i>Total assets</i>	<u>\$ 18,860,751</u>	<u>\$ 824,926</u>	<u>\$ 19,685,677</u>
<i>Liabilities and Net Assets</i>			
<i>Liabilities</i>			
<i>Current liabilities</i>			
Accounts payable	\$ 42,419	\$ -	\$ 42,419
Accrued payroll expenses	52,640	-	52,640
Accrued compensated absences	53,660	-	53,660
Meter deposits	80,665	-	80,665
Due to other funds	51,149	-	51,149
Deferred revenue	-	53,200	53,200
Accrued interest	38,001	-	38,001
Current maturity of loans, notes and capital leases payable	583,337	9,174	592,511
<i>Total current liabilities</i>	<u>901,871</u>	<u>62,374</u>	<u>964,245</u>
<i>Noncurrent liabilities</i>			
Accrued compensated absences	16,642	-	16,642
Loans, notes and capital leases payable	<u>8,828,510</u>	<u>159,018</u>	<u>8,987,528</u>
<i>Total noncurrent liabilities</i>	<u>8,845,152</u>	<u>159,018</u>	<u>9,004,170</u>
<i>Total liabilities</i>	<u>9,747,023</u>	<u>221,392</u>	<u>9,968,415</u>
<i>Net assets</i>			
Invested in capital assets, net of related debt	7,780,789	280,277	8,061,066
Restricted for:			
Debt service	192,796	16,220	209,016
Construction	2,509	-	2,509
Unrestricted	<u>1,137,634</u>	<u>307,037</u>	<u>1,444,671</u>
<i>Total net assets</i>	<u>9,113,728</u>	<u>603,534</u>	<u>9,717,262</u>
<i>Total liabilities and net assets</i>	<u>\$ 18,860,751</u>	<u>\$ 824,926</u>	<u>\$ 19,685,677</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Exhibit D-2

City of Bloomfield
 Statement of Revenues, Expenses and Changes in Fund Net Assets
 Proprietary Funds
 For the Year Ended June 30, 2011

	Joint Utility	Solid Waste	Total
<i>Operating revenues:</i>			
Charges for services	\$ 3,448,650	\$ 726,180	\$ 4,174,830
<i>Total operating revenues</i>	<u>3,448,650</u>	<u>726,180</u>	<u>4,174,830</u>
<i>Operating expenses:</i>			
Depreciation	392,047	10,078	402,125
Personnel services	1,328,128	-	1,328,128
Contractual services	142,428	584,008	726,436
Supplies and purchased power	399,549	-	399,549
Maintenance and materials	465,400	-	465,400
Miscellaneous	188,266	23	188,289
Utilities	42,084	-	42,084
Equipment	20,142	-	20,142
Gross receipts taxes	161,511	-	161,511
<i>Total operating expenses</i>	<u>3,139,555</u>	<u>594,109</u>	<u>3,733,664</u>
<i>Operating income (loss)</i>	<u>309,095</u>	<u>132,071</u>	<u>441,166</u>
<i>Non-operating revenues (expenses):</i>			
Interest expense	(174,567)	-	(174,567)
Investment income	1,601	-	1,601
Miscellaneous financing costs	(3,202)	-	(3,202)
Miscellaneous income	1,265	-	1,265
<i>Total non-operating revenues (expenses)</i>	<u>(174,903)</u>	<u>-</u>	<u>(174,903)</u>
<i>Income (loss) before contributions and transfers</i>	<u>134,192</u>	<u>132,071</u>	<u>266,263</u>
Government contributions	126,440	-	126,440
Transfers in	121,103	458,547	579,650
Transfers out	(537,982)	(7,338)	(545,320)
<i>Change in net assets</i>	(156,247)	583,280	427,033
<i>Total net assets, beginning of year</i>	9,071,361	20,254	9,091,615
<i>Total net assets, restatement</i>	<u>198,614</u>	<u>-</u>	<u>198,614</u>
<i>Total net assets, as restated</i>	9,269,975	20,254	9,290,229
<i>Total net assets, end of year</i>	<u>\$ 9,113,728</u>	<u>\$ 603,534</u>	<u>\$ 9,717,262</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2011

Exhibit D-3

	Joint Utility	Solid Waste	Total
<i>Cash flows from operating activities:</i>			
Cash received from user charges	\$ 3,414,876	\$ 726,789	\$ 4,141,665
Cash from other sources	-	-	-
Cash payments to employees for services	(1,319,848)	-	(1,319,848)
Cash payments to suppliers for goods and services	(1,383,609)	(692,761)	(2,076,370)
<i>Net cash provided by operating activities</i>	711,419	34,028	745,447
<i>Cash flows from noncapital financing activities:</i>			
Internal balances and transfers	(56,646)	(192,585)	(249,231)
<i>Net cash (used) by noncapital financing activities:</i>	(56,646)	(192,585)	(249,231)
<i>Cash flows from investing activities:</i>			
Acquisition of capital assets	(338,471)	-	(338,471)
Interest on investments	1,601	-	1,601
<i>Net cash (used) from investing activities</i>	(336,870)	-	(336,870)
<i>Cash flows from capital and related financing activities:</i>			
Capital grants received	126,440	-	126,440
Interest paid	(174,567)	-	(174,567)
Proceeds from issuance of long-term debt	1,700,000	-	1,700,000
Principal payments on bonds, loans and notes payable	(500,784)	(8,862)	(509,646)
<i>Net cash provided (used) from capital and related financing activities</i>	1,151,089	(8,862)	1,142,227
<i>Net increase (decrease) in cash and cash equivalents</i>	1,468,992	(167,419)	1,301,573
<i>Cash and cash equivalents - beginning of year</i>	1,065,087	254,163	1,319,250
<i>Cash and cash equivalents - end of year</i>	\$ 2,534,079	\$ 86,744	\$ 2,620,823
<i>Reconciliation of operating income (loss) to net cash provided by operating activities:</i>			
Operating income	\$ 309,095	\$ 132,071	\$ 441,166
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	392,046	10,078	402,124
Miscellaneous income	1,265	-	1,265
Changes in assets and liabilities			
Receivables	(35,039)	609	(34,430)
Inventory	41,482	-	41,482
Accounts payable	(17,126)	(108,730)	(125,856)
Accrued payroll expenses	15,679	-	15,679
Accrued compensated absences	(7,399)	-	(7,399)
Meter deposits	11,416	-	11,416
<i>Net cash provided by operating activities</i>	\$ 711,419	\$ 34,028	\$ 745,447

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2011

Exhibit E-1

<i>Assets</i>	
Cash	\$ 873
	<hr/>
<i>Total assets</i>	\$ 873
	<hr/> <hr/>
<i>Liabilities</i>	
Due to other entities	\$ 873
	<hr/>
<i>Total liabilities</i>	\$ 873
	<hr/> <hr/>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2011

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. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The financial statements have incorporated all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on accounting procedures issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. Governments also have the option of following subsequent private-sector guidance for their government-wide financial statements, subject to the same limitation. The City has elected not to follow subsequent private-sector guidance. The more significant of the City's accounting policies are described below.

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 No. 14 and No. 39. 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, 2011

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 and No. 39.

B. *Government-wide and fund financial statements*

The government-wide financial statements (i.e., the statement of net assets 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 Assets 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 Assets, 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 assets are reported in three parts – invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

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.

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2011

NOTE 1. Summary of Significant Accounting Policies (continued)

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. 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.

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2011

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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.

The City reports the following major governmental funds:

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 *Fire, Police, CRT, and City Hall Capital Projects Fund* accounts for the proceeds and expenditures of bonds issued for constructing, purchasing, rehabilitating or remodeling public buildings, including additions and improvements.

The *Special Street Maintenance Capital Projects Fund* accounts for project costs of paving certain streets funded by the City and a cooperation agreement with the New Mexico State Highway Department.

The *Dam Rehabilitation Capital Projects Fund* accounts for costs of a project to rehabilitate the dam at the City's reservoir, funded by the City and State and Federal appropriations.

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, 2011

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Net Assets 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. The City did not have investments at June 30, 2011.

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 10th and April 10th 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.

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.

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2011

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Net Assets or Equity (continued)

Capital Assets: Capital assets, which include property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (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, 2011. 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.

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
Permanent Buildings	45
Land Improvements	20
Vehicles	6
Computer equipment	5
Other furniture and equipment	5-20

Accrued Expenses: Accrued expenses are comprised of payroll expenditures based on amounts earned by the employees through June 30, 2011, along with applicable PERA and Retiree Health Care.

Deferred Revenues: There are two types of deferred revenue. Under both the accrual and modified accrual basis of accounting, revenue may be recognized only when it is earned. If assets are recognized in connection with a transaction before the earnings process is complete, those assets must be offset by a corresponding liability for deferred revenue (commonly referred to as unearned revenue). The other type of deferred revenue is “unavailable revenue.” Under the modified accrual basis of accounting, it is not enough that revenue has been earned if it is to be recognized as revenue of the current period. It must also be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period). 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 revenue.

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2011

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Net Assets 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 960 hours (120 days). Upon termination employees receive no pay for sick time accumulated.

Vested or accumulated vacation 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 leave that are not expected to be liquidated with expendable available financial resources are reported in the government-wide statement of net assets.

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 assets. Bond issuance costs are amortized using the straight-line method over the life of the bonds. 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.

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, 2011, the City did not have any nonspendable fund balance categorized in the governmental funds balance sheet.

Restricted and Committed Fund Balance: At June 30, 2011, the City has presented restricted fund balance on the governmental funds balance sheet in the amount of \$2,202,683 for unforeseen contingencies, GO bond, tourism, capital equipment replacement, city hall projects, recreation and senior citizen expenditures, and capital grant projects. The City has also presented committed fund balance on the governmental funds balance sheet in the amount of \$73,289 in order to provide services throughout the City for fire and police. These commitments were imposed by formal action of the City Council. Assigned fund balance, in the amount of \$115,794, has also been reported, of which \$63,788 was assigned by the City Council, and \$52,006 was assigned at the department level by policy. The details of these fund balance restrictions, commitments, and assignments are located on pages 39, and 68-71.

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2011

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Net Assets or Equity (continued)

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 which was \$628,157 for fiscal year 2011.

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.

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. These amendments resulted in the following changes:

	Excess (deficiency) of	
	revenues over expenditures	
	Original Budget	Final Budget
Budgeted Funds:		
General Fund	\$ 355,476	\$ 401,283
Fire, Police, CRT, and City Hall	\$ (891,000)	\$ (1,286,244)
Street Maintenance Fund	\$ (1,042,428)	\$ (1,376,102)
Dam Rehabilitation Fund	\$ (127,155)	\$ 164,732
Other Governmental Funds	\$ 642,764	\$ 452,948

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.

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2011

NOTE 2. Stewardship, Compliance and Accountability (continued)

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, 2011 is presented.

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, 2011.

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.

According to the Federal Deposit Insurance Corporation (FDIC), public unit deposits are funds owned by the public unit. Under the Transaction Account Guarantee Program (TAGP) in effect from July 1, 2010 to December 31, 2010, time deposits, savings deposits and interest bearing negotiable order of withdrawal (NOW) accounts of a public unit in an institution in the same state will be insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution. The TAGP program expired on December 31, 2010. On November 9, 2010, the FDIC Board of Directors issued a final rule to implement the section of the Dodd-Frank Wall Street Reform and Consumer Protection Act that provides temporary unlimited coverage for noninterest-bearing transaction accounts in all FDIC-insured depository institutions. The separate coverage on noninterest-bearing transaction accounts became effective on December 31, 2010 and will terminate on December 31, 2012. From December 31, 2010 to July 20, 2011 accounts held by an official custodian for a government unit are insured as follows

- Up to \$250,000 for the combined total of all time and savings deposits (including NOW accounts), and
- Unlimited coverage for noninterest-bearing transaction (demand deposit) accounts

Through July 20, 2011, there is no difference in deposit insurance coverage when an official custodian deposits money in-state or out-of-state.

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2011

NOTE 3. Deposits and Investments (continued)

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, 2011, none of the City’s bank balances of \$1,897,013 was exposed to custodial credit risk.

	Wells Fargo Bank	Citizen's Bank	Total
Amount of deposits	\$ 681,391	\$ 1,215,622	\$ 1,897,013
FDIC Coverage	<u>(681,391)</u>	<u>(1,215,622)</u>	<u>(1,897,013)</u>
Total uninsured public funds	<u>-</u>	<u>-</u>	<u>-</u>
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the City's name	<u>-</u>	<u>-</u>	<u>-</u>
Uninsured and uncollateralized	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Collateral requirement (50% of uninsured funds)	\$ -	\$ -	\$ -
Pledged Collateral	<u>1,407,621</u>	<u>463,480</u>	<u>1,871,101</u>
Over (Under) collateralized	<u>\$ 1,407,621</u>	<u>\$ 463,480</u>	<u>\$ 1,871,101</u>

As of June 30, 2011, the City had the following investments and maturities:

<u>Investment Type</u>	<u>Maturities</u>	<u>Fair Value</u>	<u>Rating</u>
U.S. Treasury MM Mutual Funds	<360 days	\$ 2,724,487	AAA

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, 2011 was \$2,724,487.

The investments are listed on Schedule I of this report. They are considered cash equivalents for financial statement purposes.

The City utilizes pooled accounts for some of their programs and funds. Negative cash balances in individual funds that were part of the pooled accounts were reclassified as due to/from accounts in the combining balance sheets as of June 30, 2011. The following individual funds had negative cash balances as of June 30, 2011:

Governmental Activities

Capital Equipment Replacement Special Revenue Fund	\$ 40,805
KAB - Bloomfield Pride Special Revenue Fund	2,850
Industrial Park Capital Projects Fund	134,566
Special Street Maintenance Capital Projects Fund	650,444
Dam Rehabilitation Capital Projects Funds	<u>66,282</u>
	<u>\$ 894,947</u>

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2011

NOTE 3. Deposits and Investments (continued)

Reconciliation to the Statements of Net Assets

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

Cash and cash equivalents per Exhibit A-1	\$1,665,311
Restricted cash and cash equivalents per Exhibit A-1	2,805,147
Agency funds cash per Exhibit E-1	<u>873</u>
Total cash and cash equivalents	<u>4,471,331</u>
Less: deposits in transit and other reconciling items	153,428
Less: U.S. Treasury Money Market Mutual Fund	(2,724,546)
Less: petty cash	<u>(3,200)</u>
Bank balance of deposits	<u><u>\$1,897,013</u></u>

NOTE 4. Receivables

Receivables as of June 30, 2011, including the applicable allowances for uncollectible accounts, are as follows:

Governmental Activities:

	<u>General Fund</u>	<u>Special Street Maintenance Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Property taxes	\$ 68,593		\$ 27,950	\$ 96,543
Other taxes:				
Gross receipts taxes	1,023,189		86,208	1,109,397
Gasoline taxes		38,879		38,879
Motor vehicle taxes	17,074			17,074
Franchise and lodgers taxes	124,744		5,574	130,318
Other receivables:				
Intergovernmental grants:				
Federal		400,493	2,643	403,136
State	31,122		35,720	66,842
Contributions and donations			217,801	217,801
Miscellaneous	<u>2,180</u>			<u>2,180</u>
Totals	<u>\$ 1,266,902</u>	<u>\$ 439,372</u>	<u>\$ 375,896</u>	<u>\$ 2,082,170</u>

In accordance with GASB No. 33, the property tax revenues that were not collected within the period of availability, \$68,772, have been reclassified as deferred revenue in the governmental fund financial statements. The above receivables are deemed 100% collectible

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2011

NOTE 4. Receivables (continued)

Business-Type Activities:

	<u>Joint Utility</u>	<u>Solid Waste</u>	<u>Total</u>
Utility fees	\$ 542,720	\$ 82,777	\$ 625,497
Less: Allowance for uncollectible accounts	<u>(153,318)</u>	<u>(17,958)</u>	<u>(171,276)</u>
Totals	<u>\$ 389,402</u>	<u>\$ 64,819</u>	<u>\$ 454,221</u>

NOTE 5. Interfund Receivables, Payables, and Transfers

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

<u>Transfers Out</u>	<u>Transfers In</u>	<u>Amount</u>
Primary Government		
General Fund	Recreation Fund	\$ 245,000
General Fund	Fire, Police, CRT, and City Hall Fund	55,777
General Fund	Special Street Maintenance Fund	1,352,000
General Fund	Capital Equipment Replacement Fund	141,517
Solid Waste Fund	Joint Utility Fund	7,338
Fire Protection Fund	G.O. Bond Fund	63,713
Capital Equipment Replacement Fund	G.O. Bond Fund	746,782
G.O. Bond Fund	Fire, Police, CRT, and City Hall Fund	1,254
Industrial Park Fund	Joint Utility Fund	113,765
Lodger's Tax Fund	Recreation Fund	2,000
Joint Utility Fund	Fire, Police, CRT, and City Hall Fund	79,435
Joint Utility Fund	Solid Waste Fund	458,547
CDBG Church Street Project Fund	Special Street Maintenance Fund	72,498
Total		<u>\$ 3,339,626</u>

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 From Other Fund</u>	<u>Due To Other Fund</u>	<u>Amount</u>
General Fund	KAB - Bloomfield Pride	2,850
General Fund	Special Street Maintenance Fund	650,444
General Fund	Joint Utility Fund	1,626
Joint Utility Fund	Dam Rehabilitation Fund	66,282
Joint Utility Fund	General Fund	41,907
Solid Waste Fund	Capital Equipment Replacement Fund	40,805
Solid Waste Fund	Industrial Park Fund	134,566
Solid Waste Fund	Joint Utility Fund	49,523
G.O. Bond Fund	General Fund	3,307
Special Street Maintenance Fund	General Fund	14,823
		<u>\$ 1,006,133</u>

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

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2011

NOTE 6. Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2011, including those changes pursuant to the implementation of GASB Statement No. 34, follows. Land and construction in progress are not subject to depreciation.

Governmental Activities:

	Balance June 30, 2010	Additions & Transfers In	Deletions & Transfers Out	Restatement & Reclassification	Balance June 30, 2011
Capital assets not being depreciated:					
Land	\$ 2,256,522	\$ -	\$ -	\$ -	\$ 2,256,522
Construction in progress	2,965,844	435,923	2,903,891	(21,881)	475,995
	<u>5,222,366</u>	<u>435,923</u>	<u>2,903,891</u>	<u>(21,881)</u>	<u>2,732,517</u>
Capital assets being depreciated:					
Land improvements	796,531	8,225	-	-	804,756
Buildings and improvements	17,816,497	1,669,739	-	(2,323,534)	17,162,702
Furniture, fixtures and equipment	6,574,053	402,828	415,777	-	6,561,104
Infrastructure	-	8,570,442	-	2,323,534	10,893,976
	<u>25,187,081</u>	<u>10,651,234</u>	<u>415,777</u>	<u>-</u>	<u>35,422,538</u>
Total capital assets	<u>30,409,447</u>	<u>11,087,157</u>	<u>3,319,668</u>	<u>(21,881)</u>	<u>38,155,055</u>
Accumulated depreciation:					
Land improvements	363,394	26,720	-	(5,946)	384,168
Buildings and improvements	2,875,522	336,510	-	(295,635)	2,916,397
Furniture, fixtures and equipment	4,251,060	376,722	380,361	225,812	4,473,233
Infrastructure	-	160,776	-	97,712	258,488
Total accumulated depreciation	<u>7,489,976</u>	<u>900,728</u>	<u>380,361</u>	<u>21,943</u>	<u>8,032,286</u>
Net Capital Assets	<u>\$ 22,919,471</u>	<u>\$ 10,186,429</u>	<u>\$ 2,939,307</u>	<u>\$ (43,824)</u>	<u>\$ 30,122,769</u>

Depreciation expense for the year ended June 30, 2011 was charged to governmental activities as follows:

General Government	\$ 195,816
Public Safety	430,012
Public Works	162,554
Culture and Recreation	96,623
Health and Welfare	<u>15,723</u>
Total	<u>\$ 900,728</u>

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2011

NOTE 6. Capital Assets (continued)

Business-type Activities:

	Balance June 30, 2010	Additions & Transfers In	Deletions & Transfers Out	Restatement	Balance June 30, 2011
Capital assets not being depreciated:					
Land	\$ 395,469	\$ -	\$ -	\$ -	\$ 395,469
Construction in progress	183,227	101,307	43,613	-	240,921
	<u>578,696</u>	<u>101,307</u>	<u>43,613</u>	<u>-</u>	<u>636,390</u>
Capital assets being depreciated:					
Land improvements	1,681,407	41,161	9,795		1,712,773
Buildings and improvements	10,876,707	12,877	-	-	10,889,584
Distribution system	9,730,424	201,210	24,060	-	9,907,574
Furniture, fixtures and equipment	71,515	25,530	17,014	-	80,031
	<u>22,360,053</u>	<u>280,778</u>	<u>50,869</u>	<u>-</u>	<u>22,589,962</u>
Total capital assets	<u>22,938,749</u>	<u>382,085</u>	<u>94,482</u>	<u>-</u>	<u>23,226,352</u>
Accumulated depreciation:					
Land improvements	50,538	33,615	9,795		74,358
Buildings and improvements	2,479,931	218,637	-	(749,722)	1,948,846
Distribution system	4,498,884	148,712	24,060	646,035	5,269,571
Furniture, fixtures and equipment	166,443	1,161	17,014	(94,928)	55,662
Total accumulated depreciation	<u>7,195,796</u>	<u>402,125</u>	<u>50,869</u>	<u>(198,615)</u>	<u>7,348,437</u>
Net Book Value	<u>\$ 15,742,953</u>	<u>\$ (20,040)</u>	<u>\$ 43,613</u>	<u>\$ 198,615</u>	<u>\$ 15,877,915</u>

Depreciation expense charged to business-type activities for the year ended June 30, 2011 was \$402,125.

NOTE 7. Long-term Debt

During the year ended June 30, 2011, the following changes occurred in the liabilities reported in the government-wide statement of net assets:

Governmental Activities

	Balance June 30, 2010	Additions	Retirements	Adjustment	Balance June 30, 2011	Due Within One Year
2000 General Obligation B Series	\$ 355,000	\$ -	\$ 55,000	\$ -	\$ 300,000	\$ 65,000
2005 General Obligation Series	1,245,000	-	95,000	-	1,150,000	100,000
Capital Lease	91,685	169,235	41,743	-	219,177	54,441
NMFA Loans	10,066,798	-	286,974	(14,928)	9,794,752	311,816
Compensated Absences	365,353	257,466	256,369	-	366,450	256,369
Total Long-term Debt	<u>\$ 12,123,836</u>	<u>\$ 426,701</u>	<u>\$ 735,086</u>	<u>\$ (14,928)</u>	<u>\$ 11,830,379</u>	<u>\$ 787,626</u>

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2011

NOTE 7. Long-term Debt (continued)

Description	Date of Issue	Term	Interest Rate	Original Amount of Issue	Balance as of June 30, 2011
2000 General Obligation B Series	February 2000	15 years	5.50%-6.00%	\$ 615,000	\$ 300,000
2005 General Obligation Series	January 2005	15 years	2.80%-4.30%	1,600,000	1,150,000
NMFA PPRF Loan-Fire Dept Expansion	August 2007	22 years	4.04%	1,727,552	1,607,758
NMFA PPRF Loan-Fire Pumper	December 2007	10 years	3.96%	511,112	381,994
NMFA Pol/Crt/MVD	January 2009	34 years	5.71%	7,984,137	7,805,000
Loader Lease	September 2008	5 years	6.35%	111,290	70,835
Grader Lease	November 2010	5 years	3.50%	169,235	148,342
					<u>\$ 11,463,929</u>

The annual requirements to amortize the Bonds as of June 30, 2011, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2012	\$ 165,000	\$ 57,664	\$ 222,664
2013	170,000	50,390	220,390
2014	185,000	42,519	227,519
2015	195,000	33,963	228,963
2016	110,000	27,508	137,508
2017-2021	<u>625,000</u>	<u>67,340</u>	<u>692,340</u>
	<u>\$ 1,450,000</u>	<u>\$ 279,384</u>	<u>\$ 1,729,384</u>

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

The annual requirements to amortize the NMFA Loans as of June 30, 2011, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2012	\$ 311,816	\$ 512,477	\$ 824,293
2013	325,979	499,324	825,303
2014	340,342	484,473	824,815
2015	354,925	470,551	825,476
2016	369,755	455,383	825,138
2017-2021	1,911,521	2,010,636	3,922,157
2022-2026	2,301,727	1,498,357	3,800,084
2027-2031	2,723,687	815,718	3,539,405
2032-2036	<u>1,155,000</u>	<u>105,000</u>	<u>1,260,000</u>
	<u>\$ 9,794,752</u>	<u>\$ 6,851,919</u>	<u>\$ 16,646,671</u>

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2011

NOTE 7. Long-term Debt (continued)

The annual requirements to amortize the capital lease as of June 30, 2011, including interest payments are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2012	\$ 54,441	\$ 9,174	\$ 63,615
2013	56,996	6,619	63,615
2014	59,681	3,934	63,615
2015	35,833	1,111	36,944
2016	12,226	89	12,315
	<u>\$ 219,177</u>	<u>\$ 20,927</u>	<u>\$ 240,104</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, 2011, long-term compensated absences increased \$1,097 over the prior year accrual.

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

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, 2011:

Proprietary Funds

	<u>Balance June 30, 2010</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2011</u>	<u>Due Within One Year</u>
EID Notes	\$ 2,403,048	\$ -	\$ 131,749	\$ 2,271,300	\$ 135,701
Loans Payable	4,876,782	1,721,075	282,798	6,315,059	353,510
Promissory Note	149,880	-	50,000	99,880	50,000
Capital Lease	938,900	-	45,100	893,800	53,300
Compensated Absences	77,701	46,261	53,660	70,302	53,660
Total Long-term Debt	<u>\$ 8,446,311</u>	<u>\$ 1,767,336</u>	<u>\$ 563,306</u>	<u>\$ 9,650,341</u>	<u>\$ 646,171</u>

The City is obligated under two (2) different note agreements with the State of New Mexico. In 2002, the State of New Mexico refinanced the balance of the two notes at 3% annual interest rate. The following schedule shows the City's debt obligations under the agreements.

	<u>Note 1</u>	<u>Note 2</u>
Issue/Assumed date	1993	1993
Original amount	\$120,000	\$110,000
Interest rate	3%	3%
Payment date	Oct 1	Nov 1

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2011

NOTE 7. Long-term Debt (continued)

Fiscal Year Ending June 30,	Principal		Interest		Total
					Debt Service
	Note 1	Note 2	Note 1	Note 2	
2012	\$ 7,776	\$ 7,469	\$ 474	\$ 455	\$ 16,174
2013	8,009	7,693	240	231	16,173
	<u>\$ 15,785</u>	<u>\$ 15,162</u>	<u>\$ 714</u>	<u>\$ 686</u>	<u>\$ 32,347</u>

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 fifteen years at 3%. The annual requirements to amortize the note as of June 30, 2011, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2012	\$ 120,456	\$ 67,211	\$ 187,667
2013	124,070	63,597	187,667
2014	127,792	59,875	187,667
2015	131,626	56,041	187,667
2016	135,574	52,092	187,666
2017-2021	741,376	196,957	938,333
2022-2026	859,458	78,875	938,333
	<u>\$ 2,240,352</u>	<u>\$ 574,648</u>	<u>\$ 2,815,000</u>

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, 2011, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2012	\$ 173,570	\$ 64,730	\$ 238,300
2013	177,051	61,258	238,309
2014	180,601	57,717	238,318
2015	184,222	54,105	238,327
2016	187,915	50,421	238,336
2017-2021	997,627	194,201	1,191,828
2022-2026	1,101,731	90,356	1,192,087
2027-2031	233,775	4,676	238,451
	<u>\$ 3,236,492</u>	<u>\$ 577,464</u>	<u>\$ 3,813,956</u>

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2011

NOTE 7. Long-term Debt (continued)

On October 6, 2006, the City entered into a loan agreement with the New Mexico Finance Authority in the amount of \$528,051 to refund portions of earlier issues. Proceeds from the sale were placed in a reserve with the NMFA that is to be used to service the future debt requirements of the outstanding principal of, and interest accrued to the date of payment of principal of the 1973 Bonds, 1975 Bonds, 1977 Bonds, 1978 Bonds and 1982 Bonds. The loan is financed over twenty years at 3.977%. The annual requirements to amortize the loan as of June 30, 2011, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2012	\$ 53,734	\$ 10,397	\$ 64,131
2013	40,092	8,340	48,432
2014	31,613	6,768	38,381
2015	31,234	5,497	36,731
2016	30,855	4,226	35,081
2017-2021	62,655	7,900	70,555
2022-2026	7,219	312	7,531
	<u>\$ 257,402</u>	<u>\$ 43,440</u>	<u>\$ 300,842</u>

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, 2011, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2012	\$ 4,490	\$ 171	\$ 4,661
2013	4,501	160	4,661
2014	4,513	149	4,662
2015	4,524	138	4,662
2016	4,535	126	4,661
2017-2021	22,847	461	23,308
2022-2026	23,133	174	23,307
	<u>\$ 68,543</u>	<u>\$ 1,379</u>	<u>\$ 69,922</u>

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2011

NOTE 7. Long-term Debt (continued)

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, 2011, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2012	\$ 3,003	\$ 130	\$ 3,133
2013	3,010	123	3,133
2014	3,018	115	3,133
2015	3,025	108	3,133
2016	3,033	100	3,133
2017-2021	15,278	386	15,664
2022-2026	15,471	194	15,665
2027-2031	6,242	24	6,266
	<u>\$ 52,080</u>	<u>\$ 1,180</u>	<u>\$ 53,260</u>

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, 2011, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2012	\$ 10,768	\$ 523	\$ 11,291
2013	10,795	496	11,291
2014	10,822	469	11,291
2015	10,849	442	11,291
2016	10,876	415	11,291
2017-2021	54,789	1,667	56,456
2022-2026	55,477	978	56,455
2027-2031	44,883	281	45,164
	<u>\$ 209,259</u>	<u>\$ 5,271</u>	<u>\$ 214,530</u>

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2011

NOTE 7. Long-term Debt (continued)

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, 2011, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2012	\$ 20,943	\$ 12,665	\$ 33,608
2013	21,572	12,036	33,608
2014	22,219	11,389	33,608
2015	22,885	10,723	33,608
2016	23,572	10,036	33,608
2017-2021	128,901	39,138	168,039
2022-2026	149,431	18,608	168,039
2027-2031	32,629	979	33,608
	<u>\$ 422,152</u>	<u>\$ 115,574</u>	<u>\$ 537,726</u>

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, 2011, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2012	\$ 8,389	\$ 5,476	\$ 13,865
2013	8,640	5,225	13,865
2014	8,899	4,966	13,865
2015	9,166	4,699	13,865
2016	9,441	4,424	13,865
2017-2021	51,630	17,696	69,326
2022-2026	59,853	9,472	69,325
2027-2031	26,531	1,200	27,731
	<u>\$ 182,549</u>	<u>\$ 53,158</u>	<u>\$ 235,707</u>

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2011

NOTE 7. Long-term Debt (continued)

On February 15, 2007, the City received a lease purchase contract for improvements to the sewer treatment plant 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, 2011, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2012	\$ 9,174	\$ 7,067	\$ 16,241
2013	9,511	6,730	16,241
2014	9,872	6,370	16,242
2015	10,257	5,986	16,243
2016	10,667	5,577	16,244
2017-2021	60,351	20,888	81,239
2022-2026	58,360	6,655	65,015
	<u>\$ 168,192</u>	<u>\$ 59,273</u>	<u>\$ 227,465</u>

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, 2011, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2012	\$ 2,692	\$ 131	\$ 2,823
2013	2,699	124	2,823
2014	2,705	117	2,822
2015	2,712	111	2,823
2016	2,719	104	2,823
2017-2021	13,697	417	14,114
2022-2026	13,870	244	14,114
2027-2031	11,221	70	11,291
	<u>\$ 52,315</u>	<u>\$ 1,318</u>	<u>\$ 53,633</u>

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2011

NOTE 7. Long-term Debt (continued)

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, 2011, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2012	\$ 55,030	\$ 49,181	\$ 104,211
2013	55,388	50,519	105,907
2014	55,925	49,981	105,906
2015	56,680	49,227	105,907
2016	57,695	48,212	105,907
2017-2021	311,606	217,928	529,534
2022-2026	371,896	157,640	529,536
2027-2031	461,855	67,681	529,536
	<u>\$ 1,426,075</u>	<u>\$ 690,369</u>	<u>\$ 2,116,444</u>

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, 2011, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2012	\$ 11,717	\$ 562	\$ 12,279
2013	11,747	571	12,318
2014	11,776	541	12,317
2015	11,806	512	12,318
2016	11,835	482	12,317
2017-2021	59,621	1,967	61,588
2022-2026	60,370	1,218	61,588
2027-2031	61,128	459	61,587
	<u>\$ 240,000</u>	<u>\$ 6,312</u>	<u>\$ 246,312</u>

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2011

NOTE 7. Long-term Debt (continued)

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

Fiscal Year Ending June 30,	EID Notes	Loans Payable	Total Debt Service
2012	\$ 203,841	\$ 504,543	\$ 708,384
2013	203,840	490,588	694,428
2014	187,667	480,547	668,214
2015	187,667	478,907	666,574
2016	187,666	477,267	664,933
2017-2021	938,333	2,281,648	3,219,981
2022-2026	938,333	2,202,664	3,140,997
2027-2031	-	953,632	953,632
Total Payments	\$ 2,847,347	\$ 7,869,796	\$ 10,717,143
Less Interest	(576,047)	(1,554,737)	(2,130,784)
Net Long-term Debt	<u>\$ 2,271,300</u>	<u>\$ 6,315,059</u>	<u>\$ 8,586,359</u>

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

Between the period of August 2001 and March 2009, the City of Bloomfield overcharged a utility customer for water and wastewater usage in the amount of \$299,880. On April 29, 2009, the City setup a promissory note to repay the customer for these overcharges. The City will pay the sum of the difference between fifty thousand dollars and the charges billed to his accounts for the City of Bloomfield's fiscal year ending June 30 of each year until the note is repaid in full.

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 \$984,000. The lease purchase contract is financed over 20 years. The annual requirements to amortize the lease purchase contract as of June 30, 2011, include monthly payments of \$4,100.

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, 2011, 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.

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2011

NOTE 9. PERA Pension Plan

Plan Description. Substantially all of the City's full-time employees participate in a public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11 NMSA 1978.) The Public Employee Retirement Association (PERA) is the administrator of the plan, which is a cost-sharing, multiple-employer defined benefit retirement plan. The plan provides for retirement, disability benefits, survivor benefits, and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to PERA, P. O. Box 2123, Santa Fe, New Mexico 87504-2123. The report is also available on PERA's website at www.pera.state.nm.us.

Funding Policy. Municipal general member coverage plan 2 members are required to contribute 9.15% of their gross salary. The City is required to contribute 9.15% of the covered salary for "municipal general member coverage plan 2" members. Municipal police coverage plan 5 members are required to contribute 16.30% of their gross salary. The City is required to contribute 18.50% of the covered salary for "municipal police coverage plan 5" members. Municipal fire member coverage plan 5 members are required to contribute 16.20% of their gross salary. The City is required to contribute 21.25% of the covered salary for "municipal fire member coverage plan 5" members. The contribution requirements of plan members and the City are established in State statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The City's contributions to PERA for the fiscal years ending June 30, 2011, 2010 and 2009 were \$517,701, \$514,841, and \$514,833.

NOTE 10. Post-Employment Benefits

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

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

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

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

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2011

NOTE 10. Post-Employment Benefits (continued)

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. During the fiscal year ended June 30, 2011, the statute required each participating employer to contribute 1.666% of each participating employee's annual salary; each participating employee was required to contribute .833% of their salary. In the fiscal years ending June 30, 2012 through June 30, 2013 the contribution rates for employees and employers will rise as follows:

For employees who are not members of an enhanced retirement plan the contribution rates will be:

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
FY12	1.834%	.917%
FY13	2.000%	1.000%

For employees who are members of an enhanced retirement (state police and adult correctional officer coverage plan 1; municipal police member coverage plans 3, 4, and 5; municipal fire member coverage plan 3, 4 and 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act [10-12B-1 NMSA 1978]) the contribution rates will be:

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
FY12	2.292%	1.146%
FY13	2.500%	1.250%

Also, employers joining the program after 1/1/98 are required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

The RHCA plan is financed on a pay-as-you-go basis. The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the contributions can be changed by the New Mexico State Legislature. The City's contribution to the RHCA for the years ended June 30, 2011, 2010, and 2009 were \$76,101, \$55,584, and \$56,122, respectively, which equal the required contribution for each year.

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.

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.

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2011

NOTE 14. Joint Powers Agreements

Crime Stoppers

Participants	City of Bloomfield San Juan County City of Farmington City of Aztec
Responsible party	City of Bloomfield San Juan County City of Farmington City of Aztec
Description	Task Force formed to combat illegal controlled substance activities
Term of agreement	June 30, 2014
Amount of project	\$37,964.16/Annually
City contributions	\$6,439.44
Audit responsibility	City of Bloomfield

Consolidated Communications

Participants	City of Bloomfield San Juan County City of Farmington City of Aztec
Responsible party	City of Bloomfield San Juan County City of Farmington City of Aztec
Description	Establish and operate a consolidated communication center to provide emergency and law enforcement communications.
Term of agreement	Indefinite
Amount of project	\$75,000 for first year and for subsequent years \$75,000 adjusted to the most recent Consumer Price Index
City contributions	6% of the total costs
Audit responsibility	City of Bloomfield

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2011

NOTE 14. Joint Powers Agreements (continued)

School District

Participants	City of Bloomfield Bloomfield School District
Responsible party	City of Bloomfield Bloomfield School District
Description	Construction, management, maintenance and operation of a new outdoor swimming pool and to renovate the existing indoor pool.
Term of agreement	Twenty five years beginning December 1, 2005
Amount of project	Estimated to be \$3,212,000 for construction costs.
City contributions	Will be liable for operation and maintenance costs.
Audit responsibility	City of Bloomfield

Detention Center Services

Participants	City of Bloomfield San Juan County
Responsible party	City of Bloomfield San Juan County
Description	City uses County Detention Center to incarcerate adult offenders sentenced in Municipal court.
Term of agreement	Indefinite
Amount of project	Unknown
City contributions	\$63.32 per prisoner per day
Audit responsibility	City of Bloomfield

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2011

NOTE 14. Joint Powers Agreements (continued)

Metropolitan Planning Organization

Participants	City of Bloomfield San Juan County City of Farmington City of Aztec
Responsible party	City of Bloomfield San Juan County City of Farmington City of Aztec
Description	Establishing, overseeing, and directing transportation related policy within Farmington Metro Area
Term of agreement	Three years
Amount of project	Unknown
City contributions	10% of costs
Audit responsibility	City of Bloomfield

Law Enforcement Training

Participants	City of Bloomfield San Juan County City of Farmington City of Aztec NM Dept. of Public Safety
Responsible party	City of Bloomfield San Juan County City of Farmington City of Aztec NM Dept. of Public Safety
Description	Establishing, overseeing, and directing the San Juan County Criminal Justice Training Authority to operate a regional law enforcement training facility for officers in San Juan County.
Term of agreement	Indefinite
Amount of project	Unknown
City contributions	Unknown
Audit responsibility	City of Bloomfield

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2011

NOTE 14. Joint Powers Agreements (continued)

River Trail Project

Participants	City of Bloomfield New Mexico Energy, Minerals and Natural Resources Department
Responsible party	City of Bloomfield New Mexico Energy, Minerals and Natural Resources Department
Description	Construction and maintenance of approximately 1.7 miles of trail, a performance pavilion, ADA restrooms, and electric utilities and lighting.
Term of agreement	December 31, 2013
Amount of project	\$199,636
City contributions	\$41,056
Audit responsibility	City of Bloomfield

NOTE 15. Subsequent Event

The date to which events occurring after June 30, 2011, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or disclosures is March 5, 2012 which is the date on which the financial statements were available to be issued.

On November 28, 2011, the City Council approved Resolution 2011-18 authorizing the execution and delivery of a loan agreement between the City and the New Mexico Finance Authority to finance a portion of the cost of constructing a fire training facility. The loan, in the amount of \$124,259, will be repaid from the City's annual State Fire Fund distribution and matures on May 1, 2016. The total estimated cost of the facility is \$430,000 and will be funded from the Fire Protection Fund and the Fire Department Construction Fund.

NOTE 16. 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. The following funds reflected a deficit fund balance as of June 30, 2011:

KAB-Bloomfield Pride Special Revenue Fund	\$ 1,550
Special Street Maintenance Capital Projects Fund	577,080
Dam Rehabilitation Capital Projects Fund	66,282

B. Excess of expenditures over appropriations. There were no funds that exceeded approved budgetary authority for the year ended June 30, 2011.

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2011

NOTE 16. Other Required Individual Fund Disclosures (continued)

C. Designated cash appropriations in excess of available balances. The following funds had designated cash appropriations in excess of available balances at June 30, 2011:

KAB-Bloomfield Pride Special Revenue Fund	\$ 550
Special Street Maintenance Capital Projects Fund	19,686

NOTE 17. Restricted Net Assets

The government-wide statement of net assets reports \$1,857,186 of restricted assets, \$362,318 of which is restricted by enabling legislation, and \$1,494,868 is restricted by creditors, grantors, contributors, or laws or regulations of other governments. For descriptions of the related enabling legislation for special revenue and capital project funds, see pages 37, and 68-71.

Invested in net assets net of related debt: This net asset class includes the City's investments in capital assets net of related liabilities. The computation of invested in capital assets net of related debt in the Joint Utility fund excludes debt proceeds of \$1,179,853 which remain unspent as of June 30, 2011.

NOTE 18. Subsequent Pronouncements

In November 2010, GASB Statement No. 60 Accounting and Financial Reporting for Service Concession Arrangements, Effective Date: For financial statements for periods beginning after December 15, 2011. The provisions of this Statement generally are required to be applied retroactively for all periods presented. The standard is expected to have no effect on the City in upcoming years.

In November 2010, GASB Statement No. 61 The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34, Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2012. Earlier application is encouraged. The standard is expected to have no effect on the City in upcoming years.

In December 2010, GASB Statement No. 62 Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, Effective Date: The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011. Earlier application is encouraged. The provisions of this Statement generally are required to be applied retroactively for all periods presented. The City will implement this standard during fiscal year June 30, 2013.

In June 2011, GASB Statement No. 63 Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position Effective Date: The provisions of Statement 63 are effective for financial statements for periods beginning after December 15, 2011, with earlier application encouraged. The City will implement this standard during fiscal year June 30, 2013.

In June 2011, GASB Statement No. 64 Derivative Instruments: Application of Hedge Accounting Termination Provisions—an amendment of GASB Statement No. 53 Effective Date: The provisions of Statement 64 are effective for financial statements for periods beginning after June 15, 2011, with earlier application encouraged. The standard is expected to have no effect on the City in upcoming years.

NOTE 19. Net Assets Restatement

Net assets for both governmental activities and business-type activities were restated due to a correction of prior year accumulated depreciation balances in the amounts of \$43,824 and \$198,615 respectively

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SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO

City of Bloomfield

June 30, 2011

Nonmajor Funds

Special Revenue Funds

Fire Protection Fund

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

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 Fund

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

Corrections Fees Fund

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

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

DARE Fund

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

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

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.

STATE OF NEW MEXICO

City of Bloomfield

June 30, 2011

Nonmajor Funds

Special Revenue Funds (continued)

Judicial Education Fund

To account for fine income and expenditures for the judicial education center. The Judicial Education fee (\$1) is imposed pursuant to 35-14-11B (2) NMSA 1978.

Traffic Safety Education Fund

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

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 35-14-11B (3) NMSA 1978.

LLEBG Grant Fund

To account for expenditures for the L.L.E.B.G. program. Funding is provided by a federal grant thru the Bureau of Justice Assistance under PL 100-690.

KAB – Bloomfield Pride Fund

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.

Emergency Medical Fund

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 24-10A-1 to 24-10A-10 or 63-9D-1 to 63-9D-11.1.

Senior Citizen's Center Fund

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 County Senior Citizens and was set up administratively.

BLM Wildland Grant Fund

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 Fund

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 24-10A-1.

Lodger's Tax Fund

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.

STATE OF NEW MEXICO

City of Bloomfield

June 30, 2011

Nonmajor Funds

Capital Projects Funds

Fire Department Construction Fund

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.

Land Acquisition Fund

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 Fund

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.

Industrial Park

To account for the construction of an industrial park funded by a grant from the State of New Mexico. Fund authorized by city council.

Highway Co-op Projects Fund

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.

CDBG Church Street Project

To account for monies spent on a specific street improvement project. This project is funded by federal CDBG monies along with a match from City funds.

Park Improvements Fund

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.

STATE OF NEW MEXICO
City of Bloomfield
June 30, 2011
Nonmajor Funds

Debt Service Fund

G. O. Bond Fund

To account for the expenditure of general obligation bonds for the construction of a new fire station. Authority was an election held on September 21, 2005.

STATE OF NEW MEXICO
City of Bloomfield
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2011

Special Revenue

	Fire Protection Fund	Recreation Fund	Capital Equipment Replacement	Correction Fees Fund
<i>Assets</i>				
Cash and cash equivalents	\$ 236,913	\$ 48,029	\$ 558	\$ 449
Receivables:				
Property taxes	-	-	-	-
Other taxes	-	-	86,208	-
Other receivables	-	-	-	-
Due from other funds	-	-	-	-
<i>Total assets</i>	<u>\$ 236,913</u>	<u>\$ 48,029</u>	<u>\$ 86,766</u>	<u>\$ 449</u>
<i>Liabilities</i>				
Accounts payable	\$ 1,121	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-
Due to other funds	-	-	40,805	-
<i>Total liabilities</i>	<u>1,121</u>	<u>-</u>	<u>40,805</u>	<u>-</u>
<i>Fund balances</i>				
Restricted	235,792	5,729	-	449
Committed	-	-	-	-
Assigned	-	42,300	45,961	-
Unassigned	-	-	-	-
<i>Total fund balances</i>	<u>235,792</u>	<u>48,029</u>	<u>45,961</u>	<u>449</u>
<i>Total liabilities and fund balances</i>	<u>\$ 236,913</u>	<u>\$ 48,029</u>	<u>\$ 86,766</u>	<u>\$ 449</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

<u>Police Evidence Fund</u>	<u>DARE Fund</u>	<u>Library Fund</u>	<u>Law Enforcement Fund</u>	<u>Judicial Education Fund</u>	<u>Traffic Safety Education Fund</u>
\$ 6,029	\$ 155	\$ 39,017	\$ 33,168	\$ -	\$ 24,208
-	-	-	-	-	-
-	-	-	-	-	-
-	-	3,598	2,643	-	-
-	-	-	-	-	-
<u>\$ 6,029</u>	<u>\$ 155</u>	<u>\$ 42,615</u>	<u>\$ 35,811</u>	<u>\$ -</u>	<u>\$ 24,208</u>
\$ -	\$ -	\$ -	\$ 4,038	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	4,038	-	-
-	-	-	-	-	-
-	155	42,615	31,773	-	24,208
6,029	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>6,029</u>	<u>155</u>	<u>42,615</u>	<u>31,773</u>	<u>-</u>	<u>24,208</u>
<u>\$ 6,029</u>	<u>\$ 155</u>	<u>\$ 42,615</u>	<u>\$ 35,811</u>	<u>\$ -</u>	<u>\$ 24,208</u>

STATE OF NEW MEXICO
City of Bloomfield
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2011

Special Revenue

	Court Automation Fund	LLEBG Grant	KAB - Bloomfield Pride	Emergency Medical Fund
<i>Assets</i>				
Cash and cash equivalents	\$ 6,838	\$ -	\$ 1,300	\$ 141
Receivables:				
Property taxes	-	-	-	-
Other taxes	-	-	-	-
Other receivables	-	-	-	-
Due from other funds	-	-	-	-
<i>Total assets</i>	<u>\$ 6,838</u>	<u>\$ -</u>	<u>\$ 1,300</u>	<u>\$ 141</u>
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-
Due to other funds	-	-	2,850	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>2,850</u>	<u>-</u>
<i>Fund balances</i>				
Restricted	6,838	-	-	141
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	(1,550)	-
<i>Total fund balances</i>	<u>6,838</u>	<u>-</u>	<u>(1,550)</u>	<u>141</u>
<i>Total liabilities and fund balances</i>	<u>\$ 6,838</u>	<u>\$ -</u>	<u>\$ 1,300</u>	<u>\$ 141</u>

The accompanying notes are an integral part of these financial statements

Special Revenue				Capital Projects	
Senior Citizen's Center Fund	BLM Wildland Grant	Enhanced 911 Addressing	Lodger's Tax	Fire Department Construction	Land Acquisition
\$ 9,922	\$ 22,415	\$ 2,554	\$ 46,477	\$ 29,209	\$ 5,929
-	-	-	-	-	-
-	-	-	5,574	-	-
-	-	-	-	32,122	-
-	-	-	-	-	-
<u>\$ 9,922</u>	<u>\$ 22,415</u>	<u>\$ 2,554</u>	<u>\$ 52,051</u>	<u>\$ 61,331</u>	<u>\$ 5,929</u>
\$ 216	\$ -	\$ -	\$ 6,246	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
<u>216</u>	<u>-</u>	<u>-</u>	<u>6,246</u>	<u>-</u>	<u>-</u>
-	22,415	2,554	45,805	-	-
-	-	-	-	61,331	5,929
9,706	-	-	-	-	-
-	-	-	-	-	-
<u>9,706</u>	<u>22,415</u>	<u>2,554</u>	<u>45,805</u>	<u>61,331</u>	<u>5,929</u>
<u>\$ 9,922</u>	<u>\$ 22,415</u>	<u>\$ 2,554</u>	<u>\$ 52,051</u>	<u>\$ 61,331</u>	<u>\$ 5,929</u>

STATE OF NEW MEXICO
City of Bloomfield
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2011

Capital Projects

	<u>Park Purchase & Improvement</u>	<u>Industrial Park</u>	<u>Highway Co-op Projects</u>	<u>CDBG Church Street Project</u>
<i>Assets</i>				
Cash and cash equivalents	\$ 12,287	\$ -	\$ 5,967	\$ -
Receivables:				
Property taxes	-	-	-	-
Other taxes	-	-	-	-
Other receivables	-	217,801	-	-
Due from other funds	-	-	-	-
<i>Total assets</i>	<u>\$ 12,287</u>	<u>\$ 217,801</u>	<u>\$ 5,967</u>	<u>\$ -</u>
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-
Due to other funds	-	134,566	-	-
<i>Total liabilities</i>	<u>-</u>	<u>134,566</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>				
Restricted	12,287	83,235	5,967	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<i>Total fund balances</i>	<u>12,287</u>	<u>83,235</u>	<u>5,967</u>	<u>-</u>
<i>Total liabilities and fund balances</i>	<u>\$ 12,287</u>	<u>\$ 217,801</u>	<u>\$ 5,967</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

<u>Capital Projects</u>	<u>Debt Service</u>	
<u>Park Improvements</u>	<u>G.O. Bond</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 2,471	\$ 195,990	\$ 730,026
-	27,950	27,950
-	-	91,782
-	-	256,164
-	3,307	3,307
<u>\$ 2,471</u>	<u>\$ 227,247</u>	<u>\$ 1,109,229</u>
\$ -	\$ -	\$ 11,621
-	19,947	19,947
-	-	178,221
<u>-</u>	<u>19,947</u>	<u>209,789</u>
2,471	207,300	729,734
-	-	73,289
-	-	97,967
-	-	(1,550)
<u>2,471</u>	<u>207,300</u>	<u>899,440</u>
<u>\$ 2,471</u>	<u>\$ 227,247</u>	<u>\$ 1,109,229</u>

STATE OF NEW MEXICO
City of Bloomfield
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2011

	Special Revenue			
	Fire Protection Fund	Recreation Fund	Capital Equipment Replacement	Correction Fees Fund
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	497,103	-
Other	-	1,264	-	-
Intergovernmental:				
Federal capital grants	-	100,000	-	-
State operating grants	217,218	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	119,250	-
Licenses and fees	-	-	-	-
Contributions and donations	-	-	-	-
Investment income	147	-	1	1
Miscellaneous	-	6,996	-	-
<i>Total revenues</i>	<u>217,365</u>	<u>108,260</u>	<u>616,354</u>	<u>1</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	38,194	-	9,593	-
Public works	-	-	-	-
Culture and recreation	-	13,210	-	-
Health and welfare	-	-	-	-
Capital outlay	44,927	357,559	43,977	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>83,121</u>	<u>370,769</u>	<u>53,570</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>134,244</u>	<u>(262,509)</u>	<u>562,784</u>	<u>1</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	247,000	141,517	-
Transfers out	(63,713)	-	(746,782)	-
<i>Total other financing sources (uses)</i>	<u>(63,713)</u>	<u>247,000</u>	<u>(605,265)</u>	<u>-</u>
<i>Net change in fund balances</i>	70,531	(15,509)	(42,481)	1
<i>Fund balances - beginning of year</i>	<u>165,261</u>	<u>63,538</u>	<u>88,442</u>	<u>448</u>
<i>Fund balances - end of year</i>	<u>\$ 235,792</u>	<u>\$ 48,029</u>	<u>\$ 45,961</u>	<u>\$ 449</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

Police Evidence Fund	DARE Fund	Library Fund	Law Enforcement Fund	Judicial Education Fund	Traffic Safety Education Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	19,364	45,643	-	-
-	-	-	-	-	-
-	-	-	-	8,712	8,848
-	-	-	-	-	-
-	-	123	119	-	-
224	-	5,000	-	-	-
<u>224</u>	<u>-</u>	<u>24,487</u>	<u>45,762</u>	<u>8,712</u>	<u>8,848</u>
79	-	-	-	8,712	-
-	-	-	21,647	-	-
-	-	-	-	-	-
-	-	32,640	-	-	-
-	-	-	-	-	-
-	-	12,500	15,630	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>79</u>	<u>-</u>	<u>45,140</u>	<u>37,277</u>	<u>8,712</u>	<u>-</u>
145	-	(20,653)	8,485	-	8,848
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
145	-	(20,653)	8,485	-	8,848
5,884	155	63,268	23,288	-	15,360
<u>\$ 6,029</u>	<u>\$ 155</u>	<u>\$ 42,615</u>	<u>\$ 31,773</u>	<u>\$ -</u>	<u>\$ 24,208</u>

STATE OF NEW MEXICO
City of Bloomfield
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2011

Special Revenue

	Court Automation Fund	LLEBG Grant	KAB - Bloomfield Pride	Emergency Medical Fund
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal capital grants	-	-	-	-
State operating grants	-	-	-	4,237
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	17,701	-	-	-
Contributions and donations	-	-	-	-
Investment income	14	-	-	6
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>17,715</u>	<u>-</u>	<u>-</u>	<u>4,243</u>
<i>Expenditures:</i>				
Current:				
General government	-	3	-	-
Public safety	17,701	-	-	-
Public works	-	-	-	4,102
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>17,701</u>	<u>3</u>	<u>-</u>	<u>4,102</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>14</u>	<u>(3)</u>	<u>-</u>	<u>141</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	14	(3)	-	141
<i>Fund balances - beginning of year</i>	<u>6,824</u>	<u>3</u>	<u>(1,550)</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ 6,838</u>	<u>\$ -</u>	<u>\$ (1,550)</u>	<u>\$ 141</u>

The accompanying notes are an integral part of these financial statements

Special Revenue				Capital Projects	
Senior Citizen's Center Fund	BLM Wildland Grant	Enhanced 911 Addressing	Lodger's Tax	Fire Department Construction	Land Acquisition
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	53,222	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	50,078	-
42,600	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	6	105	73	13
-	-	-	-	-	-
<u>42,600</u>	<u>-</u>	<u>6</u>	<u>53,327</u>	<u>50,151</u>	<u>13</u>
-	-	-	52,731	-	-
-	-	-	-	22,795	-
-	-	-	-	-	-
-	-	-	-	-	-
66,668	-	-	-	-	-
15,615	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>82,283</u>	<u>-</u>	<u>-</u>	<u>52,731</u>	<u>22,795</u>	<u>-</u>
<u>(39,683)</u>	<u>-</u>	<u>6</u>	<u>596</u>	<u>27,356</u>	<u>13</u>
-	-	-	-	-	-
-	-	-	(2,000)	-	-
-	-	-	(2,000)	-	-
(39,683)	-	6	(1,404)	27,356	13
<u>49,389</u>	<u>22,415</u>	<u>2,548</u>	<u>47,209</u>	<u>33,975</u>	<u>5,916</u>
<u>\$ 9,706</u>	<u>\$ 22,415</u>	<u>\$ 2,554</u>	<u>\$ 45,805</u>	<u>\$ 61,331</u>	<u>\$ 5,929</u>

STATE OF NEW MEXICO
City of Bloomfield
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2011

Capital Projects

	Park Purchase & Improvement	Industrial Park	Highway Co-op Projects	CDBG Church Street Project
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal capital grants	-	753,197	-	-
State operating grants	-	-	-	-
State capital grants	-	161,430	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Contributions and donations	-	217,801	-	-
Investment income	26	-	4	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>26</u>	<u>1,132,428</u>	<u>4</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	1,038,213	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>1,038,213</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>26</u>	<u>94,215</u>	<u>4</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	-
Transfers out	-	(113,765)	-	(72,498)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(113,765)</u>	<u>-</u>	<u>(72,498)</u>
<i>Net change in fund balances</i>	26	(19,550)	4	(72,498)
<i>Fund balances - beginning of year</i>	<u>12,261</u>	<u>102,785</u>	<u>5,963</u>	<u>72,498</u>
<i>Fund balances - end of year</i>	<u>\$ 12,287</u>	<u>\$ 83,235</u>	<u>\$ 5,967</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

<u>Capital Projects</u>	<u>Debt Service</u>	
Park Improvements	G.O. Bond	Total Nonmajor Governmental Funds
\$ -	\$ 221,053	\$ 221,053
-	-	497,103
-	-	54,486
-	-	853,197
-	-	286,462
-	-	211,508
-	-	161,850
-	-	35,261
-	-	217,801
-	47	685
-	-	12,220
-	<u>221,100</u>	<u>2,551,626</u>
-	2,161	63,686
-	-	109,930
-	-	4,102
-	-	45,850
-	-	66,668
-	-	1,528,421
-	436,974	436,974
-	586,285	586,285
-	<u>1,025,420</u>	<u>2,841,916</u>
-	<u>(804,320)</u>	<u>(290,290)</u>
-	810,495	1,199,012
-	(1,254)	(1,000,012)
-	<u>809,241</u>	<u>199,000</u>
-	4,921	(91,290)
<u>2,471</u>	<u>202,379</u>	<u>990,730</u>
<u>\$ 2,471</u>	<u>\$ 207,300</u>	<u>\$ 899,440</u>

STATE OF NEW MEXICO
City of Bloomfield
Fire Protection Fund Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal capital grants	-	-	-	-
State operating grants	217,218	217,218	217,218	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	147	147
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>217,218</u>	<u>217,218</u>	<u>217,365</u>	<u>147</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	153,505	153,505	82,000	71,505
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>153,505</u>	<u>153,505</u>	<u>82,000</u>	<u>71,505</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>63,713</u>	<u>63,713</u>	<u>135,365</u>	<u>71,652</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(63,713)	(63,713)	(63,640)	73
<i>Total other financing sources (uses)</i>	<u>(63,713)</u>	<u>(63,713)</u>	<u>(63,640)</u>	<u>73</u>
<i>Net change in fund balance</i>	-	-	71,725	71,725
<i>Fund balance - beginning of year</i>	-	-	165,261	165,261
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 236,986</u>	<u>\$ 236,986</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ 71,725	
No adjustments to revenue.			-	
Adjustments to expenditures for capital outlay			<u>(1,194)</u>	
Net change in fund balance (GAAP)			<u>\$ 70,531</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Recreation Fund Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP	Favorable
			Budgetary Basis)	(Unfavorable)
				Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	1,264	1,264
Intergovernmental:				
Federal capital grants	-	-	-	-
State operating grants	100,000	100,000	100,000	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	7,000	7,000	6,996	(4)
<i>Total revenues</i>	<u>107,000</u>	<u>107,000</u>	<u>108,260</u>	<u>1,260</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	18,000	18,000	13,210	4,790
Health and welfare	-	-	-	-
Capital outlay	245,000	352,769	357,559	(4,790)
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>263,000</u>	<u>370,769</u>	<u>370,769</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(156,000)</u>	<u>(263,769)</u>	<u>(262,509)</u>	<u>1,260</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	11,000	18,769	-	(18,769)
Transfers in	145,000	245,000	247,000	2,000
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>156,000</u>	<u>263,769</u>	<u>247,000</u>	<u>(16,769)</u>
<i>Net change in fund balance</i>	-	-	(15,509)	(15,509)
<i>Fund balance - beginning of year</i>	-	-	63,538	63,538
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,029</u>	<u>\$ 48,029</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ (15,509)	
No adjustments to revenue.			-	
No adjustments to expenditures.			-	
Net change in fund balance (GAAP)			<u>\$ (15,509)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Capital Equipment Replacement Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	540,000	540,000	496,089	(43,911)
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	119,250	119,250	119,250	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>659,250</u>	<u>659,250</u>	<u>615,339</u>	<u>(43,911)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	10,000	10,000	9,593	407
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	43,977	43,977	-
<i>Total expenditures</i>	<u>10,000</u>	<u>53,977</u>	<u>53,570</u>	<u>407</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>649,250</u>	<u>605,273</u>	<u>561,769</u>	<u>(43,504)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	(7)	(7)	-	7
Proceeds from sale of capital assets	-	-	-	-
Transfers in	97,540	141,517	141,517	-
Transfers out	(746,783)	(746,783)	(746,782)	1
<i>Total other financing sources (uses)</i>	<u>(649,250)</u>	<u>(605,273)</u>	<u>(605,265)</u>	<u>8</u>
<i>Net change in fund balance</i>	-	-	(43,496)	(43,496)
<i>Fund balance - beginning of year</i>	-	-	3,249	3,249
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (40,247)</u>	<u>\$ (40,247)</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ (43,496)	
Adjustments to revenue for gross receipts taxes.			1,015	
No adjustments to expenditures.			-	
Net change in fund balance (GAAP)			<u>\$ (42,481)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Correction Fees Fund Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variations
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	1	1
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	1	1
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>448</u>	<u>448</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 449</u>	<u>\$ 449</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ 1	
No adjustments to revenue.			-	
No adjustments to expenditures.			-	
Net change in fund balance (GAAP)			<u>\$ 1</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Police Evidence Fund Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	500	500	224	(276)
<i>Total revenues</i>	<u>500</u>	<u>500</u>	<u>224</u>	<u>(276)</u>
<i>Expenditures:</i>				
Current:				
General government	5,800	5,800	79	5,721
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>5,800</u>	<u>5,800</u>	<u>79</u>	<u>5,721</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(5,300)</u>	<u>(5,300)</u>	<u>145</u>	<u>5,445</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	5,300	5,300	-	(5,300)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>5,300</u>	<u>5,300</u>	<u>-</u>	<u>(5,300)</u>
<i>Net change in fund balance</i>	-	-	145	145
<i>Fund balance - beginning of year</i>	-	-	5,884	5,884
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,029</u>	<u>\$ 6,029</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ 145	
No adjustments to revenue.			-	
No adjustments to expenditures.			-	
Net change in fund balance (GAAP)			<u>\$ 145</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
DARE Fund Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	-	-	155	155
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 155	\$ 155
Net change in fund balance (non-GAAP budgetary basis)			\$ -	
No adjustments to revenue.			-	
No adjustments to expenditures.			-	
Net change in fund balance (GAAP)			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Library Fund Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP	Favorable
			Budgetary Basis)	(Unfavorable)
				Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal capital grants	-	-	-	-
State operating grants	20,500	20,500	24,839	4,339
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	123	123
Miscellaneous	-	-	5,000	5,000
<i>Total revenues</i>	<u>20,500</u>	<u>20,500</u>	<u>29,962</u>	<u>9,462</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	40,000	40,000	29,818	10,182
Health and welfare	-	-	-	-
Capital outlay	19,500	19,500	15,322	4,178
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>59,500</u>	<u>59,500</u>	<u>45,140</u>	<u>14,360</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(39,000)</u>	<u>(39,000)</u>	<u>(15,178)</u>	<u>23,822</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	39,000	39,000	-	(39,000)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>39,000</u>	<u>39,000</u>	<u>-</u>	<u>(39,000)</u>
<i>Net change in fund balance</i>	-	-	(15,178)	(15,178)
<i>Fund balance - beginning of year</i>	-	-	54,195	54,195
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,017</u>	<u>\$ 39,017</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ (15,178)	
Adjustments to revenue for state operating grants.			(5,475)	
No adjustments to expenditures.			-	
Net change in fund balance (GAAP)			<u>\$ (20,653)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Law Enforcement Fund Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal capital grants	-	-	-	-
State operating grants	32,000	32,000	43,000	11,000
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	119	119
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>32,000</u>	<u>32,000</u>	<u>43,119</u>	<u>11,119</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	15,000	15,000	17,609	(2,609)
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	24,000	24,000	15,630	8,370
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>39,000</u>	<u>39,000</u>	<u>33,239</u>	<u>5,761</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(7,000)</u>	<u>(7,000)</u>	<u>9,880</u>	<u>16,880</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	7,000	7,000	-	(7,000)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>7,000</u>	<u>7,000</u>	<u>-</u>	<u>(7,000)</u>
<i>Net change in fund balance</i>	-	-	9,880	9,880
<i>Fund balance - beginning of year</i>	-	-	23,288	23,288
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,168</u>	<u>\$ 33,168</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ 9,880	
Adjustments to revenue for state operating grants.			2,643	
Adjustments to expenditures for police equipment.			(4,038)	
Net change in fund balance (GAAP)			<u>\$ 8,485</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Judicial Education Fund Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	8,000	8,712	8,712	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	8,000	8,712	8,712	-
<i>Expenditures:</i>				
Current:				
General government	8,000	8,712	8,712	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	8,000	8,712	8,712	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	-	-	-	-
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ -	\$ -
Net change in fund balance (non-GAAP budgetary basis)			\$ -	
No adjustments to revenue.			-	
No adjustments to expenditures.			-	
Net change in fund balance (GAAP)			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Traffic Safety Education Fund Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP	Favorable
			Budgetary Basis)	(Unfavorable)
				Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	8,500	8,500	8,848	348
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>8,500</u>	<u>8,500</u>	<u>8,848</u>	<u>348</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	8,500	8,500	-	8,500
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>8,500</u>	<u>8,500</u>	<u>-</u>	<u>8,500</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>8,848</u>	<u>8,848</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	8,848	8,848
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>15,360</u>	<u>15,360</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,208</u>	<u>\$ 24,208</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ 8,848	
No adjustments to revenue.			-	
No adjustments to expenditures.			-	
Net change in fund balance (GAAP)			<u>\$ 8,848</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Court Automation Fund Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP	Favorable
			Budgetary Basis)	(Unfavorable)
				Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	15,500	17,701	17,701	-
Investment income	-	-	14	14
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>15,500</u>	<u>17,701</u>	<u>17,715</u>	<u>14</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	15,500	17,701	17,701	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>15,500</u>	<u>17,701</u>	<u>17,701</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>14</u>	<u>14</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	14	14
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>6,824</u>	<u>6,824</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,838</u>	<u>\$ 6,838</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ 14	
No adjustments to revenue.			-	
No adjustments to expenditures.			-	
Net change in fund balance (GAAP)			<u>\$ 14</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
LLEBG Grant Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP	Favorable
			Budgetary Basis)	(Unfavorable)
				Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	3	3	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>3</u>	<u>3</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(3)</u>	<u>(3)</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	-	3	-	(3)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>3</u>	<u>-</u>	<u>(3)</u>
<i>Net change in fund balance</i>	-	-	(3)	(3)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>3</u>	<u>3</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ (3)	
No adjustments to revenue.			-	
No adjustments to expenditures.			-	
Net change in fund balance (GAAP)			<u>\$ (3)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
KAB - Bloomfield Pride Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal capital grants	-	-	-	-
State operating grants	2,000	2,000	-	(2,000)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>(2,000)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	3,000	3,000	-	3,000
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>3,000</u>	<u>3,000</u>	<u>-</u>	<u>3,000</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,000)</u>	<u>(1,000)</u>	<u>-</u>	<u>1,000</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	1,000	1,000	-	(1,000)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	-	-	(1,550)	(1,550)
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,550)</u>	<u>\$ (1,550)</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ -	
No adjustments to revenue.			-	
No adjustments to expenditures.			-	
Net change in fund balance (GAAP)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Emergency Medical Fund Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP	Favorable
			Budgetary Basis)	(Unfavorable)
				Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal capital grants	-	-	-	-
State operating grants	6,500	6,500	4,237	(2,263)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	6	6
Miscellaneous	-	-	-	-
<i>Total revenues</i>	6,500	6,500	4,243	(2,257)
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	6,500	6,500	4,102	2,398
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	6,500	6,500	4,102	2,398
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	141	141
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balance</i>	-	-	141	141
<i>Fund balance - beginning of year</i>	-	-	-	-
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 141	\$ 141
Net change in fund balance (non-GAAP budgetary basis)			\$ 141	
No adjustments to revenue.			-	
No adjustments to expenditures.			-	
Net change in fund balance (GAAP)			\$ 141	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Senior Citizen's Center Fund Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP	Favorable
			Budgetary Basis)	(Unfavorable)
				Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	30,000	44,000	42,600	(1,400)
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>30,000</u>	<u>44,000</u>	<u>42,600</u>	<u>(1,400)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	30,000	66,567	66,452	115
Capital outlay	-	15,500	15,615	(115)
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>30,000</u>	<u>82,067</u>	<u>82,067</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(38,067)</u>	<u>(39,467)</u>	<u>(1,400)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	-	38,067	-	(38,067)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>38,067</u>	<u>-</u>	<u>(38,067)</u>
<i>Net change in fund balance</i>	-	-	(39,467)	(39,467)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>49,389</u>	<u>49,389</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,922</u>	<u>\$ 9,922</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ (39,467)	
No adjustments to revenue.			-	
Adjustments to expenditures for community service expenses			<u>(216)</u>	
Net change in fund balance (GAAP)			<u>\$ (39,683)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
BLM Wildland Grant Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	22,400	22,400	-	22,400
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>22,400</u>	<u>22,400</u>	<u>-</u>	<u>22,400</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(22,400)</u>	<u>(22,400)</u>	<u>-</u>	<u>22,400</u>
<i>Other financing sources (uses)</i>				
Designated cash	22,400	22,400	-	(22,400)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>22,400</u>	<u>22,400</u>	<u>-</u>	<u>(22,400)</u>
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>22,415</u>	<u>22,415</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,415</u>	<u>\$ 22,415</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ -	
No adjustments to revenue.			-	
No adjustments to expenditures.			-	
Net change in fund balance (GAAP)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Enhanced 911 Addressing Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP	Favorable
			Budgetary Basis)	(Unfavorable)
				Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	6	6
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>6</u>	<u>6</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>6</u>	<u>6</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	6	6
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>2,548</u>	<u>2,548</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,554</u>	<u>\$ 2,554</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ 6	
No adjustments to revenue.			-	
No adjustments to expenditures.			-	
Net change in fund balance (GAAP)			<u>\$ 6</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Lodger's Tax Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP	Favorable
			Budgetary Basis)	(Unfavorable)
				Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	65,000	65,000	52,732	(12,268)
Intergovernmental:				
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	106	106
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>65,000</u>	<u>65,000</u>	<u>52,838</u>	<u>(12,162)</u>
<i>Expenditures:</i>				
Current:				
General government	75,000	75,000	50,765	24,235
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>75,000</u>	<u>75,000</u>	<u>50,765</u>	<u>24,235</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(10,000)</u>	<u>(10,000)</u>	<u>2,073</u>	<u>12,073</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	10,000	10,000	-	(10,000)
Transfers in	-	-	-	-
Transfers out	-	-	(2,000)	(2,000)
<i>Total other financing sources (uses)</i>	<u>10,000</u>	<u>10,000</u>	<u>(2,000)</u>	<u>(12,000)</u>
<i>Net change in fund balance</i>	-	-	73	73
<i>Fund balance - beginning of year</i>	-	-	46,404	46,404
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,477</u>	<u>\$ 46,477</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ 73	
Adjustments to revenue for lodger taxes.			489	
Adjustments to expenditures for tourism events.			(1,966)	
Net change in fund balance (GAAP)			<u>\$ (1,404)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Fire Department Construction Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP	Favorable
			Budgetary Basis)	(Unfavorable)
				Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal capital grants	-	-	-	-
State operating grants	-	-	17,956	17,956
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	73	73
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>18,029</u>	<u>18,029</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	30,000	30,000	22,795	7,205
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>30,000</u>	<u>30,000</u>	<u>22,795</u>	<u>7,205</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(30,000)</u>	<u>(30,000)</u>	<u>(4,766)</u>	<u>25,234</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	30,000	30,000	-	(30,000)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>(30,000)</u>
<i>Net change in fund balance</i>	-	-	(4,766)	(4,766)
<i>Fund balance - beginning of year</i>	-	-	33,975	33,975
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,209</u>	<u>\$ 29,209</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ (4,766)	
Adjustments to revenues for state operating grants.			32,122	
No adjustments to expenditures.			-	
Net change in fund balance (GAAP)			<u>\$ 27,356</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Land Acquisition Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	13	13
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>13</u>	<u>13</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>13</u>	<u>13</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	13	13
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>5,916</u>	<u>5,916</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,929</u>	<u>\$ 5,929</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ 13	
No adjustments to revenue.			-	
No adjustments to expenditures.			-	
Net change in fund balance (GAAP)			<u>\$ 13</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Park Purchase and Improvement Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	26	26
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>26</u>	<u>26</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>26</u>	<u>26</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	26	26
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>12,261</u>	<u>12,261</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,287</u>	<u>\$ 12,287</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ 26	
No adjustments to revenue.			-	
No adjustments to expenditures.			-	
Net change in fund balance (GAAP)			<u>\$ 26</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Industrial Park Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP	Favorable
			Budgetary Basis)	(Unfavorable)
				Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-
Intergovernmental:				
Federal capital grants	960,000	960,000	913,189	(46,811)
State capital grants	900,000	900,000	161,429	(738,571)
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Contributions and donations	1,720,000	1,720,000	-	(1,720,000)
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>3,580,000</u>	<u>3,580,000</u>	<u>1,074,618</u>	<u>(2,505,382)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	3,360,000	3,360,000	1,316,523	2,043,477
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>3,360,000</u>	<u>3,360,000</u>	<u>1,316,523</u>	<u>2,043,477</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>220,000</u>	<u>220,000</u>	<u>(241,905)</u>	<u>(461,905)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	(440,000)	(440,000)	-	440,000
Loan proceeds	220,000	220,000	-	(220,000)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(220,000)</u>	<u>(220,000)</u>	<u>-</u>	<u>220,000</u>
<i>Net change in fund balance</i>	-	-	(241,905)	(241,905)
<i>Fund balance - beginning of year</i>	-	-	107,339	107,339
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (134,566)</u>	<u>\$ (134,566)</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ (241,905)	
Adjustments to revenues for federal capital grants and contributions and donations.			57,810	
Adjustments to expenditures for capital outlay.			<u>164,545</u>	
Net change in fund balance (GAAP)			<u>\$ (19,550)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Highway Co-op Projects Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP	Favorable
			Budgetary Basis)	(Unfavorable)
				Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	4	4
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>4</u>	<u>4</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>4</u>	<u>4</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	4	4
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>5,963</u>	<u>5,963</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,967</u>	<u>\$ 5,967</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ 4	
No adjustments to revenue.			-	
No adjustments to expenditures.			-	
Net change in fund balance (GAAP)			<u>\$ 4</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
CDBG Church Street Project Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP	Favorable
			Budgetary Basis)	(Unfavorable)
				Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ -	
Adjustments to revenues for federal capital grants.			(72,498)	
No adjustments to expenditures.			<u>-</u>	
Net change in fund balance (GAAP)			<u>\$ (72,498)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Park Improvements Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP	Favorable
			Budgetary Basis)	(Unfavorable)
				Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>2,471</u>	<u>2,471</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,471</u>	<u>\$ 2,471</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ -	
No adjustments to revenue.			-	
No adjustments to expenditures.			-	
Net change in fund balance (GAAP)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
G.O. Bond Debt Service Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ 197,919	\$ 197,919	\$ 217,701	\$ 19,782
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	47	47
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>197,919</u>	<u>197,919</u>	<u>217,748</u>	<u>19,829</u>
<i>Expenditures:</i>				
Current:				
General government	3,400	3,400	2,161	1,239
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	150,000	150,000	150,000	-
Interest	64,018	64,018	64,018	-
<i>Total expenditures</i>	<u>217,418</u>	<u>217,418</u>	<u>216,179</u>	<u>1,239</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(19,499)</u>	<u>(19,499)</u>	<u>1,569</u>	<u>21,068</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	19,499	19,499	-	(19,499)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>19,499</u>	<u>19,499</u>	<u>-</u>	<u>(19,499)</u>
<i>Net change in fund balance</i>	-	-	1,569	1,569
<i>Fund balance - beginning of year</i>	-	-	197,728	197,728
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 199,297</u>	<u>\$ 199,297</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ 1,569	
Adjustments to revenue for property taxes.			3,352	
No adjustments to expenditures.			-	
Net change in fund balance (GAAP)			<u>\$ 4,921</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Fire, Police, CRT and City Hall Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal capital grants	297,000	297,000	277,150	(19,850)
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	1,684	1,684
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>297,000</u>	<u>297,000</u>	<u>278,834</u>	<u>(18,166)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	1,188,000	1,583,244	1,583,244	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,188,000</u>	<u>1,583,244</u>	<u>1,583,244</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(891,000)</u>	<u>(1,286,244)</u>	<u>(1,304,410)</u>	<u>(18,166)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	-	(15,707)	-	15,707
Loan proceeds	891,000	1,246,174	-	(1,246,174)
Transfers in	-	55,777	136,466	80,689
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>891,000</u>	<u>1,286,244</u>	<u>136,466</u>	<u>(1,149,778)</u>
<i>Net change in fund balance</i>	-	-	(1,167,944)	(1,167,944)
<i>Fund balance - beginning of year</i>	-	-	2,030,390	2,030,390
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 862,446</u>	<u>\$ 862,446</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ (1,167,944)	
Adjustments to revenues for loan proceeds.			(15,827)	
Adjustments to expenditures for capital outlay.			5,818	
Net change in fund balance (GAAP)			<u>\$ (1,177,953)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Special Street Maintenance Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	210,000	210,000	208,441	(1,559)
Other	-	-	-	-
Intergovernmental:				
Federal capital grants	-	441,752	391,752	(50,000)
State operating grants	-	-	-	-
State capital grants	-	1,473,495	893,179	(580,316)
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>210,000</u>	<u>2,125,247</u>	<u>1,493,372</u>	<u>(631,875)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	1,215,757	945,757	887,409	58,348
Capital outlay	10,000	2,528,921	2,562,640	(33,719)
Debt service:				
Principal	26,671	26,671	41,743	(15,072)
Interest	-	-	9,557	(9,557)
<i>Total expenditures</i>	<u>1,252,428</u>	<u>3,501,349</u>	<u>3,501,349</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,042,428)</u>	<u>(1,376,102)</u>	<u>(2,007,977)</u>	<u>(631,875)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	(7,572)	24,102	-	(24,102)
Proceeds from sale of capital assets	-	-	15,940	-
Transfers in	1,050,000	1,352,000	1,352,000	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,042,428</u>	<u>1,376,102</u>	<u>1,367,940</u>	<u>(24,102)</u>
<i>Net change in fund balance</i>	-	-	(640,037)	(640,037)
<i>Fund balance - beginning of year</i>	-	-	4,416	4,416
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (635,621)</u>	<u>\$ (635,621)</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ (640,037)	
Adjustments to revenue for gasoline and motor vehicle taxes, federal capital grants, state capital grants, capital lease proceeds, and proceeds from sale of capital assets.			(91,593)	
Adjustments to expenditures for salaries and capital outlay.			<u>118,118</u>	
Net change in fund balance (GAAP)			<u>\$ (613,512)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Dam Rehabilitation Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	1,800,615	2,952,805	2,946,700	(6,105)
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,800,615</u>	<u>2,952,805</u>	<u>2,946,700</u>	<u>(6,105)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	1,927,770	2,788,073	2,788,073	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,927,770</u>	<u>2,788,073</u>	<u>2,788,073</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(127,155)</u>	<u>164,732</u>	<u>158,627</u>	<u>(6,105)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	127,155	(164,732)	-	164,732
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>127,155</u>	<u>(164,732)</u>	<u>-</u>	<u>164,732</u>
<i>Net change in fund balance</i>	-	-	158,627	158,627
<i>Fund balance - beginning of year</i>	-	-	(224,909)	(224,909)
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (66,282)</u>	<u>\$ (66,282)</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ 158,627	
Adjustments to revenues for state capital grants.			(407,685)	
Adjustments to expenditures for capital outlay.			<u>241,040</u>	
Net change in fund balance (GAAP)			<u>\$ (8,018)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement C-1

City of Bloomfield

Statement of Revenues, Expenses and Changes in Net Assets

Budget and Actual

Joint Utility Fund

For the Year Ended June 30, 2011

	Budget Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		
<i>Operating revenues:</i>				
Charges for services	\$ 3,635,000	\$ 3,635,000	\$ 3,448,650	\$ (186,350)
<i>Total operating revenues</i>	<u>3,635,000</u>	<u>3,635,000</u>	<u>3,448,650</u>	<u>(186,350)</u>
<i>Operating expenses:</i>				
Depreciation	-	-	392,047	(392,047)
Personnel services	1,414,839	1,414,839	1,328,128	86,711
Contractual services	117,860	117,870	142,428	(24,558)
Supplies and purchased power	510,285	510,285	399,549	110,736
Maintenance and materials	2,847,500	2,847,500	465,400	2,382,100
Miscellaneous	206,700	206,700	188,266	18,434
Utilities	37,300	37,300	42,084	(4,784)
Equipment	614,937	625,196	20,142	605,054
Gross receipts taxes	185,000	185,000	161,511	23,489
<i>Total operating expenses</i>	<u>5,934,421</u>	<u>5,944,690</u>	<u>3,139,555</u>	<u>2,805,135</u>
<i>Operating income (loss)</i>	<u>(2,299,421)</u>	<u>(2,309,690)</u>	<u>309,095</u>	<u>2,618,785</u>
<i>Non-operating revenues (expenses):</i>				
Principal expense	(740,668)	(740,668)	-	740,668
Interest expense	(799,097)	(799,097)	(174,567)	624,530
Interest income	1,000	1,000	1,601	601
Government contributions	700,000	700,000	126,440	(573,560)
Miscellaneous financing costs	-	-	(3,202)	(3,202)
Miscellaneous income	(27)	(27)	1,265	1,292
<i>Total non-operating revenues (expenses)</i>	<u>(838,792)</u>	<u>(838,792)</u>	<u>(48,463)</u>	<u>790,329</u>
Transfers	826,737	826,737	(416,879)	(1,243,616)
Designated cash	2,311,476	2,321,745	-	(2,321,745)
<i>Change in net assets</i>	-	-	(156,247)	(156,247)
<i>Total net assets, beginning of year</i>	-	-	9,071,361	9,071,361
<i>Total net assets, restatement</i>	-	-	198,614	198,614
<i>Total net assets, as restated</i>	-	-	9,269,975	9,269,975
<i>Total net assets, end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,113,728</u>	<u>\$ 9,113,728</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement C-2

City of Bloomfield

Statement of Revenues, Expenses and Changes in Net Assets

Budget and Actual

Solid Waste Fund

For the Year Ended June 30, 2011

	Budget Amounts		Actual	Variances Favorable Unfavorable
	Original	Final		
<i>Operating revenues:</i>				
Charges for services	\$ 706,800	\$ 725,314	\$ 726,180	\$ 866
<i>Total operating revenues</i>	<u>706,800</u>	<u>725,314</u>	<u>726,180</u>	<u>866</u>
<i>Operating expenses:</i>				
Depreciation	-	-	10,078	(10,078)
Personnel services	-	-	-	-
Contractual services	642,000	692,738	584,008	108,730
Supplies and purchased power	-	-	-	-
Maintenance and materials	-	-	-	-
Miscellaneous	-	-	23	(23)
Utilities	-	-	-	-
Equipment	-	-	-	-
Gross receipts taxes	-	-	-	-
<i>Total operating expenses</i>	<u>642,000</u>	<u>692,738</u>	<u>594,109</u>	<u>98,629</u>
<i>Operating income (loss)</i>	<u>64,800</u>	<u>32,576</u>	<u>132,071</u>	<u>99,495</u>
<i>Non-operating revenues (expenses):</i>				
Principal expense	-	-	-	-
Interest expense	-	-	-	-
Interest income	-	-	-	-
Government contributions	-	-	-	-
Miscellaneous financing costs	-	-	-	-
Miscellaneous income	-	-	-	-
<i>Total non-operating revenues (expenses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers	<u>(16,241)</u>	<u>(16,241)</u>	<u>451,209</u>	<u>467,450</u>
Designated cash	<u>(48,559)</u>	<u>(16,335)</u>	<u>-</u>	<u>16,335</u>
<i>Change in net assets</i>	-	-	583,280	583,280
<i>Total net assets, beginning of year</i>	<u>-</u>	<u>-</u>	<u>20,254</u>	<u>20,254</u>
<i>Total net assets, end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 603,534</u>	<u>\$ 603,534</u>

The accompanying notes are an integral part of these financial statements

SUPPORTING SCHEDULES

STATE OF NEW MEXICO
City of Bloomfield
Schedule of Deposit Accounts
June 30, 2011

Schedule I

Bank Account Type/Name	Wells Fargo Bank	Citizen's Bank	Bank of Albuquerque	Totals
Cash and cash equivalents:				
Operating - Checking	\$ 384,977	\$ -	\$ -	\$ 384,977
Senior Citizens - Checking	9,772	-	-	9,772
Paving - Checking	5,108	-	-	5,108
G.O. Water - Checking	165,546	-	-	165,546
Money Market Paving	106,517	-	-	106,517
Motor Vehicle - Checking	9,471	-	-	9,471
Payroll -Checking	-	345,123	-	345,123
G.O. Bond - Checking	-	17,827	-	17,827
BLM Wildland Grant - Checking	-	22,415	-	22,415
Police Evidence - Checking	-	6,029	-	6,029
Sewer Line Extension CDBG - Checking	-	744	-	744
W/W Debt Service - Checking	-	268,892	-	268,892
Water Line Relocation - Checking	-	123	-	123
IMMA	-	193,553	-	193,553
D.A.R.E. - Checking	-	34	-	34
Fire Fund -Checking	-	188,583	-	188,583
Interest Bond Retirement - Checking	-	10,842	-	10,842
Meter Deposits - Checking	-	41,015	-	41,015
Wastewater Replacement - Checking	-	120,442	-	120,442
2007 A PPRF - City of Bloomfield*	-	-	18,282	18,282
NMFA Sub Pprf 2007A Bloomfield Res*	-	-	51,747	51,747
2008 A PPRF - Bloomfield City*	-	-	220	220
NMFA 69th Supp 2008A C/Bloomfield Res*	-	-	51,119	51,119
2007 E PPRF - Bloomfield City*	-	-	27,585	27,585
NMFA 68th 2007E C/Bloomfield DS RS*	-	-	127,571	127,571
NMFA Pn Dtd 5/1/05 Bloomfield DS RES*	-	-	16,220	16,220
DW - Bloomfield*	-	-	42,107	42,107
2008 C PPRF - Bloomfield City*	-	-	55,524	55,524
NMFA 71st Supp 08c Bloomfield Ds Res*	-	-	634,111	634,111
DL - Bloomfield City Ds Res*	-	-	105,005	105,005
DL - Bloomfield City Prog*	-	-	1,300,054	1,300,054
WPF/WTB - Bloomfield City 80/20 Split DC WTB-0183*	-	-	240,000	240,000
WPF/WTB - Bloomfield City 80/20 Split DC WTB-0140*	-	-	55,000	55,000
Total	681,391	1,215,622	2,724,545	4,621,558
Reconciling items	(133,694)	(19,675)	(59)	(153,428)
Reconciled balance	<u>\$ 547,697</u>	<u>\$ 1,195,947</u>	<u>\$ 2,724,487</u>	4,468,131
Petty cash				3,200
Less: agency funds cash per Exhibit E-1				(873)
Less: restricted cash and cash equivalents per Exhibit A-1				<u>(2,805,147)</u>
Total unrestricted cash and cash equivalents per Exhibit A-1				<u><u>\$ 1,665,311</u></u>

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

See independent auditors' report.

STATE OF NEW MEXICO
City of Bloomfield
Schedule of Collateral Pledged By Depository
For Public Funds
June 30, 2011

Schedule II

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value at June 30, 2011
Wells Fargo Bank				
	FG G01838 5.000% 07/01/2035	7/1/2035	3128LXBF6	\$ 5,827
	FN 745663 6.000% 07/01/2036	7/1/2036	31403DML0	73,069
	FN 867437 6.000% 05/01/2036	5/1/2036	31409CV69	<u>1,328,725</u>
	Total Wells Fargo Bank			<u>1,407,621</u>
The location of the safekeeper of the above security is 333 Market Street 17th Floor, San Francisco, CA.				
Citizen's Bank				
	FNMA MBS Pool 705616	8/1/2033	31401D3Z2	333,413
	G2SF 5.5 2006 (GNMA MBS Pool 3473)	11/20/2033	36202D2E0	<u>130,067</u>
	Total Citizen's Bank			<u>463,480</u>
The location of the safekeeper of the above securities is 8500 Freeport Parkway, South Irving, TX.				
	Total Pledged Collateral			<u><u>\$ 1,871,101</u></u>

See independent auditors' report.

STATE OF NEW MEXICO
 City of Bloomfield
 Schedule of Changes in Fiduciary Assets and Liabilities
 Agency Funds
 For the Year Ended June 30, 2011

Schedule III

	<u>Balance at June 30, 2010</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance at June 30, 2011</u>
Motor Vehicle	\$ 646	\$ 1,212,734	\$ 1,212,507	\$ 873
Total	<u>\$ 646</u>	<u>\$ 1,212,734</u>	<u>\$ 1,212,507</u>	<u>\$ 873</u>

See independent auditor's report

COMPLIANCE SECTION



Accounting & Consulting Group, LLP
Certified Public Accountants

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

Hector Balderas
New Mexico State Auditor
The U.S. Office of Management and Budget and
Scott Eckstein, Mayor
City Council Members
City of Bloomfield
Bloomfield, New Mexico

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, the budgetary comparison for the general fund and the aggregate remaining fund information of the City of Bloomfield, New Mexico (City), as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents, and have issued our report thereon dated March 5, 2012. We have also audited the financial statements of each of the City's nonmajor governmental funds, and budgetary comparisons for the major capital projects funds, the enterprise funds, and the remaining nonmajor governmental funds as supplementary information in the accompanying combining and individual fund statements as of and for the year ended June 30, 2011 as listed in the table of contents. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and one other deficiency we consider to be a significant deficiency.

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 questioned costs as items FS 10-01, FS 10-04, and FS 10-05, 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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item FS 10-02, to be a significant deficiency.

Compliance and Other Matters

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

We noted certain matters that are required to be reported under Government Auditing Standards January 2007 Revision paragraphs 5.14 and 5.16, and section 12-6-5, NMSA 1978, which are described in the accompanying schedule of findings and questioned costs as items FS 11-01, FS 11-02, FS 11-03, FS 11-04, and FS 11-05.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the audit committee, management, others within the organization, the City Council, the Office of the State Auditor, the New Mexico Legislature and the New Mexico Department of Finance and Administration and is not intended to be and should not be used by anyone other than these specified parties.

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP
Albuquerque, New Mexico
March 5, 2012

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FEDERAL FINANCIAL ASSISTANCE



Accounting & Consulting Group, LLP
Certified Public Accountants

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A
DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Hector Balderas
New Mexico State Auditor
The Office of Management and Budget and
The City Council
City of Bloomfield
Bloomfield, New Mexico

Compliance

We have audited City of Bloomfield's (the City) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2011. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, others within City of Bloomfield, the audit committee, the New Mexico State Auditor, the City Council, the New Mexico Legislature, the New Mexico Department of Finance and Administration, and applicable federal grantors, and is not intended to be and should not be used by anyone other than these parties.

Accounting & Consulting Group, L.L.P.

Accounting & Consulting Group, LLP
Albuquerque, NM
March 5, 2012

STATE OF NEW MEXICO
City of Bloomfield
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

Schedule IV
(Page 1 of 2)

Funding Source/Grant or Contact Name	CFDA Number	Federal Grantors Number	Expenditures
U.S. Department of Commerce			
Passed through the NM Economic Development Association			
Investments for Public Works and Economic Development Facilities	11.300	08-01-04302	\$ 672,271
U.S. Department of Housing and Urban Development			
Community Development Block Grants/State's Program - ARRA (1)	14.255	09-C-NR-I-1-G-14	340,008
U.S. Department of Justice			
Edward Byrne Memorial Justice Assistance Grant	16.738	2010-DJ-BX-0237	11,856
U.S. Department of Transportation			
State and Community Highway Safety	20.600	10-AL-410-010	27,752
Passed through NM Department of Transportation			
Highway Planning and Construction - ARRA (1)	20.205	ECO-5877(1)	694,509
Total U.S. Department of Transportation			<u>722,261</u>
U.S. Department of Energy			
Passed through NM Energy, Minerals and Natural Resources Department			
Energy Efficiency and Conservation Block Grant Program - ARRA (1)	81.128	0-521-R1DOE00002-0241	377,150
U.S. Department of Homeland Security			
Assistance to Firefighters Grant	97.044	EMW-2009-FO-11785	<u>39,793</u>
			<u>\$ 2,163,339</u>
Total Federal Financial Assistance			

(1) Denotes Major Federal Financial Assistance Program

See accompanying independent auditors' report.

STATE OF NEW MEXICO
City of Bloomfield
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

Schedule IV
(Page 2 of 2)

Notes to Schedule of Expenditures of Federal Awards

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of the City of Bloomfield (the City) and is presented on the modified accrual basis of accounting, which is the same basis as was used to prepare the fund financial statements except for the proprietary funds. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organization* .

2. Subrecipients

The City did not provide any federal awards to subrecipients during the year.

Reconciliation of Schedule of Expenditures of Federal Awards to Financial Statements:

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 2,163,339
Total expenditures funded by other sources	<u>19,638,602</u>
Total expenditures	<u><u>\$ 21,801,941</u></u>

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STATE OF NEW MEXICO
City of Bloomfield
Schedule of Findings and Questioned Costs
June 30, 2011

Section I – Summary of Audit Results

Financial Statements:

- | | |
|--|-------------|
| 1. Type of auditors’ report issued | Unqualified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | Yes |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes |
| c. Noncompliance material to the financial statements noted? | No |

Federal Awards:

- | | |
|---|-------------|
| 1. Internal control over major programs: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | No |
| 2. Type of auditors’ report issued on compliance for major programs | Unqualified |
| 3. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? | No |
| 4. Identification of major programs: | |

CFDA Number	Federal Program
20.205	Highway Planning and Construction- ARRA
14.255	CDBG – State-Administered Small Cities Program
81.128	Energy Efficiency and conservation Block Grant Program- ARRA

- | | |
|---|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$300,000 |
| 6. Auditee qualified as low-risk auditee? | No |

Section III – Findings - Financial Statement Audit

FS 10-01 — Deficiencies in Design over Internal Controls – Material Weakness- Repeated

Condition: During our process of understanding the City and its environment, we noted instances where elements of the City’s internal control framework were nonexistent or deficient. We noted the following weakness.

- The Assistant Finance Director is allowed to make wire transfers, however she also reconciles the bank accounts and has access to the general ledger.
- Four of the seven related party disbursements we tested did not have the proper documentation to substantiate proper quote requirements. In addition the vendor award is considered a related party which was not done in a arms length transaction
- IT controls are not sufficient to safeguard access to the servers of the City.

Criteria: NMAC 6.20.2.11 states:

A. Every City shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP, and that state and federal programs are managed in compliance with applicable laws and regulations. The internal control structure shall include written administrative controls (rules, procedures and practices, and policies that affect the organization) and accounting controls (activity cycles, financial statement captions, accounting applications including computer systems) that are in accordance with GAAP.

B. Each City shall develop, establish and maintain a structure of internal accounting controls and written procedures to provide for segregation of duties, a system of authorization and recording procedures, and sound accounting practices in performance of duties and functions. The duties to be segregated are the authorization to execute a transaction, recording the transaction, and custody of assets involved in the transaction.

- (1) City management must ensure that protection of the public trust is a major focus when granting the authorization to execute business of the City.
- (2) Employees handling significant amounts of cash must be adequately bonded. Access to assets is permitted only in accordance with City authorization.
- (3) Receipts, checks or warrants, purchase orders, and vouchers shall be sequentially pre-numbered.
- (4) The City shall have proper safeguards to protect unused checks and other pre-numbered forms, undeposited cash and other receipts, and facsimile signature plates.
- (5) Transactions are to be recorded as necessary to permit preparation of financial statements in conformity with GAAP. In addition, Cities shall establish any other criteria applicable to such statements to maintain accountability for assets.
- (6) Cities shall conduct independent checks on performance and proper valuation of recorded amounts, such as clerical checks, reconciliations, comparison of assets with recorded accountability, computer-programmed controls, management review of reports that summarize the detail of account balances, and user review of computer generated reports.

C. An internal control structure is required to demonstrate the City’s ability to record, process, summarize and report financial data consistent with the following financial statement assertions:

- (1) rights and ownership;
- (2) existence and occurrence;
- (3) valuation and allocations;
- (4) completeness; and,
- (5) presentation and disclosure.

FS 10-01 — Deficiencies in Design over Internal Controls (continued)– Material Weakness- Repeated

D. The internal control structure shall demonstrate that the City identifies applicable laws and regulations, and that procedures are designed to provide reasonable assurance that the City complies with those laws and regulations. Internal control procedures shall be established, implemented and documented through City correspondence, manuals, training, and other additional methods. Appropriate internal control procedures shall be adopted by the local board within a City to safeguard its assets, check the accuracy and reliability of its accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies. The internal control structure shall address all City transactions.

The SAS No. 115 Appendix lists the following circumstances as possible control deficiency, significant deficiency, or material weakness, “inadequate documentation of the components of internal control.” SAS 115 paragraph 19 states that ineffective oversight of the agency’s financial reporting and internal control by those charged with governance should be regarded as at least a significant deficiency and a strong indicator of a material weakness in internal control..

Effect: Because certain internal controls have weaknesses in design, key controls are not in place to properly safeguard assets and prevent or detect misstatements within the areas above.

Cause: The City has not performed a recent risk assessment for those key controls in place to prevent and detect errors or fraud.

Auditors’ Recommendation: The City should ensure that a comprehensive internal control structure over financial information is designed, documented, and implemented. Management should follow and ensure that all staff follows the City’s documented internal control procedures. The City Commission is charged with governance and should provide effective oversight of the internal control and financial reporting processes.

Management’s Response: We no longer have an assistant finance director position. The employee now in charge of reconciling the bank accounts is not allowed to make wire transfers. Management will work on written accounting policies and procedures to address all known deficiencies in internal control and establish a proper segregation of duties. In reference to the related party transactions, the city wishes to do business with vendors within the Bloomfield city limits to keep the taxpayer funds in our local economy. This vendor was the only one in Bloomfield providing the requested items. The fact that it was a related party vendor was incidental to the transaction and did not factor into the decision. That being said, city staff will ensure in the future that, when required, quotes will be obtained.

**FS 10-02 — Receipts, Accounts Payable and Payroll Lack of Internal Controls – Significant Deficiency-
Repeated**

Condition: During our testwork of the cash disbursing and payroll processing we noted the following instances of a lack of appropriate internal controls.

- Accounts Payable vendors can be setup by the same person processing the accounts payable checks
- Payroll personnel routinely enter new employee data and pay rate, make changes to pay rates, enters time, and prints payroll checks
- There are insufficient internal controls over access to master files for receipts, accounts payable, and payroll
- The same person has access to all receipts, disbursements, and payroll modules of the City
- 1 out of 5 receipts tested did not have the proper documentation to support the transaction
- 1 out of 5 disbursements tested, a member of management signed the purchase order and the check
- 6 out of 10 payroll items tested were missing proper signature authority for personnel transaction form.
- 1 out of 10 payroll items tested, did not have the correct rate increase for the employee. This lead to a \$3.06 underpayment to the employee
- 1 out of 10 payroll reports tested did not have the proper initial by the employee per the City policy.

Criteria: Appropriate internal controls and segregation of duties in cash receipts, cash disbursing and payroll processing is required to properly report all revenues and expenditures as required by Section 6-6-3, NMSA 1978.

Effect: Without adequate internal controls in key control processes, there is an increased risk of fraudulent activity, and also an increased risk of errors that may not be detected timely.

Cause: Due to the Cities turnover in management in prior year, there was an oversight by management of the weaknesses and risks related to these functions.

Auditors' Recommendation: We recommend that the City incorporate proper internal controls over receipts, disbursements, and payroll, and update internal controls related to the accounts payable clerk so there is no access to set up new vendors. Setting up employees or changing pay rates should be done by someone not entering time or printing payroll checks. These processes should be written and implemented to ensure proper internal controls are present, including segregation of duties.

Management's Response: Management will work on written accounting policies and procedures for internal control and ensure a proper segregation of duties. Additionally, these policies and procedures will be monitored to ensure they are being followed.

FS 10-04 — COSO Framework Monitoring Deficiencies – Material Weakness- Repeated

Condition: During our testwork, it was noted that the internal controls were not being monitored throughout the year.

Criteria: The Committee of Sponsoring Organizations of the Treadway Commission (COSO) Framework suggests that internal control systems need to be monitored – a process that assesses the quality of the system’s performance over time. This is accomplished through ongoing monitoring activities or separate evaluations. Internal control deficiencies detected through these monitoring activities should be reported upstream and corrective actions should be taken to ensure continuous improvement of the system.

Effect: The City cannot ascertain that all internal controls are being implemented and operating effectively, which increases the risk of assets to be misappropriated and misstatements in the financial statements to go undetected.

Cause: The City had turnover in significant areas of management which affected the City’s ability for ongoing monitoring as a critical element in effective internal controls.

Auditors’ Recommendation: We recommend that the City adopt and implement a policy requiring monitoring of its internal controls and make modifications as needed. Monitoring is accomplished through ongoing management activities, separate evaluations, or both.

Management’s Response: Management will work on written accounting policies and procedures for internal control and ensure a proper segregation of duties. Additionally, these policies and procedures will be monitored to ensure they are being followed.

FS 10-05 — Lack of Internal Controls Over Non-Standard Journal Entries – Material Weakness- Repeated

Condition: We noted the following internal control related deficiencies during audit procedures over journal entries:

- 2 out of 23 journal entries tested had the same employee create, post, and sign off as reviewer.
- 1 out of 23 journal entries tested did not have a proper documented review.
- From review, all journal entries are recorded before any proper documented review process.

Criteria: NMAC 6.20.2.11 states:

A. Every City shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP, and that state and federal programs are managed in compliance with applicable laws and regulations. The internal control structure shall include written administrative controls (rules, procedures and practices, and policies that affect the organization) and accounting controls (activity cycles, financial statement captions, accounting applications including computer systems) that are in accordance with GAAP.

B. Each City shall develop, establish and maintain a structure of internal accounting controls and written procedures to provide for segregation of duties, a system of authorization and recording procedures, and sound accounting practices in performance of duties and functions. The duties to be segregated are the authorization to execute a transaction, recording the transaction, and custody of assets involved in the transaction.

Effect: Improper adjustments could result in balances being materially misstated. Also, the risk of misappropriation acts increases without proper internal controls.

Cause: The City did not follow the established internal controls over non-standard journal entries.

Auditors' Recommendation: We recommend the City follow their policies and procedures regarding the review and approval of manual journal entries and implement a procedure to insure non-standard journal entries are reviewed, approved, and supported.

Management's Response: Management will implement policies and procedures for journal entries to ensure that they are properly reviewed by someone other than the preparer prior to entry.

FS 11-01 — Travel and Per Diem Compliance - Other Matters

Condition: During our testwork of travel and per diem, we noted the following:

- On the last day of travel where overnight lodging was no longer required, 14 out of 30 items tested did not follow the City's policy for payment
- 4 out of 30 items tested, actual expenses exceeded the \$30.00 in state and \$45.00 out of state rule for meals in a 24 hour period
- 3 out of 30 items tested did not have the proper documentation to support the transaction
- 1 out of 30 items tested, the same person who authorized the transaction also signed the check

Criteria: State Auditor Rule 2.2.2.10 H. 2, requires that for Travel and Per Diem, an entity must be able to support the expenditure with supporting documentation and proper internal controls.

Effect: Without proper supporting documentation, or proper review of documentation, the risk of misuse of public funds or unauthorized purchases is high.

Cause: Due to the turnover in management, support documentation was not properly reviewed and internal controls were not in place to ensure proper compliance with travel and per diem requirements.

Auditor's Recommendation: We recommend that the City follow their policies in place while processing travel and per diem transactions in order to comply with the State Auditor Rule 2.2.2.10 H. 2.

Management's Response: Management will monitor travel and per diem expenses more closely to ensure compliance.

FS 11-02— Internal Controls over Credit Cards - Other Matters

Condition: During our test work of credit cards, we noted that the City was misusing the City's credit cards as follows:

- 1 out of 6 transactions tested, the City overpaid for an employee's plane ticket for travel so that they could stay an additional day for personal use. The employee was supposed to pay this additional fee back per the documentation, but never did.

Criteria: NMAC 6.20.2.17 states that each City shall establish and implement written policies and procedures for purchasing, which shall be in compliance with the procurement code Section 13-1-21, NMSA 1978.

Effect: The City did not comply with NMSA 1978 Section 13-1-21 and NMAC 6.20.2.17. In addition, the proper disbursement internal controls were not monitored, which increases the risk of misuse of funding by the City.

Cause: The City did not maintain necessary monitoring of the credit card process, and failed to follow disbursement internal controls when processing checks for credit card payments.

Auditors' Recommendation: We recommend the City implement a procurement policy in relation to credit card use, in accordance with NMSA 1978 Section 13-1-21, that monitors the credit card holders' usage, and ensures that proper authorization is being performed before credit card transactions are executed.

Management's Response: The employee was informed of this oversight and payment has been received. Management will implement procedures to monitor credit card transactions more closely.

FS 11-03 — Personal Use of City Vehicle- Other Matters - Other Matters

Condition: The City did not report the personnel use of City vehicles for nine employees during the year.

Criteria: Per Internal Revenue Regulation 1.61-21, Taxation of Fringe Benefits, the Internal Revenue Code requires that any personal use of a City vehicle be reported on the employee's W-2 form unless it is a qualified vehicle or employee. To be a qualified vehicle, it must be a vehicle modified for specific use. To be a qualified employee the employee must have arrest powers and the right to be armed.

Effect: The City is not complying with the IRS regulations regarding personal use of a government vehicle. This could result in possible fines or other penalties from the IRS.

Cause: Due to the turnover in management in prior year, the City was not aware of the IRS rule regarding personal use of vehicles.

Auditors' Recommendation: The City needs to follow their policy and procedure regarding the personal use of vehicles.

Management Response: In prior years, city management had misinterpreted the IRS rule and was not reporting mileage for employees that were on call. This continued up through the current administration, and only recently, it was pointed out to management that, for on call employees, commute miles need to be reported. Management will develop procedures for compliance with the rule.

FS 11-04 — Late Filing of Audit Report- Other Matters

Condition: The City did not issue its 2010 audit report by the December 1, 2011 as required by the Office of the State Auditor.

Criteria: The City is required to submit their audit reports for the year ended June 30, on or before December 1 subsequent to the entities' fiscal year end in accordance with State Statute (Chapter 12, Section 6: NMSA 1978) and Section 2.2.2.9.A (1) of NMAC.

Effect: The City could be affected by a late submission by not catching problems in a timely fashion to correct findings. The financial statements are not available for use by the City in a timely fashion for purposes such as debt applications.

Cause: The City was unable to submit the June 30, 2011 audit report on a timely basis due the City preparing their own financial statements for the first time which lead to unexpected issues.

Auditors' Recommendation: The City must ensure that all future audit reports are filed in a timely manner. The City should ensure this process is timely in the future through communication with the auditor and timely close out of accounting records at year end so that there is sufficient time for the City to prepare their financial statements.

Management's Response: Management does not anticipate being late with next year's audit.

FS 11-05 Cash Appropriations in Excess of Available Cash Balances- Other Matter

Condition: The City maintained a deficit budget in excess of available cash balances in the following funds:

KAB-Bloomfield Pride Special Revenue Fund	\$	550
Special Street Maintenance Capital Projects Fund		<u>19,686</u>
 Total Governmental Funds	 \$	 <u>20,236</u>

Criteria: Per Section 6-6-11 NMSA, it is unlawful for any board of county commissioners, municipal governing body...for any purpose whatsoever to become indebted or contract any debts of any kind or mature whatsoever during any current year which, at the end of such current year, is not and cannot then be paid out of the money actually collected and belonging to that current year.

Effect: The City has budgeted cash balances that do not exist. If the City expends all budgeted expenditures it could incur debt if the budgeted designated cash does not exist.

Cause: Inadequate monitoring of ending cash balances and budgeting are the cause of this problem.

Auditors' Recommendations: Budget deficits for future years should be reviewed to insure all funds have adequate budget authority and sufficient cash balances for budgeted deficits. Greater attention should be given to the budget monitoring process end-of-the-year cash balance estimates.

Management's Response: Management will ensure that funds will not be budgeted in excess of available cash.

Section IV – Findings – Federal Awards

None

Section II – Prior Year Audit Findings

Prior Year Audit Findings

Financial Statement Findings	Disposition
FS 10-01 — Lack of Internal Controls	Repeated
FS 10-02 — Accounts Payable and Payroll Lack of Segregation of Duties	Repeated
FS 10-03 — Capital Assets	Resolved
FS 10-04 — COSO Framework Monitoring Deficiencies	Repeated
FS 10-05 — Lack of Internal Controls Over Non-Standard Journal Entries	Repeated
FS 10-06 — Expenditures Exceeded Budget Authority	Resolved
FS 10-07 — Preparation of Financial Statements	Resolved

STATE OF NEW MEXICO
City of Bloomfield
Other Disclosures
June 30, 2011

Exit Conference

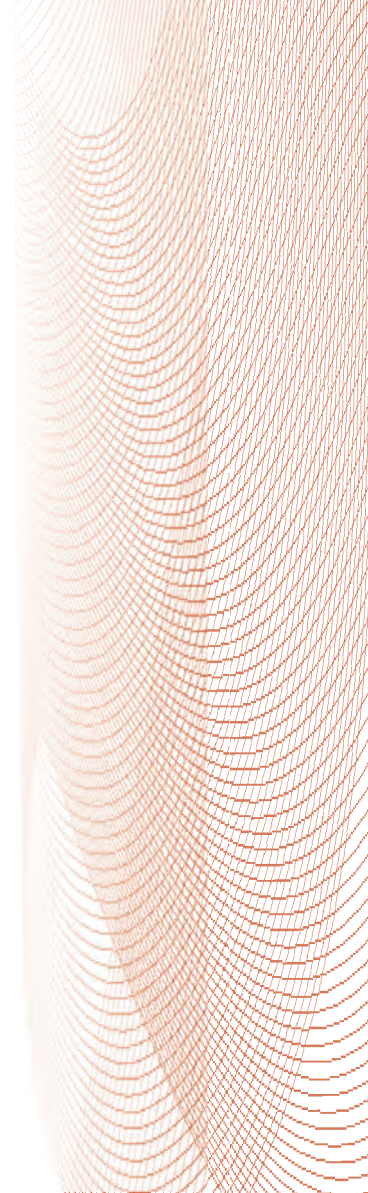
An exit conference was held on March 23, 2012. In attendance were the following:

Representing the City of Bloomfield:

Elwin Roark	City Councilor
Bradley Ellsworth	Finance Director

Representing Accounting & Consulting Group, LLP:

Michael Reeves	Manager
Robert Gonzales	Senior Accountant



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