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6200 Uptown Blvd., NE Suite 400

Albuquerque, NM 87110

505 338 0800 office riccicpa.com

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

JUNE 30, 2019

STATE OF NEW MEXICO
CITY OF BLOOMFIELD



ANNUAL FINANCIAL REPORT
JUNE 30, 2019

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City of Bloomfield
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STATE OF NEW MEXICO

City of Bloomfield

Official Roster

June 30, 2019

<u>Name</u>	<u>City Council</u>	<u>Title</u>
Cynthia Atencio		Mayor
Sam Mohler		City Councilor
Matt Pennington		City Councilor
Sue Finch		City Councilor
Ken Hare		City Councilor
	<u>Administration</u>	
George Duncan		City Manager
Crystal Hornberger		City Clerk
Brad Ellsworth		Finance Director

FINANCIAL SECTION



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

Independent Auditors' Report

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

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of City of Bloomfield (the City), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the aggregate remaining fund, and the budgetary comparisons for the general fund and each major special revenue fund. information of the City as of June 30, 2018,

and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4-13, Schedule of the City's Proportionate Share of the Net Pension Liability, Schedule of City Contributions on pages 64-71, respectively, Schedule of Proportionate Share of the Net OPEB Liability on pages 72-73, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary information, such as the Combining and Individual Nonmajor Fund Financial Statements, budget comparisons and, the other schedules required by 2.2.2 NMAC are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 6, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and in considering the City's internal control over financial reporting and compliance.

Ricci & Company LLC

Albuquerque, New Mexico
December 6, 2019

State of New Mexico
City of Bloomfield
Management's Discussion and Analysis
June 30, 2019

As management of the City of Bloomfield, we offer readers of the City of Bloomfield financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with the financial statements of the City of Bloomfield and additional information provided.

FINANCIAL HIGHLIGHTS

- The assets of the City of Bloomfield exceeded its liabilities at the close of the most recent fiscal year by \$21,624,380 (*net position*).
- The government's total net position increased by \$2,331,401 during the fiscal year due mainly to higher than expected tax revenues and lower expenditures than the previous fiscal year in order to increase available cash balances.
- As of June 30, 2019, the City's governmental funds reported combined ending net position of \$10,882,731. Of this total, \$18,786,123 represents the City's investment in capital assets, net of any outstanding debt issued to pay for the assets. There is a negative balance in unrestricted net position of \$10,221,875 due to the City's net pension liability, net OPEB liability, and related deferred inflows and deferred outflows of resources.
- At the close of the current fiscal year, unassigned fund balance for the general fund was \$2,160,888, or 37.5 percent of total general fund expenditures.
- The City's total debt decreased by \$1,628,760 during the current fiscal year. The decrease was due to making scheduled debt payments of 1,535,147, as well as a decrease in compensated absences due to payout of leave balances to employees that resigned during the fiscal year (see note 7 for details).

Overview of the Financial Statements

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

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

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position 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 the 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 the 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.

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.

State of New Mexico
City of Bloomfield
Management's Discussion and Analysis
June 30, 2019

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 twenty-five 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, Special Street Maintenance Capital Projects Fund, and G.O. Bond Fund, which are considered to be major funds. Data from the other twenty-two 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.

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 38-73 of this report.

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 87-100 of this report.

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GOVERNMENT-WIDE FINANCIAL ANALYSIS

Analysis of Net Position

As noted earlier, net position 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 \$21,624,380 at the close of the current fiscal year.

The significant portion of the City of Bloomfield's net position represents the City's investment of \$29,915,437 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.

State of New Mexico
City of Bloomfield
Management's Discussion and Analysis
June 30, 2019

CITY OF BLOOMFIELD'S NET POSITION

	June 30, 2019			June 30, 2018		
	<u>Governmental Activities</u>	<u>Business-Type Activites</u>	<u>Total</u>	<u>Governmental Activities</u>	<u>Business-Type Activites</u>	<u>Total</u>
Assets						
Current and other assets	\$ 4,177,769	\$ 2,397,481	\$ 6,575,250	\$ 2,631,997	\$ 2,515,739	\$ 5,147,736
Restricted cash and cash equivalents	1,153,643	409,649	1,563,292	1,144,694	441,579	1,586,273
Capital assets, net of accumulated depreciation	<u>27,840,601</u>	<u>16,103,433</u>	<u>43,944,034</u>	<u>28,497,406</u>	<u>16,127,893</u>	<u>44,625,299</u>
Total Assets	<u>33,172,013</u>	<u>18,910,563</u>	<u>52,082,576</u>	<u>32,274,097</u>	<u>19,085,211</u>	<u>51,359,308</u>
Deferred outflows of resources						
Deferred amount on refunding of debt	578,873	-	578,873	678,642	-	678,642
Pension - deferred outflows	1,884,768	310,468	2,195,236	1,857,714	254,564	2,112,278
OPEB - deferred outflows	<u>53,110</u>	<u>16,287</u>	<u>69,397</u>	<u>57,237</u>	<u>17,703</u>	<u>74,940</u>
Total deferred outflows of resources	<u>2,516,751</u>	<u>326,755</u>	<u>2,843,506</u>	<u>2,593,593</u>	<u>272,267</u>	<u>2,865,860</u>
Total assets and deferred outflows of resources	<u>\$ 35,688,764</u>	<u>\$ 19,237,318</u>	<u>\$ 54,926,082</u>	<u>\$ 34,867,690</u>	<u>\$ 19,357,478</u>	<u>\$ 54,225,168</u>
Liabilities						
Long-term liabilities outstanding	\$ 19,863,954	\$ 6,684,013	\$ 26,547,967	\$ 21,656,114	\$ 7,417,134	\$ 29,073,248
Other liabilities	<u>1,493,488</u>	<u>1,050,102</u>	<u>2,543,590</u>	<u>1,296,783</u>	<u>882,753</u>	<u>2,179,536</u>
Total Liabilities	<u>21,357,442</u>	<u>7,734,115</u>	<u>29,091,557</u>	<u>22,952,897</u>	<u>8,299,887</u>	<u>31,252,784</u>
Deferred inflows of resources						
Pension - deferred inflows	1,830,282	236,197	2,066,479	2,199,786	315,686	2,515,472
OPEB - deferred inflows	<u>1,618,309</u>	<u>525,357</u>	<u>2,143,666</u>	<u>888,979</u>	<u>274,954</u>	<u>1,163,933</u>
Total deferred inflows of resources	<u>3,448,591</u>	<u>761,554</u>	<u>4,210,145</u>	<u>3,088,765</u>	<u>590,640</u>	<u>3,679,405</u>
Net Position						
Net investment in capital assets	18,786,123	11,129,314	29,915,437	18,658,458	10,666,590	29,325,048
Restricted	2,318,483	86,112	2,404,595	2,126,893	83,003	2,209,896
Unrestricted	<u>(10,221,875)</u>	<u>(473,777)</u>	<u>(10,695,652)</u>	<u>(11,959,323)</u>	<u>(282,642)</u>	<u>(12,241,965)</u>
Total Net Position	<u>10,882,731</u>	<u>10,741,649</u>	<u>21,624,380</u>	<u>8,826,028</u>	<u>10,466,951</u>	<u>19,292,979</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 35,688,764</u>	<u>\$ 19,237,318</u>	<u>\$ 54,926,082</u>	<u>\$ 34,867,690</u>	<u>\$ 19,357,478</u>	<u>\$ 54,225,168</u>

A portion of the City of Bloomfield's governmental net position (21 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 as well as the City's General Fund reserve requirement imposed by the New Mexico Department of Finance and Administration. The remaining balance of *unrestricted net position*, (\$10,221,875), is negative due to the City's net pension liability, net OPEB liability, and related deferred inflows and deferred outflows of resources. Although the net pension liability and net OPEB liability are not expected to be paid by current or future City assets other than the annual pension and benefits contributions required by law, the reporting requirements under GASB 68 and GASB 75 require that the City's proportionate share of these liabilities be reported in the City's financial statements.

State of New Mexico
City of Bloomfield
Management's Discussion and Analysis
June 30, 2018

Analysis of Changes in Net Position

The City's net position overall increased by \$2,573,066 during the current fiscal year. These increases are explained in the government and business-type activities discussion below.

**Changes in Net Position
For the Year Ended June 30, 2019**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Revenues			
Program revenues:			
Charges for services	\$ 490,418	\$ 4,288,929	\$ 4,779,347
Operating grants and contributions	1,064,556	-	1,064,556
Capital grants	-	453,144	453,144
General revenues:			
Property taxes	1,130,051	-	1,130,051
Gross receipts taxes	6,148,905	-	6,148,905
Gasoline and motor vehicle taxes	229,217	-	229,217
Franchise taxes	299,191	-	299,191
Lodger's taxes	53,057	-	53,057
Miscellaneous revenue	63,271	580	63,851
Unrestricted investment earnings	22,892	7,107	29,999
Donation of capital assets	54,779	-	54,779
Gain on disposal of capital assets	23,688	-	23,688
Total revenues	<u>9,580,025</u>	<u>4,749,760</u>	<u>14,329,785</u>
Expenses			
General government	1,896,637	-	1,896,637
Public safety	3,219,348	-	3,219,348
Public works	789,093	-	789,093
Culture and recreation	935,607	-	935,607
Health and welfare	198,223	-	198,223
Interest and other charges	398,651	-	398,651
Joint utility and solid waste	-	4,319,160	4,319,160
Total expenses	<u>7,437,559</u>	<u>4,319,160</u>	<u>11,756,719</u>
Increase (decrease) in net position before transfers	<u>2,142,466</u>	<u>430,600</u>	<u>2,573,066</u>
Transfers	<u>(85,763)</u>	<u>85,763</u>	<u>-</u>
Increase (decrease) in net position	2,056,703	516,363	2,573,066
Net position, beginning of year	<u>8,826,028</u>	<u>10,466,951</u>	<u>19,292,979</u>
Net position, restatement	<u>-</u>	<u>(241,665)</u>	<u>(241,665)</u>
Net position, as restated	8,826,028	10,225,286	19,051,314
Ending net position	<u>\$ 10,882,731</u>	<u>\$ 10,741,649</u>	<u>\$ 21,624,380</u>

State of New Mexico
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Changes in Net Position
For the Year Ended June 30, 2018

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Revenues			
Program revenues:			
Charges for services	\$ 516,096	\$ 4,576,290	\$ 5,092,386
Operating grants and contributions	483,226	-	483,226
Capital grants	420,383	180,405	600,788
General revenues:			
Property taxes	1,117,102	-	1,117,102
Gross receipts taxes	5,470,087	-	5,470,087
Gasoline and motor vehicle taxes	224,513	-	224,513
Franchise taxes	279,355	-	279,355
Lodger's taxes	50,985	-	50,985
Miscellaneous revenue	35,531	1,803	37,334
Unrestricted investment earnings	17,686	5,910	23,596
Donation of capital assets	7,853	-	7,853
Gain on disposal of capital assets	2,354	-	2,354
Total revenues	<u>8,625,171</u>	<u>4,764,408</u>	<u>13,389,579</u>
Expenses			
General government	2,477,531	-	2,477,531
Public safety	3,776,951	-	3,776,951
Public works	785,542	-	785,542
Culture and recreation	916,741	-	916,741
Health and welfare	220,372	-	220,372
Interest and other charges	425,370	-	425,370
Joint utility and solid waste	-	4,131,729	4,131,729
Total expenses	<u>8,602,507</u>	<u>4,131,729</u>	<u>12,734,236</u>
Increase (decrease) in net position before transfers	<u>22,664</u>	<u>632,679</u>	<u>655,343</u>
Transfers	<u>(73,492)</u>	<u>73,492</u>	<u>-</u>
Increase (decrease) in net position	(50,828)	706,171	655,343
Net position, beginning of year	<u>13,516,472</u>	<u>11,195,772</u>	<u>24,712,244</u>
Net position, restatement	<u>(4,639,616)</u>	<u>(1,434,992)</u>	<u>(6,074,608)</u>
Net position, as restated	8,876,856	9,760,780	18,637,636
Ending net position	<u>\$ 8,826,028</u>	<u>\$ 10,466,951</u>	<u>\$ 19,292,979</u>

Governmental activities. Governmental activities increased City of Bloomfield's net position by \$2,056,703 in FY 2019 as opposed to a decrease of \$50,828 in FY 2018. The key elements of this increase are as follows:

- The City's expenses decreased by \$1,164,948 or 14% due mainly to a decrease in legal expense of \$700,000, and a decrease in pension and OPEB expense of about \$350,000.
- The City's gross receipts tax revenues increased by \$678,818 or 12% over last fiscal year due to an increase in economic activity within the city limits.

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June 30, 2019

Business-type activities. Business-type activities increased the City's net position by \$516,363. Total business type revenues decreased by \$14,648 or 0.3% from last fiscal year due mainly to a decrease in charges for services revenues from lower water consumption offset by an increase in grant revenues for capital projects. Total business-type expenses increased by \$187,431 due mainly to an increase of about \$63,000 in fees from the Bloomfield Irrigation District for water delivery charges, and an increase of about \$67,000 in materials expense for water and sewer line maintenance and repairs.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental funds. The focus of the 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 the 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 \$9,407,609 in the fiscal year ended June 30, 2019, which represents an increase of \$788,407 from the fiscal year ended June 30, 2018. This is mainly due to an increase in gross receipts tax of \$678,818. Expenditures for governmental functions, totaling \$7,917,003, increased by \$60,869 from the fiscal year ended June 30, 2018. This increase was mainly due to an increase in legal expenditures of \$233,333 to pay off a judgment from the previous fiscal year, an increase in IT expenditures of \$42,300 for new computer equipment at the police department, and an increase of \$82,000 for gross receipts tax admin fee expenditures previously reported in the gross receipt tax revenue line item, offset by a decrease in capital outlay expenditures of \$273,864 due to less spending on new equipment. In the fiscal year ended June 30, 2019, revenues exceeded expenditures for governmental functions by \$1,490,606. Overall, after accounting for proceeds from the sale of capital assets and transfers in and out, fund balances for governmental functions increased by \$1,428,531.

The General Fund is the chief operating fund of the City of Bloomfield. At the end of the current fiscal year, *unassigned* fund balance of the general fund was \$2,160,888.

The fund balance of the City's general fund increased by \$1,134,991 during the current fiscal year. There was an excess of revenues over expenditures of \$2,141,834, but this was offset by transfers to other funds of \$1,027,531 for debt service and street maintenance expenditures.

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

At the end of the fiscal year, the unrestricted net position for enterprise funds was (\$473,777). The total increase in net position for the enterprise funds was \$516,363. Factors concerning the finances of this fund have been addressed previously in the discussion of the City's business-type activities.

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

General Fund Budgetary Highlights

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

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

State of New Mexico
City of Bloomfield
Management's Discussion and Analysis
June 30, 2019

The following table examines the summary budget performance of the general fund for the fiscal year ending June 30, 2019. 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. Actual general fund expenditures were \$343,925 less than the final budget amount (favorable variance).

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original</u>	<u>Final</u>	(Non-GAAP Budgetary Basis)	<u>Favorable</u>
				<u>(Unfavorable)</u>
				<u>Final to Actual</u>
<i>Expenditures:</i>				
Current:				
General government	\$ 1,584,137	\$ 1,666,537	\$ 1,716,724	\$ (50,187)
Public safety	3,284,478	3,309,376	2,886,638	422,738
Culture and recreation	820,922	820,922	828,874	(7,952)
Health and welfare	189,561	189,561	175,865	13,696
Capital outlay	4,500	59,500	89,434	(29,934)
Debt service:				
Principal	-	-	4,070	(4,070)
Interest	-	-	366	(366)
<i>Total expenditures</i>	<u>\$ 5,883,598</u>	<u>\$ 6,045,896</u>	<u>\$ 5,701,971</u>	<u>\$ 343,925</u>

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, 2019 amount to \$43,944,034 (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 \$656,805, due to additions of \$482,272 offset by depreciation expense of \$1,139,077. Total capital assets for business-type activities decreased by \$24,460 due to depreciation of \$510,486, offset by additions of \$486,026.

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

- \$220,975 was an addition to governmental equipment for 30 SCBA air packs at the Fire Department.
- \$56,715 was an addition to governmental equipment for a safety house training trailer for the Fire Department.
- \$96,356 was an addition to business-type distribution system for a pressure relief valve to bypass the east water tank (\$26,059 of the total was capitalized in the prior year as construction in progress).
- \$61,799 was an addition to governmental construction in progress for a project to replace the East Blanco Bridge.
- \$349,347 was an addition to business-type construction in progress for a project to upgrade the Wastewater Plant.

State of New Mexico
City of Bloomfield
Management's Discussion and Analysis
June 30, 2019

Capital Assets, Net of Depreciation
June 30, 2019

	Governmental Activities	Business-type Activities	Total
Land	\$ 2,256,522	\$ 395,469	\$ 2,651,991
Water rights	-	313,686	313,686
Buildings and improvements	17,911,491	10,908,287	28,819,778
Land improvements	2,628,230	1,753,859	4,382,089
Furniture, fixtures and equipment	9,912,641	625,157	10,537,798
Construction in progress	524,696	618,910	1,143,606
Infrastructure	10,893,976	-	10,893,976
Distribution system	-	12,413,049	12,413,049
Total capital assets	44,127,556	27,028,417	71,155,973
Accumulated depreciation	(16,286,955)	(10,924,984)	(27,211,939)
Capital assets, net of accumulated depreciation	<u>\$ 27,840,601</u>	<u>\$ 16,103,433</u>	<u>\$ 43,944,034</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 \$16,044,820.

There were no significant additions to long term debt during the year.

City of Bloomfield's Outstanding Debt
June 30, 2019

	Governmental Activities	Business-type Activities	Total
General obligation bonds	\$ 265,000	\$ -	\$ 265,000
Capital leases	60,751	409,148	469,899
Loans payable	-	3,572,496	3,572,496
NMFA loans	9,642,014	-	9,642,014
EID notes	-	1,169,216	1,169,216
Judgments	466,667	-	466,667
Compensated absences	355,147	104,381	459,528
Total long-term liabilities	<u>\$ 10,789,579</u>	<u>\$ 5,255,241</u>	<u>\$ 16,044,820</u>

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

State of New Mexico
City of Bloomfield
Management's Discussion and Analysis
June 30, 2019

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 other than the ongoing downturn in the oil and gas industry for the Four Corners region. The City made significant budget cuts in FY 2017 to compensate for the reduction in gross receipts tax revenue and carried those cuts forward to the FY 2018 and FY 2019 budgets. For FY 2020, the City expected gross receipts tax revenue to increase by about \$500,000 annually and allowed for some increases in budgeted expenditures for payroll positions that had been left vacant over the previous three fiscal years.

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.

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**BASIC
FINANCIAL STATEMENTS**

STATE OF NEW MEXICO

City of Bloomfield

Statement of Net Position

June 30, 2019

	Primary Government		Total
	Governmental Activities	Business-type Activities	
Assets			
Current assets			
Cash and cash equivalents	\$ 2,633,668	\$ 1,539,837	\$ 4,173,505
Property taxes receivable	171,998	-	171,998
Other taxes receivable	1,336,689	-	1,336,689
Due from customers (net)	-	545,456	545,456
Other receivables	33,534	148,648	182,182
Inventory	-	165,420	165,420
Internal balances	1,880	(1,880)	-
Total current assets	4,177,769	2,397,481	6,575,250
Noncurrent assets			
Restricted cash and investments	1,153,643	409,649	1,563,292
Capital assets	44,127,556	27,028,417	71,155,973
Less: accumulated depreciation	(16,286,955)	(10,924,984)	(27,211,939)
Total noncurrent assets	28,994,244	16,513,082	45,507,326
Deferred outflows of resources			
Deferred amount on refunding of debt	578,873	-	578,873
Pension - deferred outflows	1,884,768	310,468	2,195,236
OPEB - deferred outflows	53,110	16,287	69,397
Total deferred outflows of resources	2,516,751	326,755	2,843,506
Total assets and deferred outflows of resources	\$ 35,688,764	\$ 19,237,318	\$ 54,926,082

The accompanying notes are an integral part of these financial statements

	Primary Government		Total
	Governmental Activities	Business-type Activities	
Liabilities			
Current liabilities			
Accounts payable	\$ 128,385	\$ 222,852	\$ 351,237
Accrued payroll expenses	164,620	51,930	216,550
Accrued compensated absences	320,681	56,780	377,461
Meter deposits	-	146,796	146,796
Accrued interest	30,509	24,211	54,720
Current portion of bond payable	130,000	-	130,000
Current portion of loans and notes payable	719,293	547,533	1,266,826
Total current liabilities	<u>1,493,488</u>	<u>1,050,102</u>	<u>2,543,590</u>
Noncurrent liabilities			
Accrued compensated absences	34,466	47,601	82,067
Bonds payable	135,000	-	135,000
Loans and notes payable	8,983,472	4,603,327	13,586,799
Judgments payable	466,667	-	466,667
Net pension liability	7,310,088	1,158,622	8,468,710
Net OPEB liability	2,934,261	874,463	3,808,724
Total noncurrent liabilities	<u>19,863,954</u>	<u>6,684,013</u>	<u>26,547,967</u>
Total liabilities	<u>21,357,442</u>	<u>7,734,115</u>	<u>29,091,557</u>
Deferred inflows of resources			
Pension - deferred inflows	1,830,282	236,197	2,066,479
OPEB - deferred inflows	1,618,309	525,357	2,143,666
Total deferred inflows of resources	<u>3,448,591</u>	<u>761,554</u>	<u>4,210,145</u>
Net position			
Net investment in capital assets	18,786,123	11,129,314	29,915,437
Restricted for:			
Debt service	812,971	86,112	899,083
Capital projects	342,725	-	342,725
Special revenue	612,582	-	612,582
Reserve requirement	550,205	-	550,205
Unrestricted (deficit)	<u>(10,221,875)</u>	<u>(473,777)</u>	<u>(10,695,652)</u>
Total net position	<u>10,882,731</u>	<u>10,741,649</u>	<u>21,624,380</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 35,688,764</u>	<u>\$ 19,237,318</u>	<u>\$ 54,926,082</u>

STATE OF NEW MEXICO
City of Bloomfield
Statement of Activities
For the Year Ended June 30, 2019

<u>Functions/Programs</u>	<u>Program Revenues</u>			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
General government	\$ 1,896,637	\$ 440,175	\$ 404,935	\$ -
Public safety	3,219,348	255	602,824	-
Public works	789,093	-	-	-
Culture and recreation	935,607	49,988	52,747	-
Health and welfare	198,223	-	4,050	-
Interest on long-term debt	398,651	-	-	-
<i>Total governmental activities</i>	<u>7,437,559</u>	<u>490,418</u>	<u>1,064,556</u>	<u>-</u>
Business-type Activities:				
Joint Utility	3,648,829	3,566,638	-	453,144
Solid Waste	670,331	722,291	-	-
<i>Total business-type activities</i>	<u>4,319,160</u>	<u>4,288,929</u>	<u>-</u>	<u>453,144</u>
<i>Total</i>	<u>\$ 11,756,719</u>	<u>\$ 4,779,347</u>	<u>\$ 1,064,556</u>	<u>\$ 453,144</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
Lodger's taxes
Investment income
Miscellaneous revenue
Transfers
Donation of capital assets
Gain on disposal of capital assets
 Total general revenues and transfers
 Change in net position
 Net position, beginning
 Net position restatement (Note 19)
 Net position, beginning, as restated
 Net position, ending

The accompanying notes are an integral part of these financial statements

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (1,051,527)	\$ -	\$ (1,051,527)
(2,616,269)	-	(2,616,269)
(789,093)	-	(789,093)
(832,872)	-	(832,872)
(194,173)	-	(194,173)
(398,651)	-	(398,651)
<u>(5,882,585)</u>	<u>-</u>	<u>(5,882,585)</u>
-	370,953	370,953
-	51,960	51,960
-	422,913	422,913
(5,882,585)	422,913	(5,459,672)
995,788	-	995,788
134,263	-	134,263
6,148,905	-	6,148,905
229,217	-	229,217
299,191	-	299,191
53,057	-	53,057
22,892	7,107	29,999
63,271	580	63,851
(85,763)	85,763	-
54,779	-	54,779
23,688	-	23,688
<u>7,939,288</u>	<u>93,450</u>	<u>8,032,738</u>
2,056,703	516,363	2,573,066
<u>8,826,028</u>	<u>10,466,951</u>	<u>19,292,979</u>
-	(241,665)	(241,665)
<u>8,826,028</u>	<u>10,225,286</u>	<u>19,051,314</u>
<u>\$ 10,882,731</u>	<u>\$ 10,741,649</u>	<u>\$ 21,624,380</u>

STATE OF NEW MEXICO

City of Bloomfield

Balance Sheet

Governmental Funds

June 30, 2019

	<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	\$ 1,726,350	\$ 338,102	\$ 1,153,643	\$ 569,216
Receivables:				
Property taxes	151,928	-	20,070	-
Other taxes	1,199,125	38,960	-	98,604
Other receivables	33,534	-	-	-
Due from other funds	5,643	-	4,181	402
<i>Total assets</i>	<u>\$ 3,116,580</u>	<u>\$ 377,062</u>	<u>\$ 1,177,894</u>	<u>\$ 668,222</u>
<i>Liabilities, deferred inflows of resources, and fund balance</i>				
<i>Liabilities</i>				
Accounts payable	\$ 113,183	\$ 10,184	\$ -	\$ 5,018
Accrued payroll expenses	153,224	11,396	-	-
Due to other funds	4,583	2,463	-	1,300
<i>Total liabilities</i>	<u>270,990</u>	<u>24,043</u>	<u>-</u>	<u>6,318</u>
<i>Deferred inflows of resources</i>				
Unavailable revenue- property taxes	134,497	-	17,481	-
<i>Total deferred inflows of resources</i>	<u>134,497</u>	<u>-</u>	<u>17,481</u>	<u>-</u>
<i>Fund balances</i>				
Restricted	550,205	293,403	1,160,413	403,122
Committed	-	-	-	35,843
Assigned	-	-	-	222,939
Unassigned	2,160,888	59,616	-	-
<i>Total fund balances</i>	<u>2,711,093</u>	<u>353,019</u>	<u>1,160,413</u>	<u>661,904</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 3,116,580</u>	<u>\$ 377,062</u>	<u>\$ 1,177,894</u>	<u>\$ 668,222</u>

The accompanying notes are an integral part of these financial statements

Total

\$ 3,787,311

171,998

1,336,689

33,534

10,226

\$ 5,339,758

\$ 128,385

164,620

8,346

301,351

151,978

151,978

2,407,143

35,843

222,939

2,220,504

4,886,429

\$ 5,339,758

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STATE OF NEW MEXICO

City of Bloomfield
Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Position
June 30, 2019

Exhibit B-1
Page 2 of 2

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

Fund balances - total governmental funds	\$	4,886,429
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		27,840,601
Delinquent property taxes not collected within sixty days after year end are not considered "available" revenues and are considered to be deferred inflows of resources in the fund financial statements, but are considered revenue in the Statement of Activities		151,978
Items related to the defined benefit pension plan and other postemployment benefits are not financial resources and, therefore, are not reported in the funds. Deferred outflows of resources		1,937,878
Loan proceeds paid to refunded bond escrow agent reported as an other financing use in the funds are netted against the refunded bonds with the difference being reported as a deferred outflow of resources in the government-wide statement of net position and amortized over the remaining life of the refunded bonds		578,873
Items related to the defined benefit pension plan and other postemployment benefits are not due and payable in the current period and, therefore, are not reported in the funds Deferred inflows of resources		(3,448,591)
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		(30,509)
Current portion of accrued compensated absences		(320,681)
Long-term portion of accrued compensated absences		(34,466)
Bonds and notes payable		(9,967,765)
Judgments payable		(466,667)
Net pension liability		(7,310,088)
Net OPEB liability		(2,934,261)
		<hr style="border-top: 1px solid black;"/>
Net position of governmental activities	\$	<u><u>10,882,731</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, 2019

	General Fund	Special Street Maintenance Capital Projects Fund	G.O. Bond Debt Service Fund	Other Governmental Funds
<i>Revenues:</i>				
Taxes:				
Property	\$ 910,964	\$ -	\$ 125,138	\$ -
Gross receipts	5,641,988	-	-	506,917
Gasoline and motor vehicle	-	229,217	-	-
Other	299,192	-	-	53,056
Intergovernmental				
Federal operating grants	50,948	-	-	-
State operating grants	475,823	-	-	537,785
Charges for services	282,419	-	-	-
Licenses and fees	203,478	-	-	4,521
Contributions and donations	-	-	-	18,065
Investment income	50	-	22,830	12
Miscellaneous	34,272	4,163	-	6,771
<i>Total revenues</i>	<u>7,899,134</u>	<u>233,380</u>	<u>147,968</u>	<u>1,127,127</u>
<i>Expenditures:</i>				
Current:				
General government	1,737,845	-	1,258	77,338
Public safety	2,922,893	-	-	79,088
Public works	-	574,343	-	-
Culture and recreation	826,067	-	-	22,298
Health and welfare	176,625	-	-	-
Capital outlay	89,434	61,799	-	276,260
Debt service:				
Principal	4,070	39,841	726,048	-
Interest	366	2,895	298,535	-
<i>Total expenditures</i>	<u>5,757,300</u>	<u>678,878</u>	<u>1,025,841</u>	<u>454,984</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>2,141,834</u>	<u>(445,498)</u>	<u>(877,873)</u>	<u>672,143</u>
<i>Other financing sources (uses)</i>				
Proceeds from sale of capital assets	20,688	3,000	-	-
Transfers in	-	429,012	885,756	-
Transfers out	(1,027,531)	-	-	(373,000)
<i>Total other financing sources (uses)</i>	<u>(1,006,843)</u>	<u>432,012</u>	<u>885,756</u>	<u>(373,000)</u>
<i>Net change in fund balance</i>	1,134,991	(13,486)	7,883	299,143
<i>Fund balance - beginning of year</i>	<u>1,576,102</u>	<u>366,505</u>	<u>1,152,530</u>	<u>362,761</u>
<i>Fund balance - end of year</i>	<u>\$ 2,711,093</u>	<u>\$ 353,019</u>	<u>\$ 1,160,413</u>	<u>\$ 661,904</u>

The accompanying notes are an integral part of these financial statements

<u>Total</u>	
\$	1,036,102
	6,148,905
	229,217
	352,248
	50,948
	1,013,608
	282,419
	207,999
	18,065
	22,892
	45,206
	<u>9,407,609</u>
	1,816,441
	3,001,981
	574,343
	848,365
	176,625
	427,493
	769,959
	301,796
	<u>7,917,003</u>
	<u>1,490,606</u>
	23,688
	1,314,768
	<u>(1,400,531)</u>
	<u>(62,075)</u>
	1,428,531
	<u>3,457,898</u>
\$	<u><u>4,886,429</u></u>

STATE OF NEW MEXICO

City of Bloomfield

Governmental Funds

Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2019

Exhibit B-2

Page 2 of 2

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

Net change in fund balances - total governmental funds	\$	1,428,531
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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		427,493
Depreciation expense		(1,139,077)
Donation of capital assets		54,779

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

Increase in deferred inflow related to property taxes receivable		93,948
--	--	--------

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		89,458
Decrease in accrued interest		2,914
Decrease in judgments payable		233,333
Change in net pension liability and the related deferred outflows and deferred inflows of resources related to pensions		(43,076)
Change in net OPEB liability and the related deferred outflows and deferred inflows of resources related to other postemployment benefits		238,207

The issuance of long-term debt (e.g. bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities:

Amortization of bond premiums and bond discounts		3
Principal payments on bonds, loans and notes payable		769,959
Amortization of deferred amount on refunding of debt		(99,769)

Change in net position of governmental activities	\$	<u><u>2,056,703</u></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, 2019

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues:</i>				
Taxes				
Property	\$ 870,030	\$ 870,030	\$ 914,942	\$ 44,912
Gross receipts	5,027,000	5,109,400	5,455,815	346,415
Other	298,000	298,000	282,072	(15,928)
Intergovernmental income:				
Federal operating grant	-	-	50,948	50,948
State operating grant	167,400	222,400	461,291	238,891
Charges for services	324,400	324,400	279,067	(45,333)
Licenses and fees	226,500	226,500	203,697	(22,803)
Investment income	50	50	50	-
Miscellaneous	11,400	36,298	34,592	(1,706)
<i>Total revenues</i>	<u>6,924,780</u>	<u>7,087,078</u>	<u>7,682,474</u>	<u>595,396</u>
<i>Expenditures:</i>				
Current:				
General government	1,584,137	1,666,537	1,716,724	(50,187)
Public safety	3,284,478	3,309,376	2,886,638	422,738
Culture and recreation	820,922	820,922	828,874	(7,952)
Health and welfare	189,561	189,561	175,865	13,696
Capital outlay	4,500	59,500	89,434	(29,934)
Debt service:				
Principal	-	-	4,070	(4,070)
Interest	-	-	366	(366)
<i>Total expenditures</i>	<u>5,883,598</u>	<u>6,045,896</u>	<u>5,701,971</u>	<u>343,925</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>1,041,182</u>	<u>1,041,182</u>	<u>1,980,503</u>	<u>939,321</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	9,456	9,456	-	(9,456)
Proceeds from sale of capital assets	-	-	20,688	20,688
Transfers out	(1,050,638)	(1,050,638)	(1,027,532)	23,106
<i>Total other financing sources (uses)</i>	<u>(1,041,182)</u>	<u>(1,041,182)</u>	<u>(1,006,844)</u>	<u>34,338</u>
<i>Net change in fund balance</i>	-	-	973,659	973,659
<i>Fund balance - beginning of year</i>	-	-	753,751	753,751
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,727,410</u>	<u>\$ 1,727,410</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ 973,659	
Adjustments to revenues for taxes and other receivables.			216,660	
Adjustments to expenditures for salaries and accounts payable.			(55,328)	
Net change in fund balance (GAAP)			<u>\$ 1,134,991</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Exhibit D-1

City of Bloomfield
Statement of Net Position
Proprietary Funds
June 30, 2019

	Business-type Activities		
	Enterprise Funds		Total
	Joint Utility	Solid Waste	
<i>Assets</i>			
<i>Current assets</i>			
Cash and cash equivalents	\$ 1,235,034	\$ 304,803	\$ 1,539,837
Accounts receivable (net of allowance for doubtful accounts of \$243,535 and \$41,636, respectively)	454,260	91,196	545,456
Other receivables	148,648	-	148,648
Inventory	165,420	-	165,420
<i>Total current assets</i>	<u>2,003,362</u>	<u>395,999</u>	<u>2,399,361</u>
<i>Noncurrent assets</i>			
Restricted cash and investments	393,077	16,572	409,649
Capital assets	26,524,519	503,898	27,028,417
Accumulated depreciation	(10,789,168)	(135,816)	(10,924,984)
<i>Total noncurrent assets</i>	<u>16,128,428</u>	<u>384,654</u>	<u>16,513,082</u>
<i>Deferred outflows of resources</i>			
Pension - deferred outflows	310,468	-	310,468
OPEB - deferred outflows	16,287	-	16,287
<i>Total deferred outflows of resources</i>	<u>326,755</u>	<u>-</u>	<u>326,755</u>
<i>Total assets and deferred outflows of resources</i>	<u>\$ 18,458,545</u>	<u>\$ 780,653</u>	<u>\$ 19,239,198</u>
<i>Liabilities, deferred inflows of resources, and Net Position</i>			
<i>Liabilities</i>			
<i>Current liabilities</i>			
Accounts payable	\$ 168,205	\$ 54,647	\$ 222,852
Accrued payroll expenses	51,930	-	51,930
Accrued compensated absences	56,780	-	56,780
Meter deposits	146,796	-	146,796
Due to other funds	1,880	-	1,880
Accrued interest	23,604	607	24,211
Current maturity of loans, notes and capital leases payable	534,978	12,555	547,533
<i>Total current liabilities</i>	<u>984,173</u>	<u>67,809</u>	<u>1,051,982</u>
<i>Noncurrent liabilities</i>			
Accrued compensated absences	47,601	-	47,601
Loans, notes and capital leases payable	4,531,875	71,452	4,603,327
Net pension liability	1,158,622	-	1,158,622
Net OPEB liability	874,463	-	874,463
<i>Total noncurrent liabilities</i>	<u>6,612,561</u>	<u>71,452</u>	<u>6,684,013</u>
<i>Total liabilities</i>	<u>7,596,734</u>	<u>139,261</u>	<u>7,735,995</u>
<i>Deferred inflows of resources</i>			
Pension - deferred inflows	236,197	-	236,197
OPEB - deferred inflows	525,357	-	525,357
<i>Total deferred inflows of resources</i>	<u>761,554</u>	<u>-</u>	<u>761,554</u>
<i>Net position</i>			
Net investment in capital assets	10,828,667	300,647	11,129,314
Restricted for:			
Debt service	86,112	-	86,112
Unrestricted	(814,522)	340,745	(473,777)
<i>Total net position</i>	<u>10,100,257</u>	<u>641,392</u>	<u>10,741,649</u>
<i>Total liabilities, deferred inflows of resources and net position</i>	<u>\$ 18,458,545</u>	<u>\$ 780,653</u>	<u>\$ 19,239,198</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 Position

Proprietary Funds

For the Year Ended June 30, 2019

	Business-type Activities		Total
	Enterprise Funds		
	Joint Utility	Solid Waste	
<i>Operating revenues:</i>			
Charges for services	\$ 3,566,638	\$ 722,291	\$ 4,288,929
<i>Total operating revenues</i>	<u>3,566,638</u>	<u>722,291</u>	<u>4,288,929</u>
<i>Operating expenses:</i>			
Depreciation	500,447	10,039	510,486
Personnel services	1,365,966	-	1,365,966
Contractual services	324,946	656,172	981,118
Supplies and purchased power	589,858	-	589,858
Maintenance and materials	281,263	-	281,263
Miscellaneous	208,086	-	208,086
Utilities	26,953	-	26,953
Equipment	12,881	-	12,881
Gross receipts taxes	188,648	-	188,648
<i>Total operating expenses</i>	<u>3,499,048</u>	<u>666,211</u>	<u>4,165,259</u>
<i>Operating income (loss)</i>	<u>67,590</u>	<u>56,080</u>	<u>123,670</u>
<i>Non-operating revenues (expenses):</i>			
Interest expense	(149,781)	(4,120)	(153,901)
Investment income	6,843	264	7,107
Miscellaneous income	580	-	580
<i>Total non-operating revenues (expenses)</i>	<u>(142,358)</u>	<u>(3,856)</u>	<u>(146,214)</u>
<i>Income (loss) before contributions and transfers</i>	<u>(74,768)</u>	<u>52,224</u>	<u>(22,544)</u>
Government contributions	453,144	-	453,144
Transfers in	105,912	-	105,912
Transfers out	(20,149)	-	(20,149)
<i>Change in net position</i>	<u>464,139</u>	<u>52,224</u>	<u>516,363</u>
<i>Total net position, beginning of year</i>	<u>9,877,783</u>	<u>589,168</u>	<u>10,466,951</u>
<i>Total net position, restatement (Note 19)</i>	<u>(241,665)</u>	<u>-</u>	<u>(241,665)</u>
<i>Total net position, as restated</i>	<u>9,636,118</u>	<u>589,168</u>	<u>10,225,286</u>
<i>Total net position, end of year</i>	<u>\$ 10,100,257</u>	<u>\$ 641,392</u>	<u>\$ 10,741,649</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, 2019

Exhibit D-3

	Business-type Activities		
	Enterprise Funds		
	Joint Utility	Solid Waste	Total
<i>Cash flows from operating activities:</i>			
Cash received from user charges	\$ 3,662,143	\$ 728,212	\$ 4,390,355
Cash payments to customers	(241,665)	-	(241,665)
Cash payments to employees for services	(1,428,964)	-	(1,428,964)
Cash payments to suppliers for goods and services	(1,411,047)	(654,522)	(2,065,569)
<i>Net cash provided by operating activities</i>	<u>580,467</u>	<u>73,690</u>	<u>654,157</u>
<i>Cash flows from noncapital financing activities:</i>			
Internal balances and transfers	85,763	-	85,763
<i>Net cash (used) provided by noncapital financing activities:</i>	<u>85,763</u>	<u>-</u>	<u>85,763</u>
<i>Cash flows from investing activities:</i>			
Interest on investments	6,843	264	7,107
<i>Net cash provided from investing activities</i>	<u>6,843</u>	<u>264</u>	<u>7,107</u>
<i>Cash flows from capital and related financing activities:</i>			
Acquisition of capital assets	(486,026)	-	(486,026)
Capital grants received	304,496	-	304,496
Interest paid	(152,209)	(4,204)	(156,413)
Principal payments on bonds, loans and notes payable	(519,811)	(12,044)	(531,855)
<i>Net cash (used) from capital and related financing activities</i>	<u>(853,550)</u>	<u>(16,248)</u>	<u>(869,798)</u>
<i>Net increase (decrease) in cash and cash equivalents</i>	(180,477)	57,706	(122,771)
<i>Cash and cash equivalents - beginning of year</i>	<u>1,808,588</u>	<u>263,669</u>	<u>2,072,257</u>
<i>Cash and cash equivalents - end of year</i>	<u>\$ 1,628,111</u>	<u>\$ 321,375</u>	<u>\$ 1,949,486</u>
<i>Reconciliation of operating income to net cash provided by operating activities:</i>			
Operating income	\$ 67,590	\$ 56,080	\$ 123,670
<i>Adjustments to reconcile operating income to net cash provided by operating activities:</i>			
Depreciation	500,448	10,038	510,486
Net pension expense	21,714	-	21,714
Net OPEB expense	(81,786)	-	(81,786)
Miscellaneous income	580	-	580
<i>Changes in assets and liabilities</i>			
Receivables	94,925	5,921	100,846
Inventory	75,219	-	75,219
Accounts payable	136,736	1,651	138,387
Accrued payroll expenses	1,229	-	1,229
Accrued compensated absences	(4,155)	-	(4,155)
Due to customers	(241,665)	-	(241,665)
Meter deposits	9,632	-	9,632
<i>Net cash provided by operating activities</i>	<u>\$ 580,467</u>	<u>\$ 73,690</u>	<u>\$ 654,157</u>

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, 2019

Exhibit E-1

<i>Assets</i>	
Cash	<u>\$ 141</u>
<i>Total assets</i>	<u><u>\$ 141</u></u>
<i>Liabilities</i>	
Due to other entities	<u>\$ 141</u>
<i>Total liabilities</i>	<u><u>\$ 141</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, 2019

NOTE 1. Summary of Significant Accounting Policies

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

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

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

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

A. *Financial Reporting Entity*

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

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

B. *Government-wide and fund financial statements*

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for services provided.

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2019

NOTE 1. Summary of Significant Accounting Policies (continued)

B. Government-wide and fund financial statements (continued)

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

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

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

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

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

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

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

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2019

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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.

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.

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

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

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2019

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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.

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

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

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

Investments for the City are reported at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties. All of the City's investments at June 30, 2019, are considered cash equivalents for financial statement purposes.

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

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

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2019

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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.

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, 2019. Donated capital assets are recorded at estimated fair market value at the date of donation. During the year ended June 30, 2019 the City received \$54,779 in donated capital assets. 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, 2019, along with applicable PERA and Retiree Health Care.

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2019

NOTE 1. Summary of Significant Accounting Policies (continued)

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

Deferred Inflows/Outflows of Resources: In addition to liabilities, the statement of net position and the balance sheet report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Revenue must be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period) to be recognized. If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding liability for deferred inflows of resources. In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has only one type of item, which arises under the modified accrual basis of accounting that qualifies for reporting as a deferred inflow of resources. Accordingly, the item, unavailable revenue - property taxes, is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City has recorded \$151,978 related to property taxes considered "unavailable." In the government-wide financial statements, the City reports both deferred outflows of resources and deferred inflows of resources in relation to its pension activity. See the statement of net position on pages 22 to 23 for amounts for both governmental activities and business-type activities.

Compensated Absences: Qualified employees are entitled to accumulate annual leave according to a graduated leave schedule of twelve days to twenty-one days per year, depending on length of service. Employees may accumulate from 240 hours up to a maximum of 360 hours (forty-five days) of annual leave, depending on length of service, and carry that leave forward from calendar year to calendar year. Upon termination, employees will be paid for unused leave up to the maximum allowed accrual based on length of service.

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

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

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

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

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2019

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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

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

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

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

Nonspendable Fund Balance: At June 30, 2019, the City did not have any nonspendable fund balance categorized in the governmental funds balance sheet.

Restricted and Committed Fund Balance: At June 30, 2019, the City has presented restricted fund balance on the governmental funds balance sheet in the amount of \$2,407,143 for various City operations, of which \$679,114 is restricted by enabling legislation, and \$1,728,029 by externally imposed restrictions from creditors, grantors, contributors, or laws or regulations of other governments. Of the \$1,728,029, \$550,205 is restricted in the General Fund by a reserve requirement imposed by the New Mexico Department of Finance and Administration which is one twelfth of budgeted General Fund expenditures. The City has also presented committed fund balance on the governmental funds balance sheet in the amount of \$35,843 in order to provide services throughout the City. The \$35,843 was committed by formal action of the City Council. Assigned fund balance, in the amount of \$222,939, has also been reported, of which \$187,217 was assigned by the City Council, and \$35,722 was assigned at the department level by policy. The details of these fund balance restrictions, commitments, and assignments are located on pages 41, and 87-89.

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

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

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

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2019

NOTE 1. Summary of Significant Accounting Policies (continued)

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

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates in the City’s financial statements include the allowance for uncollectible accounts in the joint utility and solid waste funds.

NOTE 2. Stewardship, Compliance and Accountability

Budgetary Information

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

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

	Excess (deficiency) of	
	revenues over expenditures	
	Original Budget	Final Budget
Budgeted Funds:		
General Fund	\$ 1,041,182	\$ 1,041,182
Special Street Maintenance Capital Projects Fund	\$ (333,849)	\$ (333,849)
G.O. Bond Debt Service Fund	\$ (892,185)	\$ (892,185)
Other Governmental Funds	\$ 166,709	\$ 134,709
Joint Utility Proprietary Fund	\$ (715,201)	\$ (715,201)
Solid Waste Proprietary Fund	\$ 41,600	\$ 44,600

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

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

The accompanying Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual presents comparisons of the legally adopted budget with actual data on a budgetary basis. Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of resultant basis, perspective, equity and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2019 is presented.

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2019

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, 2019.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the City. Deposits may be made to the extent that they are insured by an agency of the United States or collateralized as required by statute. The financial institution must provide pledged collateral for 50% of the deposit amount in excess of the deposit insurance.

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

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

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

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2019, \$4,008,747 of the City's bank balance of \$4,763,931 was exposed to custodial credit risk. Although the \$4,008,747 was uninsured, \$3,399,250 of this amount was collateralized by collateral held by the pledging bank's trust department, not in the City's name. \$1,229,638 of the City's deposits was uninsured and uncollateralized at June 30, 2019.

	Wells Fargo Bank	Citizen's Bank	Total
Amount of deposits	\$ 3,597,750	\$ 1,166,181	\$ 4,763,931
FDIC coverage	(356,830)	(398,354)	(755,184)
Total uninsured public funds	<u>3,240,920</u>	<u>767,827</u>	<u>4,008,747</u>
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the City's name	2,011,282	767,827	2,779,109
Uninsured and uncollateralized	<u>\$ 1,229,638</u>	<u>\$ -</u>	<u>\$ 1,229,638</u>
Collateral requirement (50% of uninsured funds)	\$ 1,620,460	\$ 383,914	\$ 2,004,374
Pledged Collateral	2,011,282	1,387,968	3,399,250
Over (Under) collateralized	<u>\$ 390,822</u>	<u>\$ 1,004,055</u>	<u>\$ 1,394,877</u>

As of June 30, 2019, the City had the following investments and maturities:

<u>Investment Type</u>	<u>Maturities</u>	<u>Fair Value</u>	<u>Rating</u>
U.S. Treasury MM Mutual Funds	<360 days	\$ 1,282,673	Aaa*

*Rating based on Moody's

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2019

NOTE 3. Deposits and Investments (continued)

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, 2019 was \$1,282,673.

The investments are listed on Schedule I of this report. They are considered restricted cash and investments for financial statement purposes. The total restricted cash and cash equivalents balance of \$1,563,292 also consists of \$146,796 in cash being held in the Joint Utility Fund for customer deposits and \$133,109 in cash being held in the G.O. Bond Debt Service Fund for payment of general obligation bonds.

Reconciliation to the Statements of Net Position

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

Reconciliation to the Statement of Net Position:

Cash and cash equivalents per Exhibit A-1	\$4,173,505
Restricted cash and investments per Exhibit A-1	1,563,292
Agency funds cash per Exhibit E-1	<u>141</u>
 Total cash and cash equivalents	 <u>5,736,938</u>
 Add: deposits in transit and other reconciling items	 312,216
Less: U.S. Treasury Money Market Mutual Fund	(1,282,673)
Less: petty cash	<u>(2,550)</u>
 Bank balance of deposits	 <u><u>\$4,763,931</u></u>

NOTE 4. Receivables

Receivables as of June 30, 2019, including the applicable allowances for uncollectible accounts, are as follows:

Governmental Activities:

	General Fund	Special Street Maintenance Capital Projects Fund	G.O. Bond Debt Service Fund	Other Governmental Funds	Total
Property taxes	\$ 151,928	\$ -	\$ 20,070	\$ -	\$ 171,998
Other taxes:					
Gross receipts taxes	1,068,503	-	-	87,647	1,156,150
Gasoline taxes	-	38,960	-	-	38,960
Motor vehicle taxes	4,084	-	-	-	4,084
Franchise and lodgers taxes	126,538	-	-	10,957	137,495
Other receivables:					
Intergovernmental grants:					
State	16,587	-	-	-	16,587
Miscellaneous	16,947	-	-	-	16,947
 Totals	 <u>\$ 1,384,587</u>	 <u>\$ 38,960</u>	 <u>\$ 20,070</u>	 <u>\$ 98,604</u>	 <u>\$ 1,542,221</u>

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2019

NOTE 4. Receivables (continued)

In accordance with GASB No. 33, the property tax revenues that were not collected within the period of availability, \$151,978, have been reclassified as deferred inflows in the governmental fund financial statements. The above receivables are deemed 100% collectible.

Business-Type Activities:

	<u>Joint Utility</u>	<u>Solid Waste</u>	<u>Total</u>
Utility fees	\$ 697,795	\$ 132,832	\$ 830,627
Less: Allowance for uncollectible accounts	<u>(243,535)</u>	<u>(41,636)</u>	<u>(285,171)</u>
Other receivables:			
Intergovernmental grants:			
State	<u>148,648</u>	<u>-</u>	<u>148,648</u>
Totals	<u>\$ 602,908</u>	<u>\$ 91,196</u>	<u>\$ 694,104</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	\$ 105,912
General Fund	Special Street Maintenance Fund	408,863
General Fund	G.O. Bond Fund	512,756
Capital Equipment Replacement Fund	G.O. Bond Fund	373,000
Joint Utility Fund	Special Street Maintenance Fund	<u>20,149</u>
Total		<u>\$ 1,420,680</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	Special Street Maintenance Fund	\$ 2,463
General Fund	KAB - Bloomfield Pride Fund	1,300
General Fund	Joint Utility Fund	1,880
Fire Department Construction Fund	General Fund	402
G.O. Bond Fund	General Fund	<u>4,181</u>
		<u>\$ 10,226</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, 2019

NOTE 6. Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2019, 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, 2018	Additions & Transfers In	Deletions & Transfers Out	Balance June 30, 2019
Capital assets not being depreciated:				
Land	\$ 2,256,522	\$ -	\$ -	\$ 2,256,522
Construction in progress	462,897	61,799	-	524,696
	<u>2,719,419</u>	<u>61,799</u>	<u>-</u>	<u>2,781,218</u>
Capital assets being depreciated:				
Land improvements	2,628,230	-	-	2,628,230
Buildings and improvements	17,911,491	-	-	17,911,491
Furniture, fixtures and equipment	9,543,798	420,473	51,630	9,912,641
Infrastructure	10,893,976	-	-	10,893,976
	<u>40,977,495</u>	<u>420,473</u>	<u>51,630</u>	<u>41,346,338</u>
Total capital assets	<u>43,696,914</u>	<u>482,272</u>	<u>51,630</u>	<u>44,127,556</u>
Accumulated depreciation:				
Land improvements	756,803	115,031	-	871,834
Buildings and improvements	5,447,663	365,664	-	5,813,327
Furniture, fixtures and equipment	6,900,960	396,648	51,630	7,245,978
Infrastructure	2,094,082	261,734	-	2,355,816
Total accumulated depreciation	<u>15,199,508</u>	<u>1,139,077</u>	<u>51,630</u>	<u>16,286,955</u>
Net Capital Assets	<u>\$ 28,497,406</u>	<u>\$ (656,805)</u>	<u>\$ -</u>	<u>\$ 27,840,601</u>

Depreciation expense for the year ended June 30, 2019 was charged to governmental activities as follows:

General Government	\$ 351,704
Public Safety	408,538
Public Works	233,829
Culture and Recreation	114,463
Health and Welfare	<u>30,543</u>
Total	<u>\$ 1,139,077</u>

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2019

NOTE 6. Capital Assets (continued)

Business-type Activities:

	Balance June 30, 2018	Additions & Transfers In	Deletions & Transfers Out	Balance June 30, 2019
Capital assets not being depreciated:				
Land	\$ 395,469	\$ -	\$ -	\$ 395,469
Water rights	313,686	-	-	313,686
Construction in progress	295,622	419,644	96,356	618,910
	<u>1,004,777</u>	<u>419,644</u>	<u>96,356</u>	<u>1,328,065</u>
Capital assets being depreciated:				
Land improvements	1,753,859	-	-	1,753,859
Buildings and improvements	10,908,287	-	-	10,908,287
Distribution system	12,333,154	139,962	60,067	12,413,049
Furniture, fixtures and equipment	616,617	22,776	14,236	625,157
	<u>25,611,917</u>	<u>162,738</u>	<u>74,303</u>	<u>25,700,352</u>
Total capital assets	<u>26,616,694</u>	<u>582,382</u>	<u>170,659</u>	<u>27,028,417</u>
Accumulated depreciation:				
Land improvements	318,306	36,029	-	354,335
Buildings and improvements	3,476,430	218,159	-	3,694,589
Distribution system	6,358,000	204,014	60,067	6,501,947
Furniture, fixtures and equipment	336,065	52,284	14,236	374,113
Total accumulated depreciation	<u>10,488,801</u>	<u>510,486</u>	<u>74,303</u>	<u>10,924,984</u>
Net Book Value	<u>\$ 16,127,893</u>	<u>\$ 71,896</u>	<u>\$ 96,356</u>	<u>\$ 16,103,433</u>

Depreciation expense charged to business-type activities for the year ended June 30, 2019 was as follows:

Joint Utility Fund	\$ 500,447
Solid Waste Fund	<u>10,039</u>
Total	<u>\$ 510,486</u>

NOTE 7. Long-term Debt

During the year ended June 30, 2019, the following changes occurred in the liabilities reported in the government-wide statement of net position:

Governmental Activities

	Balance June 30, 2018	Additions	Retirements	Balance June 30, 2019	Due Within One Year
2005 General Obligation Series	390,000	-	125,000	265,000	130,000
Capital Lease	104,662	-	43,911	60,751	39,604
NMFA Loans	10,243,062	-	601,048	9,642,014	679,689
Judgments	700,000	-	233,333	466,667	-
Compensated Absences	444,605	231,223	320,681	355,147	320,681
Total Long-term Debt	<u>\$ 11,882,329</u>	<u>\$ 231,223</u>	<u>\$ 1,323,973</u>	<u>\$ 10,789,579</u>	<u>\$ 1,169,974</u>

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2019

NOTE 7. Long-term Debt (continued)

Description	Date of Issue	Term	Interest Rate	Original Amount of Issue	Balance as of June 30, 2019
2005 General Obligation Series	January 2005	15 years	2.80%-4.30%	1,600,000	\$ 265,000
NMFA PPRF Loan-Refinance Fire Dept Loan	April 2012	18 years	3.25%	1,580,054	1,012,499
NMFA PPRF Loan-Refi PD/Landscape/EPC	July 2015	18 years	3.02%	9,009,000	7,892,000
NMFA PPRF Loan-Fiber Optic Project	September 2015	15 years	3.34%	535,998	437,515
NMFA PPRF Loan-Fire Truck	June 2018	4 years	2.03%	300,000	300,000
Street Sweeper Lease	January 2016	5 years	3.59%	195,336	58,944
Server Lease	December 2016	3 years	9.05%	11,704	1,807
					<u>\$ 9,967,765</u>

The annual requirements to amortize the Bonds as of June 30, 2019, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2020	130,000	8,535	138,535
2021	135,000	2,902	137,902
	<u>\$ 265,000</u>	<u>\$ 11,437</u>	<u>\$ 276,437</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, 2019, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2020	679,689	\$ 286,350	\$ 966,039
2021	697,717	268,321	966,038
2022	712,276	253,762	966,038
2023	728,390	237,647	966,037
2024	665,565	220,192	885,757
2025-2029	3,618,630	810,149	4,428,779
2030-2034	2,539,747	228,084	2,767,831
	<u>\$ 9,642,014</u>	<u>\$ 2,304,505</u>	<u>\$ 11,946,519</u>

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2019

NOTE 7. Long-term Debt (continued)

The annual requirements to amortize the capital lease as of June 30, 2019, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2020	39,605	1,605	41,210
2021	21,146	222	21,368
	<u>\$ 60,751</u>	<u>\$ 1,827</u>	<u>\$ 62,578</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, 2019, long-term compensated absences decreased \$89,458 from the prior year accrual.

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

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

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, 2019:

Proprietary Funds

	Balance June 30, 2018	Additions	Retirements	Balance June 30, 2019	Due Within One Year
EID Notes	\$ 1,317,362	\$ -	\$ 148,146	\$ 1,169,216	\$ 152,590
Loans Payable	3,923,277	-	350,781	3,572,496	360,738
Capital Lease	442,076	-	32,928	409,148	34,205
Compensated Absences	108,536	52,625	56,780	104,381	56,780
Total Long-term Debt	<u>\$ 5,791,251</u>	<u>\$ 52,625</u>	<u>\$ 588,635</u>	<u>\$ 5,255,241</u>	<u>\$ 604,313</u>

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2019

NOTE 7. Long-term Debt (continued)

On October 24, 2004, the City received a note for improvements to the waste water plant for \$2,700,000. The note is financed over twenty years at 3%. The annual requirements to amortize the note as of June 30, 2019, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2020	\$ 152,590	\$ 35,076	\$ 187,666
2021	157,168	30,499	187,667
2022	161,883	25,784	187,667
2023	166,739	20,927	187,666
2024	171,742	15,925	187,667
2025-2029	<u>359,094</u>	<u>16,239</u>	<u>375,333</u>
	<u>\$ 1,169,216</u>	<u>\$ 144,450</u>	<u>\$ 1,313,666</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, 2019, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2020	\$ 203,446	\$ 34,930	\$ 238,376
2021	207,525	30,861	238,386
2022	211,686	26,710	238,396
2023	215,930	22,476	238,406
2024	220,259	18,158	238,417
2025-2029	<u>687,631</u>	<u>27,687</u>	<u>715,318</u>
	<u>\$ 1,746,477</u>	<u>\$ 160,822</u>	<u>\$ 1,907,299</u>

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, 2019, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2020	7,671	960	8,631
2021	7,449	632	8,081
2022	<u>7,219</u>	<u>312</u>	<u>7,531</u>
	<u>\$ 22,339</u>	<u>\$ 1,904</u>	<u>\$ 24,243</u>

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2019

NOTE 7. Long-term Debt (continued)

On February 9, 2007, the City entered into a loan agreement with the New Mexico Water Trust Board and the New Mexico Finance Authority for Water Project Fund in the amount of \$87,500. The loan is financed over twenty years. The annual requirements to amortize the loan as of June 30, 2019, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2020	\$ 4,581	\$ 81	\$ 4,662
2021	4,592	69	4,661
2022	4,604	58	4,662
2023	4,615	46	4,661
2024	4,627	35	4,662
2025-2029	9,287	35	9,322
	<u>\$ 32,306</u>	<u>\$ 324</u>	<u>\$ 32,630</u>

On December 5, 2008, the City entered into a loan agreement with the New Mexico Water Trust Board and the New Mexico Finance Authority for Waterline Project in the amount of \$60,000. The loan is financed over twenty years. The annual requirements to amortize the loan as of June 30, 2019, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2020	\$ 3,063	\$ 70	\$ 3,133
2021	3,071	62	3,133
2022	3,079	54	3,133
2023	3,086	47	3,133
2024	3,094	39	3,133
2025-2029	12,454	77	12,531
	<u>\$ 27,847</u>	<u>\$ 349</u>	<u>\$ 28,196</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, 2019, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2020	\$ 10,985	\$ 306	\$ 11,291
2021	11,013	278	11,291
2022	11,040	251	11,291
2023	11,068	223	11,291
2024	11,095	196	11,291
2025-2029	55,895	561	56,456
2030-2034	11,262	28	11,290
	<u>\$ 122,358</u>	<u>\$ 1,843</u>	<u>\$ 124,201</u>

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2019

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, 2019, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2020	\$ 26,530	\$ 7,078	\$ 33,608
2021	27,326	6,282	33,608
2022	28,146	5,462	33,608
2023	28,991	4,617	33,608
2024	29,860	3,748	33,608
2025-2029	95,064	5,759	100,823
	<u>\$ 235,917</u>	<u>\$ 32,946</u>	<u>\$ 268,863</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, 2019, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2020	\$ 10,626	\$ 3,239	\$ 13,865
2021	10,945	2,920	13,865
2022	11,274	2,591	13,865
2023	11,612	2,253	13,865
2024	11,960	1,905	13,865
2025-2029	51,538	3,923	55,461
	<u>\$ 107,955</u>	<u>\$ 16,831</u>	<u>\$ 124,786</u>

On February 15, 2007, the City received a lease purchase contract for the construction of a solid waste facility in the amount of \$216,218. The lease purchase contract is financed over 20 years at 3.925%. The annual requirements to amortize the lease purchase contract as of June 30, 2019, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2020	\$ 12,555	\$ 3,694	\$ 16,249
2021	13,092	3,158	16,250
2022	13,659	2,593	16,252
2023	14,257	1,996	16,253
2024	14,889	1,366	16,255
2025-2029	15,555	702	16,257
	<u>\$ 84,007</u>	<u>\$ 13,509</u>	<u>\$ 97,516</u>

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2019

NOTE 7. Long-term Debt (continued)

On November 19, 2010, the City entered into a loan agreement with the New Mexico Water Trust Board and the New Mexico Finance Authority for the Blanco/Navajo Dam Regional Water Project in the amount of \$55,000. The loan is financed over twenty years at 0.25%. The annual requirements to amortize the loan as of June 30, 2019, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2020	\$ 2,746	\$ 76	\$ 2,822
2021	2,753	70	2,823
2022	2,760	63	2,823
2023	2,767	56	2,823
2024	2,774	49	2,823
2025-2029	13,975	140	14,115
2030-2034	2,815	7	2,822
	<u>\$ 30,590</u>	<u>\$ 461</u>	<u>\$ 31,051</u>

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, 2019, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2020	\$ 64,025	\$ 41,882	\$ 105,907
2021	66,208	39,699	105,907
2022	68,632	37,275	105,907
2023	71,274	34,633	105,907
2024	74,161	31,746	105,907
2025-2029	422,163	107,374	529,537
2030-2034	197,521	14,293	211,814
	<u>\$ 963,984</u>	<u>\$ 306,902</u>	<u>\$ 1,270,886</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, 2019, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2020	\$ 11,954	\$ 363	\$ 12,317
2021	11,984	334	12,318
2022	12,014	304	12,318
2023	12,044	274	12,318
2024	12,074	243	12,317
2025-2029	60,824	764	61,588
2030-2034	24,542	92	24,634
	<u>\$ 145,436</u>	<u>\$ 2,374</u>	<u>\$ 147,810</u>

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2019

NOTE 7. Long-term Debt (continued)

On January 6, 2017, the City entered into a loan agreement with the New Mexico Water Trust Board and the New Mexico Finance Authority for the design of a city owned raw water source of the San Juan River in the amount of \$53,280. The loan is financed over twenty years at 0.25%. The annual requirements to amortize the loan as of June 30, 2019, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2020	\$ 2,556	\$ 180	\$ 2,736
2021	2,610	127	2,737
2022	2,617	120	2,737
2023	2,623	114	2,737
2024	2,630	107	2,737
2025-2029	13,248	437	13,685
2030-2034	13,414	270	13,684
2035-2039	13,582	102	13,684
	<u>\$ 53,280</u>	<u>\$ 1,457</u>	<u>\$ 54,737</u>

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
2020	187,666	453,597	\$ 641,263
2021	187,667	453,060	640,727
2022	187,667	452,523	640,190
2023	187,666	445,002	632,668
2024	187,667	445,015	632,682
2025-2029	375,333	1,585,093	1,960,426
2030-2034	-	264,244	264,244
2035-2039	-	13,684	13,684
Total Payments	\$ 1,313,666	\$ 4,112,218	\$ 5,425,884
Less Interest	<u>(144,450)</u>	<u>(539,722)</u>	<u>(684,172)</u>
Net Long-term Debt	<u>\$ 1,169,216</u>	<u>\$ 3,572,496</u>	<u>\$ 4,741,712</u>

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2019

NOTE 7. Long-term Debt (continued)

On June 9, 2009, the City entered into a lease purchase contract with the City of Aztec for a main water line in the amount of \$687,900. The lease purchase contract is financed over 20 years at 3.81%. The annual requirements to amortize the lease purchase contract as of June 30, 2019, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2019	\$ 34,205	\$ 14,995	\$ 49,200
2020	35,531	13,669	49,200
2021	36,908	12,292	49,200
2022	38,339	10,861	49,200
2023	39,826	9,374	49,200
2024-2028	223,525	22,475	246,000
2029-2033	814	3,286	4,100
	<u>\$ 409,148</u>	<u>\$ 86,952</u>	<u>\$ 496,100</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, 2019, long-term compensated absences decreased \$4,155 from the prior year accrual.

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

NOTE 8. Risk Management

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

At June 30, 2019, 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, 2019

NOTE 9. PERA Pension Plan

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

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

TIER II

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

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2019

NOTE 9. PERA Pension Plan (continued)

Contributions – See PERA’s comprehensive annual financial report for Contribution provided description.

PERA Contribution Rates and Pension Factors in effect during FY18						
Coverage Plan	Employee Contribution Percentage		Employer Contribution Percentage	Pension Factor per year of Service		Pension Maximum as a Percentage of the Final Average Salary
	Annual Salary less than \$20,000	Annual Salary greater than \$20,000		TIER 1	TIER 2	
STATE PLAN						
State Plan 3	7.42%	8.92%	16.99%	3.0%	2.5%	90%
MUNICIPAL PLANS 1 - 4						
Municipal Plan 1 (plan open to new employers)	7.0%	8.5%	7.4%	2.0%	2.0%	90%
Municipal Plan 2 (plan open to new employers)	9.15%	10.65%	9.55%	2.5%	2.0%	90%
Municipal Plan 3 (plan closed to new employers 6/95)	13.15%	14.65%	9.55%	3.0%	2.5%	90%
Municipal Plan 4 (plan closed to new employers 6/00)	15.65%	17.15%	12.05%	3.0%	2.5%	90%
MUNICIPAL POLICE PLANS 1 - 5						
Municipal Police Plan 1	7.0%	8.5%	10.40%	2.0%	2.0%	90%
Municipal Police Plan 2	7.0%	8.5%	15.40%	2.5%	2.0%	90%
Municipal Police Plan 3	7.0%	8.5%	18.90%	2.5%	2.0%	90%
Municipal Police Plan 4	12.35%	13.85%	18.90%	3.0%	2.5%	90%
Municipal Police Plan 5	16.3%	17.8%	18.90%	3.5%	3.0%	90%
MUNICIPAL FIRE PLANS 1 - 5						
Municipal Fire Plan 1	8.0%	9.5%	11.40%	2.0%	2.0%	90%
Municipal Fire Plan 2	8.0%	9.5%	17.9%	2.5%	2.0%	90%
Municipal Fire Plan 3	8.0%	9.5%	21.65%	2.5%	2.0%	90%
Municipal Fire Plan 4	12.8%	14.3%	21.65%	3.0%	2.5%	90%
Municipal Fire Plan 5	16.2%	17.7%	21.65%	3.5%	3.0%	90%
MUNICIPAL DETENTION OFFICER PLAN 1						
Municipal Detention Officer Plan 1	16.65%	18.15%	17.05%	3.0%	3.0%	90%
STATE POLICE AND ADULT CORRECTIONAL OFFICER PLANS, ETC.						
State Police and Adult Correctional Officer Plan 1	7.6%	9.1%	25.50%	3.0%	3.0%	90%
State Plan 3 - Peace Officer	7.42%	8.92%	16.99%	3.0%	3.0%	90%
Juvenile Correctional Officer Plan 2	4.78%	6.28%	26.12%	3.0%	3.0%	90%

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2019, the City reported a combined liability of \$8,468,710 for its proportionate share of the net pension liability of the three divisions in which it participates. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2018 using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date of June 30, 2018. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2018. The City’s proportion of the net pension liability was based on a projection of the City’s long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined.

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2019

NOTE 9. PERA Pension Plan (continued)

For PERA Fund Municipal General Division, at June 30, 2019, the City of Bloomfield reported a liability of \$4,003,463 for its proportionate share of the net pension liability. At June 30, 2018, the City's proportion was 0.2511 percent, which was a decrease of 0.0128 percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the City of Bloomfield recognized PERA Fund Municipal General Division pension expense of \$245,245. At June 30, 2019, the City reported PERA Fund Municipal General Division deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 115,708	105,110
Changes of assumptions	362,971	23,018
Net difference between projected and actual earnings on pension plan investments	296,917	-
Changes in proportion and differences between City of Bloomfield contributions and proportionate share of contributions	25,443	523,404
City of Bloomfield contributions subsequent to the measurement date	192,305	-
Total	<u>\$ 993,344</u>	<u>651,532</u>

\$192,305 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2020	\$ 193,046
2021	(57,888)
2022	(156)
2023	14,505
2024	-
Total	<u>\$ 149,507</u>

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2019

NOTE 9. PERA Pension Plan (continued)

For PERA Fund Municipal Police Division, at June 30, 2019, the City of Bloomfield reported a liability of \$3,393,782 for its proportionate share of the net pension liability. At June 30, 2018, the City's proportion was 0.4974 percent, which was an increase of 0.0066 percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the City of Bloomfield recognized PERA Fund Municipal Police Division pension expense of \$242,435. At June 30, 2019, the City reported PERA Fund Municipal Police Division deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 166,144	336,411
Changes of assumptions	387,235	20,748
Net difference between projected and actual earnings on pension plan investments	233,540	-
Changes in proportion and differences between City of Bloomfield contributions and proportionate share of contributions	51,503	178,018
City of Bloomfield contributions subsequent to the measurement date	170,281	-
Total	<u>\$ 1,008,703</u>	<u>535,177</u>

\$170,281 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2020	\$ 205,073
2021	(2,517)
2022	88,387
2023	12,302
2024	<u>-</u>
Total	<u>\$ 303,245</u>

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2019

NOTE 9. PERA Pension Plan (continued)

For PERA Fund Municipal Fire Division, at June 30, 2019, the City of Bloomfield reported a liability of \$1,071,465 for its proportionate share of the net pension liability. At June 30, 2018, the City's proportion was 0.1674 percent, which was a decrease of 0.0981 percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the City of Bloomfield recognized PERA Fund Municipal Fire Division pension expense of (\$31,235). At June 30, 2019, the City reported PERA Fund Municipal Fire Division deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 17,219	78,141
Changes of assumptions	61,881	3,913
Net difference between projected and actual earnings on pension plan investments	37,573	-
Changes in proportion and differences between City of Bloomfield contributions and proportionate share of contributions	47,447	797,716
City of Bloomfield contributions subsequent to the measurement date	29,069	-
Total	<u>\$ 193,189</u>	<u>879,770</u>

\$29,069 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2020	\$ (262,093)
2021	(319,131)
2022	(134,884)
2023	458
2024	<u>-</u>
Total	<u>\$ (715,650)</u>

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2019

NOTE 9. PERA Pension Plan (continued)

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

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

The total pension liability, net pension liability, and certain sensitivity information are based on an actuarial valuation performed as of June 30, 2017. The total pension liability was rolled-forward from the valuation date to the plan year ended June 30, 2018. These assumptions were adopted by the Board use in the June 30, 2017 actuarial valuation.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	43.5%	7.48%
Risk Reduction & Mitigation	21.5	2.37%
Credit Oriented Fixed Income	15.0	5.47%
Real Assets to include Real Estate Equity	20.0	6.48%
Total	100.0%	

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2019

NOTE 9. PERA Pension Plan (continued)

Discount rate. A single discount rate of 7.25% was used to measure the total pension liability as of June 30, 2018. This single discount rate was based on a long-term expected rate of return on pension plan investments of 7.25%, compounded annually, net of expense. Based on the stated assumptions and the projection of cash flows, the plan’s fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
PERA Fund Municipal General Division			
City of Bloomfield's proportionate share of the net pension liability	\$ 6,169,069	\$ 4,003,463	\$ 2,213,244
PERA Fund Municipal Police Division			
City of Bloomfield's proportionate share of the net pension liability	\$ 5,218,243	\$ 3,393,782	\$ 1,906,413
PERA Fund Municipal Fire Division			
City of Bloomfield's proportionate share of the net pension liability	\$ 1,430,324	\$ 1,071,465	\$ 777,484

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

NOTE 10. Other Postemployment Benefits (OPEB)

General Information about the OPEB

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

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2019

NOTE 10. Other Postemployment Benefits (continued)

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

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

Employees covered by benefit terms. At June 30, 2018, the Fund's measurement date, the following employees were covered by the benefit terms:

Plan Membership	
Current retirees and surviving spouses	51,205
Inactive and eligible for deferred benefit	11,471
Current active members	93,349
	156,025
Active membership	
State general	19,593
State police and corrections	1,886
Municipal general	17,004
Municipal police	3,820
Municipal FTRE	2,290
Educational Retirement Board	48,756
	93,349

Contributions. Employer and employee contributions to the Fund total 3% for non-enhanced retirement plans and 3.75% of enhanced retirement plans of each participating employee's salary as required by Section 10-7C-15 NMSA 1978. The contributions are established by statute and are not based on an actuarial calculation. All employer and employee contributions are non-refundable under any circumstance, including termination of the employer's participation in the Fund. Contributions to the Fund from the City were \$69,397 for the year ended June 30, 2019.

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

At June 30, 2019, the City reported a liability of \$3,808,724 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017. The City's proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2018. At June 30, 2018, the City's proportion was 0.08759 percent.

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2019

NOTE 10. Other Postemployment Benefits (continued)

For the year ended June 30, 2019, the City recognized OPEB expense of \$250,733. At June 30, 2019 the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 225,501
Changes of assumptions	-	711,072
Differences between actual and projected earnings on OPEB plan investments	-	47,531
Change in proportion	-	1,159,562
Contributions made after the measurement date	69,397	-
Total	\$ 69,397	\$ 2,143,666

Deferred outflows of resources totaling \$69,397 represent City contributions to the Fund made subsequent to the measurement date and will be recognized as a reduction of net OPEB liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year ended June 30:	
2020	(495,710)
2021	(495,710)
2022	(495,710)
2023	(438,764)
2024	(217,772)
Total	(2,143,666)

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

Valuation Date		June 30, 2017
Actuarial cost method		Entry age normal, level percent of pay, calculated on individual employee basis
Asset valuation method		Market value of assets
Actuarial assumptions:		
Inflation		2.25% for PERA members
Projected payroll increases		3.25% to 12.50% based on years of service, including inflation
Investment rate of return		7.25%, net of OPEB plan investment expense and margin for adverse deviation including inflation
Health care cost trend rate		8% graded down to 4.5% over 14 years for Non-Medicare medical plan costs and 7.5% graded down to 4.5% over 12 for Medicare medical plan costs
Mortality		PERA members: RP-2000 Combined Healthy Mortality

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2019

NOTE 10. Other Postemployment Benefits (continued)

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

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

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

Discount Rate. The discount rate used to measure the Fund's total OPEB liability is 4.08% as of June 30, 2018. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates proportional to the actuary determined contribution rates. For this purpose, employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members through the fiscal year ending June 30, 2029. Thus, the 7.25% discount rate was used to calculate the net OPEB liability through 2029. Beyond 2029, the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. Thus, 4.08% is the blended discount rate.

Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates. The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.08 percent) or 1-percentage-point higher (5.08 percent) than the current discount rate:

1% Decrease (3.08%)	Current Discount (4.08%)	1% Increase (5.08%)
\$ 4,609,453	\$ 3,808,724	\$ 3,177,571

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

1% Decrease	Current Trend Rates	1% Increase
\$ 3,219,707	\$ 3,808,724	\$ 4,270,526

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2019

NOTE 10. Other Postemployment Benefits (continued)

OPEB plan fiduciary net position. Detailed information about the OPEB plan’s fiduciary net position is available in NMRHCA’s audited financial statements for the year ended June 30, 2018.

Payable Changes in the Net OPEB Liability. At June 30, 2019, the City reported a payable of \$2,662 for outstanding contributions due to NMRHCA for the year ended June 30, 2019.

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.

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, 2019
Amount of project	\$41,637/Annually
City contributions	\$5,833
Audit responsibility	City of Bloomfield

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2019

NOTE 14. Joint Powers Agreements (continued)

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

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	Liable for operation and maintenance costs.
Audit responsibility	City of Bloomfield

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2019

NOTE 14. Joint Powers Agreements (continued)

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	\$82.29 per prisoner per day
Audit responsibility	City of Bloomfield

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

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2019

NOTE 14. Joint Powers Agreements (continued)

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	\$9,000
Audit responsibility	City of Bloomfield

NOTE 15. Subsequent Events

The date to which events occurring after June 30, 2019, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or disclosures is December 6, 2019 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. There were no funds with a deficit fund balance as of June 30, 2019.
- B. Excess of expenditures over appropriations. There were no funds that exceeded approved budgetary authority for the year ended June 30, 2019.
- C. Designated cash appropriations in excess of available balances. There were no funds that had designated cash appropriations in excess of available balances at June 30, 2019.

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2019

NOTE 17. Restricted Net Position

The government-wide statement of net position reports \$2,404,595 of restricted assets, \$679,114 of which is restricted by enabling legislation, and \$1,725,481 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 41, and 87-89.

NOTE 18. 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, 2019	Maturity Date	Pledged Revenue	
2005 General Obligation Series	1,060,000	265,000	8/2020	General (ad valorem) taxes levied against all taxable property within the City without limitation as to rate or amount	
NMFA PPRF Loan-Refinance Fire Dept Loan	1,580,054	1,012,499	5/2030	Capital outlay (0.25%) and municipal (0.25%) gross receipts tax	
NMFA PPRF Loan-Refi PD/Landscape/EPC	9,009,000	7,892,000	6/2033		
NMFA PPRF Loan-Fiber Optic Project	535,998	437,515	6/2033	State fire protection fund distribution	
NMFA PPRF Loan-Fire Truck	300,000	300,000	5/2018		
NMED Waste Water Plant	2,700,000	1,169,216	4/2026	Net utility system revenues	
WTB Water Plant	87,500	32,306	6/2026		
WTB North Heights Water Line	60,000	27,847	6/2028		
WTB Water Storage Tank	220,000	122,358	6/2030		
WTB Blanco/Navajo Dam Regional Proj	55,000	30,590	6/2030		
WTB Highway 64 Water Lines	240,000	145,436	6/2031		
NMED Water Plant	500,000	235,917	4/2027		
NMED Water Rights	206,277	107,955	2/2028		
NMFA Solid Waste Building	216,218	84,007	5/2025		
WTB Raw Water Source	53,280	53,280	6/2038		
NMFA Water Plant	3,737,000	1,746,477	4/2027		
NMFA Revenue Bond Refunding	528,051	22,339	5/2022		Net utility system revenues and state-shared gross receipts tax
NMFA Highway 64 Sewer Lines	1,426,075	963,984	5/2031		Municipal infrastructure gross receipts tax - 0.125%

NOTE 19. Net Position Restatement

The City has restated beginning net position in the amount of (\$241,665) in the Joint Utility Fund for a prior period adjustment to a customer account resulting in a \$241,665 amount due back to the customer. The liability was paid in full during fiscal year 2019.

NOTE 20. Tax Abatements

GASB Statement No. 77 is intended to improve the usefulness of financial statements prepared by state and local governments – which are intended, among other things, to assist users of financial statements in assessing (1) whether a government’s current-year revenues were sufficient to pay for current-year services (inter-period equity), (2) whether a government complied with finance-related legal and contractual obligations, (3) where a government’s financial resources came from and how it uses them, and (4) a government’s financial position and economic condition and how they have changed after time – by including information about certain limitations on a government’s ability to raise resources. This includes limitations on revenue-raising capacity resulting from government programs that use tax abatements to induce behavior by individuals and entities that is beneficial to the government or its citizens – such as the encouragement of economic development. For financial reporting purposes, this Statement defines a tax abatement as resulting from an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens.

This statement does not have a material effect on the financial statements of the City.

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REQUIRED SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
City of Bloomfield
Schedule of the City's Proportionate Share of the Net Pension Liability
June 30, 2019

Public Employees Retirement Association of New Mexico
For Last 10 Fiscal Years*
General, Police and Fire Divisions Combined Summary
(Dollar Amounts in Thousands)

Fiscal Year Measurement Date	June 30				
	2019 2018	2018 2017	2017 2016	2016 2015	2015 2014
City's proportion of the net pension liability (asset)	0.14%	0.15%	0.20%	0.19%	0.16%
City's proportionate share of net pension liability (asset)	\$ 8,469	\$ 7,872	\$ 12,168	\$ 8,021	\$ 5,368
City's covered-employee payroll**	\$ 3,050	\$ 3,264	\$ 3,653	\$ 4,460	\$ 4,245
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	277.67%	241.18%	333.10%	179.84%	126.45%
Plan fiduciary net position as a percentage of the total pension liability	71.13%	73.74%	69.18%	76.99%	81.29%

**Governmental Accounting Standards Board Statement 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for the City is not available prior to fiscal year 2015, the year the statement's requirements became effective.

** Covered-employee payroll amounts for fiscal years 2016 and 2017 were incorrect in prior year reports and have been corrected.

STATE OF NEW MEXICO
City of Bloomfield
Schedule of the City's Proportionate Share of the Net Pension Liability
June 30, 2019

Public Employees Retirement Association of New Mexico
For Last 10 Fiscal Years*
General Division
(Dollar Amounts in Thousands)

Fiscal Year Measurement Date	June 30				
	2019 2018	2018 2017	2017 2016	2016 2015	2015 2014
City's proportion of the net pension liability (asset)	0.06%	0.07%	0.09%	0.08%	0.08%
City's proportionate share of net pension liability (asset)	\$ 4,003	\$ 3,626	\$ 5,386	\$ 3,356	\$ 2,523
City's covered-employee payroll**	\$ 2,014	\$ 2,044	\$ 2,317	\$ 2,887	\$ 2,728
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	198.76%	177.40%	232.46%	116.25%	92.49%
Plan fiduciary net position as a percentage of the total pension liability	71.13%	73.74%	69.18%	76.99%	81.29%

**Governmental Accounting Standards Board Statement 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for the City is not available prior to fiscal year 2015, the year the statement's requirements became effective.

** Covered-employee payroll amounts for fiscal years 2016 and 2017 were incorrect in prior year reports and have been corrected.

STATE OF NEW MEXICO
City of Bloomfield
Schedule of the City's Proportionate Share of the Net Pension Liability
June 30, 2019

Public Employees Retirement Association of New Mexico
For Last 10 Fiscal Years*
Police Division
(Dollar Amounts in Thousands)

Fiscal Year Measurement Date	June 30				
	2019 2018	2018 2017	2017 2016	2016 2015	2015 2014
City's proportion of the net pension liability (asset)	0.05%	0.05%	0.07%	0.06%	0.06%
City's proportionate share of net pension liability (asset)	\$ 3,394	\$ 2,727	\$ 4,087	\$ 2,573	\$ 1,943
City's covered-employee payroll**	\$ 902	\$ 1,015	\$ 1,012	\$ 1,102	\$ 1,053
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	376.27%	268.67%	403.85%	233.48%	184.52%
Plan fiduciary net position as a percentage of the total pension liability	71.13%	73.74%	69.18%	76.99%	81.29%

**Governmental Accounting Standards Board Statement 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for the City is not available prior to fiscal year 2015, the year the statement's requirements became effective.

** Covered-employee payroll amounts for fiscal years 2016 and 2017 were incorrect in prior year reports and have been corrected.

STATE OF NEW MEXICO
City of Bloomfield
Schedule of the City's Proportionate Share of the Net Pension Liability
June 30, 2019

Public Employees Retirement Association of New Mexico
For Last 10 Fiscal Years*
Fire Division
(Dollar Amounts in Thousands)

Fiscal Year Measurement Date	June 30				
	2019 2018	2018 2017	2017 2016	2016 2015	2015 2014
City's proportion of the net pension liability (asset)	0.02%	0.03%	0.04%	0.05%	0.03%
City's proportionate share of net pension liability (asset)	\$ 1,071	\$ 1,519	\$ 2,695	\$ 2,092	\$ 902
City's covered-employee payroll**	\$ 134	\$ 205	\$ 324	\$ 471	\$ 464
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	799.25%	740.98%	831.79%	444.16%	194.40%
Plan fiduciary net position as a percentage of the total pension liability	71.13%	73.74%	69.18%	76.99%	81.29%

**Governmental Accounting Standards Board Statement 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for the City is not available prior to fiscal year 2015, the year the statement's requirements became effective.

** Covered-employee payroll amounts for fiscal years 2016 and 2017 were incorrect in prior year reports and have been corrected.

STATE OF NEW MEXICO
City of Bloomfield
Schedule of City Contributions
June 30, 2019

Public Employees Retirement Association of New Mexico
Schedule of Ten Year Tracking Data*
General, Police and Fire Divisions Combined Summary
(Dollar Amounts in Thousands)

	2019	2018	2017	2016	2015
Statutory required contributions	\$ 392	\$ 431	482	586	560
Contributions in relation to the statutorily required contributions	392	431	482	586	560
Annual contribution deficiency (excess)	\$ -	\$ -	-	-	-
City's covered-employee payroll	\$ 3,050	\$ 3,264	\$ 3,653	\$ 4,460	\$ 4,245
Contributions as a percentage of covered-employee payroll	12.85%	13.20%	13.19%	13.14%	13.19%

**Governmental Accounting Standards Board Statement 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for the City is not available prior to fiscal year 2015, the year the statement's requirements became effective.

** Contribution amounts for fiscal years 2015 and 2016 were incorrect in prior year reports and have been corrected.

STATE OF NEW MEXICO
City of Bloomfield
Schedule of City Contributions
June 30, 2019

Public Employees Retirement Association of New Mexico
Schedule of Ten Year Tracking Data*
General Division
(Dollar Amounts in Thousands)

	2019	2018	2017	2016	2015
Statutory required contributions	\$ 192	\$ 195	221	276	260
Contributions in relation to the statutorily required contributions	192	195	221	276	260
Annual contribution deficiency (excess)	\$ -	\$ -	-	-	-
City's covered-employee payroll	\$ 2,014	\$ 2,044	\$ 2,317	\$ 2,887	\$ 2,728
Contributions as a percentage of covered-employee payroll	9.53%	9.54%	9.54%	9.56%	9.53%

**Governmental Accounting Standards Board Statement 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for the City is not available prior to fiscal year 2015, the year the statement's requirements became effective.

** Contribution amounts for fiscal years 2015 and 2016 were incorrect in prior year reports and have been corrected.

STATE OF NEW MEXICO
City of Bloomfield
Schedule of City Contributions
June 30, 2019

Public Employees Retirement Association of New Mexico
Schedule of Ten Year Tracking Data*
Police Division
(Dollar Amounts in Thousands)

	2019	2018	2017	2016	2015
Statutory required contributions	\$ 170	\$ 192	191	208	199
Contributions in relation to the statutorily required contributions	170	192	191	208	199
Annual contribution deficiency (excess)	\$ -	\$ -	-	-	-
City's covered-employee payroll	\$ 902	\$ 1,015	\$ 1,012	\$ 1,102	\$ 1,053
Contributions as a percentage of covered-employee payroll	18.85%	18.92%	18.87%	18.87%	18.90%

**Governmental Accounting Standards Board Statement 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for the City is not available prior to fiscal year 2015, the year the statement's requirements became effective.

** Contribution amounts for fiscal years 2015 and 2016 were incorrect in prior year reports and have been corrected.

STATE OF NEW MEXICO
City of Bloomfield
Schedule of City Contributions
June 30, 2019

Public Employees Retirement Association of New Mexico
Schedule of Ten Year Tracking Data*
Fire Division
(Dollar Amounts in Thousands)

	2019	2018	2017	2016	2015
Statutory required contributions	\$ 29	\$ 44	70	102	101
Contributions in relation to the statutorily required contributions	29	44	70	102	101
Annual contribution deficiency (excess)	\$ -	\$ -	-	-	-
City's covered-employee payroll	\$ 134	\$ 205	\$ 324	\$ 471	\$ 464
Contributions as a percentage of covered-employee payroll	21.64%	21.46%	21.60%	21.66%	21.77%

**Governmental Accounting Standards Board Statement 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for the City is not available prior to fiscal year 2015, the year the statement's requirements became effective.

** Contribution amounts for fiscal years 2015 and 2016 were incorrect in prior year reports and have been corrected.

STATE OF NEW MEXICO
City of Bloomfield
Schedule of the City's Proportionate Share of the Net OPEB Liability
June 30, 2019

New Mexico Retiree Health Care Authority
For Last 10 Fiscal Years*
(Dollar Amounts in Thousands)

	Fiscal Year Measurement Date	June 30	June 30
		2019	2018
City's proportion of the net OPEB liability		0.08759%	0.11285%
City's proportionate share of net OPEB liability		\$ 3,809	\$ 5,114
City's covered-employee payroll		\$ 3,212	\$ 3,444
City's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll		118.59%	148.49%
Plan fiduciary net position as a percentage of the total OPEB liability		13.14%	11.34%

**Governmental Accounting Standards Board Statement 75* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for the City is not available prior to fiscal year 2018, the year the statement's requirements became effective.

STATE OF NEW MEXICO
City of Bloomfield
Schedule of City Contributions - OPEB
June 30, 2019

New Mexico Retiree Health Care Authority
Schedule of Ten Year Tracking Data*
(Dollar Amounts in Thousands)

	2019	2018
Contractually required contribution	\$ 69	\$ 75
Contributions in relation to the contractually required contribution	69	75
Contribution deficiency (excess)	-	-
City's covered-employee payroll	\$ 3,212	\$ 3,444
Contributions as a percentage of covered-employee payroll	2.15%	2.18%

**Governmental Accounting Standards Board Statement 75* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for the City is not available prior to fiscal year 2018, the year the statement's requirements became effective.

STATE OF NEW MEXICO
City of Bloomfield
Notes to Required Supplementary Information
June 30, 2019

Changes of Benefit Terms. The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of PERA's CAFR. <https://www.saonm.org>

Changes of Assumptions. The Public Employees Retirement Association of New Mexico Annual Actuarial Valuation as of June 30, 2018 report is available at <http://www.nmpera.org>.

Changes in plan membership. As part of the June 30, 2017 NMRHCA GASB 74/75 audit, it was discovered that 4,010 members were deemed participants of non-participating employers. As a result those members were removed and thus excluded from the valuation in the year ended June 30, 2018.

Changes in OPEB assumptions and methods. The mortality, retirement, disability, turnover, and salary increase assumptions are based on the Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation as of June 30, 2016 and the New Mexico Educational Retirement Board (ERB) Actuarial Experience Study as of June 30, 2016.

STATE OF NEW MEXICO
City of Bloomfield
Nonmajor Fund Descriptions
June 30, 2019

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

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 Fund Descriptions
June 30, 2019

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.

KAB – Bloomfield Pride

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

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

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

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 Fund Descriptions
June 30, 2019

Capital Projects Funds

Fire Department Construction

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

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

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.

Highway Co-op Projects

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

Park Improvements

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

STATE OF NEW MEXICO
City of Bloomfield
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2019

Special Revenue

	<u>Fire Protection Fund</u>	<u>Recreation Fund</u>	<u>Capital Equipment Replacement</u>	<u>Correction Fees Fund</u>
<i>Assets</i>				
Cash and cash equivalents	\$ 260,828	\$ 8,909	\$ 99,570	\$ 450
Receivables:				
Other taxes	-	-	87,647	-
Due from other funds	-	-	-	-
<i>Total assets</i>	<u>\$ 260,828</u>	<u>\$ 8,909</u>	<u>\$ 187,217</u>	<u>\$ 450</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	260,828	-	-	450
Committed	-	-	-	-
Assigned	-	8,909	187,217	-
<i>Total fund balances</i>	<u>260,828</u>	<u>8,909</u>	<u>187,217</u>	<u>450</u>
<i>Total liabilities and fund balances</i>	<u>\$ 260,828</u>	<u>\$ 8,909</u>	<u>\$ 187,217</u>	<u>\$ 450</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>
\$ 7,257	\$ 123	\$ 11,149	\$ -	\$ 156	\$ 4,688
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 7,257</u>	<u>\$ 123</u>	<u>\$ 11,149</u>	<u>\$ -</u>	<u>\$ 156</u>	<u>\$ 4,688</u>
\$ -	\$ -	\$ -	\$ -	\$ 131	\$ -
-	-	-	-	-	-
-	-	-	-	131	-
-	123	11,149	-	25	4,688
7,257	-	-	-	-	-
-	-	-	-	-	-
<u>7,257</u>	<u>123</u>	<u>11,149</u>	<u>-</u>	<u>25</u>	<u>4,688</u>
<u>\$ 7,257</u>	<u>\$ 123</u>	<u>\$ 11,149</u>	<u>\$ -</u>	<u>\$ 156</u>	<u>\$ 4,688</u>

STATE OF NEW MEXICO
City of Bloomfield
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2019

Special Revenue

	<u>Court Automation Fund</u>	<u>KAB - Bloomfield Pride</u>	<u>Emergency Medical Fund</u>	<u>Senior Citizen's Center Fund</u>
<i>Assets</i>				
Cash and cash equivalents	\$ 7,333	\$ 1,320	\$ -	\$ 26,793
Receivables:				
Other taxes	-	-	-	-
Due from other funds	-	-	-	-
<i>Total assets</i>	<u>\$ 7,333</u>	<u>\$ 1,320</u>	<u>\$ -</u>	<u>\$ 26,793</u>
<i>Liabilities</i>				
Accounts payable	\$ 276	\$ -	\$ -	\$ -
Due to other funds	-	1,300	-	-
<i>Total liabilities</i>	<u>276</u>	<u>1,300</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>				
Restricted	7,057	-	-	-
Committed	-	-	-	-
Assigned	-	20	-	26,793
<i>Total fund balances</i>	<u>7,057</u>	<u>20</u>	<u>-</u>	<u>26,793</u>
<i>Total liabilities and fund balances</i>	<u>\$ 7,333</u>	<u>\$ 1,320</u>	<u>\$ -</u>	<u>\$ 26,793</u>

The accompanying notes are an integral part of these financial statements

Special Revenue			Capital Projects		
<u>BLM Wildland Grant</u>	<u>Enhanced 911 Addressing</u>	<u>Lodger's Tax</u>	<u>Fire Department Construction</u>	<u>Land Acquisition</u>	<u>Park Purchase & Improvement</u>
\$ 161	\$ 2,554	\$ 89,005	\$ 22,255	\$ 5,929	\$ 12,287
-	-	10,957	-	-	-
-	-	-	402	-	-
<u>\$ 161</u>	<u>\$ 2,554</u>	<u>\$ 99,962</u>	<u>\$ 22,657</u>	<u>\$ 5,929</u>	<u>\$ 12,287</u>
\$ -	\$ -	\$ 4,611	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	4,611	-	-	-
161	2,554	95,351	-	-	12,287
-	-	-	22,657	5,929	-
-	-	-	-	-	-
<u>161</u>	<u>2,554</u>	<u>95,351</u>	<u>22,657</u>	<u>5,929</u>	<u>12,287</u>
<u>\$ 161</u>	<u>\$ 2,554</u>	<u>\$ 99,962</u>	<u>\$ 22,657</u>	<u>\$ 5,929</u>	<u>\$ 12,287</u>

STATE OF NEW MEXICO
City of Bloomfield
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2019

Statement A-1
3 of 3

	Capital Projects		
	Highway Co-op Projects	Park Improvements	Total Nonmajor Governmental Funds
<i>Assets</i>			
Cash and cash equivalents	\$ 5,978	\$ 2,471	\$ 569,216
Receivables:			
Other taxes	-	-	98,604
Due from other funds	-	-	402
	<u>\$ 5,978</u>	<u>\$ 2,471</u>	<u>\$ 668,222</u>
<i>Total assets</i>			
<i>Liabilities</i>			
Accounts payable	\$ -	\$ -	\$ 5,018
Due to other funds	-	-	1,300
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>6,318</u>
<i>Fund balances</i>			
Restricted	5,978	2,471	403,122
Committed	-	-	35,843
Assigned	-	-	222,939
<i>Total fund balances</i>	<u>5,978</u>	<u>2,471</u>	<u>661,904</u>
<i>Total liabilities and fund balances</i>	<u>\$ 5,978</u>	<u>\$ 2,471</u>	<u>\$ 668,222</u>

The accompanying notes are an integral part of these financial statements

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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, 2019

	Special Revenue			
	Fire Protection Fund	Recreation Fund	Capital Equipment Replacement	Correction Fees Fund
<i>Revenues:</i>				
Taxes:				
Gross receipts	\$ -	\$ -	\$ 506,917	\$ -
Other	-	-	-	-
Intergovernmental:				
State operating grants	459,153	3,000	-	-
Licenses and fees	-	-	-	-
Contributions and donations	-	-	-	-
Investment income	11	-	-	-
Miscellaneous	-	3,770	-	-
<i>Total revenues</i>	<u>459,164</u>	<u>6,770</u>	<u>506,917</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	15,922	-
Public safety	23,444	-	-	-
Culture and recreation	-	40	-	-
Capital outlay	249,941	1,540	-	-
<i>Total expenditures</i>	<u>273,385</u>	<u>1,580</u>	<u>15,922</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>185,779</u>	<u>5,190</u>	<u>490,995</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Transfers out	-	-	(373,000)	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(373,000)</u>	<u>-</u>
<i>Net change in fund balances</i>	185,779	5,190	117,995	-
<i>Fund balances - beginning of year</i>	<u>75,049</u>	<u>3,719</u>	<u>69,222</u>	<u>450</u>
<i>Fund balances - end of year</i>	<u>\$ 260,828</u>	<u>\$ 8,909</u>	<u>\$ 187,217</u>	<u>\$ 450</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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	33,344	32,000	-	-
-	-	-	-	1,406	271
-	-	-	-	-	-
-	1	-	-	-	-
2,935	-	46	-	-	-
<u>2,935</u>	<u>1</u>	<u>33,390</u>	<u>32,000</u>	<u>1,406</u>	<u>271</u>
2,195	-	-	-	1,406	-
-	-	-	43,386	-	-
-	-	22,258	-	-	-
-	-	12,279	-	-	-
<u>2,195</u>	<u>-</u>	<u>34,537</u>	<u>43,386</u>	<u>1,406</u>	<u>-</u>
<u>740</u>	<u>1</u>	<u>(1,147)</u>	<u>(11,386)</u>	<u>-</u>	<u>271</u>
-	-	-	-	-	-
-	-	-	-	-	-
740	1	(1,147)	(11,386)	-	271
6,517	122	12,296	11,386	25	4,417
<u>\$ 7,257</u>	<u>\$ 123</u>	<u>\$ 11,149</u>	<u>\$ -</u>	<u>\$ 25</u>	<u>\$ 4,688</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, 2019

	Special Revenue			
	Court Automation Fund	KAB - Bloomfield Pride	Emergency Medical Fund	Senior Citizen's Center Fund
<i>Revenues:</i>				
Taxes:				
Gross receipts	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-
Intergovernmental:				
State operating grants	-	-	6,788	-
Licenses and fees	2,844	-	-	-
Contributions and donations	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	20	-	-
<i>Total revenues</i>	2,844	20	6,788	-
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	2,844	-	6,872	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	2,844	-	6,872	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	20	(84)	-
<i>Other financing sources (uses)</i>				
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	20	(84)	-
<i>Fund balances - beginning of year</i>	7,057	-	84	26,793
<i>Fund balances - end of year</i>	\$ 7,057	\$ 20	\$ -	\$ 26,793

The accompanying notes are an integral part of these financial statements

Special Revenue			Capital Projects		
BLM Wildland Grant	Enhanced 911 Addressing	Lodger's Tax	Fire Department Construction	Land Acquisition	Park Purchase & Improvement
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	53,056	-	-	-
-	-	3,500	-	-	-
-	-	-	-	-	-
-	-	18,065	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	74,621	-	-	-
-	-	57,815	-	-	-
-	-	-	2,542	-	-
-	-	-	-	-	-
-	-	7,000	5,500	-	-
-	-	64,815	8,042	-	-
-	-	9,806	(8,042)	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	9,806	(8,042)	-	-
161	2,554	85,545	30,699	5,929	12,287
\$ 161	\$ 2,554	\$ 95,351	\$ 22,657	\$ 5,929	\$ 12,287

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, 2019

Statement A-2

3 of 3

	<u>Capital Projects</u>		Total Nonmajor Governmental Funds
	Highway Co-op Projects	Park Improvements	
<i>Revenues:</i>			
Taxes:			
Gross receipts	\$ -	\$ -	\$ 506,917
Other	-	-	53,056
Intergovernmental:			
State operating grants	-	-	537,785
Licenses and fees	-	-	4,521
Contributions and donations	-	-	18,065
Investment income	-	-	12
Miscellaneous	-	-	6,771
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>1,127,127</u>
<i>Expenditures:</i>			
Current:			
General government	-	-	77,338
Public safety	-	-	79,088
Culture and recreation	-	-	22,298
Capital outlay	-	-	276,260
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>454,984</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>672,143</u>
<i>Other financing sources (uses)</i>			
Transfers out	-	-	(373,000)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(373,000)</u>
<i>Net change in fund balances</i>	-	-	299,143
<i>Fund balances - beginning of year</i>	<u>5,978</u>	<u>2,471</u>	<u>362,761</u>
<i>Fund balances - end of year</i>	<u>\$ 5,978</u>	<u>\$ 2,471</u>	<u>\$ 661,904</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, 2019

Schedule I

Bank Account Type/Name	Wells Fargo Bank	Citizen's Bank	Bank of Albuquerque	Totals
Cash and cash equivalents:				
Operating - Checking	\$ 3,332,543	\$ -	\$ -	\$ 3,332,543
Senior Citizens - Checking	26,643	-	-	26,643
G.O. Water - Checking	125,936	-	-	125,936
Money Market	106,830	-	-	106,830
Motor Vehicle - Checking	5,798	-	-	5,798
Payroll -Checking	-	85,680	-	85,680
BLM Wildland Grant - Checking	-	161	-	161
Police Evidence - Checking	-	7,257	-	7,257
W/W Debt Service - Checking	-	322,668	-	322,668
IMMA	-	148,354	-	148,354
Fire Fund -Checking	-	264,796	-	264,796
Interest Bond Retirement - Checking	-	1,996	-	1,996
Meter Deposits - Checking	-	138,195	-	138,195
Wastewater Replacement - Checking	-	197,074	-	197,074
2007 A PPRF - City of Bloomfield*	-	-	11,636	11,636
NMFA Sub Pprf 2007A Bloomfield Res*	-	-	52,872	52,872
NMFA Pn Dtd 5/1/05 Bloomfield*	-	-	-	-
NMFA Pn Dtd 5/1/05 Bloomfield DS RES*	-	-	16,572	16,572
DW - Bloomfield*	-	-	48,919	48,919
DL - Bloomfield City*	-	-	24,843	24,843
DL - Bloomfield City Ds Res*	-	-	107,297	107,297
2007 E PPRF - Bloomfield City*	-	-	34,932	34,932
2007 E PPRF - Bloomfield City Ds Res*	-	-	124,798	124,798
2015 C PPRF - Bloomfield City*	-	-	66,574	66,574
2015 C PPRF - Bloomfield City Ds Res*	-	-	734,352	734,352
2016 B PPRF - Bloomfield City*	-	-	5,742	5,742
2016 B PPRF - Bloomfield City DS Res*	-	-	54,136	54,136
Total	3,597,750	1,166,181	1,282,673	6,046,604
Reconciling items	(204,918)	(108,017)	719	(312,216)
Reconciled balance	<u>\$ 3,392,832</u>	<u>\$ 1,058,164</u>	<u>\$ 1,283,392</u>	5,734,388
Petty cash				2,550
Less: agency funds cash per Exhibit E-1				(141)
Less: restricted cash and investments per Exhibit A-1				<u>(1,563,292)</u>
Total unrestricted cash and cash equivalents per Exhibit A-1				<u><u>\$ 4,173,505</u></u>

* These cash and investment 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, 2019

Schedule II

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value at June 30, 2019
Wells Fargo Bank				
	FMAC FGPC 3.500% 07/01/45	7/1/2045	3128MJWQ9	\$ 184,550
	FNMA FNMS 3.500% 07/01/47	7/1/2047	3140GPUW6	<u>1,826,732</u>
	Total Wells Fargo Bank			<u>2,011,282</u>

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

Citizen's Bank				
	FM MULT CERT SERIES 3800 4.000% 2/15/31	2/15/2031	3137A7G46	<u>1,387,968</u>

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

	Total Pledged Collateral			<u>\$ 3,399,250</u>
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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, 2019

Schedule III

	<u>Balance at June 30, 2018</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance at June 30, 2019</u>
Motor Vehicle	\$ 141	\$ 647,072	\$ 647,072	\$ 141
Total	<u>\$ 141</u>	<u>\$ 647,072</u>	<u>\$ 647,072</u>	<u>\$ 141</u>

See independent auditor's report

COMPLIANCE SECTION



Service plus value, it all adds up.

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

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparison for the general fund and major special revenue funds of City of Bloomfield (“the City”), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated December 6, 2019.

Internal Control Over Financial Reporting

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

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. We identified no deficiencies in internal control over financial reporting that we consider to be deficiencies internal control.

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 did not identify any deficiencies in internal control over financial reporting that we consider 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 did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

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

City's Response to Findings

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance or other matters which are required to be reported under *Government Auditing Standards* which are reported as findings 2019-001 and 2019-002.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ricci & Company, LLC

Albuquerque, New Mexico
December 6, 2019

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STATE OF NEW MEXICO
City of Bloomfield
Schedule of Findings and Responses
June 30, 2019

Summary of Audit Results

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

Status of Prior Year Findings

2010 - 002	Accounts Payable and Payroll Lack of Internal Controls	Resolved
2011 - 002	Internal Controls over Credit Cards	Resolved
2012 - 001	Segregation of Duties	Resolved
2017 – 001	Ineffective Oversight Over Utility Customer Accounts	Resolved
Current Year Findings	Controls over gasoline cards	Repeated and modified
2018-001		

STATE OF NEW MEXICO
City of Bloomfield
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June 30, 2019

Finding 2019-001 (2018-002) Controls over gasoline cards (Other Non-Compliance) Repeated and modified

CONDITION: During our audit procedures regarding gas credit cards, we noted that 3 of 8 gas card purchases tested, the fuel purchased exceeded the gallon limit. We noted that the gas cards are being used for more than one vehicle, therefore it is not possible if the gallons purchased is reasonable based on tank size or mileage.

In addition, we noted 15 of 44 gas cards had mileage/odometer readings that were not being recorded properly. See the list below for the 15 improper odometer reading entries by department:

Department with exception(s)	Number of Improper Odometer Reading Entries
Bloomfield Police Department	9
Bloomfield Fire Department	1
Bloomfield Municipal Operations Center	5

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

CRITERIA: In compliance to State Audit Rule NMAC 2.2.2.10 J and the City’s internal policy. The City should establish policy for use of procurement, travel or gas cards, including placing limits on the amount and types of purchases that may be made on the perspective cards.

CAUSE: The City lacks proper internal control and non-compliance to State Audit Rule NMAC 2.2.2.10 J.

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

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

MANAGEMENT RESPONSE: The City will train all employees in the proper use of fuel cards, including only using the card for the assigned vehicle and entering the correct odometer reading with each use. Statements will be monitored monthly to ensure compliance.

ESTIMATED TIMELINE TO CORRECT: Implementation by January 1, 2020

RESPONSIBLE OFFICIAL: Finance Director

STATE OF NEW MEXICO
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Finding 2019-002 Physical Inventory Count not Certified (Other Non-Compliance)

CONDITION: As a result of our tests of compliance, we determined that the City did not perform an annual physical inventory of items in excess of \$5,000.

CRITERIA: Pursuant to 2.2.2.10 (W) (2), agencies are required to conduct an annual physical inventory.

CAUSE: Management had not developed a comprehensive approach to conducting the count.

EFFECT: The City is out of compliance with the aforementioned statute; failure to conduct annual inventory could result in untimely identification of missing or unaccounted for assets.

RECOMMENDATION: We recommend that the City incorporate a protocol for annual inventory of items in excess of \$5,000.

MANAGEMENT RESPONSE: Management was aware of this requirement, but due to an oversight, did not complete it by year end. The City will ensure that an inventory is completed for fiscal year end 2020.

ESTIMATED TIMELINE TO CORRECT: By June 30, 2020

RESPONSIBLE OFFICIAL: Finance Director and Department Heads

STATE OF NEW MEXICO
City of Bloomfield
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An exit conference was held on December 3, 2019. In attendance were the following:

Representing the City of Bloomfield:

Bradley Ellsworth	Finance Director
Sue Finch	City Councilor
George Duncan	City Manager

Representing Ricci & Company, LLC

Mark Santiago, CPA	Senior Audit Manager
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