

STATE OF NEW MEXICO
CITY OF BLOOMFIELD



ANNUAL FINANCIAL REPORT

JUNE 30, 2012

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ANNUAL FINANCIAL REPORT
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INTRODUCTORY SECTION

STATE OF NEW MEXICO
City of Bloomfield
Table of Contents
For the Year Ended June 30, 2012

	<u>Exhibit</u>	<u>Page</u>
INTRODUCTORY SECTION		
Table of Contents		4-5
Official Roster		6
FINANCIAL SECTION		
Independent Auditors' Report		8-9
Management's Discussion and Analysis		10-18
BASIC FINANCIAL STATEMENTS		
Government-wide Financial Statements		
Statement of Net Assets	A-1	20-21
Statement of Activities	A-2	22-23
Fund Financial Statements		
Balance Sheet – Governmental Funds	B-1	24-25
Reconciliation of the Balance Sheet to the Statement of Net Assets		27
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	B-2	28-29
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities		30
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non- GAAP Budgetary Basis) and Actual – General Fund	C-1	31
Statement of Net Assets-Proprietary Funds	D-1	32
Statement of Revenues, Expenses, and Changes in Net Assets-Proprietary Funds	D-2	33
Statement of Cash Flows –Proprietary Funds	D-3	34
Statement of Fiduciary Assets and Liabilities – Agency Funds	E-1	35
NOTES TO THE FINANCIAL STATEMENTS		36-66
SUPPLEMENTARY INFORMATION		
Nonmajor Fund Descriptions	<u>Statement</u>	68-70
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES		
Combining Balance Sheet – Nonmajor Governmental Funds	A-1	72-77
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	A-2	78-83
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual		
Fire Protection Fund Special Revenue Fund	B-1	84
Recreation Special Revenue Fund	B-2	85
Capital Equipment Replacement Special Revenue Fund	B-3	86
Correction Fees Special Revenue Fund	B-4	87
Police Evidence Special Revenue Fund	B-5	88
DARE Special Revenue Fund	B-6	89
Library Special Revenue Fund	B-7	90
Law Enforcement Special Revenue Fund	B-8	91
Judicial Education Special Revenue Fund	B-9	92

STATE OF NEW MEXICO
City of Bloomfield
Table of Contents
For the Year Ended June 30, 2012

	<u>Statement</u>	<u>Page</u>
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES (CONTINUED)		
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual -continued		
Traffic Safety Education Special Revenue Fund	B-10	93
Court Automation Special Revenue Fund	B-11	94
LLEBG Grant Special Revenue Fund	B-12	95
KAB - Bloomfield Pride Special Revenue Fund	B-13	96
Emergency Medical Special Revenue Fund	B-14	97
Senior Citizen’s Center Special Revenue Fund	B-15	98
BLM Wildland Grant Special Revenue Fund	B-16	99
Enhanced 911 Addressing Special Revenue Fund	B-17	100
Lodger’s Tax Special Revenue Fund	B-18	101
Fire Department Construction Capital Projects Fund	B-19	102
Land Acquisition Capital Projects Fund	B-20	103
Park Purchase & Improvement Capital Projects Fund	B-21	104
Fire, Police, CRT and City Hall Capital Projects Fund	B-22	105
Industrial Park Capital Projects Fund	B-23	106
Highway Co-op Projects Capital Projects Fund	B-24	107
Dam Rehabilitation Capital Projects Fund	B-25	108
CDBG Church Street Project Capital Projects Fund	B-26	109
Park Improvements Capital Projects Fund	B-27	110
Special Street Maintenance Capital Projects Fund	B-28	111
G.O. Bond Debt Service Fund	B-29	112
Statement of Revenues, Expenses, and Changes in Net Assets – Budget (GAAP Basis) and Actual -		
Joint Utility Fund	C-1	113
Solid Waste Fund	C-2	114
<u>Schedule</u>		
SUPPORTING SCHEDULES		
Schedule of Deposit Accounts	I	116
Schedule of Collateral Pledged By Depository for Public Funds	II	117
Schedule of Changes in Fiduciary Assets and Liabilities-Agency Funds	III	118
COMPLIANCE SECTION		
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		120-121
Schedule of Findings and Responses	IV	123-132
OTHER DISCLOSURES		133

STATE OF NEW MEXICO

City of Bloomfield

Official Roster

June 30, 2012

<u>Name</u>	<u>City Council</u>	<u>Title</u>
Scott Eckstein		Mayor
Elwin Roark		City Councilor
Pat Lucero		City Councilor
Matt Pennington		City Councilor
Curtis Lynch		City Councilor
	<u>Administration</u>	
David Fuqua		City Manager
Jamie Turrentine		City Clerk
Brad Ellsworth		Finance Director

FINANCIAL SECTION



Accounting & Consulting Group, LLP
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Hector Balderas
New Mexico State Auditor
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, 2012, 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 fund, the major debt service fund, 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, 2012 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, 2012, and the respective changes in financial position and cash flows, where applicable 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, 2012, 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 November 30, 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.

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* on pages 10 through 18 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 financial statements, and the budgetary comparisons. The accompanying financial information listed as Supporting Schedules I through III in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP
Albuquerque, New Mexico
November 30, 2012

State of New Mexico
City of Bloomfield
Management's Discussion and Analysis
June 30, 2012

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, 2012. 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 \$31,584,795 (*net assets*). Of this amount, \$3,069,485 (*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 \$252,290 during the fiscal year. This increase is mainly due to an increase in capital grant revenue of \$366,647 in the Joint Utility Fund.
- As of June 30, 2012, the City's governmental funds reported combined ending net assets of \$21,525,346. Of this total, \$18,337,441 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 \$1,248,213, or 19 percent of total general fund expenditures.
- The City's total debt decreased by \$970,394 during the current fiscal year. This decrease was mainly due to the principal payments that came due and were paid during the year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to City of Bloomfield's basic financial statements. The 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 the City of Bloomfield's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the 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 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.

State of New Mexico
City of Bloomfield
Management's Discussion and Analysis
June 30, 2012

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. The 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 the 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, the Special Street Maintenance Capital Projects Fund, and the G.O. Bond Fund, which are considered to be major funds. Data from the other twenty-seven 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, Special Street Maintenance Capital Projects Fund, G.O. Bond 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 36-66 of this report.

State of New Mexico
City of Bloomfield
Management's Discussion and Analysis
June 30, 2012

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 72-114 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 the City of Bloomfield, assets exceeded liabilities by \$31,584,795 at the close of the current fiscal year.

The most significant portion of the City of Bloomfield's net assets represents the City's investment of \$26,831,221 in capital assets (e.g., land improvements, buildings, infrastructure and machinery & equipment), less any related outstanding debt used to acquire those assets. The City of Bloomfield uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the 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, 2012			June 30, 2011		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Assets						
Current and other assets	\$ 2,589,931	\$ 1,949,427	\$ 4,539,358	\$ 2,753,740	\$ 1,781,898	\$ 4,535,638
Restricted cash and cash equivalents	1,015,185	1,563,743	2,578,928	896,131	1,909,016	2,805,147
Bond issuance costs	146,761	61,619	208,380	108,172	65,699	173,871
Capital assets, net of accumulated depreciation	<u>29,429,895</u>	<u>17,556,366</u>	<u>46,986,261</u>	<u>30,122,769</u>	<u>15,877,915</u>	<u>46,000,684</u>
Total Assets	<u><u>33,181,772</u></u>	<u><u>21,131,155</u></u>	<u><u>54,312,927</u></u>	<u><u>33,880,812</u></u>	<u><u>19,634,528</u></u>	<u><u>53,515,340</u></u>
Liabilities						
Long-term liabilities outstanding	10,580,820	8,427,937	19,008,757	11,024,434	9,004,170	20,028,604
Other liabilities	<u>1,075,606</u>	<u>2,643,769</u>	<u>3,719,375</u>	<u>1,241,135</u>	<u>913,096</u>	<u>2,154,231</u>
Total Liabilities	<u>11,656,426</u>	<u>11,071,706</u>	<u>22,728,132</u>	<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	18,337,441	8,493,780	26,831,221	18,658,840	8,061,066	26,719,906
Restricted	1,684,089	-	1,684,089	1,645,661	211,525	1,857,186
Unrestricted	<u>1,503,816</u>	<u>1,565,669</u>	<u>3,069,485</u>	<u>1,310,742</u>	<u>1,444,671</u>	<u>2,755,413</u>
Total Net Assets	<u>21,525,346</u>	<u>10,059,449</u>	<u>31,584,795</u>	<u>21,615,243</u>	<u>9,717,262</u>	<u>31,332,505</u>
Total Liabilities and Net Assets	<u><u>\$ 33,181,772</u></u>	<u><u>\$ 21,131,155</u></u>	<u><u>\$ 54,312,927</u></u>	<u><u>\$ 33,880,812</u></u>	<u><u>\$ 19,634,528</u></u>	<u><u>\$ 53,515,340</u></u>

A portion of the 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*, \$1,503,816, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the 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
June 30, 2012

Analysis of Changes in Net Assets

The City's net assets overall increased by \$252,290 during the current fiscal year. These increases are explained in the government and business-type activities discussion below.

Changes in Net Assets
For the Year Ended June 30, 2012

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Revenues			
Program revenues:			
Charges for services	\$ 1,173,634	\$ 4,248,946	\$ 5,422,580
Operating grants and contributions	419,055	-	419,055
Capital grants	134,937	405,349	540,286
General revenues:			
Property taxes	815,292	-	815,292
Gross receipts taxes	6,216,998	-	6,216,998
Gasoline and motor vehicle taxes	219,669	-	219,669
Franchise taxes	292,424	-	292,424
Cigarette and lodger's taxes	57,443	-	57,443
Miscellaneous revenue	23,123	2,907	26,030
Unrestricted investment earnings	3,643	2,392	6,035
Gain on disposal of capital assets	-	-	-
Total revenues	<u>9,356,218</u>	<u>4,659,594</u>	<u>14,015,812</u>
Expenses			
General government	2,325,476	-	2,325,476
Public safety	4,065,764	-	4,065,764
Public works	1,061,239	-	1,061,239
Culture and recreation	1,026,693	-	1,026,693
Health and welfare	358,225	-	358,225
Interest and other charges	570,343	-	570,343
Joint utility and solid waste	-	4,355,782	4,355,782
Total expenses	<u>9,407,740</u>	<u>4,355,782</u>	<u>13,763,522</u>
Increase (decrease) in assets before transfers	<u>(51,522)</u>	<u>303,812</u>	<u>252,290</u>
Transfers	<u>(38,375)</u>	<u>38,375</u>	<u>-</u>
Increase (decrease) in net assets	(89,897)	342,187	252,290
Net assets, beginning of year	<u>21,615,243</u>	<u>9,717,262</u>	<u>31,332,505</u>
Ending net assets	<u>\$ 21,525,346</u>	<u>\$ 10,059,449</u>	<u>\$ 31,584,795</u>

State of New Mexico
City of Bloomfield
Management's Discussion and Analysis
June 30, 2012

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>

Governmental activities. Governmental activities decreased City of Bloomfield's net assets by \$89,897 in FY 2012 as opposed to an increase of \$4,609,490 in FY 2011. The key elements of this decrease are as follows:

- The City's gross receipts tax revenue decreased by \$266,249, or 4% from last fiscal year.
- The decrease in tax revenue was offset by spending cuts, mainly in personnel and capital expenditures. Total expenses decreased by \$776,409, or 8% from last fiscal year.
- Capital grants decreased by \$5,226,463, or 97% from last fiscal year. This was due to the winding down of several projects that were in progress last fiscal year while not starting any new grant funded projects in the current fiscal year.

State of New Mexico
City of Bloomfield
Management's Discussion and Analysis
June 30, 2012

Business-type activities. Business-type activities increased the City's net assets by \$342,187. Total business type revenues increased by \$355,458, or 8% from last fiscal year due mainly to an increase in grant revenues for capital projects.

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 \$9,379,967 in the fiscal year ended June 30, 2012, which represents a decrease of \$5,092,557 from the fiscal year ended June 30, 2011. This is largely due to a decrease in capital grants of \$4,697,961. Additionally, gross receipts tax revenue decreased by \$266,249. 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 \$10,842,129, decreased by \$7,048,379 from the fiscal year ended June 30, 2011. Capital outlay expenditures decreased by \$7,815,792 from the prior fiscal year, and overall operating expenditures decreased by \$855,474. These decreases were offset by an increase in debt service expenditures of \$1,622,887, due mainly to the refinancing of the loan for the fire station. In the fiscal year ended June 30, 2012, expenditures for governmental functions exceeded revenues by \$1,462,162. This was offset by loan proceeds of \$1,704,313 from the refinancing of the two loans which are reported as an other financing source. Overall, fund balances for governmental functions increased by \$203,776.

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 \$1,248,213 with \$590,314 committed for emergency reserves.

The fund balance of the City's general fund increased by \$104,825 during the current fiscal year. This increase was achieved through cuts to personnel expenditures and capital outlay expenditures while revenues decreased from the prior fiscal year.

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, unrestricted net assets for enterprise funds were \$1,565,669. The total increase in net assets for the enterprise funds was \$342,187. 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, the 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, 2012

General Fund Budgetary Highlights (continued)

The following table examines the summary budget performance of the general fund for the fiscal year ending June 30, 2012. 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 \$170,741 for expenditures. This adjustment was necessary due to there being a 27th pay period in the fiscal year which was not anticipated at the time of budget preparation. An extra pay period occurs once every twelve years. Actual general fund expenditures were \$54,032 less than the final budget amount (favorable variance). The city was able to stay within budget due to the commendable efforts of the department heads and the leadership of management.

	Budgeted Amounts		Actual	Variations
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Expenditures:</i>				
Current:				
General government	2,210,675	2,258,129	2,138,760	\$ 119,369
Public safety	3,525,948	3,619,021	3,575,072	43,949
Culture and recreation	906,975	927,935	895,084	32,851
Health and welfare	346,878	356,132	315,377	40,755
Capital outlay	-	-	606,678	(60,678)
Total expenditures	\$ 6,990,476	\$ 7,161,217	\$ 7,530,971	\$ 176,246

Capital Asset and Debt Administration

Capital assets. The City of Bloomfield's capital assets for its governmental and business-type activities as of June 30, 2012 amount to \$46,986,261 (net of accumulated depreciation). Capital assets include land, land improvements, buildings and improvements, furniture, fixtures and equipment, and infrastructure. Total capital assets for governmental activities decreased by \$692,874, due to depreciation expense of \$1,060,348 offset by additions of \$367,474. Total capital assets for business-type activities increased by \$1,678,451, due to additions of \$2,089,169 offset by depreciation of \$410,718.

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

- \$1,987,779 was an addition to construction in progress for the Highway 64 Utilities Upgrade & Replacement project.
- \$238,563 was an addition to construction in progress for a fire training tower.
- \$54,492 was an addition to governmental equipment for three vehicles at the Bloomfield Senior Center.

State of New Mexico
City of Bloomfield
Management's Discussion and Analysis
June 30, 2012

Capital Asset and Debt Administration (continued)

Capital Assets, Net of Depreciation
June 30, 2012

	<u>Governmental Activities</u>	<u>Business-like Activities</u>	<u>Total</u>
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	7,019,474	181,421	7,200,895
Construction in progress	385,099	2,228,700	2,613,799
Infrastructure	10,893,976	-	10,893,976
Distribution system	-	9,907,574	9,907,574
Total capital assets	38,522,529	25,315,521	63,838,050
Accumulated depreciation	(9,092,634)	(7,759,155)	(16,851,789)
Capital assets, net of accumulated depreciation	<u>\$ 29,429,895</u>	<u>\$ 17,556,366</u>	<u>\$ 46,986,261</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 \$20,510,326.

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

- \$1,580,054 addition to loans payable to refinance the loan on the Fire Department. The old loan was paid off in the amount of \$1,607,758 using the proceeds of the new loan and the accumulated debt reserve.
- \$124,259 addition to loans payable for the construction of a new fire training tower.

City of Bloomfield's Outstanding Debt
June 30, 2012

	<u>Governmental Activities</u>	<u>Business-like Activities</u>	<u>Total</u>
General obligation bonds	\$ 1,285,000	\$ -	\$ 1,285,000
Capital leases	164,737	840,500	1,005,237
Loans payable	-	5,961,549	5,961,549
Promissory note	-	49,880	49,880
NMFA loans	9,642,717	-	9,642,717
EID notes	-	2,135,599	2,135,599
Compensated absences	359,780	70,564	430,344
Total long-term liabilities	<u>11,452,234</u>	<u>9,058,092</u>	<u>20,510,326</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, 2012

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, 2012

	Primary Government		Total
	Governmental Activities	Business-type Activities	
Assets			
Current assets			
Cash and cash equivalents	\$ 765,446	\$ 1,174,185	\$ 1,939,631
Property taxes receivable	80,073	-	80,073
Other taxes receivable	1,393,685	-	1,393,685
Due from customers (net)	-	511,461	511,461
Other receivables	421,641	-	421,641
Inventory	-	192,867	192,867
Internal balances	(70,914)	70,914	-
Total current assets	<u>2,589,931</u>	<u>1,949,427</u>	<u>4,539,358</u>
Noncurrent assets			
Restricted cash and cash equivalents	1,015,185	1,563,743	2,578,928
Bond issuance costs (net of accumulated amortization of \$17,314 and \$16,108, respectively)	146,761	61,619	208,380
Capital assets	38,522,529	25,315,521	63,838,050
Less: accumulated depreciation	<u>(9,092,634)</u>	<u>(7,759,155)</u>	<u>(16,851,789)</u>
Total noncurrent assets	<u>30,591,841</u>	<u>19,181,728</u>	<u>49,773,569</u>
Total assets	<u>\$ 33,181,772</u>	<u>\$ 21,131,155</u>	<u>\$ 54,312,927</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	\$ 29,216	\$ 1,838,338	\$ 1,867,554
Accrued payroll expenses	124,208	25,970	150,178
Accrued compensated absences	258,798	46,297	305,095
Meter deposits	-	86,583	86,583
Deferred revenue	-	23,100	23,100
Accrued interest	68,302	39,623	107,925
Current portion of bonds payable	170,000	-	170,000
Current portion of loans and notes payable	425,082	583,858	1,008,940
Total current liabilities	<u>1,075,606</u>	<u>2,643,769</u>	<u>3,719,375</u>
Noncurrent liabilities			
Accrued compensated absences	100,982	24,267	125,249
Bond underwriter premiums (net of accumulated amortization of \$5,530)	789	-	789
Bond discount (net of accumulated amortization of \$2,977)	(18,323)	-	(18,323)
Bonds payable	1,115,000	-	1,115,000
Loans and notes payable	9,382,372	8,403,670	17,786,042
Total noncurrent liabilities	<u>10,580,820</u>	<u>8,427,937</u>	<u>19,008,757</u>
Total liabilities	<u>11,656,426</u>	<u>11,071,706</u>	<u>22,728,132</u>
Net Assets			
Invested in capital assets, net of related debt	18,337,441	8,493,780	26,831,221
Restricted for:			
Debt service	1,240,168	-	1,240,168
Capital projects	95,697	-	95,697
Special revenue	348,224	-	348,224
Unrestricted	1,503,816	1,565,669	3,069,485
Total net assets	<u>21,525,346</u>	<u>10,059,449</u>	<u>31,584,795</u>
Total liabilities and net assets	<u>\$ 33,181,772</u>	<u>\$ 21,131,155</u>	<u>\$ 54,312,927</u>

STATE OF NEW MEXICO
City of Bloomfield
Statement of Activities
For the Year Ended June 30, 2012

<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				
General government	\$ 2,325,476	\$ 1,110,517	\$ 33,066	\$ -
Public safety	4,065,764	165	338,857	134,937
Public works	1,061,239	-	-	-
Culture and recreation	1,026,693	61,164	23,032	-
Health and welfare	358,225	1,788	24,100	-
Interest on long-term debt	570,343	-	-	-
<i>Total governmental activities</i>	<u>9,407,740</u>	<u>1,173,634</u>	<u>419,055</u>	<u>134,937</u>
Business-type Activities:				
Joint Utility	3,705,793	3,499,063	-	405,349
Solid Waste	649,989	749,883	-	-
<i>Total business-type activities</i>	<u>4,355,782</u>	<u>4,248,946</u>	<u>-</u>	<u>405,349</u>
<i>Total</i>	<u>\$ 13,763,522</u>	<u>\$ 5,422,580</u>	<u>\$ 419,055</u>	<u>\$ 540,286</u>

General Revenues and Transfers:

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

Total general revenues and transfers

Change in net assets

Net assets, beginning

Net assets, ending

The accompanying notes are an integral part of these financial statements

Net (Expense) Revenue and Changes in Net Assets		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (1,181,893)	\$ -	\$ (1,181,893)
(3,591,805)	-	(3,591,805)
(1,061,239)	-	(1,061,239)
(942,497)	-	(942,497)
(332,337)	-	(332,337)
(570,343)	-	(570,343)
<u>(7,680,114)</u>	<u>-</u>	<u>(7,680,114)</u>
-	198,619	198,619
<u>-</u>	<u>99,894</u>	<u>99,894</u>
-	298,513	298,513
<u>(7,680,114)</u>	<u>298,513</u>	<u>(7,381,601)</u>
579,388	-	579,388
235,904	-	235,904
6,216,998	-	6,216,998
219,669	-	219,669
292,424	-	292,424
57,443	-	57,443
3,643	2,392	6,035
23,123	2,907	26,030
<u>(38,375)</u>	<u>38,375</u>	<u>-</u>
<u>7,590,217</u>	<u>43,674</u>	<u>7,633,891</u>
(89,897)	342,187	252,290
<u>21,615,243</u>	<u>9,717,262</u>	<u>31,332,505</u>
<u>\$ 21,525,346</u>	<u>\$ 10,059,449</u>	<u>\$ 31,584,795</u>

STATE OF NEW MEXICO

City of Bloomfield
Balance Sheet
Governmental Funds
June 30, 2012

	<u>General Fund</u>	<u>Special Street Maintenance Capital Projects Fund</u>	<u>G.O. Bond Debt Service Fund</u>	<u>Other Governmental Funds</u>
<i>Assets</i>				
Cash and cash equivalents	\$ 29,678	\$ -	\$ 1,117,795	\$ 633,158
Receivables:				
Property taxes	57,000	-	23,073	-
Other taxes	1,251,894	40,684	-	101,107
Other receivables	76,148	345,493	-	-
Due from other funds	607,197	-	3,307	-
<i>Total assets</i>	<u>\$ 2,021,917</u>	<u>\$ 386,177</u>	<u>\$ 1,144,175</u>	<u>\$ 734,265</u>
<i>Liabilities and fund balances</i>				
<i>Liabilities</i>				
Accounts payable	\$ 28,605	\$ -	\$ -	\$ 611
Accrued payroll expenses	116,223	7,985	-	-
Deferred revenue	35,255	345,494	14,768	-
Due to other funds	3,307	577,537	-	100,574
<i>Total liabilities</i>	<u>183,390</u>	<u>931,016</u>	<u>14,768</u>	<u>101,185</u>
<i>Fund balances</i>				
Restricted	-	-	1,129,407	443,921
Committed	590,314	-	-	136,146
Assigned	-	-	-	54,563
Unassigned	1,248,213	(544,839)	-	(1,550)
<i>Total fund balances</i>	<u>1,838,527</u>	<u>(544,839)</u>	<u>1,129,407</u>	<u>633,080</u>
<i>Total liabilities and fund balances</i>	<u>\$ 2,021,917</u>	<u>\$ 386,177</u>	<u>\$ 1,144,175</u>	<u>\$ 734,265</u>

The accompanying notes are an integral part of these financial statements

Total

\$ 1,780,631

80,073

1,393,685

421,641

610,504

\$ 4,286,534

\$ 29,216

124,208

395,517

681,418

1,230,359

1,573,328

726,460

54,563

701,824

3,056,175

\$ 4,286,534

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STATE OF NEW MEXICO
City of Bloomfield
Governmental Funds
Reconciliation of the Balance Sheet to the Statement of Net Assets
June 30, 2012

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	\$	3,056,175
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		29,429,895
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		50,023
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		345,494
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		(68,302)
Current portion of accrued compensated absences		(258,798)
Long-term portion of accrued compensated absences		(100,982)
Bond issuance costs, net of amortization		146,761
Bond discounts, net of amortization		18,323
Bond underwriter premiums, net of amortization		(789)
Bonds and notes payable		<u>(11,092,454)</u>
Net assets of governmental activities	\$	<u><u>21,525,346</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2012

	General Fund	Special Street Maintenance Capital Projects Fund	G.O. Bond Debt Service Fund	Other Governmental Funds
<i>Revenues:</i>				
Taxes:				
Property	\$ 592,958	\$ -	\$ 241,083	\$ -
Gross receipts	5,743,983	-	-	473,015
Gasoline and motor vehicle	-	219,669	-	-
Other	292,436	-	-	57,431
Intergovernmental				
Federal operating grants	46,232	-	-	-
Federal capital grants	-	-	-	-
State operating grants	98,038	-	-	263,785
State capital grants	54,492	-	-	80,445
Charges for services	553,165	-	-	119,250
Licenses and fees	447,137	-	-	54,082
Contributions and donations	-	-	-	16,000
Investment income	59	-	3,576	8
Miscellaneous	19,111	-	-	4,012
<i>Total revenues</i>	<u>7,847,611</u>	<u>219,669</u>	<u>244,659</u>	<u>1,068,028</u>
<i>Expenditures:</i>				
Current:				
General government	2,028,335	-	2,390	53,324
Public safety	3,504,360	-	-	131,559
Public works	-	775,714	-	27,657
Culture and recreation	886,367	-	-	28,756
Health and welfare	313,779	-	-	24,968
Capital outlay	60,973	28,100	-	278,401
Debt service:				
Principal	-	54,440	2,021,348	-
Interest	-	9,174	568,171	-
Bond issuance costs	-	-	44,313	-
<i>Total expenditures</i>	<u>6,793,814</u>	<u>867,428</u>	<u>2,636,222</u>	<u>544,665</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>1,053,797</u>	<u>(647,759)</u>	<u>(2,391,563)</u>	<u>523,363</u>
<i>Other financing sources (uses)</i>				
Loan proceeds	-	-	1,594,313	110,000
Transfers in	-	680,000	1,719,357	230,597
Transfers out	(948,972)	-	-	(1,719,357)
<i>Total other financing sources (uses)</i>	<u>(948,972)</u>	<u>680,000</u>	<u>3,313,670</u>	<u>(1,378,760)</u>
<i>Net change in fund balance</i>	104,825	32,241	922,107	(855,397)
<i>Fund balance - beginning of year</i>	<u>1,733,702</u>	<u>(577,080)</u>	<u>207,300</u>	<u>1,488,477</u>
<i>Fund balance - end of year</i>	<u>\$ 1,838,527</u>	<u>\$ (544,839)</u>	<u>\$ 1,129,407</u>	<u>\$ 633,080</u>

The accompanying notes are an integral part of these financial statements

<u>Total</u>	
\$	834,041
	6,216,998
	219,669
	349,867
	46,232
	-
	361,823
	134,937
	672,415
	501,219
	16,000
	3,643
	23,123
	<u>9,379,967</u>
	2,084,049
	3,635,919
	803,371
	915,123
	338,747
	367,474
	2,075,788
	577,345
	44,313
	<u>10,842,129</u>
	<u>(1,462,162)</u>
	1,704,313
	2,629,954
	(2,668,329)
	<u>1,665,938</u>
	203,776
	<u>2,852,399</u>
\$	<u><u>3,056,175</u></u>

STATE OF NEW MEXICO

City of Bloomfield
Governmental Funds

Exhibit B-2
Page 2 of 2

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, 2012

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

Net change in fund balances - total governmental funds	\$	203,776
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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		367,474
Depreciation expense		(1,060,348)

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

Decrease in deferred revenue related to property taxes receivable		(18,749)
Decrease in deferred revenue related to capital grants		(5,000)

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

Decrease in accrued compensated absences		6,670
Decrease in accrued interest		7,001

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:

Capitalize loan issuance costs		44,313
Amortization of bond premiums and bond discounts		(785)
Amortization of bond issuance costs		(5,724)
Proceeds from the issuance of loans		(1,704,313)
Principal payments on bonds, loans and notes payable		2,075,788

Change in net assets of governmental activities	\$	<u>(89,897)</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, 2012

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues:</i>				
Taxes				
Property	\$ 531,759	\$ 531,759	\$ 590,980	\$ 59,221
Gross receipts	5,935,450	5,935,450	5,644,715	(290,735)
Gasoline and motor vehicle	-	-	-	-
Other	295,000	295,000	302,031	7,031
Intergovernmental income:				
Federal operating grant	-	-	-	-
State operating grant	143,600	143,600	162,554	18,954
Charges for services	559,700	559,700	549,021	(10,679)
Licenses and fees	381,100	381,100	447,170	66,070
Investment income	3,000	3,000	59	(2,941)
Miscellaneous	8,100	8,100	19,106	11,006
<i>Total revenues</i>	<u>7,857,709</u>	<u>7,857,709</u>	<u>7,715,636</u>	<u>(142,073)</u>
<i>Expenditures:</i>				
Current:				
General government	2,210,675	2,258,129	2,138,760	119,369
Public safety	3,525,948	3,619,021	3,575,070	43,951
Culture and recreation	906,975	927,935	895,084	32,851
Health and welfare	346,878	356,132	315,377	40,755
Capital outlay	-	-	60,678	(60,678)
<i>Total expenditures</i>	<u>6,990,476</u>	<u>7,161,217</u>	<u>6,984,969</u>	<u>176,248</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>867,233</u>	<u>696,492</u>	<u>730,667</u>	<u>34,175</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	105,738	276,479	-	(276,479)
Transfers in	-	-	-	-
Transfers out	(972,971)	(972,971)	(948,972)	23,999
<i>Total other financing sources (uses)</i>	<u>(867,233)</u>	<u>(696,492)</u>	<u>(948,972)</u>	<u>(252,480)</u>
<i>Net change in fund balance</i>	-	-	(218,305)	(218,305)
<i>Fund balance - beginning of year</i>	-	-	851,873	851,873
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 633,568</u>	<u>\$ 633,568</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ (218,305)	
Adjustments to revenues for property taxes and state operating grants.			131,974	
Adjustments to expenditures for salaries and operating expenses.			191,156	
Net change in fund balance (GAAP)			<u>\$ 104,825</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Statement of Net Assets
Proprietary Funds
June 30, 2012

Exhibit D-1

	Joint Utility	Solid Waste	Total
<i>Assets</i>			
<i>Current assets</i>			
Cash and cash equivalents	\$ 762,258	\$ 411,927	\$ 1,174,185
Accounts receivable (net of allowance for doubtful accounts of \$182,361 and \$19,188, respectively)	437,001	74,460	511,461
Inventory	192,867	-	192,867
Due from other funds	72,540	-	72,540
<i>Total current assets</i>	<u>1,464,666</u>	<u>486,387</u>	<u>1,951,053</u>
<i>Noncurrent assets</i>			
Restricted cash and cash equivalents	1,547,454	16,289	1,563,743
Bond issuance costs (net of amortization of \$16,108)	61,619	-	61,619
Capital assets	24,811,623	503,898	25,315,521
Accumulated depreciation	(7,693,648)	(65,507)	(7,759,155)
<i>Total noncurrent assets</i>	<u>18,727,048</u>	<u>454,680</u>	<u>19,181,728</u>
<i>Total assets</i>	<u>\$ 20,191,714</u>	<u>\$ 941,067</u>	<u>\$ 21,132,781</u>
<i>Liabilities and Net Assets</i>			
<i>Liabilities</i>			
<i>Current liabilities</i>			
Accounts payable	\$ 1,783,994	\$ 54,344	\$ 1,838,338
Accrued payroll expenses	25,970	-	25,970
Accrued compensated absences	46,297	-	46,297
Meter deposits	86,583	-	86,583
Due to other funds	1,626	-	1,626
Deferred revenue	-	23,100	23,100
Accrued interest	38,517	1,106	39,623
Current maturity of loans, notes and capital leases payable	574,347	9,511	583,858
<i>Total current liabilities</i>	<u>2,557,334</u>	<u>88,061</u>	<u>2,645,395</u>
<i>Noncurrent liabilities</i>			
Accrued compensated absences	24,267	-	24,267
Loans, notes and capital leases payable	8,254,163	149,507	8,403,670
<i>Total noncurrent liabilities</i>	<u>8,278,430</u>	<u>149,507</u>	<u>8,427,937</u>
<i>Total liabilities</i>	<u>10,835,764</u>	<u>237,568</u>	<u>11,073,332</u>
<i>Net assets</i>			
Invested in capital assets, net of related debt	8,198,118	295,662	8,493,780
Unrestricted	1,157,832	407,837	1,565,669
<i>Total net assets</i>	<u>9,355,950</u>	<u>703,499</u>	<u>10,059,449</u>
<i>Total liabilities and net assets</i>	<u>\$ 20,191,714</u>	<u>\$ 941,067</u>	<u>\$ 21,132,781</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 Net Assets

Proprietary Funds

For the Year Ended June 30, 2012

	<u>Joint Utility</u>	<u>Solid Waste</u>	<u>Total</u>
<i>Operating revenues:</i>			
Charges for services	\$ 3,499,063	\$ 749,883	\$ 4,248,946
<i>Total operating revenues</i>	<u>3,499,063</u>	<u>749,883</u>	<u>4,248,946</u>
<i>Operating expenses:</i>			
Depreciation	400,640	10,078	410,718
Personnel services	1,436,013	-	1,436,013
Contractual services	168,234	631,738	799,972
Supplies and purchased power	504,917	-	504,917
Maintenance and materials	529,719	-	529,719
Miscellaneous	186,739	-	186,739
Utilities	37,373	-	37,373
Equipment	10,614	-	10,614
Gross receipts taxes	214,843	-	214,843
<i>Total operating expenses</i>	<u>3,489,092</u>	<u>641,816</u>	<u>4,130,908</u>
<i>Operating income (loss)</i>	<u>9,971</u>	<u>108,067</u>	<u>118,038</u>
<i>Non-operating revenues (expenses):</i>			
Interest expense	(212,621)	(8,173)	(220,794)
Investment income	2,321	71	2,392
Miscellaneous financing costs	(4,080)	-	(4,080)
Miscellaneous income	2,907	-	2,907
<i>Total non-operating revenues (expenses)</i>	<u>(211,473)</u>	<u>(8,102)</u>	<u>(219,575)</u>
<i>Income (loss) before contributions and transfers</i>	<u>(201,502)</u>	<u>99,965</u>	<u>(101,537)</u>
Government contributions	405,349	-	405,349
Transfers in	121,862	-	121,862
Transfers out	(83,487)	-	(83,487)
<i>Change in net assets</i>	242,222	99,965	342,187
<i>Total net assets, beginning of year</i>	<u>9,113,728</u>	<u>603,534</u>	<u>9,717,262</u>
<i>Total net assets, end of year</i>	<u>\$ 9,355,950</u>	<u>\$ 703,499</u>	<u>\$ 10,059,449</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, 2012

Exhibit D-3

	Joint Utility	Solid Waste	Total
<i>Cash flows from operating activities:</i>			
Cash received from user charges	\$ 3,454,371	\$ 710,142	\$ 4,164,513
Cash from other sources	-	-	-
Cash payments to employees for services	(1,462,421)	-	(1,462,421)
Cash payments to suppliers for goods and services	(1,377,714)	(577,394)	(1,955,108)
<i>Net cash provided by operating activities</i>	614,236	132,748	746,984
<i>Cash flows from noncapital financing activities:</i>			
Internal balances and transfers	24,501	224,894	249,395
<i>Net cash provided by noncapital financing activities</i>	24,501	224,894	249,395
<i>Cash flows from investing activities:</i>			
Acquisition of capital assets	(475,332)	-	(475,332)
Interest on investments	2,321	71	2,392
<i>Net cash provided (used) by investing activities</i>	(473,011)	71	(472,940)
<i>Cash flows from capital and related financing activities:</i>			
Capital grants received	405,349	-	405,349
Interest paid	(212,105)	(7,067)	(219,172)
Proceeds from issuance of long-term debt	-	-	-
Principal payments on bonds, loans and notes payable	(583,337)	(9,174)	(592,511)
<i>Net cash (used) by capital and related financing activities</i>	(390,093)	(16,241)	(406,334)
<i>Net increase (decrease) in cash and cash equivalents</i>	(224,367)	341,472	117,105
<i>Cash and cash equivalents - beginning of year</i>	2,534,079	86,744	2,620,823
<i>Cash and cash equivalents - end of year</i>	\$ 2,309,712	\$ 428,216	\$ 2,737,928
<i>Reconciliation of operating income (loss) to net cash provided by operating activities:</i>			
Operating income (loss)	\$ 9,971	\$ 108,067	\$ 118,038
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	400,640	10,078	410,718
Miscellaneous income	2,907	-	2,907
Changes in assets and liabilities			
Receivables	(47,599)	(9,641)	(57,240)
Inventory	141,069	-	141,069
Accounts payable	127,738	54,344	182,082
Accrued payroll expenses	(26,670)	-	(26,670)
Accrued compensated absences	262	-	262
Meter deposits	5,918	-	5,918
Deferred revenue	-	(30,100)	(30,100)
<i>Net cash provided by operating activities</i>	\$ 614,236	\$ 132,748	\$ 746,984

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, 2012

Exhibit E-1

<i>Assets</i>	
Cash	<u>\$ 1,340</u>
<i>Total assets</i>	<u><u>\$ 1,340</u></u>
<i>Liabilities</i>	
Due to other entities	<u>\$ 1,340</u>
<i>Total liabilities</i>	<u><u>\$ 1,340</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2012

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 Statements 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, 2012

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, 2012

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, 2012

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 *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 *G.O. Bond Debt Service Fund* accounts for the principal and interest expenditures on the City's general obligation bonds and NMFA loans.

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, 2012

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, 2012.

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, 2012

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
Buildings and improvements	45
Land improvements	20
Furniture, fixtures, and equipment	5-20

Accrued Expenses: Accrued expenses are comprised of payroll expenditures based on amounts earned by the employees through June 30, 2012, 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, 2012

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, 2012, the City did not have any nonspendable fund balance categorized in the governmental funds balance sheet.

Restricted and Committed Fund Balance: At June 30, 2012, the City has presented restricted fund balance on the governmental funds balance sheet in the amount of \$1,573,328 for various City operations, of which \$303,190 is restricted by enabling legislation, and \$1,270,138 by externally imposed restrictions from creditors, grantors, contributors, or laws or regulations of other governments. The City has also presented committed fund balance on the governmental funds balance sheet in the amount of \$136,146 in order to provide services throughout the City. These commitments were imposed by formal action of the City Council. Assigned fund balance, in the amount of \$54,563, has also been reported, of which \$34,534 was assigned by the City Council, and \$20,029 was assigned at the department level by policy. The details of these fund balance restrictions, commitments, and assignments are located on pages 39, and 68-70.

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2012

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. At June 30, 2012, the City Committed \$590,314 for emergency reserves.

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.

Governmental fund budgets are prepared on the Non-GAAP basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year. Proprietary fund budgets are prepared on the GAAP basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year.

The budgetary information presented in these financial statements has been amended in accordance with the above procedures. These amendments resulted in the following governmental fund changes:

	Excess (deficiency) of revenues over expenditures	
	Original Budget	Final Budget
Budgeted Funds:		
General Fund	\$ 867,233	\$ 696,492
Street Maintenance Fund	\$ (28,598)	\$ 7,927
G.O. Bond Debt Service Fund	\$ (11,037)	\$ 15,725
Other Governmental Funds	\$ -	\$ (17,235)

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, 2012

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, 2012 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, 2012.

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.

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 December 31, 2012 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)
- Up to \$250,000 for the combined amount of all interest-bearing demand deposit accounts, and
- Unlimited coverage for noninterest-bearing transaction (demand deposit) accounts.

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2012

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, 2012, none of the City’s bank balances of \$2,158,902 was exposed to custodial credit risk.

	<u>Wells Fargo Bank</u>	<u>Citizen's Bank</u>	<u>Total</u>
Amount of deposits	\$ 1,234,836	\$ 924,066	\$ 2,158,902
Deposit accounts covered by the "Dodd-Frank Deposit Insurance Provision"	<u>(1,234,836)</u>	<u>(924,066)</u>	<u>(2,158,902)</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>-</u>	<u>1,008,215</u>	<u>1,008,215</u>
Over (Under) collateralized	<u>\$ -</u>	<u>\$ 1,008,215</u>	<u>\$ 1,008,215</u>

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

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, 2012 was \$2,492,350.

As of June 30, 2012, 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 Rating based on Moody’s	<360 days	\$ 2,492,350	AAA

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, 2012. The following individual funds had negative cash balances as of June 30, 2012:

Governmental Activities

Capital Equipment Replacement Special Revenue Fund	\$ 72,540
Special Street Maintenance Capital Projects Fund	<u>577,537</u>
	<u>\$ 650,077</u>

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2012

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	\$1,939,631
Restricted cash and cash equivalents per Exhibit A-1	2,578,928
Agency funds cash per Exhibit E-1	<u>1,340</u>
Total cash and cash equivalents	<u>4,519,899</u>
Add: deposits in transit and other reconciling items	134,553
Less: U.S. Treasury Money Market Mutual Fund	(2,492,350)
Less: petty cash	<u>(3,200)</u>
Bank balance of deposits	<u><u>\$2,158,902</u></u>

NOTE 4. Receivables

Receivables as of June 30, 2012, 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>G.O. Bond Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Property taxes	\$ 57,000	\$ -	\$ 23,073	\$ -	\$ 80,073
Other taxes:					
Gross receipts taxes	1,122,457	-	-	94,952	1,217,409
Gasoline taxes	-	40,684	-	-	40,684
Motor vehicle taxes	14,287	-	-	-	14,287
Franchise and lodgers taxes	115,150	-	-	6,155	121,305
Other receivables:					
Intergovernmental grants:					
Federal	10,740	345,493	-	-	356,233
State	56,590	-	-	-	56,590
Contributions and donations	-	-	-	-	-
Miscellaneous	8,818	-	-	-	8,818
Totals	<u>\$ 1,385,042</u>	<u>\$ 386,177</u>	<u>\$ 23,073</u>	<u>\$ 101,107</u>	<u>\$ 1,895,399</u>

In accordance with GASB Statement No. 33, the property tax revenues that were not collected within the period of availability, \$50,023, have been reclassified as deferred revenue in the governmental fund financial statements. Also, \$345,494, related to capital grants 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, 2012

NOTE 4. Receivables (continued)

Business-Type Activities:

	<u>Joint Utility</u>	<u>Solid Waste</u>	<u>Total</u>
Utility fees	\$ 619,362	\$ 93,648	\$ 713,010
Less: Allowance for uncollectible accounts	(182,361)	(19,188)	(201,549)
Totals	<u>\$ 437,001</u>	<u>\$ 74,460</u>	<u>\$ 511,461</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	Joint Utility Fund	\$ 121,862
General Fund	Special Street Maintenance Fund	680,000
General Fund	Capital Equipment Replacement Fund	147,110
Fire Protection Fund	G.O. Bond Fund	114,837
Capital Equipment Replacement Fund	G.O. Bond Fund	759,728
Fire, Police, CRT, and City Hall Fund	G.O. Bond Fund	844,792
Joint Utility Fund	Dam Rehabilitation Fund	83,487
Total		<u>\$ 2,751,816</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	577,537
General Fund	Joint Utility Fund	1,626
General Fund	Senior Citizens Fund	25,184
Joint Utility Fund	Capital Equipment Replacement Fund	72,540
G.O. Bond Fund	General Fund	3,307
		<u>\$ 683,044</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, 2012

NOTE 6. Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2012, 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, 2011	Additions & Transfers In	Deletions & Transfers Out	Balance June 30, 2012
Capital assets not being depreciated:				
Land	\$ 2,256,522	\$ -	\$ -	\$ 2,256,522
Construction in progress	475,995	266,663	357,559	385,099
	<u>2,732,517</u>	<u>266,663</u>	<u>357,559</u>	<u>2,641,621</u>
Capital assets being depreciated:				
Land improvements	804,756	-	-	804,756
Buildings and improvements	17,162,702	-	-	17,162,702
Furniture, fixtures and equipment	6,561,104	458,370	-	7,019,474
Infrastructure	10,893,976	-	-	10,893,976
	<u>35,422,538</u>	<u>458,370</u>	<u>-</u>	<u>35,880,908</u>
Total capital assets	<u>38,155,055</u>	<u>725,033</u>	<u>357,559</u>	<u>38,522,529</u>
Accumulated depreciation:				
Land improvements	384,168	26,891	-	411,059
Buildings and improvements	2,916,397	355,164	-	3,271,561
Furniture, fixtures and equipment	4,473,233	414,831	-	4,888,064
Infrastructure	258,488	263,462	-	521,950
Total accumulated depreciation	<u>8,032,286</u>	<u>1,060,348</u>	<u>-</u>	<u>9,092,634</u>
Net Capital Assets	<u>\$ 30,122,769</u>	<u>\$ (335,315)</u>	<u>\$ 357,559</u>	<u>\$ 29,429,895</u>

Depreciation expense for the year ended June 30, 2012 was charged to governmental activities as follows:

General Government	\$ 241,416
Public Safety	430,005
Public Works	257,879
Culture and Recreation	111,570
Health and Welfare	<u>19,478</u>
Total	<u>\$ 1,060,348</u>

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2012

NOTE 6. Capital Assets (continued)

Business-type Activities:

	Balance June 30, 2011	Additions & Transfers In	Deletions & Transfers Out	Balance June 30, 2012
Capital assets not being depreciated:				
Land	\$ 395,469	\$ -	\$ -	\$ 395,469
Construction in progress	240,921	1,987,779	-	2,228,700
	<u>636,390</u>	<u>1,987,779</u>	<u>-</u>	<u>2,624,169</u>
Capital assets being depreciated:				
Land improvements	1,712,773	-	-	1,712,773
Buildings and improvements	10,889,584	-	-	10,889,584
Distribution system	9,907,574	-	-	9,907,574
Furniture, fixtures and equipment	80,031	101,390	-	181,421
	<u>22,589,962</u>	<u>101,390</u>	<u>-</u>	<u>22,691,352</u>
Total capital assets	<u>23,226,352</u>	<u>2,089,169</u>	<u>-</u>	<u>25,315,521</u>
Accumulated depreciation:				
Land improvements	74,358	34,283	-	108,641
Buildings and improvements	1,948,846	219,366	-	2,168,212
Distribution system	5,269,571	148,582	-	5,418,153
Furniture, fixtures and equipment	55,662	8,487	-	64,149
Total accumulated depreciation	<u>7,348,437</u>	<u>410,718</u>	<u>-</u>	<u>7,759,155</u>
Net Book Value	<u>\$ 15,877,915</u>	<u>\$ 1,678,451</u>	<u>\$ -</u>	<u>\$ 17,556,366</u>

Depreciation expense charged to business-type activities for the year ended June 30, 2012 was \$410,718.

NOTE 7. Long-term Debt

During the year ended June 30, 2012, the following changes occurred in the liabilities reported in the government-wide statement of net assets:

Governmental Activities

	Balance June 30, 2011	Additions	Retirements	Balance June 30, 2012	Due Within One Year
2000 General Obligation B Series	\$ 300,000	\$ -	\$ 65,000	\$ 235,000	\$ 70,000
2005 General Obligation Series	1,150,000	-	100,000	1,050,000	100,000
Capital Lease	219,177	-	54,440	164,737	56,996
NMFA Loans	9,794,752	1,704,313	1,856,348	9,642,717	368,086
Compensated Absences	<u>366,450</u>	<u>252,128</u>	<u>258,798</u>	<u>359,780</u>	<u>258,798</u>
Total Long-term Debt	<u>\$ 11,830,379</u>	<u>\$ 1,956,441</u>	<u>\$ 2,334,586</u>	<u>\$ 11,452,234</u>	<u>\$ 853,880</u>

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2012

NOTE 7. Long-term Debt (continued)

Description	Date of Issue	Term	Interest Rate	Original Amount of Issue	Balance as of June 30, 2012
2000 General Obligation B Series	February 2000	15 years	5.50%-6.00%	\$ 615,000	\$ 235,000
2005 General Obligation Series	January 2005	15 years	2.80%-4.30%	1,600,000	1,050,000
NMFA PPRF Loan-Refinance Fire Dept Loan	April 2012	18 years	3.25%	1,580,054	1,580,054
NMFA PPRF Loan-Fire Pumper	December 2007	10 years	3.96%	511,112	333,404
NMFA Pol/Crt/MVD	January 2009	34 years	5.71%	7,984,137	7,605,000
NMFA Fire Training Tower	January 2012	4 years	0.92%	124,259	124,259
Loader Lease	September 2008	5 years	6.35%	111,290	48,661
Grader Lease	November 2010	5 years	3.50%	169,235	116,076
					<u>\$ 11,092,454</u>

The annual requirements to amortize the Bonds as of June 30, 2012, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
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	115,000	23,315	138,315
2018-2022	510,000	44,025	554,025
	<u>\$ 1,285,000</u>	<u>\$ 221,720</u>	<u>\$ 1,506,720</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, 2012, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2013	\$ 368,086	\$ 483,733	\$ 851,819
2014	382,189	468,827	851,016
2015	395,230	456,436	851,666
2016	408,738	442,578	851,316
2017	390,840	426,695	817,535
2018-2022	1,950,281	1,878,000	3,828,281
2023-2027	2,411,261	1,360,262	3,771,523
2028-2032	2,741,092	658,817	3,399,909
2033-2037	595,000	35,700	630,700
	<u>\$ 9,642,717</u>	<u>\$ 6,211,048</u>	<u>\$ 15,853,765</u>

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2012

NOTE 7. Long-term Debt (continued)

The annual requirements to amortize the capital lease as of June 30, 2012, including interest payments are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2013	\$ 56,997	\$ 6,619	\$ 63,616
2014	59,681	3,934	63,615
2015	35,833	1,111	36,944
2016	12,226	89	12,315
	<u>\$ 164,737</u>	<u>\$ 11,753</u>	<u>\$ 176,490</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, 2012, long-term compensated absences decreased \$6,670 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, 2012:

Proprietary Funds

	<u>Balance</u>			<u>Balance</u>		<u>Due Within One Year</u>
	<u>June 30, 2011</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2012</u>		
EID Notes	\$ 2,271,300	\$ -	\$ 135,701	\$ 2,135,599	\$ 139,772	
Loans Payable	6,315,059	-	353,510	5,961,549	345,006	
Promissory Note	99,880	-	50,000	49,880	49,880	
Capital Lease	893,800	-	53,300	840,500	49,200	
Compensated Absences	70,302	46,559	46,297	70,564	46,297	
Total Long-term Debt	<u>\$ 9,650,341</u>	<u>\$ 46,559</u>	<u>\$ 638,808</u>	<u>\$ 9,058,092</u>	<u>\$ 630,155</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, 2012

NOTE 7. Long-term Debt (continued)

Fiscal Year Ending June 30,	Principal		Interest		Total Debt Service
	Note 1	Note 2	Note 1	Note 2	
	2013	\$ 8,009	\$ 7,694	\$ 240	\$ 231

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, 2012, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
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	139,642	48,025	187,667
2018-2022	763,617	174,716	938,333
2023-2027	697,575	53,091	750,666
	<u>\$ 2,119,896</u>	<u>\$ 507,437</u>	<u>\$ 2,627,333</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, 2012, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
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	191,683	46,663	238,346
2018-2022	1,017,630	174,248	1,191,878
2023-2027	1,123,820	68,322	1,192,142
	<u>\$ 3,062,922</u>	<u>\$ 512,734</u>	<u>\$ 3,575,656</u>

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2012

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, 2012, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
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	21,476	2,955	24,431
2018-2022	✓ 48,398	✓ 5,257	53,655
	<u>\$ 203,668</u>	<u>\$ 33,043</u>	<u>\$ 236,711</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, 2012, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
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	4,547	115	4,662
2018-2022	✓ 22,904	✓ 404	23,308
2023-2027	✓ 18,529	✓ 116	18,645
	<u>\$ 64,053</u>	<u>\$ 1,207</u>	<u>\$ 65,260</u>

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2012

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, 2012, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
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	3,040	92	3,132
2018-2022	✚ 15,317	✚ 348	15,665
2023-2027	✚ 15,510	✚ 156	15,666
2028-2032	3,124	8	3,132
	<u>\$ 49,077</u>	<u>\$ 1,050</u>	<u>\$ 50,127</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, 2012, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
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	10,903	388	11,291
2018-2022	✚ 54,926	✚ 1,529	56,455
2023-2027	✚ 55,616	✚ 839	56,455
2028-2032	✚ 33,704	✚ 169	33,873
	<u>\$ 198,491</u>	<u>\$ 4,747</u>	<u>\$ 203,238</u>

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2012

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, 2012, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
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	24,279	9,329	33,608
2018-2022	✦ 132,768	✦ 35,272	168,040
2023-2027	✦ 153,913	✦ 14,125	168,038
	<u>\$ 401,208</u>	<u>\$ 102,910</u>	<u>\$ 504,118</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, 2012, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
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	9,725	4,140	13,865
2018-2022	✦ 53,179	✦ 16,147	69,326
2023-2027	✦ 61,649	✦ 7,677	69,326
2028-2032	13,462	403	13,865
	<u>\$ 174,161</u>	<u>\$ 47,681</u>	<u>\$ 221,842</u>

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2012

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, 2012, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
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	11,101	5,144	16,245
2018-2022	✻ 62,909	18,336	81,245
2023-2027	✻ 44,701	4,063	48,764
	<u>\$ 159,018</u>	<u>\$ 52,206</u>	<u>\$ 211,224</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, 2012, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
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	2,726	97	2,823
2018-2022	✻ 13,731	✻ 382	14,113
2023-2027	✻ 13,905	✻ 210	14,115
2028-2032	✻ 8,426	✻ 42	8,468
	<u>\$ 49,623</u>	<u>\$ 1,187</u>	<u>\$ 50,810</u>

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2012

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, 2012, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2013	\$ 55,388	\$ 50,519	\$ 105,907
2014	55,925	49,982	105,907
2015	56,680	49,227	105,907
2016	57,695	48,212	105,907
2017	58,918	46,989	105,907
2018-2022	321,320	208,214	529,534
2023-2027	387,449	142,087	529,536
2028-2032	377,670	45,958	423,628
	<u>\$ 1,371,045</u>	<u>\$ 641,188</u>	<u>\$ 2,012,233</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, 2012, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
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	11,865	453	12,318
2018-2022	59,770	1,818	61,588
2023-2027	60,521	1,067	61,588
2028-2032	48,963	306	49,269
	<u>\$ 228,283</u>	<u>\$ 5,750</u>	<u>\$ 234,033</u>

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2012

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
2013	\$ 203,840	\$ 490,588	\$ 694,428
2014	187,667	480,547	668,214
2015	187,667	478,907	666,574
2016	187,667	477,267	664,934
2017	187,667	466,628	654,295
2018-2022	938,333	2,264,805	3,203,138
2023-2027	750,666	2,174,274	2,924,940
2028-2032	-	532,236	532,236
Total Payments	\$ 2,643,507	\$ 7,365,252	\$ 10,008,759
Less Interest	(507,908)	(1,403,703)	(1,911,611)
Net Long-term Debt	<u>\$ 2,135,599</u>	<u>\$ 5,961,549</u>	<u>\$ 8,097,148</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, 2012, 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, 2012, 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, 2012

NOTE 9. Pension Plan- Public Employees Retirement Association

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 Employees 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, 2012, 2011 and 2010 were \$509,257, \$517,701, and \$514,841, respectively, which equal the amount of the required contributions for each fiscal year.

NOTE 10. Post-Employment Benefits- State Retiree Health Care Plan

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, 2012

NOTE 10. Post-Employment Benefits- State Retiree Health Care Plan (continued)

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. During the fiscal year ended June 30, 2012, the statute required each participating employer to contribute 1.834% of each participating employee’s annual salary; each participating employee was required to contribute .917% of their salary. In fiscal year ending 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>
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]), during the fiscal year ended June 30, 2012, the statute required each participating employer to contribute 2.292% of each participating employee’s annual salary, and each participating employee was required to contribute 1.146% of their salary. In the fiscal year ending June 30, 2013 the contribution rates for both employees and employers will rise as follows:

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

Also, employers joining the program after January 1, 1998 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, 2012, 2011, and 2010 were \$81,102, \$76,101, and \$55,584, respectively, which equal the required contributions 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, 2012

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/Annually
City contributions	\$5,129
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, 2012

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, 2012

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, 2012

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, 2012, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or disclosures is November 30, 2012 which is the date on which the financial statements were available to be issued.

There were no events that occurred during this time period that would require adjustment to the financial statements or disclosure in the notes to the financial statements.

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, 2012:

Special Street Maintenance Capital Projects Fund	\$ 544,839
KAB-Bloomfield Pride Special Revenue Fund	1,550

B. Excess of expenditures over appropriations. The following fund exceeded approved budgetary authority for the year ended June 30, 2012:

G.O. Bond Debt Service Fund	\$ 2,366,853
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C. Designated cash appropriations in excess of available balances. There were no funds with designated cash appropriations in excess of available balances at June 30, 2012:

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2012

NOTE 17. Restricted Net Assets

The government-wide statement of net assets reports \$1,684,089 of restricted assets, \$303,190 of which is restricted by enabling legislation, and \$1,380,899 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 39, and 68-70.

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 March 2012, Statement No. 65 *Items Previously Reported as Assets and Liabilities*, Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. Earlier application is encouraged. The standard will be implemented for year ending June 30, 2013.

In March 2012, Statement No. 66 *Technical Corrections-2012—an amendment of GASB Statements No. 10 and No.62*, Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. Earlier application is encouraged. The standard is expected to have no effect on the City in upcoming years.

In June 2012, Statement No. 67 *Financial Reporting for Pension Plans—an amendment of GASB Statements No. 25*, Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2013. Earlier application is encouraged. The standard is expected to have no effect on the City in upcoming years.

In June 2012, Statement No. 68 *Accounting and Financial Reporting for Pensions—an amendment of GASB Statements No. 27*, Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2014. Earlier application is encouraged. The standard is expected to have no effect on the City in upcoming years.

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2012

NOTE 19. Pledged Revenues

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

Debt	Original Amount	Amount Outstanding at June 30, 2012	Maturity Date	Pledged Revenue	
2000 General Obligation B Series	615,000	235,000	8/2014	General (ad valorem) taxes levied against all taxable property within the City without limitation as to rate or amount	
2005 General Obligation Series	1,060,000	1,050,000	8/2020		
NMFA PPRF Loan-Refinance Fire Dept Loan	1,580,054	1,580,054	5/2030	Capital outlay (0.25%) and municipal (0.25%) gross receipts tax	
NMFA Pol/Crt/MVD	7,984,137	7,605,000	6/2033		
NMFA PPRF Loan-Fire Pumper	511,112	333,404	5/2018	State fire protection fund distribution	
NMFA PPRF Loan-Fire Training Tower	124,259	124,259	5/2016		
EID Note 1 - Sewer Line	120,000	8,009	9/2012	Net utility system revenues	
EID Note 2 - Water Line	110,000	7,694	11/2012		
NMED Waste Water Plant	2,700,000	2,119,896	4/2026		
WTB Water Plant	87,500	64,053	6/2026		
WTB North Heights Water Line	60,000	49,077	6/2028		
WTB Water Storage Tank	220,000	198,491	6/2030		
WTB Blanco/Navajo Dam Regional Proj	55,000	49,623	6/2030		
WTB Highway 64 Water Lines	240,000	228,283	6/2031		
NMED Water Plant	500,000	401,208	4/2027		
NMED Water Rights	206,277	174,161	2/2028		
NMFA Solid Waste Building	216,218	159,018	5/2025		
NMFA Water Plant	3,737,000	3,062,922	4/2027		Net utility system revenues and state-shared gross receipts tax
NMFA Revenue Bond Refunding	528,051	203,668	5/2022		
NMFA Highway 64 Sewer Lines	1,426,075	1,371,045	5/2031	Municipal infrastructure gross receipts tax - 0.125%	

NOTE 20. Construction Commitments

The City has committed to pay for the following construction contracts that were not completed at June 30, 2012 in the amount of \$285,666:

<u>Project Description</u>	<u>Contract Amount Remaining</u>
Hwy 64 Utilities Upgrade & Replacement	\$ 119,430
Fire Training Tower	166,236
Total	<u>\$ 285,666</u>

SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
City of Bloomfield
Nonmajor Funds Descriptions
June 30, 2012

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
Nonmajor Funds Descriptions
June 30, 2012

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-McKinley 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
Nonmajor Funds Descriptions
June 30, 2012

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.

Fire, Police, CRT, and City Hall Fund

To account for the proceeds and expenditures of bonds issued for constructing, purchasing, rehabilitating or remodeling public buildings, including additions and improvements. Fund authorized by City Council.

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.

Dam Rehabilitation Fund

To accumulate and account for costs of a project to rehabilitate the dam at the City's reservoir. This project will be funded from City money along with State and Federal appropriations. Fund authorized by City Council.

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.

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STATE OF NEW MEXICO
City of Bloomfield
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2012

Special Revenue

	Fire Protection Fund	Recreation Fund	Capital Equipment Replacement	Correction Fees Fund
<i>Assets</i>				
Cash and cash equivalents	\$ 167,535	\$ 19,291	\$ -	\$ 449
Receivables:				
Other taxes	-	-	94,952	-
<i>Total assets</i>	<u>\$ 167,535</u>	<u>\$ 19,291</u>	<u>\$ 94,952</u>	<u>\$ 449</u>
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	72,540	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>72,540</u>	<u>-</u>
<i>Fund balances</i>				
Restricted	167,535	-	-	449
Committed	-	-	-	-
Assigned	-	19,291	22,412	-
Unassigned	-	-	-	-
<i>Total fund balances</i>	<u>167,535</u>	<u>19,291</u>	<u>22,412</u>	<u>449</u>
<i>Total liabilities and fund balances</i>	<u>\$ 167,535</u>	<u>\$ 19,291</u>	<u>\$ 94,952</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	\$ 126	\$ 37,296	\$ 15,537	\$ -	\$ 32,032
-	-	-	-	-	-
<u>\$ 6,029</u>	<u>\$ 126</u>	<u>\$ 37,296</u>	<u>\$ 15,537</u>	<u>\$ -</u>	<u>\$ 32,032</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	126	37,296	15,537	-	32,032
6,029	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>6,029</u>	<u>126</u>	<u>37,296</u>	<u>15,537</u>	<u>-</u>	<u>32,032</u>
<u>\$ 6,029</u>	<u>\$ 126</u>	<u>\$ 37,296</u>	<u>\$ 15,537</u>	<u>\$ -</u>	<u>\$ 32,032</u>

STATE OF NEW MEXICO
City of Bloomfield
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2012

Special Revenue

	Court Automation Fund	LLEBG Grant	KAB - Bloomfield Pride	Emergency Medical Fund
<i>Assets</i>				
Cash and cash equivalents	\$ 6,838	\$ -	\$ 1,300	\$ -
Receivables:				
Other taxes	-	-	-	-
<i>Total assets</i>	<u>\$ 6,838</u>	<u>\$ -</u>	<u>\$ 1,300</u>	<u>\$ -</u>
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
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	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	(1,550)	-
<i>Total fund balances</i>	<u>6,838</u>	<u>-</u>	<u>(1,550)</u>	<u>-</u>
<i>Total liabilities and fund balances</i>	<u>\$ 6,838</u>	<u>\$ -</u>	<u>\$ 1,300</u>	<u>\$ -</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
\$ 25,922	\$ 22,370	\$ 2,554	\$ 57,943	\$ 124,188	\$ 5,929
-	-	-	6,155	-	-
<u>\$ 25,922</u>	<u>\$ 22,370</u>	<u>\$ 2,554</u>	<u>\$ 64,098</u>	<u>\$ 124,188</u>	<u>\$ 5,929</u>
\$ -	\$ -	\$ -	\$ 611	\$ -	\$ -
25,184	-	-	-	-	-
<u>25,184</u>	<u>-</u>	<u>-</u>	<u>611</u>	<u>-</u>	<u>-</u>
-	22,370	2,554	63,487	-	-
-	-	-	-	124,188	5,929
738	-	-	-	-	-
-	-	-	-	-	-
<u>738</u>	<u>22,370</u>	<u>2,554</u>	<u>63,487</u>	<u>124,188</u>	<u>5,929</u>
<u>\$ 25,922</u>	<u>\$ 22,370</u>	<u>\$ 2,554</u>	<u>\$ 64,098</u>	<u>\$ 124,188</u>	<u>\$ 5,929</u>

STATE OF NEW MEXICO
City of Bloomfield
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2012

Capital Projects

	<u>Park Purchase & Improvement</u>	<u>Fire, Police, CRT, and City Hall</u>	<u>Industrial Park</u>	<u>Highway Co-op Projects</u>
<i>Assets</i>				
Cash and cash equivalents	\$ 12,287	\$ 12,122	\$ 74,970	\$ 5,969
Receivables:				
Other taxes	-	-	-	-
<i>Total assets</i>	<u>\$ 12,287</u>	<u>\$ 12,122</u>	<u>\$ 74,970</u>	<u>\$ 5,969</u>
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>				
Restricted	12,287	-	74,970	5,969
Committed	-	-	-	-
Assigned	-	12,122	-	-
Unassigned	-	-	-	-
<i>Total fund balances</i>	<u>12,287</u>	<u>12,122</u>	<u>74,970</u>	<u>5,969</u>
<i>Total liabilities and fund balances</i>	<u>\$ 12,287</u>	<u>\$ 12,122</u>	<u>\$ 74,970</u>	<u>\$ 5,969</u>

The accompanying notes are an integral part of these financial statements

<u>Capital Projects</u>			
<u>Dam Rehabilitation</u>	<u>CDBG Church Street Project</u>	<u>Park Improvements</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ 2,471	\$ 633,158
-	-	-	101,107
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,471</u>	<u>\$ 734,265</u>
\$ -	\$ -	\$ -	\$ 611
-	-	-	100,574
-	-	-	101,185
-	-	2,471	443,921
-	-	-	136,146
-	-	-	54,563
-	-	-	(1,550)
-	-	2,471	633,080
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,471</u>	<u>\$ 734,265</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, 2012

Special Revenue

	Fire Protection Fund	Recreation Fund	Capital Equipment Replacement	Correction Fees Fund
<i>Revenues:</i>				
<i>Taxes:</i>				
Gross receipts	\$ -	\$ -	\$ 473,015	\$ -
Other	-	6	-	-
<i>Intergovernmental:</i>				
State operating grants	212,876	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	119,250	-
Licenses and fees	-	-	-	-
Contributions and donations	-	-	-	-
Investment income	5	-	-	-
Miscellaneous	-	3,972	-	-
<i>Total revenues</i>	<u>212,881</u>	<u>3,978</u>	<u>592,265</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General government	-	-	-	-
Public safety	32,484	-	3,196	-
Public works	-	-	-	-
Culture and recreation	-	5,364	-	-
Health and welfare	-	-	-	-
Capital outlay	243,817	27,352	-	-
<i>Total expenditures</i>	<u>276,301</u>	<u>32,716</u>	<u>3,196</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(63,420)</u>	<u>(28,738)</u>	<u>589,069</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Loan proceeds	110,000	-	-	-
Transfers in	-	-	147,110	-
Transfers out	(114,837)	-	(759,728)	-
<i>Total other financing sources (uses)</i>	<u>(4,837)</u>	<u>-</u>	<u>(612,618)</u>	<u>-</u>
<i>Net change in fund balances</i>	(68,257)	(28,738)	(23,549)	-
<i>Fund balances - beginning of year</i>	<u>235,792</u>	<u>48,029</u>	<u>45,961</u>	<u>449</u>
<i>Fund balances - end of year</i>	<u>\$ 167,535</u>	<u>\$ 19,291</u>	<u>\$ 22,412</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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	18,032	30,831	-	-
-	-	-	-	-	-
-	-	-	-	13,507	13,533
-	-	-	-	-	-
-	-	1	-	-	-
-	-	40	-	-	-
-	-	18,073	30,831	13,507	13,533
-	29	-	-	13,507	-
-	-	-	47,067	-	5,709
-	-	-	-	-	-
-	-	23,392	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	29	23,392	47,067	13,507	5,709
-	(29)	(5,319)	(16,236)	-	7,824
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	(29)	(5,319)	(16,236)	-	7,824
6,029	155	42,615	31,773	-	24,208
\$ 6,029	\$ 126	\$ 37,296	\$ 15,537	\$ -	\$ 32,032

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, 2012

Special Revenue

	Court Automation Fund	LLEBG Grant	KAB - Bloomfield Pride	Emergency Medical Fund
<i>Revenues:</i>				
<i>Taxes:</i>				
Gross receipts	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-
<i>Intergovernmental:</i>				
State operating grants	-	-	-	2,046
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	27,042	-	-	-
Contributions and donations	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>27,042</u>	<u>-</u>	<u>-</u>	<u>2,046</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General government	-	-	-	-
Public safety	27,042	-	-	-
Public works	-	-	-	2,187
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>27,042</u>	<u>-</u>	<u>-</u>	<u>2,187</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(141)</u>
<i>Other financing sources (uses)</i>				
Loan proceeds	-	-	-	-
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>	-	-	-	(141)
<i>Fund balances - beginning of year</i>	<u>6,838</u>	<u>-</u>	<u>(1,550)</u>	<u>141</u>
<i>Fund balances - end of year</i>	<u>\$ 6,838</u>	<u>\$ -</u>	<u>\$ (1,550)</u>	<u>\$ -</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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	57,425	-	-
-	-	-	-	-	-
-	-	-	-	80,445	-
-	-	-	-	-	-
16,000	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>16,000</u>	<u>-</u>	<u>-</u>	<u>57,425</u>	<u>80,445</u>	<u>-</u>
-	45	-	39,743	-	-
-	-	-	-	10,356	-
-	-	-	-	-	-
-	-	-	-	-	-
24,968	-	-	-	-	-
-	-	-	-	7,232	-
<u>24,968</u>	<u>45</u>	<u>-</u>	<u>39,743</u>	<u>17,588</u>	<u>-</u>
<u>(8,968)</u>	<u>(45)</u>	<u>-</u>	<u>17,682</u>	<u>62,857</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(8,968)</u>	<u>(45)</u>	<u>-</u>	<u>17,682</u>	<u>62,857</u>	<u>-</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>
<u>\$ 738</u>	<u>\$ 22,370</u>	<u>\$ 2,554</u>	<u>\$ 63,487</u>	<u>\$ 124,188</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, 2012

Capital Projects

	<u>Park Purchase & Improvement</u>	<u>Fire, Police, CRT, and City Hall</u>	<u>Industrial Park</u>	<u>Highway Co-op Projects</u>
<i>Revenues:</i>				
<i>Taxes:</i>				
Gross receipts	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-
<i>Intergovernmental:</i>				
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Contributions and donations	-	-	-	-
Investment income	-	-	-	2
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General government	-	-	-	-
Public safety	-	5,705	-	-
Public works	-	-	8,265	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>5,705</u>	<u>8,265</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(5,705)</u>	<u>(8,265)</u>	<u>2</u>
<i>Other financing sources (uses)</i>				
Loan proceeds	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	(844,792)	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(844,792)</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	(850,497)	(8,265)	2
<i>Fund balances - beginning of year</i>	<u>12,287</u>	<u>862,619</u>	<u>83,235</u>	<u>5,967</u>
<i>Fund balances - end of year</i>	<u>\$ 12,287</u>	<u>\$ 12,122</u>	<u>\$ 74,970</u>	<u>\$ 5,969</u>

The accompanying notes are an integral part of these financial statements

<u>Capital Projects</u>				
<u>Dam Rehabilitation</u>	<u>CDBG Church Street Project</u>	<u>Park Improvements</u>	<u>Total Nonmajor Governmental Funds</u>	
\$ -	\$ -	\$ -	\$	473,015
-	-	-		57,431
-	-	-		263,785
-	-	-		80,445
-	-	-		119,250
-	-	-		54,082
-	-	-		16,000
-	-	-		8
-	-	-		4,012
<u>-</u>	<u>-</u>	<u>-</u>		<u>1,068,028</u>
-	-	-		53,324
-	-	-		131,559
17,205	-	-		27,657
-	-	-		28,756
-	-	-		24,968
-	-	-		278,401
<u>17,205</u>	<u>-</u>	<u>-</u>		<u>544,665</u>
<u>(17,205)</u>	<u>-</u>	<u>-</u>		<u>523,363</u>
-	-	-		110,000
83,487	-	-		230,597
<u>-</u>	<u>-</u>	<u>-</u>		<u>(1,719,357)</u>
<u>83,487</u>	<u>-</u>	<u>-</u>		<u>(1,378,760)</u>
66,282	-	-		(855,397)
<u>(66,282)</u>	<u>-</u>	<u>2,471</u>		<u>1,488,477</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,471</u>	<u>\$</u>	<u>633,080</u>

STATE OF NEW MEXICO
City of Bloomfield
Fire Protection 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, 2012

	Budgeted Amounts		Actual	Variations
	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	168,562	168,562	212,876	44,314
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	195	195
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>168,562</u>	<u>168,562</u>	<u>213,071</u>	<u>44,509</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	1,369	(1,369)
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	290,418	290,418	276,316	14,102
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>290,418</u>	<u>290,418</u>	<u>277,685</u>	<u>12,733</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(121,856)</u>	<u>(121,856)</u>	<u>(64,614)</u>	<u>57,242</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	185,574	185,574	-	(185,574)
Loan proceeds	-	-	110,000	110,000
Transfers in	-	-	-	-
Transfers out	(63,718)	(63,718)	(114,837)	(51,119)
<i>Total other financing sources (uses)</i>	<u>121,856</u>	<u>121,856</u>	<u>(4,837)</u>	<u>(126,693)</u>
<i>Net change in fund balance</i>	-	-	(69,451)	(69,451)
<i>Fund balance - beginning of year</i>	-	-	236,986	236,986
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 167,535</u>	<u>\$ 167,535</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ (69,451)	
Adjustments to revenue for investment income.			(190)	
Adjustments to expenditures for capital outlay.			1,384	
Net change in fund balance (GAAP)			<u>\$ (68,257)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Recreation 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, 2012

	Budgeted Amounts		Actual	Variations
	Original	Final	(Non-GAAP	Favorable
			Budgetary Basis)	(Unfavorable)
				Final to Actual
<i>Revenues:</i>				
<i>Taxes:</i>				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	6	6
<i>Intergovernmental:</i>				
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	7,000	7,000	2,247	(4,753)
<i>Total revenues</i>	<u>7,000</u>	<u>7,000</u>	<u>2,253</u>	<u>(4,747)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	14,500	14,500	5,365	9,135
Health and welfare	-	-	-	-
Capital outlay	24,100	24,100	25,626	(1,526)
<i>Debt service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>38,600</u>	<u>38,600</u>	<u>30,991</u>	<u>7,609</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(31,600)</u>	<u>(31,600)</u>	<u>(28,738)</u>	<u>2,862</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	7,600	7,600	-	(7,600)
Transfers in	24,000	24,000	-	(24,000)
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>31,600</u>	<u>31,600</u>	<u>-</u>	<u>(31,600)</u>
<i>Net change in fund balance</i>	-	-	(28,738)	(28,738)
<i>Fund balance - beginning of year</i>	-	-	48,029	48,029
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,291</u>	<u>\$ 19,291</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ (28,738)	
No adjustments to revenue.			-	
No adjustments to expenditures.			-	
Net change in fund balance (GAAP)			<u>\$ (28,738)</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, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable)
				Final to Actual
<i>Revenues:</i>				
<i>Taxes:</i>				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	544,550	544,550	464,270	(80,280)
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
<i>Intergovernmental:</i>				
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>663,800</u>	<u>663,800</u>	<u>583,520</u>	<u>(80,280)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General government	-	-	-	-
Public safety	10,000	10,000	3,195	6,805
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>10,000</u>	<u>10,000</u>	<u>3,195</u>	<u>6,805</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>653,800</u>	<u>653,800</u>	<u>580,325</u>	<u>(73,475)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	(40,250)	(40,250)	-	40,250
Proceeds from sale of capital assets	-	-	-	-
Transfers in	147,110	147,110	147,110	-
Transfers out	(760,660)	(760,660)	(759,728)	932
<i>Total other financing sources (uses)</i>	<u>(653,800)</u>	<u>(653,800)</u>	<u>(612,618)</u>	<u>41,182</u>
<i>Net change in fund balance</i>	-	-	(32,293)	(32,293)
<i>Fund balance - beginning of year</i>	-	-	(40,247)	(40,247)
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (72,540)</u>	<u>\$ (72,540)</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ (32,293)	
Adjustments to revenue for gross receipts taxes.			8,745	
Adjustments to expenditures for capital outlay.			(1)	
Net change in fund balance (GAAP)			<u>\$ (23,549)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Correction Fees 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, 2012

	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>449</u>	<u>449</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)			\$ -	
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
Police Evidence 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, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
<i>Taxes:</i>				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
<i>Intergovernmental:</i>				
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	500	500	-	(500)
<i>Total revenues</i>	<u>500</u>	<u>500</u>	<u>-</u>	<u>(500)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General government	6,000	6,000	-	6,000
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
<i>Debt service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>6,000</u>	<u>6,000</u>	<u>-</u>	<u>6,000</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(5,500)</u>	<u>(5,500)</u>	<u>-</u>	<u>5,500</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	5,500	5,500	-	(5,500)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>5,500</u>	<u>5,500</u>	<u>-</u>	<u>(5,500)</u>
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>6,029</u>	<u>6,029</u>
<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)			\$ -	
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
DARE 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, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
<i>Taxes:</i>				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
<i>Intergovernmental:</i>				
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>				
<i>Current:</i>				
General government	-	29	29	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
<i>Debt service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	29	29	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	(29)	(29)	-
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	-	29	-	(29)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	-	29	-	(29)
<i>Net change in fund balance</i>	-	-	(29)	(29)
<i>Fund balance - beginning of year</i>	-	-	155	155
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 126	\$ 126
Net change in fund balance (non-GAAP budgetary basis)			\$ (29)	
No adjustments to revenue.			-	
No adjustments to expenditures.			-	
Net change in fund balance (GAAP)			\$ (29)	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Library 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, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable)
				Final to Actual
<i>Revenues:</i>				
<i>Taxes:</i>				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
<i>Intergovernmental:</i>				
Federal capital grants	-	-	-	-
State operating grants	20,500	20,500	21,631	1,131
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	1	1
Miscellaneous	-	-	40	40
<i>Total revenues</i>	<u>20,500</u>	<u>20,500</u>	<u>21,672</u>	<u>1,172</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	30,000	30,000	13,762	16,238
Health and welfare	-	-	-	-
Capital outlay	10,000	10,000	9,631	369
<i>Debt service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>40,000</u>	<u>40,000</u>	<u>23,393</u>	<u>16,607</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(19,500)</u>	<u>(19,500)</u>	<u>(1,721)</u>	<u>17,779</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	19,500	19,500	-	(19,500)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>19,500</u>	<u>19,500</u>	<u>-</u>	<u>(19,500)</u>
<i>Net change in fund balance</i>	-	-	(1,721)	(1,721)
<i>Fund balance - beginning of year</i>	-	-	39,017	39,017
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,296</u>	<u>\$ 37,296</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ (1,721)	
Adjustments to revenue for state operating grants.			(3,599)	
Adjustments to expenditures for capital projects.			<u>1</u>	
Net change in fund balance (GAAP)			<u>\$ (5,319)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Law Enforcement 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, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable)
				Final to Actual
<i>Revenues:</i>				
<i>Taxes:</i>				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
<i>Intergovernmental:</i>				
Federal capital grants	-	-	-	-
State operating grants	32,000	32,000	33,474	1,474
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>32,000</u>	<u>32,000</u>	<u>33,474</u>	<u>1,474</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General government	-	-	-	-
Public safety	30,168	30,168	51,105	(20,937)
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	35,000	35,000	-	35,000
<i>Debt service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>65,168</u>	<u>65,168</u>	<u>51,105</u>	<u>14,063</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(33,168)</u>	<u>(33,168)</u>	<u>(17,631)</u>	<u>15,537</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	33,168	33,168	-	(33,168)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>33,168</u>	<u>33,168</u>	<u>-</u>	<u>(33,168)</u>
<i>Net change in fund balance</i>	-	-	(17,631)	(17,631)
<i>Fund balance - beginning of year</i>	-	-	33,168	33,168
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,537</u>	<u>\$ 15,537</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ (17,631)	
Adjustments to revenue for state operating grants.			(2,643)	
Adjustments to expenditures for police equipment.			<u>4,038</u>	
Net change in fund balance (GAAP)			<u>\$ (16,236)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Judicial Education 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, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
<i>Taxes:</i>				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
<i>Intergovernmental:</i>				
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	8,000	13,507	13,507	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	8,000	13,507	13,507	-
<i>Expenditures:</i>				
<i>Current:</i>				
General government	8,000	13,507	13,507	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
<i>Debt service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	8,000	13,507	13,507	-
<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 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, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable)
				Final to Actual
<i>Revenues:</i>				
<i>Taxes:</i>				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
<i>Intergovernmental:</i>				
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	8,000	8,000	13,533	5,533
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>8,000</u>	<u>8,000</u>	<u>13,533</u>	<u>5,533</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General government	-	-	-	-
Public safety	8,000	8,000	5,709	2,291
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
<i>Debt service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>8,000</u>	<u>8,000</u>	<u>5,709</u>	<u>2,291</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>7,824</u>	<u>7,824</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>	-	-	7,824	7,824
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>24,208</u>	<u>24,208</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,032</u>	<u>\$ 32,032</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ 7,824	
No adjustments to revenue.			-	
No adjustments to expenditures.			-	
Net change in fund balance (GAAP)			<u>\$ 7,824</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Court Automation 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, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP	Favorable
			Budgetary Basis)	(Unfavorable)
				Final to Actual
<i>Revenues:</i>				
<i>Taxes:</i>				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
<i>Intergovernmental:</i>				
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	17,000	27,042	27,042	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>17,000</u>	<u>27,042</u>	<u>27,042</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General government	-	-	-	-
Public safety	17,000	27,042	27,042	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
<i>Debt service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>17,000</u>	<u>27,042</u>	<u>27,042</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>6,838</u>	<u>6,838</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)			\$ -	
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
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, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP	Favorable
			Budgetary Basis)	(Unfavorable)
				Final to Actual
<i>Revenues:</i>				
<i>Taxes:</i>				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
<i>Intergovernmental:</i>				
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>				
<i>Current:</i>				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
<i>Debt service:</i>				
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>	-	-	-	-
<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
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, 2012

	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>	-	-	(1,550)	(1,550)
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ (1,550)	\$ (1,550)
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
Emergency Medical 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, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable)
				Final to Actual
<i>Revenues:</i>				
<i>Taxes:</i>				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
<i>Intergovernmental:</i>				
Federal capital grants	-	-	-	-
State operating grants	6,500	6,500	2,046	(4,454)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>6,500</u>	<u>6,500</u>	<u>2,046</u>	<u>(4,454)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	6,641	6,641	2,187	4,454
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
<i>Debt service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>6,641</u>	<u>6,641</u>	<u>2,187</u>	<u>4,454</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(141)</u>	<u>(141)</u>	<u>(141)</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	141	141	-	(141)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>141</u>	<u>141</u>	<u>-</u>	<u>(141)</u>
<i>Net change in fund balance</i>	-	-	(141)	(141)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>141</u>	<u>141</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)			\$ (141)	
No adjustments to revenue.			-	
No adjustments to expenditures.			-	
Net change in fund balance (GAAP)			<u>\$ (141)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Senior Citizen's Center 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, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable)
				Final to Actual
<i>Revenues:</i>				
<i>Taxes:</i>				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
<i>Intergovernmental:</i>				
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	30,000	30,000	16,000	(14,000)
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>30,000</u>	<u>30,000</u>	<u>16,000</u>	<u>(14,000)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	30,000	30,000	25,184	4,816
Capital outlay	-	-	-	-
<i>Debt service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>30,000</u>	<u>30,000</u>	<u>25,184</u>	<u>4,816</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(9,184)</u>	<u>(9,184)</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>	-	-	(9,184)	(9,184)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>9,922</u>	<u>9,922</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 738</u>	<u>\$ 738</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ (9,184)	
No adjustments to revenue.			-	
Adjustments to expenditures for community service expenses			<u>216</u>	
Net change in fund balance (GAAP)			<u>\$ (8,968)</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, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable)
				Final to Actual
<i>Revenues:</i>				
<i>Taxes:</i>				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
<i>Intergovernmental:</i>				
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>				
<i>Current:</i>				
General government	-	-	45	(45)
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	22,415	22,415	-	22,415
<i>Debt service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>22,415</u>	<u>22,415</u>	<u>45</u>	<u>22,370</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(22,415)</u>	<u>(22,415)</u>	<u>(45)</u>	<u>22,370</u>
<i>Other financing sources (uses)</i>				
Designated cash	22,415	22,415	-	(22,415)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>22,415</u>	<u>22,415</u>	<u>-</u>	<u>(22,415)</u>
<i>Net change in fund balance</i>	-	-	(45)	(45)
<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>\$ 22,370</u>	<u>\$ 22,370</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ (45)	
No adjustments to revenue.			-	
No adjustments to expenditures.			-	
Net change in fund balance (GAAP)			<u>\$ (45)</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, 2012

	Budgeted Amounts		Actual	Variations
	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>2,554</u>	<u>2,554</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)			\$ -	
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
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, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable)
				Final to Actual
<i>Revenues:</i>				
<i>Taxes:</i>				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	50,000	50,000	56,845	6,845
<i>Intergovernmental:</i>				
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>50,000</u>	<u>50,000</u>	<u>56,845</u>	<u>6,845</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General government	75,000	75,000	45,379	29,621
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
<i>Debt service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>75,000</u>	<u>75,000</u>	<u>45,379</u>	<u>29,621</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(25,000)</u>	<u>(25,000)</u>	<u>11,466</u>	<u>36,466</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	25,000	25,000	-	(25,000)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>
<i>Net change in fund balance</i>	-	-	11,466	11,466
<i>Fund balance - beginning of year</i>	-	-	46,477	46,477
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,943</u>	<u>\$ 57,943</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ 11,466	
Adjustments to revenue for lodger taxes.			580	
Adjustments to expenditures for tourism events.			<u>5,636</u>	
Net change in fund balance (GAAP)			<u>\$ 17,682</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, 2012

	Budgeted Amounts		Actual	Variations
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
<i>Taxes:</i>				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
<i>Intergovernmental:</i>				
Federal capital grants	-	-	-	-
State operating grants	-	-	112,567	112,567
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>112,567</u>	<u>112,567</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	25,000	25,000	17,588	7,412
<i>Debt service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>25,000</u>	<u>25,000</u>	<u>17,588</u>	<u>7,412</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(25,000)</u>	<u>(25,000)</u>	<u>94,979</u>	<u>119,979</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	25,000	25,000	-	(25,000)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>
<i>Net change in fund balance</i>	-	-	94,979	94,979
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>29,209</u>	<u>29,209</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 124,188</u>	<u>\$ 124,188</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ 94,979	
Adjustments to revenues for state operating grants.			(32,122)	
No adjustments to expenditures.			-	
Net change in fund balance (GAAP)			<u>\$ 62,857</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, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP	Favorable
			Budgetary Basis)	(Unfavorable)
				Final to Actual
<i>Revenues:</i>				
<i>Taxes:</i>				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
<i>Intergovernmental:</i>				
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>				
<i>Current:</i>				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
<i>Debt service:</i>				
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>	-	-	5,929	5,929
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 5,929	\$ 5,929
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
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, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable)
				Final to Actual
<i>Revenues:</i>				
<i>Taxes:</i>				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
<i>Intergovernmental:</i>				
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>				
<i>Current:</i>				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
<i>Debt service:</i>				
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>12,287</u>	<u>12,287</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)			\$ -	
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
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, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP	Favorable
			Budgetary Basis)	(Unfavorable)
				Final to Actual
<i>Revenues:</i>				
<i>Taxes:</i>				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
<i>Intergovernmental:</i>				
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	173	173
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>173</u>	<u>173</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	17,827	17,827	5,705	12,122
<i>Debt service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>17,827</u>	<u>17,827</u>	<u>5,705</u>	<u>12,122</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(17,827)</u>	<u>(17,827)</u>	<u>(5,532)</u>	<u>12,295</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	17,827	17,827	-	(17,827)
Loan proceeds	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(844,792)	(844,792)
<i>Total other financing sources (uses)</i>	<u>17,827</u>	<u>17,827</u>	<u>(844,792)</u>	<u>(862,619)</u>
<i>Net change in fund balance</i>	-	-	(850,324)	(850,324)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>862,446</u>	<u>862,446</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,122</u>	<u>\$ 12,122</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ (850,324)	
Adjustments to revenues for interest and transfers.			(173)	
No adjustments to expenditures.			-	
Net change in fund balance (GAAP)			<u>\$ (850,497)</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, 2012

	Budgeted Amounts		Actual	Variations
	Original	Final	(Non-GAAP	Favorable
			Budgetary Basis)	(Unfavorable)
				Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-
Intergovernmental:				
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Contributions and donations	217,801	217,801	217,801	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>217,801</u>	<u>217,801</u>	<u>217,801</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	83,235	83,235	8,265	74,970
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>83,235</u>	<u>83,235</u>	<u>8,265</u>	<u>74,970</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>134,566</u>	<u>134,566</u>	<u>209,536</u>	<u>74,970</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	(134,566)	(134,566)	-	134,566
Loan proceeds	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(134,566)</u>	<u>(134,566)</u>	<u>-</u>	<u>134,566</u>
<i>Net change in fund balance</i>	-	-	209,536	209,536
<i>Fund balance - beginning of year</i>	-	-	(134,566)	(134,566)
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,970</u>	<u>\$ 74,970</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ 209,536	
Adjustments to revenues for federal capital grants and contributions and donations.			(217,801)	
No adjustments to expenditures.			-	
Net change in fund balance (GAAP)			<u>\$ (8,265)</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, 2012

	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	-	-	2	2
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	2	2
<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>	-	-	2	2
<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>	-	-	2	2
<i>Fund balance - beginning of year</i>	-	-	5,967	5,967
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 5,969	\$ 5,969
Net change in fund balance (non-GAAP budgetary basis)			\$ 2	
No adjustments to revenue.			-	
No adjustments to expenditures.			-	
Net change in fund balance (GAAP)			\$ 2	

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, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable)
				Final to Actual
<i>Revenues:</i>				
<i>Taxes:</i>				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
<i>Intergovernmental:</i>				
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>				
<i>Current:</i>				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	17,205	17,205	-
<i>Debt service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>17,205</u>	<u>17,205</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(17,205)</u>	<u>(17,205)</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	(66,282)	(66,282)	-	66,282
Transfers in	66,282	83,487	83,487	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>17,205</u>	<u>83,487</u>	<u>66,282</u>
<i>Net change in fund balance</i>	-	-	66,282	66,282
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(66,282)</u>	<u>(66,282)</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)			\$ 66,282	
No adjustment to revenues.			-	
No adjustment to expenditures.			-	
Net change in fund balance (GAAP)			<u>\$ 66,282</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, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
<i>Taxes:</i>				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
<i>Intergovernmental:</i>				
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>				
<i>Current:</i>				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
<i>Debt service:</i>				
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>	-	-	-	-
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ -	\$ -
Net change in fund balance (non-GAAP budgetary basis)			\$ -	
Adjustments to revenues for federal capital grants.			-	
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
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, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
<i>Taxes:</i>				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
<i>Intergovernmental:</i>				
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>				
<i>Current:</i>				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
<i>Debt service:</i>				
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.			<u>-</u>	
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
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, 2012

	Budgeted Amounts		Actual	Variations
	Original	Final	(Non-GAAP	Favorable
			Budgetary Basis)	(Unfavorable)
				Final to Actual
<i>Revenues:</i>				
<i>Taxes:</i>				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	210,000	210,000	217,864	7,864
Other	-	-	-	-
<i>Intergovernmental:</i>				
Federal capital grants	650,450	700,450	50,000	(650,450)
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>860,450</u>	<u>910,450</u>	<u>267,864</u>	<u>(642,586)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	815,432	828,907	786,574	42,333
Capital outlay	10,000	10,000	39,591	(29,591)
<i>Debt service:</i>				
Principal	63,616	63,616	54,441	9,175
Interest	-	-	9,174	(9,174)
<i>Total expenditures</i>	<u>889,048</u>	<u>902,523</u>	<u>889,780</u>	<u>12,743</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(28,598)</u>	<u>7,927</u>	<u>(621,916)</u>	<u>(629,843)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	(651,402)	(687,927)	-	687,927
Proceeds from sale of capital assets	-	-	-	-
Transfers in	680,000	680,000	680,000	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>28,598</u>	<u>(7,927)</u>	<u>680,000</u>	<u>687,927</u>
<i>Net change in fund balance</i>	-	-	58,084	58,084
<i>Fund balance - beginning of year</i>	-	-	(635,621)	(635,621)
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (577,537)</u>	<u>\$ (577,537)</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ 58,084	
Adjustments to revenue for gasoline and motor vehicle taxes and federal capital grants.			(48,195)	
Adjustments to expenditures for salaries and maintenance.			22,352	
Net change in fund balance (GAAP)			<u>\$ 32,241</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, 2012

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable)
				Final to Actual
<i>Revenues:</i>				
<i>Taxes:</i>				
Property	\$ 213,765	\$ 240,780	\$ 240,780	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
<i>Intergovernmental:</i>				
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	3,576	3,576
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>213,765</u>	<u>240,780</u>	<u>244,356</u>	<u>3,576</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General government	2,138	2,391	2,389	2
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
<i>Debt service:</i>				
Principal	165,000	165,000	2,021,348	(1,856,348)
Interest	57,664	57,664	568,171	(510,507)
<i>Total expenditures</i>	<u>224,802</u>	<u>225,055</u>	<u>2,591,908</u>	<u>(2,366,853)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(11,037)</u>	<u>15,725</u>	<u>(2,347,552)</u>	<u>(2,363,277)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	11,037	(15,725)	-	15,725
Loan proceeds	-	-	1,594,313	1,594,313
Bond issuance costs	-	-	(44,313)	(44,313)
Transfers in	-	-	1,719,357	1,719,357
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>11,037</u>	<u>(15,725)</u>	<u>3,269,357</u>	<u>3,285,082</u>
<i>Net change in fund balance</i>	-	-	921,805	921,805
<i>Fund balance - beginning of year</i>	-	-	199,297	199,297
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,121,102</u>	<u>\$ 1,121,102</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ 921,805	
Adjustments to revenue for property taxes, transfers, and loan proceeds.			302	
Adjustments to expenditures for principal, interest, and issuance costs.			-	
Net change in fund balance (GAAP)			<u>\$ 922,107</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Statement of Revenues, Expenses and Changes in Net Assets
Budget (GAAP Basis) and Actual
Joint Utility Fund
For the Year Ended June 30, 2012

Statement C-1

	Budget Amounts		Actual	Variances
	Original	Final	(GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Operating revenues:</i>				
Charges for services	\$ 3,566,000	\$ 3,566,000	\$ 3,499,063	\$ (66,937)
<i>Total operating revenues</i>	<u>3,566,000</u>	<u>3,566,000</u>	<u>3,499,063</u>	<u>(66,937)</u>
<i>Operating expenses:</i>				
Depreciation	-	-	400,640	(400,640)
Personnel services	1,415,283	1,415,283	1,436,013	(20,730)
Contractual services	124,200	124,200	168,234	(44,034)
Supplies and purchased power	541,159	541,159	504,917	36,242
Maintenance and materials	3,113,785	3,113,785	529,719	2,584,066
Miscellaneous	211,300	211,327	186,739	24,588
Utilities	37,200	37,200	37,373	(173)
Equipment	191,350	199,231	10,614	188,617
Gross receipts taxes	185,000	185,000	214,843	(29,843)
<i>Total operating expenses</i>	<u>5,819,277</u>	<u>5,827,185</u>	<u>3,489,092</u>	<u>2,338,093</u>
<i>Operating income (loss)</i>	<u>(2,253,277)</u>	<u>(2,261,185)</u>	<u>9,971</u>	<u>2,271,156</u>
<i>Non-operating revenues (expenses):</i>				
Principal expense	(853,863)	(855,436)	-	855,436
Interest expense	(741,430)	(741,457)	(212,621)	528,836
Interest income	1,000	1,000	2,321	1,321
Government contributions	2,951,840	2,951,840	405,349	(2,546,491)
Miscellaneous financing costs	-	-	(4,080)	(4,080)
Miscellaneous income	1,000	1,000	2,907	1,907
<i>Total non-operating revenues (expenses)</i>	<u>1,358,547</u>	<u>1,356,947</u>	<u>193,876</u>	<u>(1,163,071)</u>
Transfers	896,197	898,636	38,375	(860,261)
Designated cash	(1,467)	5,602	-	(5,602)
<i>Change in net assets</i>	-	-	242,222	242,222
<i>Total net assets, beginning of year</i>	<u>-</u>	<u>-</u>	<u>9,113,728</u>	<u>9,113,728</u>
<i>Total net assets, end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,355,950</u>	<u>\$ 9,355,950</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 (GAAP Basis) and Actual

Solid Waste Fund

For the Year Ended June 30, 2012

	Budget Amounts		Actual	Variances
	Original	Final	(GAAP Basis)	Favorable Unfavorable Final to Actual
<i>Operating revenues:</i>				
Charges for services	\$ 698,400	\$ 698,400	\$ 749,883	\$ 51,483
<i>Total operating revenues</i>	<u>698,400</u>	<u>698,400</u>	<u>749,883</u>	<u>51,483</u>
<i>Operating expenses:</i>				
Depreciation	-	-	10,078	(10,078)
Personnel services	-	-	-	-
Contractual services	672,000	672,000	631,738	40,262
Supplies and purchased power	-	-	-	-
Maintenance and materials	-	-	-	-
Miscellaneous	-	-	-	-
Utilities	-	-	-	-
Equipment	-	-	-	-
Gross receipts taxes	-	-	-	-
<i>Total operating expenses</i>	<u>672,000</u>	<u>672,000</u>	<u>641,816</u>	<u>30,184</u>
<i>Operating income (loss)</i>	<u>26,400</u>	<u>26,400</u>	<u>108,067</u>	<u>81,667</u>
<i>Non-operating revenues (expenses):</i>				
Principal expense	-	-	-	-
Interest expense	-	-	(8,173)	(8,173)
Interest income	-	-	71	71
Government contributions	-	-	-	-
Miscellaneous financing costs	-	-	-	-
Miscellaneous income	-	-	-	-
<i>Total non-operating revenues (expenses)</i>	<u>-</u>	<u>-</u>	<u>(8,102)</u>	<u>(8,102)</u>
Transfers	(16,240)	(16,240)	-	16,240
Designated cash	(10,160)	(10,160)	-	10,160
<i>Change in net assets</i>	<u>-</u>	<u>-</u>	<u>99,965</u>	<u>99,965</u>
<i>Total net assets, beginning of year</i>	<u>-</u>	<u>-</u>	<u>603,534</u>	<u>603,534</u>
<i>Total net assets, end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 703,499</u>	<u>\$ 703,499</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, 2012

Schedule I

Bank Account Type/Name	Wells Fargo Bank	Citizen's Bank	Bank of Albuquerque	Totals
Cash and cash equivalents:				
Operating - Checking	\$ 904,458	\$ -	\$ -	\$ 904,458
Senior Citizens - Checking	25,772	-	-	25,772
Paving - Checking	5,110	-	-	5,110
G.O. Water - Checking	181,272	-	-	181,272
Money Market Paving	106,585	-	-	106,585
Motor Vehicle - Checking	11,639	-	-	11,639
Payroll -Checking	-	223,458	-	223,458
G.O. Bond - Checking	-	12,122	-	12,122
BLM Wildland Grant - Checking	-	22,370	-	22,370
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	-	147,827	-	147,827
D.A.R.E. - Checking	-	4	-	4
Fire Fund -Checking	-	52,132	-	52,132
Interest Bond Retirement - Checking	-	494	-	494
Meter Deposits - Checking	-	46,751	-	46,751
Wastewater Replacement - Checking	-	143,120	-	143,120
2007 A PPRF - City of Bloomfield*	-	-	15,673	15,673
NMFA Sub Pprf 2007A Bloomfield Res*	-	-	51,969	51,969
2008 A PPRF - Bloomfield City*	-	-	9	9
NMFA 69th Supp 2008A C/Bloomfield Res*	-	-	51,338	51,338
NMFA Pn Dtd 5/1/05 Bloomfield DS RES*	-	-	16,289	16,289
DW - Bloomfield*	-	-	42,635	42,635
2008 C PPRF - Bloomfield City*	-	-	55,653	55,653
NMFA 71st Supp 08c Bloomfield Ds Res*	-	-	636,830	636,830
DL - Bloomfield City*	-	-	17,657	17,657
DL - Bloomfield City Ds Res*	-	-	105,455	105,455
DL - Bloomfield City Prog*	-	-	1,206,164	1,206,164
WPF/WTB - Bloomfield City 80/20 Split DC WTB-0183*	-	-	21,323	21,323
DL - Bloomfield City DS Res*	-	-	12,436	12,436
DL - Bloomfield City Prog*	-	-	110,000	110,000
2007 E PPRF - Bloomfield City*	-	-	26,704	26,704
2007 E PPRF - Bloomfield City Ds Res*	-	-	122,215	122,215
Total	1,234,836	924,066	2,492,350	4,651,252
Reconciling items	(104,484)	(30,069)	-	(134,553)
Reconciled balance	<u>\$ 1,130,352</u>	<u>\$ 893,997</u>	<u>\$ 2,492,350</u>	4,516,699
Petty cash				3,200
Less: agency funds cash per Exhibit E-1				(1,340)
Less: restricted cash and cash equivalents per Exhibit A-1				<u>(2,578,928)</u>
Total unrestricted cash and cash equivalents per Exhibit A-1				<u>\$ 1,939,631</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, 2012

Schedule II

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value at June 30, 2012
Citizen's Bank	FEDERAL FARM CREDIT BANK 3.72% 10/26/26	2/26/2026	31331KJ27	\$ 1,008,215
Total Pledged Collateral				<u>\$ 1,008,215</u>

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

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, 2012

Schedule III

	<u>Balance at June 30, 2011</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance at June 30, 2012</u>
Motor Vehicle	\$ 873	\$ 1,266,936	\$ 1,266,469	\$ 1,340
Total	<u>\$ 873</u>	<u>\$ 1,266,936</u>	<u>\$ 1,266,469</u>	<u>\$ 1,340</u>

See independent auditors' 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
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, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents, and have issued our report thereon dated November 30, 2012. We have also audited the financial statements of each of the City's nonmajor governmental funds, the budgetary comparisons for the major capital projects fund, the major debt service fund, the enterprise funds, and the remaining nonmajor governmental funds presented as supplementary information in the accompanying combining and individual fund statements as of and for the year ended June 30, 2012 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

Management of the City is responsible for establishing and maintaining effective 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 responses as items FS 10-01, FS 10-04, FS 10-05, and FS 12-01, 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 responses 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 any instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also noted certain other matters that are required to be reported pursuant to Government Auditing Standards paragraphs 5.14 and 5.16, and pursuant to section 12-6-5, NMSA 1978, which are described in the accompanying schedule of findings and responses as items FS 11-01, FS 11-02, and FS 12-02.

The City’s responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. 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
November 30, 2012

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STATE OF NEW MEXICO
City of Bloomfield
Schedule of Findings and Responses
June 30, 2012

Schedule IV
Page 1 of 10

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 |

Section II – Findings - Financial Statement Audit

FS 10-01 — Deficiencies in Design over Internal Controls – Material Weakness- (Repeat/Modified)

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 weaknesses:

- IT controls are not sufficient to safeguard access to the servers of the City.
- 6 out of 6 items tested for related party transactions totaling \$16,773.03 did not have the proper oral quotes for purchases over \$500 as required by the City procurement policy.
- 4 out of 6 items tested totaling \$7,750.92 for related party transactions, the purchase order exceeded \$500 per day with no additional approval beyond the request which is a violation of City policy.
- From our review of the cash bank reconciliations, the City has 9 stale dated checks for a total amount of \$2,587.58 recorded as outstanding at June 30, 2012.

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-
(Repeat/Modified)**

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. The City has also failed to follow internal controls in place for related party transactions.

Auditors’ Recommendations: 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 Council is charged with governance and should provide effective oversight of the internal control and financial reporting processes.

Management’s Response: Management agrees with the finding and will work on setting up written policies and procedures for safeguarding the city’s assets. These policies and procedures will be communicated to all staff and monitored for compliance.

FS 10-02 — Receipts, Accounts Payable and Payroll Lack of Internal Controls – Significant Deficiency-(Repeat/Modified)

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
- 1 out of 5 payroll items tested were missing proper signature authority for personnel transaction form for employment and proper pay rate.
- 4 out of 25 disbursements tested totaling \$3,155.53, did not have purchase orders attached to the supporting documentation.
- 2 out of 5 disbursements tested totaling \$980.40, did not have proper supporting documentation

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' Recommendations: 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 agrees with the finding and will work on establishing adequate segregation of duties, and management will work on setting up compensating controls for areas in which segregation is not possible due to limited staff.

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’ Recommendations: 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 agrees with the finding and will work on policies and procedures for monitoring internal controls to ensure compliance.

**FS 10-05 — Lack of Internal Controls Over Non-Standard Journal Entries –Material Weakness-
(Repeat/Modified)**

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

- 13 out of 18 journal entries tested did not have proper supporting documentation for the entry.
- 2 out of 18 journal entries tested did not have a proper documented review.
- 13 out of 18 journal entries tested, were not properly filed in the journal entry folder, and the City had to find the journal entry and the supporting documentation.

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' Recommendations: 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 agrees with the finding and will work on written procedures to ensure that non-standard journal entries are reviewed, approved, and supported according to policy.

FS 11-01 — Travel and Per Diem Compliance - Other Matters (Repeat/Modified)

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

- 10 out of 10 items tested totaling \$4,205.67 did not have some sort of an agenda to support the travel dates and times
- 10 out of 10 items tested totaling \$4,205.67, the checks to the individuals were paid in advance at 100%
- From review, the City does not have proper internal controls to ensure advances to employees for travel are reimbursed back to the City if the travel is not taken
- 1 out of 10 items tested, the City used a per diem rate of \$215 per night were they should have used \$135. The City also overpaid for a 6 hour partial day. The total over payment for this transaction totaled \$121.76
- 1 out of 10 items tested, actual travel expensed were paid by the City with no itemized receipt for a dinner totaling \$36.29, and a dinner totaling \$22.83
- 2 out of 10 items tested, the City improperly paid partial days. The total of these items is \$3.

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 Recommendations: 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 agrees with the finding and will work on updating written policies and procedures to ensure that per diem rules are followed.

FS 11-02 — Internal Controls over Credit Cards - Other Matters (Repeat/Modified)

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

- 2 out of 5 credit card transactions tested in the amount of \$197.66 did not have any supporting documentation attached.

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' Recommendations: 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: Management agrees with the finding and will implement a new policy regarding credit card transactions to ensure that supporting documentation is obtained for all transactions.

FS 12-01 — Segregation of Duties- Material Weakness

Condition: During our testwork of the cash receipts and cash disbursements process, we noted the following instances of a lack of appropriate segregation of duties:

- The payroll clerk has the ability to perform all major disbursements processes
- The payroll clerk has the ability to perform all major payroll processes
- The payroll clerk has the ability to create deposit slips, make deposits, record entries, and prepare the bank reconciliation on most bank accounts
- The payroll clerk has the ability to perform bank transfers for accounts that she reconciles
- The payroll clerk has the ability to post manual journal entries to the general ledger
- The payroll clerk has back up duties related to counting the utilities and miscellaneous cash receipts of the accounts she deposits and reconciles

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

Effect: Without adequate segregation of duties 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 limited resources, the City relies on the expertise of one individual to perform many duties. Limited resources in the process noted above appear to result in a lack of segregation of duties.

Auditors' Recommendations: Develop a formal review process for the receipt, disbursement, and payroll transaction cycle. Also, implement and document policies and procedures to maintain proper internal controls that include segregation of duties.

Management's Response: Management agrees with the finding and will work on written policies and procedures regarding segregation of duties.

FS 2012-02 — Expenditures in Excess of Budget (Other Matter)

Condition: The City over expended its budget at the fund level in the following fund:

G.O. Bond Debt Service Fund	\$2,366,853
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Criteria: Sound financial management and state regulation 6.20.2.9 (A), NMAC and state statutes 22-8-5 through 22-8-12.2, NMSA 1978, require that budgets not be exceeded at the legal level of control.

Effect: As a result, the City is not in compliance with New Mexico law, and the control established by the use of budgets has been compromised. Continued over-expenditure of budgeted balances may result in unnecessary usage of operating funds to absorb over-expenditures.

Cause: The City overlooked budgeted to actual amounts in the above fund due to refinancing of debt during the year end 2012.

Auditors' Recommendations: We recommend that the City monitor its budget closely and prepare budget adjustments as necessary.

Management's Response: Management agrees with the finding. The loan proceeds from the refinance and subsequent expenditure of those proceeds to pay off the old loan should have been included in the City's final budget amendment. Steps will be taken in the future to ensure all debt service activity is included in the budget.

Section III – Prior Year Audit Findings

Financial Statement Findings

FS 10-01 — Deficiencies in Design over Internal Controls – Material Weakness (Repeat/Modified)

FS 10-02 — Receipts, Accounts Payable and Payroll Lack of Internal Controls – Significant Deficiency (Repeat/Modified)

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

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

FS 11-01 — Travel and Per Diem Compliance - Other Matters (Repeat/Modified)

FS 11-02 — Internal Controls over Credit Cards - Other Matters (Repeat/Modified)

FS 11-03 — Personal Use of County Vehicle- Other Matters (Resolved)

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

STATE OF NEW MEXICO
City of Bloomfield
Other Disclosures
June 30, 2012

Exit Conference

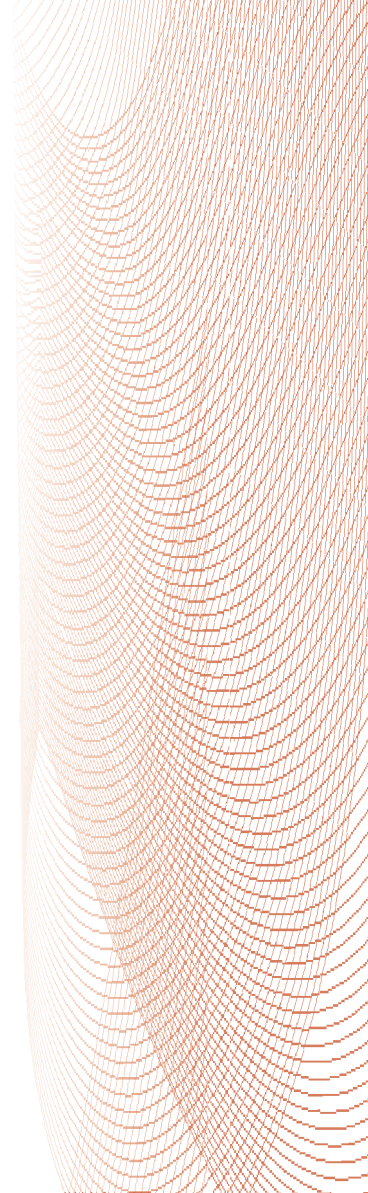
An exit conference was held on November 30, 2012. In attendance were the following:

Representing the City of Bloomfield:

Elwin Roark	City Councilor
David Fuqua	City Manager
Bradley Ellsworth	Finance Director

Representing Accounting & Consulting Group, LLP:

Ray Roberts	Managing Partner
Robert Gonzales	Senior Accountant



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