

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
ANNUAL FINANCIAL REPORT
JUNE 30, 2018



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INTRODUCTORY SECTION

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BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
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BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
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STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
OFFICIAL ROSTER
FOR THE YEAR ENDED JUNE 30, 2018

<u>Name</u>		<u>Title</u>
	<u>School Board</u>	
Dale Maes		President
Bruce Armenta		Vice President
Veronica Tso		Secretary
Elizabeth Gomez		Member
Tony DeHerrera		Member
	<u>District Officials</u>	
Kim Mizell		Superintendent
Jodie Maestas		Director of Finance
Staci Babcock		Business Manager
Patricia Marquez		Director of Federal Programs
Deborah Hernandez		Director of Human Resources
Ann Kluth-Clark		Director of Student Services
Carolyn Redwine		Director of Maintenance
Cheslea Williams		Director of Transportation
James Olivas		Director of Operations
Russell Florez		Director of Technology

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Wayne A. Johnson, New Mexico State Auditor
The Office of Management and Budget
And the Board of Education of
Bloomfield Municipal School District No. 6
Bloomfield, New Mexico

Report on the 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 fund of Bloomfield Municipal School District No. 6, (the "District") as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, and accordingly, no such opinion is expressed.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2018, and the respective changes in financial position and where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and the major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the *Management's Discussion and Analysis* that accounting principles generally accepted in the United States of America required to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require Schedules I through IV and notes to the required supplementary information on pages 51 through 55 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 District's financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements, the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and other supplemental information required by 2.2.2 NMAC, Schedules V through IX are presented for the purposes of additional analysis and are not a required part of the financial statements.

The combining and individual fund financial statements, the Schedule of Expenditures of Federal Awards, and Schedules V through IX on pages 82 through 90 required by 2.2.2 NMAC are the responsibility of management and were derived from and relate 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 combining and individual fund financial statements, the Schedule of Expenditures of Federal Awards, and Schedules V through IX required by 2.2.2 NMAC are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section on pages 1 through 3 and the Summary Schedule of Prior Audit Findings on pages 109 through 110 have 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 them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2018 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Manning Accounting and Consulting Services, LLC

Manning Accounting and Consulting Services, LLC
Kirtland, New Mexico
October 19, 2018

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BASIC FINANCIAL STATEMENTS

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
STATEMENT OF NET POSITION
JUNE 30, 2018

Exhibit A-1

	Governmental Activities
ASSETS	
<i>Current Assets</i>	
Cash and temporary investments	\$ 11,245,891
Receivables (net of allowance for uncollectibles)	1,854,059
Inventory	309,461
<i>Total current assets</i>	13,409,411
<i>Noncurrent assets</i>	
Restricted Cash	5,558,292
Capital assets (net of accumulated depreciation):	
Land and land improvements	9,121,555
Buildings and building improvements	132,715,056
Furniture, fixtures and equipment	5,301,137
Less: accumulated depreciation	(85,447,366)
<i>Total noncurrent assets</i>	67,327,472
DEFERRED OUTFLOWS OF RESOURCES	
Deferred costs on debt refunding , net of amortization of \$70,448	365,941
Deferred outflows - pensions	21,120,839
Pension - employer contributions after measurement date	313,566
<i>Total deferred outflows</i>	21,800,346
<i>Total assets and deferred outflows of resources</i>	\$ 102,537,229
LIABILITIES	
<i>Current liabilities</i>	
Accounts payable	\$ 153,035
Accrued payroll liabilities	1,405,963
Accrued interest payable	530,366
Unearned revenue	5,778
Current maturities of:	
Bonds payable	4,440,000
Compensated absences	273,456
<i>Total current liabilities</i>	6,808,598
<i>Noncurrent liabilities:</i>	
Bond premiums, net of amortization of \$2,326,229	1,816,393
Bonds payable	35,870,000
Compensated absences	51,789
Net pension liability	63,857,988
Net other post-employment benefits liability	16,509,338
<i>Total noncurrent liabilities</i>	118,105,508
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows - pensions	1,099,905
Deferred inflows - other post-employment benefits	3,757,486
<i>Total deferred inflows</i>	4,857,391
NET POSITION	
Invested in capital assets	20,008,728
Restricted for:	
Debt service	5,923,053
Capital projects	4,452,376
Other purposes - special revenue	1,055,028
Unrestricted	(58,673,453)
<i>Total net position</i>	(27,234,268)
<i>Total liabilities, deferred inflows of resources, and net position</i>	\$ 102,537,229

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

Exhibit A-2

<u>Functions/Programs</u>	Program Revenues			Net (Expenses) Revenues and Changes in Net Position	
	Expenses	Charges for Service	Operating Grants and Contributions		Capital Grants and Contributions
Primary Government					
Governmental activities:					
Instruction	\$ 22,167,995	\$ 179,636	\$ 3,378,712	\$ -	\$ (18,609,647)
Support services:					
Students	3,586,356	-	496,016	-	(3,090,340)
Instruction	680,976	-	25,277	-	(655,699)
General administration	1,103,514	-	-	-	(1,103,514)
School administration	3,312,070	-	-	-	(3,312,070)
Other	-	-	-	-	-
Central services	1,399,191	81,304	8,597	-	(1,309,290)
Operation & maintenance of plant	3,605,779	47,896	-	765	(3,557,118)
Student transportation	1,485,851	-	1,086,300	-	(399,551)
Food services operations	2,014,864	40,627	1,564,897	-	(409,340)
Community services	1,121	-	-	-	(1,121)
Interest on long-term debt	1,641,072	-	301,571	-	(1,339,501)
Facilities materials, supplies, & other services	1,719,940	-	-	104	(1,719,836)
Total Primary Government	\$ 42,718,729	\$ 349,463	\$ 6,861,370	\$ 869	(35,507,027)
General Revenues:					
Property taxes:					
Levied for general purposes					215,806
Levied for debt service					4,511,128
Levied for capital projects					1,001,626
Oil and gas taxes					3,274,938
State Equalization Guarantee					20,834,435
Unrestricted Federal grants					880,322
Unrestricted investment earnings					56,657
Gain on disposal of fixed assets					(50,439)
Miscellaneous					431,460
					31,155,933
Total general revenues					31,155,933
Change in net position					(4,351,094)
Net position - beginning of year					(3,286,308)
Restatement - change in accounting principle					(19,596,866)
Net position - beginning of year, restated					(22,883,174)
Net position - end of year					\$ (27,234,268)

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

Exhibit B-1

	General Fund			Special Revenue
	Operational 11000	Transportation 13000	Instructional Materials 14000	IDEA-B Entitlement 24106
ASSETS				
<i>Current assets:</i>				
Cash and temporary investments	\$ 5,638,043	\$ 40,479	\$ 28,763	\$ -
Accounts receivable				
Taxes	21,286	-	-	-
Due from other governments	140,093	-	-	334,594
Interfund receivables	866,701	-	-	-
Other	-	-	-	-
Inventory	117,447	154,089	-	-
<i>Total assets</i>	<u>6,783,570</u>	<u>194,568</u>	<u>28,763</u>	<u>334,594</u>
LIABILITIES				
<i>Current liabilities:</i>				
Accounts payable	101,724	2,712	-	621
Accrued payroll liabilities	1,118,343	39,888	-	29,170
Interfund payables	-	-	-	304,632
Unearned revenue	-	-	-	171
<i>Total liabilities</i>	<u>1,220,067</u>	<u>42,600</u>	<u>-</u>	<u>334,594</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - property taxes	8,635	-	-	-
<i>Total deferred inflows of resources</i>	<u>8,635</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	117,447	154,089	-	-
Restricted for:				
Transportation	-	-	-	-
Instructional materials	-	-	28,763	-
Grant mandates	-	-	-	-
Capital projects	-	-	-	-
Debt service	-	-	-	-
Assigned	3,892,918	-	-	-
Unassigned	1,544,503	(2,121)	-	-
<i>Total fund balances</i>	<u>5,554,868</u>	<u>151,968</u>	<u>28,763</u>	<u>-</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 6,783,570</u>	<u>\$ 194,568</u>	<u>\$ 28,763</u>	<u>\$ 334,594</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

Exhibit B-1

	Capital Improvements SB-9 (Local) 31701	Debt Service 41000	Other Governmental Funds	Total Primary Government
ASSETS				
<i>Current assets:</i>				
Cash and temporary investments	\$ 4,235,316	\$ 5,558,292	\$ 1,303,290	\$ 16,804,183
Accounts receivable				
Taxes	247,814	306,687	-	575,787
Due from other governments	-	-	803,585	1,278,272
Interfund receivables	-	-	-	866,701
Other	-	-	-	-
Inventory	-	-	37,925	309,461
<i>Total assets</i>	<u>4,483,130</u>	<u>5,864,979</u>	<u>2,144,800</u>	<u>19,834,404</u>
LIABILITIES				
<i>Current liabilities:</i>				
Accounts payable	47,204	-	774	153,035
Accrued payroll liabilities	-	-	218,562	1,405,963
Interfund payables	-	-	562,069	866,701
Unearned revenue	-	-	5,607	5,778
<i>Total liabilities</i>	<u>47,204</u>	<u>-</u>	<u>787,012</u>	<u>2,431,477</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - property taxes	46,390	207,465	-	262,490
<i>Total deferred inflows of resources</i>	<u>46,390</u>	<u>207,465</u>	<u>-</u>	<u>262,490</u>
FUND BALANCES				
Nonspendable	-	-	37,925	309,461
Restricted for:				
Transportation	-	-	-	-
Instructional materials	-	-	-	28,763
Grant mandates	-	-	949,808	949,808
Capital projects	2,799,302	-	16,450	2,815,752
Debt service	-	439,811	2,875	442,686
Assigned	1,590,234	5,217,703	351,734	11,052,589
Unassigned	-	-	(1,004)	1,541,378
<i>Total fund balances</i>	<u>4,389,536</u>	<u>5,657,514</u>	<u>1,357,788</u>	<u>17,140,437</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 4,483,130</u>	<u>\$ 5,864,979</u>	<u>\$ 2,144,800</u>	<u>\$ 19,834,404</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
GOVERNMENTAL FUNDS
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2018

Exhibit B-2

	Governmental Funds
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Total fund balances - governmental funds	\$ 17,140,437
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
The cost of capital assets is	147,216,546
Accumulated depreciation is	(85,447,366)
Revenues not collected within sixty days after year-end are considered "available" revenues and are shown as deferred revenues on the balance sheet.	
Delinquent property taxes	262,490
Deferred outflows and inflows of resources related to pensions are applicable to future periods and therefore, are not reported in governmental funds.	
Deferred outflows of resources - deferred costs on refunding	365,941
Deferred outflows of resources - pensions	21,120,839
Deferred outflows of resources - other post-employment benefits	313,566
Deferred inflows of resources - pensions	(1,099,905)
Deferred inflows of resources - other post-employment benefits	(3,757,486)
Bond issuance costs, including original issue discounts and premiums are not financial resources and therefore are not reported in the funds.	
Bond premiums net of accumulated amortization	(1,816,393)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in governmental funds. Long-term and other liabilities at year-end consist of:	
Accrued interest payable	(530,366)
Bonds payable	(40,310,000)
Accrued compensated absences	(325,245)
Net pension liability	(63,857,988)
Net other post-employment benefits liability	(16,509,338)
Total net position - governmental activities	\$ (27,234,268)

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

Exhibit B-3

	General Fund			Special Revenue
	Operational 11000	Transportation 13000	Instructional Materials 14000	IDEA-B Entitlement 24106
<i>Revenues:</i>				
Property taxes	\$ 214,389	\$ -	\$ -	\$ -
Oil and gas taxes	142,765	-	-	-
State grants	20,834,435	1,086,300	90,234	-
Federal grants	709,843	-	-	829,385
Miscellaneous	383,331	-	-	-
Charges for services	129,291	-	-	-
Investment income	20,028	-	-	-
<i>Total revenues</i>	<u>22,434,082</u>	<u>1,086,300</u>	<u>90,234</u>	<u>829,385</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	12,618,484	-	106,310	443,319
Support services				
Students	1,603,768	-	-	319,135
Instruction	419,231	-	-	-
General administration	673,224	-	-	25,608
School administration	1,870,906	-	-	43,473
Central services	799,673	-	-	-
Operation & maintenance of plant	2,814,195	-	-	-
Student transportation	-	1,026,473	-	6
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>20,799,481</u>	<u>1,026,473</u>	<u>106,310</u>	<u>831,541</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>1,634,601</u>	<u>59,827</u>	<u>(16,076)</u>	<u>(2,156)</u>
<i>Net changes in fund balances</i>	1,634,601	59,827	(16,076)	(2,156)
<i>Fund balances - beginning of year</i>	<u>3,920,267</u>	<u>92,141</u>	<u>44,839</u>	<u>2,156</u>
<i>Fund balances - end of year</i>	<u>\$ 5,554,868</u>	<u>\$ 151,968</u>	<u>\$ 28,763</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

Exhibit B-3

	Capital Improvements SB-9 (Local) 31701	Debt Service 41000	Other Governmental Funds	Total Primary Government
<i>Revenues:</i>				
Property taxes	\$ 995,693	\$ 4,480,533	\$ -	\$ 5,690,615
Oil and gas taxes	2,378,939	753,234	-	3,274,938
State grants	67,419	-	1,003,786	23,082,174
Federal grants	-	301,571	3,617,169	5,457,968
Miscellaneous	48,038	-	36,854	468,223
Charges for services	-	-	220,263	349,554
Investment income	12,571	17,790	6,268	56,657
<i>Total revenues</i>	<u>3,502,660</u>	<u>5,553,128</u>	<u>4,884,340</u>	<u>38,380,129</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	1,965,691	15,133,804
Support services				
Students	-	-	652,181	2,575,084
Instruction	-	-	33,254	452,485
General administration	9,991	44,945	57,195	810,963
School administration	-	-	313,431	2,227,810
Central services	-	-	8,836	808,509
Operation & maintenance of plant	-	-	-	2,814,195
Student transportation	-	-	26,031	1,052,510
Other support services	-	-	-	-
Food services operations	-	-	1,616,454	1,616,454
Community services	-	-	1,121	1,121
Capital outlay	2,193,307	-	74,732	2,268,039
Debt service				
Principal	-	4,750,000	-	4,750,000
Interest	-	1,641,072	-	1,641,072
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>2,203,298</u>	<u>6,436,017</u>	<u>4,748,926</u>	<u>36,152,046</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>1,299,362</u>	<u>(882,889)</u>	<u>135,414</u>	<u>2,228,083</u>
<i>Net changes in fund balances</i>	1,299,362	(882,889)	135,414	2,228,083
<i>Fund balances - beginning of year</i>	<u>3,090,174</u>	<u>6,540,403</u>	<u>1,222,374</u>	<u>14,912,354</u>
<i>Fund balances - end of year</i>	<u>\$ 4,389,536</u>	<u>\$ 5,657,514</u>	<u>\$ 1,357,788</u>	<u>\$ 17,140,437</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO

Exhibit B-4

BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
 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, 2018

	Governmental Funds
Amounts reported for governmental activities in the Statement of Activities are different because:	
Net change in fund balances - total governmental funds	\$ 2,228,083
<p>Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities. This is the amount by which depreciation exceeds capital outlays for the period.</p>	
Depreciation expense	(3,831,639)
Capital outlays	401,369
Loss on disposal of capital assets	(50,439)
<p>Revenues not collected within 60 days after the fiscal year-end are not considered available revenues in the governmental funds. They are considered revenues in the Statement of Activities. The increase (decrease) in revenues receivable for the year end were:</p>	
Unavailable revenue related to the property taxes receivable	37,945
<p>The issuance of long-term debt (e.g. bonds, notes, leases) provides current financial resources to governmental funds, while 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, discounts, and similar items when debt is first, whereas these amounts are deferred and amortized in the Statement of Activities:</p>	
Amortization of debt refunding	(70,448)
Amortization of bond premium	354,943
Accrued interest payable	184,806
Accrued compensated absences	(27,679)
Bond principle payments	4,750,000
<p>Governmental funds report district pension contributions as expenditures. However, in the Statement of Activities, the pension benefits earned net of employee contributions is reported as pension expense.</p>	
Pension contributions - current year	2,189,172
Pension expense	(10,160,815)
Other post-employment benefits contributions - current year	313,566
Other post-employment benefits expense	(669,958)
Change in net position - total governmental activities	\$ (4,351,094)

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
OPERATIONAL FUND (11000)
FOR THE YEAR ENDING JUNE 30, 2018

Exhibit C-1

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ 204,926	\$ 204,926	\$ 214,821	\$ 9,895
Oil and gas taxzes	121,488	121,488	140,675	19,187
State grants	20,865,235	21,196,351	20,834,435	(361,916)
Federal grants	401,768	401,768	709,843	308,075
Miscellaneous	500	500	243,238	242,738
Charges for services	187,379	187,379	129,291	(58,088)
Investment income	5,520	5,520	20,028	14,508
<i>Total revenues</i>	<u>21,786,816</u>	<u>22,117,932</u>	<u>22,292,331</u>	<u>174,399</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	14,905,382	15,573,429	12,702,136	2,871,293
Support services				
Students	1,963,421	1,958,010	1,609,023	348,987
Instruction	523,071	526,378	419,231	107,147
General administration	789,058	840,547	699,602	140,945
School administration	1,947,988	1,977,461	1,870,906	106,555
Central services	778,514	842,380	799,673	42,707
Operation & maintenance of plant	3,506,801	3,404,787	2,815,553	589,234
Student transportation	-	-	-	-
Other support services	55,400	55,400	-	55,400
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>24,469,635</u>	<u>25,178,392</u>	<u>20,916,124</u>	<u>4,262,268</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(2,682,819)</u>	<u>(3,060,460)</u>	<u>1,376,207</u>	<u>4,436,667</u>
<i>Other financing sources (uses):</i>				
Designated cash	2,682,819	3,060,460	-	(3,060,460)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>2,682,819</u>	<u>3,060,460</u>	<u>-</u>	<u>(3,060,460)</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>1,376,207</u>	<u>1,376,207</u>
<i>Cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>5,128,537</u>	<u>5,128,537</u>
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>5,128,537</u>	<u>5,128,537</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,504,744</u>	<u>\$ 6,504,744</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance (cash basis)			\$ 1,376,207	
Adjustments to revenues			141,751	
Adjustments to expenditures			116,643	
Net change in fund balance (GAAP basis)			<u>\$ 1,634,601</u>	

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
TRANSPORTATION FUND (13000)
FOR THE YEAR ENDING JUNE 30, 2018

Exhibit C-2

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
State grants	1,085,260	1,086,300	1,086,300	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
<i>Total revenues</i>	1,085,260	1,086,300	1,086,300	-
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	1,085,260	1,086,300	1,045,821	40,479
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	1,085,260	1,086,300	1,045,821	40,479
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	-	40,479	40,479
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balance</i>	-	-	40,479	40,479
<i>Cash or fund balance - beginning of year</i>	-	-	-	-
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balance - beginning of year</i>	-	-	-	-
<i>Cash or fund balance - end of year</i>	\$ -	\$ -	\$ 40,479	\$ 40,479
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance (cash basis)			\$ 40,479	
Adjustments to revenues			-	
Adjustments to expenditures			19,348	
Net change in fund balance (GAAP basis)			\$ 59,827	

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
INSTRUCTIONAL MATERIALS FUND (14000)
FOR THE YEAR ENDING JUNE 30, 2018

Exhibit C-3

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
State grants	82,387	82,388	90,234	7,846
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
<i>Total revenues</i>	82,387	82,388	90,234	7,846
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	249,522	127,227	106,310	20,917
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	249,522	127,227	106,310	20,917
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(167,135)	(44,839)	(16,076)	28,763
<i>Other financing sources (uses):</i>				
Designated cash	167,135	44,839	-	(44,839)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	167,135	44,839	-	(44,839)
<i>Net change in fund balance</i>	-	-	(16,076)	(16,076)
<i>Cash or fund balance - beginning of year</i>	-	-	44,839	44,839
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balance - beginning of year</i>	-	-	44,839	44,839
<i>Cash or fund balance - end of year</i>	\$ -	\$ -	\$ 28,763	\$ 28,763
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance (cash basis)			\$ (16,076)	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			\$ (16,076)	

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
IDEA-B ENTITLEMENT SPECIAL REVENUE FUND (24106)
FOR THE YEAR ENDING JUNE 30, 2018

Exhibit C-4

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
State grants	-	1	-	(1)
Federal grants	961,957	961,957	690,449	(271,508)
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
<i>Total revenues</i>	<u>961,957</u>	<u>961,958</u>	<u>690,449</u>	<u>(271,509)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	421,126	466,286	412,785	53,501
Support services				
Students	463,523	414,414	318,514	95,900
Instruction	-	-	-	-
General administration	34,438	34,438	25,608	8,830
School administration	42,870	46,809	43,473	3,336
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	11	6	5
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>961,957</u>	<u>961,958</u>	<u>800,386</u>	<u>161,572</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(109,937)</u>	<u>(109,937)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>(109,937)</u>	<u>(109,937)</u>
<i>Cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(194,695)</u>	<u>(194,695)</u>
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(194,695)</u>	<u>(194,695)</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (304,632)</u>	<u>\$ (304,632)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance (cash basis)			\$ (109,937)	
Adjustments to revenues			138,936	
Adjustments to expenditures			<u>(31,155)</u>	
Net change in fund balance (GAAP basis)			<u>\$ (2,156)</u>	

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
AGENCY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2018

Exhibit D-1

	<u>Agency Funds</u>
ASSETS	
<i>Current assets</i>	
Cash	<u>\$ 280,992</u>
<i>Total assets</i>	<u><u>\$ 280,992</u></u>
 LIABILITIES	
<i>Current liabilities</i>	
Deposits held in trust for others	<u>\$ 280,992</u>
<i>Total liabilities</i>	<u><u>\$ 280,992</u></u>

The accompanying notes are an integral part of these financial statements.

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STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 Summary of Significant Accounting Policies

Bloomfield Municipal School District No. 6 (the “District”) is a public school District governed by an elected five-member Board of Education created under the provision of Chapter 22 Article 5, Paragraph 4, New Mexico Statutes 1978 to provide public education for the children within the District boundaries. The Board of Education is the basic level of government, which has oversight responsibility and control over all activities related to public elementary and secondary school education within its jurisdiction. The District receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities.

This summary of significant accounting policies of the District is presented to assist in the understanding of the District’s financial statements. The financial statements and notes are the representation of the District’s management that is responsible for the financial statements. The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting financial reporting principles. The financial statements have incorporated all applicable GASB pronouncements.

During the year ended June 30, 2018, the District adopted the following GASB Statements.

- GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. This Statement is effective for fiscal years beginning after June 15, 2017.
- GASB Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016, and should be applied retroactively.
- GASB Statement No. 85 *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The requirements of this Statement are effective for reporting periods beginning after June 15, 2017.
- GASB Statement No. 86 *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017.

These pronouncements are not expected to have a material effect on the District except for GASB Statement No. 75. The more significant of the government’s accounting policies are described below.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 Summary of Significant Accounting Policies (Continued)

A. *Financial Reporting Entity*

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14 and No. 39. GASB Statement No. 61 modifies certain requirements for inclusion of component units in the financial reporting entity. 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 basis, 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 criteria 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 District does not have a component unit and is not a component unit of another government agency.

B. *Government-wide and Fund Financial Statements*

The government-wide financial statements (i.e., the statement of net position and the statement of activities and changes in net position) 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 support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 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*.

The District reports all direct expenses by function in the statement of activities. Direct expenses are those that are clearly identifiable with a function. The District 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, except for that portion of depreciation that is identified as unallocated on the statement of activities. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as is the fiduciary fund financial statement. Revenues are recorded when earned and expenses are recorded when a

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 **Summary of Significant Accounting Policies (Continued)**

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

liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the period for which the taxes are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

GASB No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB No. 65, *Items Previously Reported as Assets and Liabilities*, amend GASB No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis for State and Local Governments*, to incorporate deferred outflows of resources and deferred inflows of resources in the financial reporting model.

Deferred Outflows of Resources – a consumption of net position by the government that is applicable to a future reporting period. It has a positive effect on net position, similar to assets; therefore, it is not recognized as an outflow of resources (expense) until then.

Deferred Inflows of Resources – an acquisition of net position by the government that is applicable to a future reporting period. It has a negative effect on net position, similar to liabilities; therefore, it is not recognized as an inflow of resources (revenue) until that time.

Net Position – the residual of the net effects of assets, deferred outflows of resources, liabilities, and deferred inflows of resources.

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

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

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

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 Summary of Significant Accounting Policies (Continued)

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

The *agency funds* are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the District holds for others in an agency capacity.

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

The *General Fund* is the primary operating fund of the District, and accounts for all financial resources of the general government, except those required to be accounted for in other funds. The General Fund includes the Operational, Transportation, and Instructional Materials Funds.

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

The *Debt Service Funds* account for the services of general long-term debt not being financed by proprietary or nonexpendable trust funds.

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

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

The *Operational Fund* (11000) accounts for the primary revenues and expenditures of the District, including, but not limited to, student instruction, student support, instructional support, general administration, school administration, central services, and operations and maintenance of plant. Revenues come from district tax levy, state equalization, and other local, state, and federal sources. This fund is considered by PED to be a sub-fund of the General Fund.

The *Transportation Fund* (13000) accounts for state equalization funds authorized by Section 22-8-26, NMSA, 1978 designated for the costs of transporting school-age children who are students within the District. This fund is considered by PED to be a sub-fund of the General Fund.

The *Instructional Materials Fund* (14000) accounts for funding designated for instructional materials purchases as authorized by Sections 22-15-1 through 22-15-14, NMSA, 1978 for the purposes of purchasing instructional materials (books, manuals, periodicals, etc.) used in the education of students. This is considered by PED to be a sub-fund of the General Fund.

The *IDEA-B Entitlement Special Revenue Fund* (24106) accounts for a program funded by a Federal grant to assist the District in providing free appropriate public education to all handicapped children. Funding authorized by Individuals with Disabilities Education Act, Part B, Section 611-620, as amended, Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100,639, and 101-476, 20 U.S.C. 1411-1420.

Capital Improvements SB-9 (Local) – (31701) – To account for erecting, remodeling, making additions to, and furnishing of school buildings, or purchasing or improving school grounds or any combination thereof, as identified by the local school board. Financing is provided by a special tax levy as authorized by the Public School District Capital Improvements Act. (22-25-1 to 22-25-10 NMSA 1978).

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 **Summary of Significant Accounting Policies (Continued)**

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

The *Debt Service Fund* (41000) is used to account for the accumulation of resources for the payment of general long-term debt principal and interest.

Additionally, the government reports the following fund types:

The fiduciary funds account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. The fiduciary funds are for student activities.

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. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Cash and Temporary Investments: The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. State statutes authorize the District to invest in certificates of deposit, obligations of the U.S. Government, and the State Treasurer's Investment Pool. Investments for the District are reported at fair value. The State Treasurer's Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

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

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

Restricted Assets: The Debt Service Fund is used to report resources set aside as restricted to make up potential future deficiencies in the revenue bond current debt service account.

Receivables and Payables: Interfund activity is reported as either 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 reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. The District receives monthly income from a tax levy in San Juan County. The funds are collected by the County Treasurer and are remitted to the District the following month. Under the modified accrual method of accounting, the amount remitted by the San Juan County

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 Summary of Significant Accounting Policies (Continued)

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

Treasurer in July and August 2018 is considered ‘measurable and available’ and, accordingly, is recorded as revenue during the year ended June 30, 2018.

Certain Special Revenue Funds are administered on a reimbursement method of funding; other funds are operated on a cash advance method of funding. The funds incurred the cost and submitted the necessary request for reimbursement or advance, respectively.

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

Inventory: The District accounts for its inventories under the consumption method, reporting inventories purchased as an asset. The recognition of the expenditures is deferred until the period in which the inventories are actually consumed. Inventory in the Food Services Fund consists of U.S.D.A. commodities and other purchased food and non-food supplies. The cost of purchased food is recorded as an expenditure at the time individual inventory items are consumed.

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 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. Donated capital assets are recorded at estimated fair market value at the date of donation. Information technology equipment, including software, is being capitalized and included in furniture and equipment in accordance with NMAC 2.20.1.9 C (5). Capital expenditures made by the New Mexico Public Schools Facilities Authority are appropriately included in the District’s capital assets.

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. The District expenses the cost of library books when purchased because their estimated useful life is less than one year. 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 during the year ended June 30, 2018.

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

Land improvements	10-30 years
Buildings/building improvements	20-50 years
Furniture and equipment	5-25 years
Vehicles	7-12 years

Deferred Outflows of Resources – Deferred Costs on Debt Refunding: Refunding of debt may result in a deferred outflow of resources when the reacquisition price exceeds the net carrying amount of the remaining principal balance and any related premium on the remaining balance. The District has \$365,941 remaining in deferred costs on debt refunding.

Deferred Outflows of Resources – Pensions: The government-wide financial statements report pension related expenses and liabilities for the cost-sharing plan one year in arrears, i.e. expenses and liabilities as of June 30, 2017. Contributions of \$2,185,764 made by the District in the current fiscal year are thus applicable to a future reporting period where they will then be expensed. As such, they are presented in the Statement of Net Position as a deferred outflow of resources in the current period. The District has three other deferred

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 Summary of Significant Accounting Policies (Continued)

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

outflows which arise due to the implementation of GASB 68; change in proportion \$175,634; change in assumptions \$18,641,402; and actuarial experience \$114,631.

Deferred Outflows of Resources – OPEB: The government-wide financial statements report pension related expenses and liabilities for the cost-sharing plan one year in arrears, i.e. expenses and liabilities as of June 30, 2017. Contributions of \$313,566 made by the District in the current fiscal year are thus applicable to a future reporting period where they will then be expensed. As such, they are presented in the Statement of Net Position as a deferred outflow of resources in the current period. The District may also have four other deferred outflows which arise due to the implementation of GASB 75; change in proportion; change in assumptions; investment experience; and actuarial experiences which have no balances in the current year.

Unearned Revenues: The District recognizes grant revenue at the time the related expense is made if the expenditure of funds is the prime factor for determining eligibility for reimbursement; therefore, amounts received and not expended in the Special Revenue Funds are shown as unearned revenues. At June 30, 2018, the District had \$5,778 in unearned revenues.

Compensated Absences: Applicable for employees not represented by ZFUSE. Vacation leave (annual leave) is an accrued and authorized absence for rest, recreation, or other purposes. Vacation leave will be approved and granted after its accrual and not in advance of accrual. If workloads disallow vacation, the Superintendent may approve vacation days to carry forward into the next contract year. Upon the end of the employment contract, no payment shall be made for more than twenty (20) days of unused vacation (annual leave) for twelve (12) month employees. Total compensated absences were \$325,245 at June 30, 2018.

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the district-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. For bonds issued after the fiscal year ended June 30, 2004, bond premiums and discounts, will be deferred and amortized over the life of the bonds using the effective interest method. Bonds payable of \$40,310,000 as of June 30, 2018 are reported net of the applicable bond premium or discount. Bond insurance issuance costs will be reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognized bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Pension Liability: The District records its proportionate share of the difference between the value of total pension liabilities and plan assets for the State of New Mexico's Employee Retirement Board pension plan. For the year ended June 30, 2018, the net pension liability totaled \$63,857,988.

Deferred Inflows of Resources – Unavailable Revenues: Governmental funds report unavailable revenues in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Revenues not received within sixty (60) days of year-end are not considered available; therefore, a receivable is recorded for the amount due and a corresponding deferred revenue, is recorded as well. Total unavailable revenues of \$262,490 for property taxes were recorded at June 30, 2018.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 Summary of Significant Accounting Policies (Continued)

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

Deferred Inflows of Resources – Pensions: Change actuarial experience \$983,793, change in investment experience \$8,760, and change in proportion \$107,352 for the District are applicable to a future reporting period and will be expensed over an established period beginning in the next fiscal year. As such, these amounts are presented in the Statement of Net Position as deferred inflows of resources in the current period.

Deferred Inflows of Resources – OPEB: Changes in actuarial experience \$633,541, change in assumptions \$2,886,447, and change in investment experience \$237,498 for the District are applicable to a future reporting period and will be expensed over a five-year period beginning in the next fiscal year. As such, these amounts are presented in the Statement of Net Position as deferred inflows of resources in the current period.

Net Position or Fund Equity: Governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. In the government-wide financial statements, fund equity is classified as net position and is displayed in three components:

Net investment in capital assets: Consists of capital assets including restricted capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position

Restricted Net Position: Consists of net position with constraints placed on the use either by (a) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (b) law through constitutional provisions or enabling legislation. Enabling legislation authorizes the government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. The restricted component consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted Net Position: All other net position that does not meet the definition of “restricted” or “invested in capital assets.”

Fund Balance: In the fund financial statements, governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Some governments may not have policies or procedures that are comparable to those policies that underlie the classifications and therefore would not report amounts in all possible fund balance classifications. In the governmental financial statements, fund balance is classified and is displayed in five components:

Nonspendable: Consists of amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

Restricted: Consists of amounts that are restricted to specific purposes as a result of a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 **Summary of Significant Accounting Policies (Continued)**

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

Committed: Consist of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

Assigned: Consist of amounts that are constrained by the government's *intent* to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

Unassigned: Represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

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 Educational Retirement Plan (ERP) and additions to/deductions from ERP's fiduciary net position have been determined on the same basis as they are reported by ERP. 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.

Post-employment 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.

E. *Revenues*

Reclassifications: Certain amounts included in the financial statements have been reclassified to conform to the current year presentation.

Interfund Transactions: Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund from expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates affecting the District's financials include management's estimate of the useful lives of capital assets.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 Summary of Significant Accounting Policies (Continued)

E. Revenues (Continued)

State Equalization Guarantee: School districts in the State of New Mexico receive a ‘state equalization guarantee distribution’ which is defined as “that amount of money distributed to each school district to insure that the school district’s operating revenue, including its local and federal revenues as defined in Chapter 22, Section 825, NMSA 1978 is at least equal to the District’s program cost. A school district’s program costs are determined through the use of various formulas using ‘program units’ which take into consideration 1) early childhood education; 2) basic education; 3) special education; 4) bilingual-multicultural education; 5) size, etc. Payment is made from the public school fund under the authority of the Director of Public School Finance. The District received \$20,834,435 in state equalization guarantee distributions during the year ended June 30, 2018.

Tax Revenues: The District receives mill levy and ad-valorem tax revenues primarily for debt service and capital outlay purposes. Property taxes are assessed on January 1 of each year and are payable in two equal installments, on November 10th of the year in which the tax bill is prepared and April 10th of the following year with the levies becoming delinquent 30 days (one month) thereafter. In the government-wide financial statements, the District recognizes property tax revenues in the period for which they are levied, net of estimated refunds and uncollectible amounts. The District records only the portion of the taxes considered to be ‘measurable’ and ‘available’ in the government fund financial statements, which is within 60 days of year-end. Descriptions of the individual debt service and capital outlay funds contained in these financial statements include information regarding the authority for the collection and use of these taxes. In the financial statements, the mill levy and ad-valorem taxes are broken out into two types: property taxes – residential and commercial and property taxes – oil and gas. Amounts collected from residential and commercial property taxes at June 30, 2018 were \$5,690,615. Amounts collected from oil and gas taxes were \$3,274,938.

Transportation Distribution: School districts in the State of New Mexico receive student transportation distributions. The transportation distribution is allocated to each school district in accordance with formulas developed by the State Transportation Director and the Director of Public School Finance. The funds shall be used only for the purpose of making payments to each school district for the to-and-from school transportation costs of students in grades K through twelve attending public school within the school district. The District received \$1,086,300 in transportation distributions during the year ended June 30, 2018.

Instructional Materials: The New Mexico Public Education Department (PED) receives federal material leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, fifty percent is restricted to the requisition of materials listed in the State Board of Education “State Adopted Instructional Material” list, while fifty percent of each allocation is available for purchases directly from vendors. Allocations received from the State for the year ended June 30, 2018 totaled \$90,234.

SB-9 State Match: The Director shall distribute to any school district that has imposed a tax under the Public School Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978) an amount from the public school capital improvements fund that is equal to the amount by which the revenue estimated to be received from the imposed tax as specified in Subsection B of Section 22-25-3 NMSA 1978, assuming a one hundred percent collection rate, is less than an amount calculated by multiplying the product obtained by the rate imposed in the District under the Public School Capital Improvements Act. The distribution shall be made by December 1, of each year that the tax is imposed in accordance with Section 22-25-3 NMSA 1978. Provided, however, in the event that sufficient funds are not available in the public school capital improvement funds to make the state distribution provided for in this section, the dollar per program unit figure shall be reduced as necessary. The District received \$765 in state SB-9 matching during the year ended June 30, 2018.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 Summary of Significant Accounting Policies (Continued)

E. Revenues (Continued)

Public School Capital Outlay: Under the provisions of Chapter 22, Article 24, NMSA 1978. The money in the fund may be used only for capital expenditures deemed by the public school capital outlay council necessary for an adequate educational program per Section 22-24-4(B); core administrative functions of the public school facilities authority and for project management expenses upon approval of the council per Section 22-24-4(G); and for the purpose of demolishing abandoned school district facilities, upon application by a school district to the council, per Section 22-24-4(L).

NOTE 2 Stewardship, Compliance and Accountability

Budgetary Information

Money in the fund shall be disbursed by warrant of the Department of Finance and Administration on vouchers signed by the Secretary of Finance and Administration following certification by the council that the application has been approved. During the year ended June 30, 2018, the District received no special capital outlay funds.

Federal Grants: The District receives revenues from various federal departments (both direct and indirect), which are legally restricted to expenditures for specific purposes. These programs are reported as Special Revenue Funds. Each program operated under its own budget, which has been approved by the federal department or the flowthrough agency (usually the New Mexico Public Education Department). The various budgets are approved by the local school board and the New Mexico Public Education Department. The District also receives reimbursement under the National School Lunch and Breakfast Programs for its food services operations, and the distributions of commodities through the New Mexico Human Services Department.

Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are prepared by management and are approved by the local Board of Education and the School Budget and Planning Unit of the Public Education Department. Auxiliary student activity accounts are not budgeted. Public School Capital Outlay Council expenditures in the Public School Capital Outlay fund are not budgeted at the District level, so there is no budgetary comparison presented. These budgets are prepared on the non-GAAP cash basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year. The budget process in the State of New Mexico requires that the ending cash balance be appropriated in the budget of the subsequent fiscal year.

Actual expenditures may not exceed the budget at the function level, the level of budgetary control for districts. Budgets may be amended in two ways. If a budget transfer is necessary within a major category called a 'series,' this may be accomplished with only local board of education approval. If a transfer between 'series' or a budget increase is required, approval must also be obtained from Public School Finance Division. The School District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In April or May, the local school board submits to the District Budget Planning Unit (DBPU) of the New Mexico Public Education Department (PED) (100%) a proposed operating budget for the ensuing fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them. All budgets are submitted to the State of New Mexico PED.
2. In May or June of each year, the proposed "operating" budget will be reviewed and approved by the DBPU and certified and approved by the local school board at a public hearing of which notice has been published by the local school board which fixes the estimated budget for the school district for the ensuing fiscal year.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 2 Stewardship, Compliance and Accountability (Continued)

Budgetary Information (Continued)

3. The school board meeting, while not intended for the general public, is open for the general public unless a closed meeting has been called.
4. The “operating” budget will be used by the District until they have been notified that the budget has been approved by the DBPU and the local school board. The budget shall be integrated formally into the accounting system. Encumbrances shall be used as an element of control and shall be integrated into the budget system.
5. The District shall make corrections, revisions and amendments to the estimated budgets fixed by the local school board to recognize actual cash balances and carryover funds, if any. These adjustments shall be reviewed and approved by the DBPU.
6. The superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the school board and the State of New Mexico Public Education Department.
7. Budget change requests are processed in accordance with Supplement 1 (Budget Preparation and Maintenance) of the Manual of Procedures Public School Accounting and Budgeting. Such changes are initiated by the school district and approved by the DBPU.
8. Legal budget control for expenditures is by function.
9. Appropriations lapse at fiscal year-end. Funds unused during the fiscal year may be carried over into the next fiscal year by budgeting those in the subsequent fiscal year’s budget. The budget schedules included in the accompanying financial statements reflect the approved budget and amendments thereto.
10. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds.

The board of education may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. New Mexico state law prohibits a governmental agency from exceeding an individual line item.

The accompanying Statements of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non- GAAP Budgetary Basis) and Actual present comparisons of the legally adopted budget with actual data on a budgetary basis. Since accounting principles applied for purposes of developing data on a budgetary basis differ 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, 2018, is presented on each funds’ Statement of Revenue, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual.

NOTE 3 Cash and Temporary Investments

State statutes authorize the investment of District 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 District properly followed State investment requirements as of June 30, 2018. Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the District. Deposits may be made to the extent that they are insured by an agency of the United States or by collateralized as required by the statute.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 3 Cash and Temporary Investments (Continued)

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

The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, district or political subdivision of the State of New Mexico.

According to the Federal Deposit Insurance Corporation, public unit deposits are funds owned by the public unit.

Time deposits, savings deposits and interest bearing NOW accounts of a public unit in an institution in the same state will be insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution.

Deposits

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

	Citizens Bank
Total amounts of deposits	\$ 16,815,251
FDIC coverage	250,000
Total uninsured public funds	16,565,251
Collateral requirement (50% of uninsured public funds)	8,282,626
Pledged security	8,703,800
Total over (under) collateralized	\$ 421,174

The funds are maintained in interest bearing and non-interest bearing checking accounts in Citizens Bank.

The types of collateral allowed are limited by the section 6-10-16, NMSA 1978.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure the government's deposits may not be returned to it. The government 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).

Deposits – The risk exists when a portion of the District's deposits are not covered by depository insurance and are:

1. Uncollateralized;
2. Collateralized with securities held by the pledging financial institution; or
3. Collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor's (District's) name.

**STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 3 Cash and Temporary Investments (Continued)

At June 30, 2018, \$16,565,251 of the District's bank balance of \$16,815,251 was exposed to custodial credit risk as it was uninsured and the collateral was not held in the District's name.

Reconciliation of Cash and Temporary Investments to the Financial Statements

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

Reconciliation to Statement of Net Position

Governmental Funds - Balance Sheet

Cash and cash equivalents per Exhibit A-1	\$ 16,804,183
Statement of Fiduciary Net Position - cash per Exhibit D-1	280,992
Total per financial statements	17,085,175
Less petty cash	(300)
Less funds held in trust investments	(909,896)
Add outstanding checks and other reconciling items	640,272
Bank balance of deposits	\$ 16,815,251

The District utilized pooled accounts for their programs and funds. Negative cash balances in individual funds that were part of the pooled accounts should be reclassified as due to/due from accounts in the combining balance sheets at June 30, 2018. Funds 24000 through 25000 are federal funds, 26000 through 29000 funds are non-federal funds. The funds listed in interfund payables in Note 5 are the funds which had negative cash balances as of June 30, 2018:

Investments

At June 30, 2018, the District had \$909,896 held in trust by the Bank of Albuquerque per conditions of a bond sinking fund. Those funds are held in a U.S. Treasury Money Market Fund. The District does not have the legal authority to move these funds from the trust institution. Information regarding the fund is as follows:

Fund	CUSIP	WAM	Ratings		Net Assets
			S&P	Moody's	
Lipper Institutional U.S. Treasury Money Market Funds	14956P802	8 days	AAAm	Aaa	\$ 1,278,785,933

Interest Rate Risk for Investments. The District does not have a written policy for limiting interest rate risk. However, the average maturity of certificates of deposit is twelve months or less, which is an effective limit of interest rate risk.

Credit Risk. State law limits investments to bonds or negotiable securities of the U.S. Government, the State, municipalities, or school district securities issued by the U.S. Government (or its agencies, either direct obligations or backed and guaranteed by the U.S. Government) and repurchase agreements with banks, savings and loan associations or credit unions. The District has no investment policy that would further limit its investment choices.

Concentration of Credit. The District places no limit on the amount the District may invest in any one issuer. Investments which are over 5% of total investments are the amounts invested in the Lipper Institutional U.S. Treasury Money Market Funds which are invested by the trust institution Bank of Albuquerque.

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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 4 Receivables

Receivables as of June 30, 2018 are as follows:

	Major Funds					Total Governmental Funds
	Operational 11000	IDEA-B Entitlement 24106	Capital Improv. SB-9 31701	Debt Service 41000	Other Governmental Funds	
Taxes Receivable	\$ 21,286	\$ -	\$ 247,814	\$ 306,687	\$ -	\$ 575,787
Due from other governments	140,093	334,594	-	-	803,585	1,278,272
Total receivables	\$ 161,379	\$ 334,594	\$ 247,814	\$ 306,687	\$ 803,585	\$ 1,854,059

The above receivables are deemed 100% collectible. In accordance with GASB No. 33, property tax revenues in the amount of \$262,490 were not collected within the period of availability.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 5 Interfund Receivables, Payables, and Transfers

“Interfund balances” have primarily been recorded when funds overdraw their share of pooled cash when the District is waiting for grant reimbursements. The composition of interfund balances at June 30, 2018 is as follows:

Governmental Activities	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major Funds:		
Operational (11000)	\$ 866,701	\$ -
IDEA-B Entitlement (24106)	-	304,632
Non-major Funds:		
Title I IASA (24101)	-	198,668
IDEA B Preschool (24109)	-	9,029
Education of the Homeless (24113)	-	6,150
Fresh Fruits and Vegetables (24118)	-	13,218
IDEA B Results Plan (24132)	-	257
English Language Acquisition (24153)	-	496
Teacher/Principal Training & Recruiting (24154)	-	22,321
Title I School Improvement (24162)	-	2,714
Carl D. Perkins Secondary Current (24174)	-	3,419
Carl D. Perkins Secondary Redistribution 2 (24183)	-	17,833
Johnson O'Malley (25131)	-	24,408
Indian Ed Formula Grant (25184)	-	13,050
Dual Credit Instructional Materials (27103)	-	1,779
2012 GO Bond Student Library Fund (SB66) (27107)	-	3,185
Recruitment Support Fund (27128)	-	8,597
Truancy Initiative (27141)	-	3,272
PreK Initiative (27149)	-	107,845
Indian Education Act (27150)	-	9,866
Kindergarten Three Plus (27166)	-	20,860
STEM Teacher Initiative (27181)	-	67,467
College Advisor Initiative (27189)	-	6,207
Teachers "Hard to Staff" Stipends (27195)	-	9,573.00
K-3 Plus 4 & 5 Pilot (27198)	<u>\$ -</u>	<u>\$ 11,855</u>
Totals	<u><u>\$ 866,701</u></u>	<u><u>\$ 866,701</u></u>

All interfund balances are expected to be repaid or closed out within one year.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 6 Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2018 follows. Land and construction in progress is not subject to depreciation.

	Balance			Balance
Capital assets used in governmental activities:	June 30, 2017	Additions	Deletions	June 30, 2018
Capital assets not being depreciated:				
Land	\$ 4,164,172	\$ -	\$ -	\$ 4,164,172
Total capital assets not being depreciated	<u>4,164,172</u>	<u>78,798</u>	<u>-</u>	<u>4,242,970</u>
Capital assets being depreciated:				
Land improvements	4,920,309	88,651	(51,577)	4,957,383
Buildings and building improvements	132,624,558	173,675	(83,177)	132,715,056
Furniture, fixtures, and equipment	8,838,339	60,245	(3,597,447)	5,301,137
Total capital assets being depreciated	<u>146,383,206</u>	<u>322,571</u>	<u>(3,732,201)</u>	<u>142,973,576</u>
Less accumulated depreciation:				
Land improvements	2,956,301	238,085	(37,127)	3,157,259
Buildings and building improvements	74,747,867	3,155,378	(62,531)	77,840,714
Furniture, fixtures, and equipment	7,593,321	438,176	(3,582,104)	4,449,393
Total accumulated depreciation	<u>85,297,489</u>	<u>3,831,639</u>	<u>(3,681,762)</u>	<u>85,447,366</u>
Total capital assets, net of depreciation	<u>\$ 65,249,889</u>	<u>\$ (3,430,270)</u>	<u>\$ (50,439)</u>	<u>\$ 61,769,180</u>

Depreciation was allocated for the year as follows:

Governmental activities:	
Instruction	\$ 1,973,495
Support services - students	331,332
Support services - instruction	67,735
Support services - general administration	107,695
School administration	263,530
Central services	318,779
Operation and maintenance of plant	398,083
Student transportation	165,150
Food services	205,840
Total depreciation	<u>\$ 3,831,639</u>

At June 30, 2018, the District had no construction agreements in place.

The Schedule of Capital Assets Used by Source, and the Schedule of Changes in Capital Assets by Function and Activity have not been prepared because the detailed information is unavailable.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 7 Long-Term Debt

During the year ended June 30, 2018 the following changes occurred in the liabilities reported in the government- wide statement of net position:

	Balance at 06/30/17	Additions	Deletions	Balance at 06/30/18	Due Within One Year
General Obligation Bonds	\$ 45,060,000	\$ -	\$ 4,750,000	\$ 40,310,000	\$ 4,440,000
Compensated Absences	297,566	301,135	273,456	325,245	273,456
Total	<u>\$ 45,357,566</u>	<u>\$ 301,135</u>	<u>\$ 5,023,456</u>	<u>\$ 40,635,245</u>	<u>\$ 4,713,456</u>

General Obligation Bonds: GO Bonds are direct obligations and pledge the full faith and credit of the District. The District has one outstanding general obligation bond as of June 30, 2018. All general obligation bonds are for governmental activities.

The District issued a refunding bond to advance refund \$10,800,000 of the Series 2009 bond with an interest rate of 4.00% to 5.00%. The remaining portion of the 2009 series bond in the amount of \$1,145,000 was paid by the District in September 2017. The District placed \$11,536,680 in escrow to refund the principal and interest on the outstanding bonds and interest until retired in September 2018. The difference between the net carrying amount and the reacquisition price resulted in deferred interest costs of \$436,389 which have been recorded as deferred outflows of resources which will be amortized through 2025.

	2010 GO Bond 8/17/2010	2011 GO Bond 6/21/2011	2014 GO Bond 10/14/2014
Issue Date	<u>8/17/2010</u>	<u>6/21/2011</u>	<u>10/14/2014</u>
Original Issue	\$6,000,000	\$20,875,000	\$13,615,000
Maturity Date	8/1/2027	9/1/2022	10/1/2022
Principal	1-Aug	1-Sep	1-Oct
Interest Rate	5.851%	3.00% to 5.00%	2.00%
Principal/Interest	1-Aug	1-Sep	1-Oct
Interest	1-Feb	1-Mar	1-Apr
	2017 GO Bond 2/22/2017		
Issue Date	<u>2/22/2017</u>		
Original Issue	\$10,895,000		
Maturity Date	9/1/2030		
Principal	1-Sep		
Interest Rate	3.00% to 5.00%		
Principal/Interest	1-Sep		
Interest	1-Mar		

The annual requirements to amortize the general obligation bonds as of June 30, 2018, including interest payments are as follows:

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 7 Long-Term Debt (Continued)

Fiscal Year Ending June 30,	Total General Obligation Bonds		Total Debt Service
	Principal	Interest	
2019	\$ 4,190,000	\$ 1,481,060	\$ 5,671,060
2020	4,645,000	1,337,160	5,982,160
2021	5,025,000	1,174,185	6,199,185
2022	4,785,000	1,004,660	5,789,660
2023	4,770,000	837,460	5,607,460
2024-2028	6,405,000	3,044,495	9,449,495
2029-2033	4,490,000	219,850	4,709,850
Totals	<u>\$ 34,310,000</u>	<u>\$ 9,098,870</u>	<u>\$ 43,408,870</u>

The District issued a “Qualified School Construction Bond” (GO Bond Series 2010) in the amount of \$6,000,000. The proceeds were used for new construction projects and the repairs of existing facilities. The bond issue was authorized under section 54 of the Internal Revenue Code as amended by the American Recovery and Reinvestment Act. The Act amended section 54A(d)(1) to provide that the term “qualified tax credit bond” means, in part, a qualified school construction bond that is part of an issue that meets the requirements of section 54A(d)(2), (3), (4), (5), and (6). The District paid interest of \$50,460 on the bond issue and received a “subsidy” for the remaining interest due on this bond issue. The holders of the bonds will receive a tax credit in lieu of interest payments. The “subsidy” effectively reduces the District’s interest payments by \$301,571. Additionally, the District was required to fund a sinking fund beginning August 1, 2013. The fund will have a yield of 4.35% and must be funded as follows:

<u>Balance and Funding of Sinking Fund</u>	
Current Balance	<u>\$ 900,000</u>
Future Funding Requirements	
<u>August 1,</u>	<u>Amount</u>
2018	300,000
2019	300,000
2020	300,000
2021	500,000
2022	600,000
2023	600,000
2024	600,000
2025	600,000
2026	600,000
2027	700,000
Total future amounts	<u>5,100,000</u>
Total at August 1, 2027	<u>\$ 6,000,000</u>

In prior years, the general fund was typically used to liquidate long-term liabilities other than debt.

STATE OF NEW MEXICO
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JUNE 30, 2018

NOTE 7 Long-Term Debt (Continued)

Compensated Absences: Administrative employees of the District are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2018, compensated absences increased \$27,679 over the prior year accrual. See Note 1 for more details.

Operating Leases: The District leases office equipment, including copy machines and postage meter machines, under short-term cancelable operating leases.

NOTE 8 Unearned Revenues

In accordance with the terms of the various grant agreements within the Special Revenue Funds, revenues received in excess of expenditures carry over to the subsequent years, unless such excess revenues are requested to be returned to the grantor. The District had no unearned revenues at June 30, 2018.

NOTE 9 Risk Management

The District is a member of the New Mexico Public Schools Insurance Authority (NMPSIA). The Authority was created to provide comprehensive core insurance programs by expanding the pool of subscribers to maximize cost containment opportunities for required insurance coverage. The District pays an annual premium to the NMPSIA based on claim experience and the status of the pool. The Risk Management Program includes workers compensation, general and automobile liability, automobile physical damage, and property and crime coverage. Also included under the risk management program are boiler, machinery and student accident insurance.

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

In case the NMPSIA's assets are not sufficient to meet its liability claims, the agreement provides that subscribers, including the District, cannot be assessed additional premiums to cover the shortfall. As of June 30, 2018, there have been no claims that have exceeded insurance coverages.

NOTE 10 Other Required Individual Fund Disclosures

Generally accepted accounting principles require disclosures as part of the combined statements of certain information concerning individual funds including:

- A. Deficit fund balance of individual funds. The following funds reported a deficit fund balance at June 30, 2018:

Fund #	Fund Description	Amount
27149	PreK Initiative	\$ 497
24118	Fresh Fruits and Vegetables	10
24153	English Language Acquisition	496
	Total	<u>\$ 1,003</u>

- B. Excess of expenditures over appropriations. For the year ended June 30, 2018, the District had no funds with expenditures in excess of appropriations.
- C. Cash appropriations in excess of available cash balance. For the year ended June 30, 2018, the District had no funds with cash appropriations in excess of cash balance.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 11 General Information on the Pension Plan – Educational Retirement Act

Plan Description. The New Mexico Educational Retirement Act (ERA) was enacted in 1957. The act created the Educational Employees Retirement Plan (Plan) and, to administer it, the New Mexico Educational Retirement Board (NMERB). The Plan is included in NMERB's comprehensive annual financial report. The report can be found on NMERB's web site at https://www.nmerb.org/Annual_report.html.

The Plan is a cost-sharing, multiple-employer pension plan established to provide retirement and disability benefits for certified teachers and other employees of the state's public schools, institutions of higher learning, and agencies providing educational programs. Additional tenets of the ERA can be found in Section 22-11-1 through 22-11-52, NMSA 1978, as amended.

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

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

Benefits provided. A member's retirement benefit is determined by a formula which includes three component parts: 1) the member's final average salary (FAS), 2) the number of years of service credit, and 3) a 0.0235 multiplier. The FAS is the average of the member's salaries for the last five years of service or any other consecutive five-year period, whichever is greater.

Summary of Plan Provisions for Retirement Eligibility. For members employed before July 1, 2010, a member is eligible to retire when one of the following events occurs:

- The member's age and earned service credit add up to the sum of 75 or more,
- The member is at least sixty-five years of age and has five or more years of earned service credit; or
- The member has service credit totaling 25 years or more.

Chapter 288, Laws of 2009 changed the eligibility requirements for new members first employed on, or after, July 1, 2010 and before July 1, 2013. The eligibility for a member who either becomes a new member on or after July 1, 2010 and before July 1, 2013, or at any time prior to July 1, 2010 refunded all member contributions and then becomes re-employed after that July 1, 2010 is as follows:

- The member's age and earned service credit add up to the sum of 80 or more,
- The member is at least sixty-seven years of age and has five or more years of earned service credit; or
- The member has service credit totaling 30 years or more.

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

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 11 General Information on the Pension Plan – Educational Retirement Act (Continued)

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

Forms of Payment. The benefit is paid as a monthly life annuity with a guarantee that, if the payments made do not exceed the member's accumulated contributions plus accumulated interest, determined as of the date of retirement, the balance will be paid in a lump sum to the member's surviving beneficiary.

Benefit Options. The Plan has three benefit options available.

- **Option A – Straight Life Benefit** – The single life annuity option has no reductions to the monthly benefit, and there is not continuing benefit due to a beneficiary or estate, except the balance, if any, of member contributions plus interest less benefits paid prior to the member's death.
- **Option B – Joint 100% Survivor Benefit** – The single life annuity monthly benefit is reduced to provide for a 100% survivor's benefit. The reduced benefit is payable during the life of the member, with the provision that, upon death, the same benefit is paid to the beneficiary for his or her lifetime. If the beneficiary predeceases the member, the member's monthly benefit is increased to the amount the member would have received under Option A Straight Life Benefit. The member's increased monthly benefit commences in the month following the beneficiary's death.
- **Option C – Joint 50% Survivor Benefit** – The single life annuity monthly benefit is reduced to provide for a 50% survivor's benefit. The reduced benefit is payable during the life of the member, with the provision that, upon death, the reduced 50% benefit is paid to the beneficiary for his or her lifetime. If the beneficiary predeceases the member, the member's monthly benefit is increased to the amount the member would have received under Option A Straight Life Benefit. The member's increased monthly benefit commences in the month following the beneficiary's death.

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

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

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

As of July 1, 2013, for current and future retirees the COLA was immediately reduced until the plan is 100% funded. The COLA reduction is based on the median retirement benefit of all retirees excluding disability retirements. Retirees with benefits at or below the median and with 25 or more years of service credit will have a 10% COLA reduction; their average COLA will be 1.8%. Once the funding is greater than 90%, the COLA reductions will decrease. The retirees with benefits at or below the median and with 25 or more years of service credit will have a 5% COLA reduction; their average COLA will be 1.9%.

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BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 11 General Information on the Pension Plan – Educational Retirement Act (Continued)

Members on disability retirement are entitled to a COLA commencing on July 1 of the third full year following disability retirement. A member on regular retirement who can prove retirement because of a disability may qualify for a COLA beginning July 1 in the third full year of retirement.

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

Contributions. For the fiscal years ended June 30, 2018 and 2017 educational employers contributed to the Plan based on the following rate schedule:

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

The contribution requirements of defined benefit plan members and the District are established in state statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico legislature. For the fiscal years ended June 30, 2018 and 2017, the District paid employee and employer contributions of \$3,801,426 and \$3,954,543 which equal the amount of the required contributions for each fiscal year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2018, the District reported a liability of \$63,857,988 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2017, using generally accepted actuarial principles. The roll-forward incorporates the impact of the new assumptions adopted by the Board on April 21, 2017. There were no other significant events of changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2017. Therefore, the employer’s portion was established as of the measurement date of June 30, 2017. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating educational institutions, actuarially determined. At June 30, 2017, the District’s proportion was 0.57460%, which was an increase of 0.00183% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of \$7,971,643. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

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BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 11 General Information on the Pension Plan – Educational Retirement Act (Continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net (Inflows) Outflows</u>
Differences between expected and actuarial experience	\$ 114,631	\$ (983,793)	\$ (869,162)
Changes of assumptions	18,641,402	-	18,641,402
Net difference between projected and actual earnings on pension plan investments	-	(8,760)	(8,760)
Changes in proportion and differences between contributions and proportionate share of contributions	175,634	(107,352)	68,282
District's contributions subsequent to the measurement date	<u>2,185,764</u>	<u>-</u>	<u>2,185,764</u>
Total	<u>\$ 21,117,431</u>	<u>\$ (1,099,905)</u>	<u>\$ 20,017,526</u>

Deferred outflows of resources of \$2,185,764 related to pensions resulting from the District's contributions subsequent to the measurement date of June 30, 2017 will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,

2019	\$ 6,729,553
2020	7,269,376
2021	4,358,655
2022	(525,822)
2023	-
Thereafter	-
Total	<u>\$ 17,831,762</u>

Actuarial assumptions. The total pension liability in the June 30, 2017 actuarial valuation was determined using the following significant actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%				
Salary Increases	3.25% composed of 2.50% inflation, plus a 0.75% productivity increase rate, plus a step-rate promotional increase for members with less than 10 years of service.				
Investment Rate of Return	7.25% compounded annually, net of expenses. This is made up of a 2.50% inflation rate and a 4.75 real rate of return.				
Average of Expected Remaining Service Lives	Fiscal Year	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
	Service life in years	3.35	3.77	3.92	3.88

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BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 11 General Information on the Pension Plan – Educational Retirement Act (Continued)

Mortality	<p>Healthy males: Based on the RP-2000 Combined Mortality Table with White Collar adjustments, not set back. Generational mortality improvements with Scale BB from the table's base year of 2000.</p> <p>Healthy females: Based on GRS Southwest Region Teacher Mortality Table, set back one year, generational mortality improvements in accordance with Scale BB from the table's base year of 2012.</p> <p>Disabled males: RP-2000 Disabled Mortality Table for males, set back three years, projected to 2016 with Scale BB.</p> <p>Disabled females: RP-2000 Disabled Mortality Table for females, no set back, projected to 2016 with Scale BB.</p> <p>Active members: RP-2000 Employee Mortality Tables, with males set back two years and scaled at 80%, and females set back five years and scaled at 70%. Static mortality improvement from the table's base year of 2000 to the year 2016 in accordance with Scale BB. No future improvement was assumed for preretirement mortality.</p>
Retirement Age	Experience-based table rates based on age and service, adopted by the Board on June 12, 2015 in conjunction with the six-year experience study for the period ending June 30, 2014.
Cost-of-Living Increases	1.90% per year, compounded annually.
Payroll Growth	3.00% per year (with no allowance for membership growth).
Contribution Accumulation	The accumulated member account balance with interest is estimated at the valuation date by assuming that member contributions increased 5.50% per year for all years prior to the valuation date. Contributions are credited with 4.00% interest, compounded annually, applicable to the account balance in the past as well as future.
Disability Incidence	Approved rates applied to eligible members with at least 10 years of service.

The actuarial assumptions and methods are set by the Plan's Board of Trustees, based upon recommendations made by the Plan's actuary. The Board adopted new assumptions on April 21, 2017 in conjunction with the six-year actuarial experience study period ending June 30, 2016. At that time, the Board adopted several economic assumption changes, including a decrease in the inflation assumption from 3.00% to 2.50%. The 0.50% decrease in the inflation assumption also led to decreases in the nominal investment return assumption from 7.75% to 7.25%, the assumed annual wage inflation rate from 3.75% to 3.25%, the payroll growth assumption from 3.50% to 3.00%, and the annual assumed COLA from 2.00% to 1.90%.

The long-term expected rate of return on pension plan investments was determined using a building-block approach that includes the following:

- Rate of return projections that are the sum of current yield plus projected changes in price (valuations, defaults, etc.)
- Application of key economic projections (inflation, real growth, dividends, etc.)
- Structural themes (supply and demand imbalances, capital flows, etc.) developed for each major asset class.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 11 General Information on the Pension Plan – Educational Retirement Act (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Equities	33%	
Fixed Income	26%	
Alternatives	40%	
Cash	1%	
Total	<u>100%</u>	<u>7.25%</u>

Discount rate: A single discount rate of 5.9% was used to measure the total pension liability as of June 30, 2017. This single discount rate was based on a long-term expected rate of return on pension plan investments of 7.25%, and a municipal bond rate of 3.56%, net of expense. Based on the stated assumptions and the projection of cash flows, the plan’s fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2053. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the 2053 fiscal year, and the municipal bond rate was applied to all benefit payments after that date.

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 District’s proportionate share of the net pension liability to changes in the discount rate. The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 5.90%, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.90%) or 1-percentage-point higher (6.90%) than the current rate:

<u>1% Decrease (4.90%)</u>	<u>Current Discount Rate (5.90%)</u>	<u>1% Increase (6.90%)</u>
\$ 83,127,220	\$ 63,857,988	\$ 48,106,959

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

Payables to the pension plan. The District remits the legally required employer and employee contributions on a monthly basis to ERB. The ERB requires that the contributions be remitted by the 15th day of the month following the month for which contributions are withheld. At June 30, 2018 the contributions due and payable by the District were \$662,069 which were paid on July 12, 2018.

NOTE 12 Other Post-Employment Benefits (OPEB) – State Retiree Health Care Act (RHCA)

Plan Description: Employees of the District 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

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 12 Other Post-Employment Benefits (OPEB) – State Retiree Health Care Act (RHCA) (Continued)

under Section 10-7C-1-19 NMSA 1978. The Fund was created to provide comprehensive group health insurance coverage for individuals (and their spouses, dependents and surviving spouses) who have retired or will retire from public service in New Mexico.

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

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

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

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

Contributions - Employer and employee contributions to the Fund total 3% for non-enhanced retirement plans and 3.75% of enhanced retirement plans of each participating employee’s salary as required by Section 10-7C-15 NMSA 1978. The contributions are established by statute and are not based on an actuarial calculation. All employer and employee contributions are non-refundable under any circumstance, including termination of the employer’s participation in the Fund. Contributions to the Fund from the District were \$470,874 for the year ended June 30, 2018.

At June 30, 2018, the District reported a liability of \$16,509,338 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District’s proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2017, the District’s proportion was 0.36431%.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 12 Other Post-Employment Benefits (OPEB) – State Retiree Health Care Act (RHCA) (Continued)

For the year ended June 30, 2018, the District recognized OPEB expense of \$356,392. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net (Inflows) Outflows</u>
Differences between expected and actual experience	\$ -	\$ (633,541)	\$ (633,541)
Changes of assumptions	-	(2,886,447)	(2,886,447)
Net difference between projected and actual earnings on pension plan investments	-	(237,498)	(237,498)
District's contributions subsequent to the measurement date	313,566	-	313,566
Total	<u>\$ 313,566</u>	<u>\$ (3,757,486)</u>	<u>\$ (3,443,920)</u>

Deferred outflows of resources totaling \$313,566 represent the District's contributions to the Fund made subsequent to the measurement date and will be recognized as a reduction of net OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year ended June 30,	
2019	\$ (798,868)
2020	(798,868)
2021	(798,868)
2022	(798,868)
2023	(562,014)
Thereafter	-
Total	<u>\$ (3,757,486)</u>

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	2.50% for ERB, 2.25% for PERA
Projected payroll increases	3.50%
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

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 12 Other Post-Employment Benefits (OPEB) – State Retiree Health Care Act (RHCA) (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:

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

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

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

<u>1% Decrease (2.81%)</u>	<u>Current Discount Rate (3.81%)</u>	<u>1% Increase (4.81%)</u>
\$ 20,025,570	\$ 16,509,338	\$ 13,750,538

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

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 12 Other Post-Employment Benefits (OPEB) – State Retiree Health Care Act (RHCA) (Continued)

	Current	
1% Decrease	Trend Rates	1% Increase
\$ 14,042,329	\$ 16,509,338	\$ 18,432,995

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

Payable changes in the net OPEB liability: At June 30, 2018, the District reported a payable of \$81,951 for outstanding contributions due to NMRHCA for the year ended June 30, 2018 which was paid on July 13, 2018.

NOTE 13 Unavailable Revenues

The District had \$262,490 of unavailable revenues related to property taxes which had not been paid by property owners within 60 days of year-end as of June 30, 2018.

NOTE 14 Concentrations

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

NOTE 15 Contingent Liabilities

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

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

NOTE 16 Tax Abatement Disclosures

GASB Statement No. 77 requires government agencies to identify any tax abatement agreements that affect the government agency and disclose the amount of tax which was abated. There are no reported tax abatements affecting the District.

NOTE 17 Subsequent Accounting Standard Pronouncements

In November 2016, GASB Statement No. 83, *Certain Asset Retirement Obligations*, was issued. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged. The District is still evaluating how this standard will affect the District.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 17 Subsequent Accounting Standard Pronouncements (Continued)

In January 2017, GASB Statement No. 84 *Fiduciary Activities*, was issued. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The District is still evaluating how this standard will affect the District.

In May 2017, GASB Statement No. 86 *Certain Debt Extinguishment Issues*, was issued. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged. The District is still evaluating how this standard will affect the District.

In June 2017, GASB Statement No. 87 *Leases*, was issued. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The District is still evaluating how this standard will affect the District.

In June 2018, GASB Statement No. 89 *Accounting for Interest Cost Incurred Before the End of a Construction Period*, was issued. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The District is still evaluating how this standard will affect the District.

In August 2018, GASB Statement No. 90 *Majority Equity Interests – An Amendment of GASB Statement No. 14 and No. 61*, was issued. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 17 Subsequent Accounting Standard Pronouncements (Continued)

an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The District is still evaluating how this standard will affect the District.

NOTE 18 Restatement – Change in Accounting Principle

During the year ended June 30, 2018, there was a restatement in the District's financial statements due to the implementation of GASB 75 resulting in a reduction in net position in the amount of \$19,596,866. This includes the District's proportionate share of the beginning net OPEB liability of \$19,923,257 less the 2017 contributions to the pension plan in the amount of \$326,391.

NOTE 19 Subsequent Events

A review of subsequent events through October 19, 2018, which is the date the financial statements were available to be issued, indicated nothing of audit significance.

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REQUIRED SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
EDUCATIONAL RETIREMENT BOARD (ERB) PLAN
LAST 10 FISCAL YEARS*
JUNE 30, 2018

Schedule I

Fiscal Year Ended June 30,	Measurement Date - Year Ended June 30,	District's Proportion of the Net Pension Liability (NPL)	District's Proportionate Share of the NPL	District's Covered- Employee Payroll	District's Proportionate Share of the NPL as a Percentage of its Covered- Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2018	2017	0.57460%	\$ 63,857,988	\$ 16,369,535	390.10%	52.95%
2017	2016	0.57277%	\$ 41,219,013	\$ 16,358,851	251.97%	61.58%
2016	2015	0.56987%	\$ 36,911,997	\$ 16,199,417	227.86%	63.97%
2015	2014	0.57712%	\$ 32,928,905	\$ 15,749,442	209.08%	66.54%

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

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SCHEDULE OF PENSION CONTRIBUTIONS
EDUCATIONAL RETIREMENT BOARD (ERB) PLAN
LAST 10 FISCAL YEARS*
JUNE 30, 2018

Schedule II

Fiscal Year Ended June 30,	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered- Employee Payroll	Contributions as a Percentage of Covered- Employee Payroll
2018	\$ 2,189,172	\$ 2,189,172	\$ -	\$ 15,749,442	13.90%
2017	\$ 2,276,066	\$ 2,276,066	\$ -	\$ 16,369,535	13.90%
2016	\$ 2,264,508	\$ 2,264,508	\$ -	\$ 16,358,851	13.84%
2015	\$ 2,242,189	\$ 2,242,189	\$ -	\$ 16,199,417	13.84%

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

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
EDUCATIONAL RETIREMENT BOARD (ERB) PLAN
JUNE 30, 2018

Changes in benefit provisions. There were no modifications to the benefit provisions that were reflected in the actuarial valuation as of June 30, 2017.

Changes in assumptions and methods. Actuarial assumptions and methods are set by the Board of Trustee, based upon recommendations made by the Plan's actuary. The Board adopted new assumptions on April 21, 2017 in conjunction with the six-year actuarial experience study period ending June 30, 2016. At that time, The Board adopted a number of economic assumption changes, including a decrease in the inflation assumption from 3.00% to 2.50%. The 0.50% decrease in the inflation assumption also led to decreases in the nominal investment return assumption from 7.75% to 7.25%, the assumed annual wage inflation rate from 3.75% to 3.25%, the payroll growth assumption from 3.50% to 3.00%, and the annual assumed COLA from 2.00% to 1.90%.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SCHEDULE OF PROPORTIONATE SHARE OF THE
NET OTHER POST-EMPLOYMENT BENEFITS (OPEB)
RETIREE HEALTH CARE AUTHORITY (RHCA)
LAST 10 FISCAL YEARS*
JUNE 30, 2018

Schedule III

Fiscal Year Ended June 30,	Measurement Date - Year Ended June 30,	District's Proportion of the Net OPEB Liability	District's Proportionate Share of the Net OPEB Liability	District's Covered- Employee Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered- Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2018	2017	0.36431%	\$ 16,509,338	\$ 16,319,531	101.16%	11.34%

* Governmental Accounting Standards Board Statement No. 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 District is not available prior to fiscal year 2018, the year the statement's requirements became effective.

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SCHEDULE OF OTHER POST-EMPLOYMENT BENEFITS (OPEB) CONTRIBUTIONS
RETIREE HEALTH CARE AUTHORITY (RHCA)
LAST 10 FISCAL YEARS*
JUNE 30, 2018

Schedule IV

Fiscal Year Ended June 30,	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	District's covered- employee payroll	Contributions as a percentage of covered- employee payroll
2018	\$ 313,566	\$ 313,566	\$ -	\$ 15,698,848	2.00%

* Governmental Accounting Standards Board Statement No. 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 District is not available prior to fiscal year 2018, the year the statement's requirements became effective.

The accompanying notes are an integral part of these financial statements.

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SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

Statement A-1

	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TOTAL
ASSETS				
<i>Current assets:</i>				
Cash and temporary investments	\$ 1,296,846	\$ (51,630)	\$ 58,074	\$ 1,303,290
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	735,505	68,080	-	803,585
Interfund receivables	-	-	-	-
Other	-	-	-	-
Inventory	37,925	-	-	37,925
<i>Total assets</i>	<u>2,070,276</u>	<u>16,450</u>	<u>58,074</u>	<u>2,144,800</u>
LIABILITIES				
<i>Current liabilities:</i>				
Accounts payable	774	-	-	774
Accrued payroll liabilities	218,562	-	-	218,562
Interfund payables	562,069	-	-	562,069
Unearned revenue	5,607	-	-	5,607
<i>Total liabilities</i>	<u>787,012</u>	<u>-</u>	<u>-</u>	<u>787,012</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - property taxes	-	-	-	-
Unavailable revenues - other	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	37,925	-	-	37,925
Restricted for:				
Grant mandates	949,808	-	-	949,808
Capital projects	-	16,450	-	16,450
Debt service	-	-	2,875	2,875
Assigned	296,535	-	55,199	351,734
Unassigned	(1,004)	-	-	(1,004)
<i>Total fund balances</i>	<u>1,283,264</u>	<u>16,450</u>	<u>58,074</u>	<u>1,357,788</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 2,070,276</u>	<u>\$ 16,450</u>	<u>\$ 58,074</u>	<u>\$ 2,144,800</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

Statement A-2

	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TOTAL
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
State grants	1,003,021	765	-	1,003,786
Federal grants	3,617,169	-	-	3,617,169
Miscellaneous	36,854	-	-	36,854
Charges for services	220,263	-	-	220,263
Investment income	6,208	60	-	6,268
<i>Total revenues</i>	<u>4,883,515</u>	<u>825</u>	<u>-</u>	<u>4,884,340</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	1,965,691	-	-	1,965,691
Support services				
Students	652,181	-	-	652,181
Instruction	33,254	-	-	33,254
General administration	57,070	-	125	57,195
School administration	313,431	-	-	313,431
Central services	8,836	-	-	8,836
Operation & maintenance of plant	-	-	-	-
Student transportation	26,031	-	-	26,031
Other support services	-	-	-	-
Food services operations	1,616,454	-	-	1,616,454
Community services	1,121	-	-	1,121
Capital outlay	-	74,732	-	74,732
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>4,674,069</u>	<u>74,732</u>	<u>125</u>	<u>4,748,926</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>209,446</u>	<u>(73,907)</u>	<u>(125)</u>	<u>135,414</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	209,446	(73,907)	(125)	135,414
<i>Fund balances - beginning of year</i>	<u>1,073,818</u>	<u>90,357</u>	<u>58,199</u>	<u>1,222,374</u>
<i>Fund balances - end of year</i>	<u>\$ 1,283,264</u>	<u>\$ 16,450</u>	<u>\$ 58,074</u>	<u>\$ 1,357,788</u>

The accompanying notes are an integral part of these financial statements.

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SPECIAL REVENUE FUNDS

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SPECIAL REVENUE FUNDS DESCRIPTIONS
FOR THE YEAR ENDED JUNE 30, 2018

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

Food Services (21000) - This fund is utilized to account for Federal and Local sources of income relating to the food service programs. The Food Service Fund is segregated into two categories, one being the Federal funds and the other being Non-Federal funds. Federal funds consist of National School Lunch Program, which is administered by the State of New Mexico for the purpose of making breakfast and lunch available to all school children and to encourage the domestic consumption of agricultural commodities and other food components. Authority for the creation of this fund is NMSA 22-13-13. No minimum balance required according to legislation.

Athletics (22000) – This fund is used to account for fees generated at athletic activities throughout the School District. The gate receipts are obtained from the general public and are expended in this fund. The authority for creation of this fund is 6.20.2 NMAC. No minimum balance required according to legislation.

Student Activities (23000) – To account for revenue and expenditures associated with the District’s non instructional support activities (primarily after-school activities). No minimum balance required according to legislation.

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

IDEA-B Entitlement (24106) – accounts for a program funded by a federal grant to assist the District in providing free appropriate public education to all handicapped children. Funding authorized by Individuals with Disabilities Education Act, Part B, Section 611-620, as amended, Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100,639, and 101-476, 20 U.S.C. 1411-1420.

IDEA-B Preschool (24109) – The objective of the Assistance to States for the Education of Handicapped Children Program is to assist in providing free, appropriate public education to all handicapped children from ages three to five. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Department of Children, Youth and Families. Authority for creation of this fund is Public Law 105-17. No minimum balance required according to legislation.

Education of Homeless (24113) – The fund provides tutoring and remedial academic services to homes children and youth within the District. Funding and authorization are by the McKinney-Vento Homeless Assistance Act, Title VII, Subtitle B. No Minimum balance required according to legislation.

Fresh Fruits and Vegetables (24118) – To assist States, through cash grants, in providing free fresh fruits and vegetables to school children in designated participating schools beginning in school year 2004/2005. Authorized by National School Lunch Act, as amended, 42 U.S.C. 1769. No minimum balance required according to legislation.

IDEA-B Results Plan (24132) – This account is to support the individual school site’s Educational Plan for Student Success, or areas in need of improvement as identified through an instructional audit. This is a pilot program for the New Mexico Real Results program required by US Dept. of Education of Special Education Programs. Authority for creation of this fund is the New Mexico Public Education Department. No minimum balance required according to legislation.

English Language Acquisition (24153) – To provide funds to improve the educational performance of limited English proficient students by assisting the children to learn English and meet State academic content standards. No minimum balance required according to legislation.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SPECIAL REVENUE FUNDS DESCRIPTIONS
FOR THE YEAR ENDED JUNE 30, 2018

Teacher/Principal Training & Recruiting (24154) – To improve the skills of teachers and the quality of instruction in mathematics and science, and also to increase the accessibility of such instruction to all students. No minimum balance required according to legislation.

Title I School Improvement (24162) – To account for federal funds to provide family-center education projects to help parents become full partners in the education of their children and to assist children in reaching their full potential as leaders. Authority is Public Law 100-297. No minimum balance required according to legislation.

Carl D Perkins Secondary – Current (24174) – To account for federal funds to provide vocational and technical education for secondary education. (Authority: P.L. 105-332). No minimum balance required according to legislation.

Carl D Perkins Secondary – Redistribution (24176) – Redistribution for the program as described above in 24174. (Authority: P.L. 105-332). No minimum balance required according to legislation.

Carl D Perkins Secondary – Redistribution 2 (24183) – Redistribution for the program as described above in 24174 and 24176. No Minimum balance required according to legislation.

Johnson O'Malley (25131) – To provide funding for supplemental programs in special education and the other needs of eligible Native American Indian children. Funding is provided by the Johnson- O'Malley Act of 1934 as amended, Public Law 930638. No minimum balance required according to legislation.

Impact Aid Special Education (25145) – To account for a program funded by a Federal grant to provide financial assistance to local educational agencies (LEAs) where enrollments or availability of revenue are adversely affected by Federal activities, i.e. where the tax base of a district is reduced through the Federal acquisition of real property (Section 8002, ESEA), where there are a significant number of children who reside on Federal (including Native American) lands and/or children whose parents are employed on Federal property or in the Uniformed Services (Sections 8003 and 8007, ESEA), where there is a sudden increase in school enrollment as the result of Federal activities (Section 8006, ESEA). To provide disaster assistance for reduced or increased operating costs for replacing or repairing damaged or destroyed support equipment and books and for repairing minor damage to facilities. Funding is authorized by the Elementary and Secondary Education Act, Title VIII, as amended. No minimum balance required according to legislation.

Impact Aid Indian Education (25147) – To account for funding of a Federal program to provide financial assistance to local educational agencies (LEA's) where enrollments or availability of revenue are adversely affected by Federal activities, i.e. where the tax base of a district is reduced through the Federal acquisition of real property (Section 2), or where there are a significant number of children who reside on Federal (including Indian) lands and /or children whose parents are employed on Federal property or in the Uniformed Services (Section 3(a) and 3(b)): where there is a significant decrease (Section 3(c)) or a reduced or increased operating costs (Section 4) in school enrollment as the result of Federal activities; to provide disaster assistance for reduced or increased operating costs (Section 7(a)), for replacing or repairing damaged or destroyed supplies, equipment, and books, and for repairing minor damage to facilities. Funding authorized by Public Law 81-874. No minimum balance required according to legislation.

Title XIX Medicaid 3/21 Years (25153) – To provide school-based screening, diagnostic services and other related health services and administrative activities in conformance with the approved Medicaid State Plan in order to improve health and developmental outcomes for children. (P.L. 105-33). No minimum balance required according to legislation.

Indian Ed Formula Grant (25184) – To account for a program funded by a Federal grant to develop and carry out supplementary elementary and secondary school programs designed to meet the special educational and culturally related academic needs of Indian children, for example to: 1) Improve academic performance, 2) Reduce school dropout rates and improve attendance, and 3) Integrate the value of cultural education into the school curriculum for Indian children. Funding authorized by Indian Education Act of 1988, Title V, Part C, Subpart 1, as amended, Public Law 100-297 and 93-638, 25 U.S.C. 2601-2606. No minimum balance required according to legislation.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SPECIAL REVENUE FUNDS DESCRIPTIONS
FOR THE YEAR ENDED JUNE 30, 2018

Golden Apple Foundation (26163) – The purpose of this fund is to account for a program designed to improve the quality of education for all children through recognition, recruitment, and professional development of outstanding teachers. This funding is provided by a private grant with Wells Fargo Golden Apple Foundation Teacher Partner Grant and authorized by the PED. No minimum balance required according to legislation.

Conoco Phillips School Grant (26200) – provides funds to support specific projects proposed to teachers at Naabi Ani Elementary School. The project is funded by a grant from Conoco Phillips. The creation of the fund is authorized by NMSA 1978 22-89-14. No minimum balance required according to legislation.

Dual Credit Instructional Materials (27103) – To purchase college textbooks for students who dual enroll in college credited courses while still attending high school. No minimum balance required according to legislation.

2012 GO Bond Student Library Fund (SB66) (27107) – Funds used to purchase library books and library supplies for all school sites. Program is authorized by state statute. No minimum balance required according to legislation.

Truancy Initiative PED (27141) – This grant is divided into two sections; School Based Law Enforcement and School Based Family Center. Surveillance cameras were purchased and installed at the High School and Phoenix Program. The purpose was to provide staff training in truancy prevention and strategies to deal with students to improve school attendance. Resources were also available to assist families in developing strategies to improve their children’s school attendance. Funding was provided by the School health Unit of the State of New Mexico. Authority for creation of this fund is authorized by the PED. No minimum balance required according to legislation.

Recruitment Support Fund (27128) – The fund account for monies received to help districts offset the costs of teacher recruiting costs. No minimum balance required according to legislation.

PreK Initiative (27149) – The Pre-K Initiative program provides high-quality early childhood services (in accordance with the NM Pre-K standards) to four year old children in need. Authorized through 32A-23-1 NMSA 1978. No minimum balance required according to legislation.

Indian Education Act (27150) – To account for funding provided by New Mexico Legislature through the New Mexico Public Education Department supporting various Exemplary Culture Based Education programs. No minimum balance required according to legislation.

Kindergarten – Three Plus (27166) – To account for funds provided through the New Mexico House of Representatives to establish a fund to allow New Mexico public schools and districts to develop a six year pilot project that extends the school year for kindergarten through third grade by up to two months for participating students to measure the effect of additional time on literacy, numeric and social skills development. No minimum balance required according to legislation.

STEM Teacher Initiative (27181) – To account for the \$5,000 stipend per year to highly effective science, technology, engineering or mathematics for two years, for hard to staff schools.

NM Grown Fresh Fruits and Vegetables (27183) – To account for funds provided by New Mexico Public Education Department to purchase New Mexico locally grown fresh fruits and vegetables for school meal programs. No minimum balance required according to legislation.

College Counselor Initiative (27189) – Funding to be used to hire a college advisor dedicated to college advisement.

Teachers “hard to staff” Stipends (27195) – Funding for stipends for teachers in hard to staff areas as specified by legislation for STEM/hard-to-staff teacher recruitment and/or retention stipends. These teacher stipends are \$5,000 per teacher and may only be awarded to teachers who have met the award criteria. Authorization for this stipend is NMPED. No minimum balance required according to legislation.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SPECIAL REVENUE FUNDS DESCRIPTIONS
FOR THE YEAR ENDED JUNE 30, 2018

K-3 Plus 4 & 5 Pilot (27198) – To account for monies which the New Mexico legislature appropriated for additional education time for kindergarten through 5th grade with at least 25 instructional days beginning up to two months earlier than the regular school year. No minimum balance required according to legislation.

Private Direct Grants (29102) – To provide students with experiences and career awareness in wildlife, forestry and environmental management operations. No minimum balance required according to legislation.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO.6
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2018

Statement B-1

	Food Services 21000	Athletics 22000	Student Activities 23000	Title I IASA 24101	IDEA-B Preschool 24109
ASSETS					
<i>Current assets:</i>					
Cash and temporary investments	\$ 434,505	\$ 147,484	\$ 130,265	\$ -	\$ -
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	-	-	-	247,701	10,597
Interfund receivables	-	-	-	-	-
Other	-	-	-	-	-
Inventory	26,698	11,227	-	-	-
	<u>461,203</u>	<u>158,711</u>	<u>130,265</u>	<u>247,701</u>	<u>10,597</u>
<i>Total assets</i>	<u>461,203</u>	<u>158,711</u>	<u>130,265</u>	<u>247,701</u>	<u>10,597</u>
LIABILITIES					
<i>Current liabilities:</i>					
Accounts payable	-	-	25	-	-
Accrued payroll liabilities	64,611	-	254	48,603	1,568
Interfund payables	-	-	-	198,668	9,029
Unearned revenue	-	-	-	430	-
	<u>64,611</u>	<u>-</u>	<u>279</u>	<u>247,701</u>	<u>10,597</u>
<i>Total liabilities</i>	<u>64,611</u>	<u>-</u>	<u>279</u>	<u>247,701</u>	<u>10,597</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues - property taxes	-	-	-	-	-
Unavailable revenues - other	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	26,698	11,227	-	-	-
Restricted for:					
Grant mandates	207,447	33,396	129,986	-	-
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned	162,447	114,088	-	-	-
Unassigned	-	-	-	-	-
	<u>396,592</u>	<u>158,711</u>	<u>129,986</u>	<u>-</u>	<u>-</u>
<i>Total fund balances</i>	<u>396,592</u>	<u>158,711</u>	<u>129,986</u>	<u>-</u>	<u>-</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 461,203</u>	<u>\$ 158,711</u>	<u>\$ 130,265</u>	<u>\$ 247,701</u>	<u>\$ 10,597</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO.6
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2018

Statement B-1

	Education of Homeless 24113	Fresh Fruits and Vegetables 24118	IDEA-B Results Plan 24132	English Language Acquisition 24153	Teacher/Principal Training & Recruiting 24154
ASSETS					
<i>Current assets:</i>					
Cash and temporary investments	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	6,150	13,210	257	-	26,963
Interfund receivables	-	-	-	-	-
Other	-	-	-	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>6,150</u>	<u>13,210</u>	<u>257</u>	<u>-</u>	<u>26,963</u>
LIABILITIES					
<i>Current liabilities:</i>					
Accounts payable	-	-	-	-	-
Accrued payroll liabilities	-	2	-	-	4,036
Interfund payables	6,150	13,218	257	496	22,321
Unearned revenue	-	-	-	-	606
<i>Total liabilities</i>	<u>6,150</u>	<u>13,220</u>	<u>257</u>	<u>496</u>	<u>26,963</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues - property taxes	-	-	-	-	-
Unavailable revenues - other	-	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted for:					
Grant mandates	-	-	-	-	-
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	(10)	-	(496)	-
<i>Total fund balances</i>	<u>-</u>	<u>(10)</u>	<u>-</u>	<u>(496)</u>	<u>-</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 6,150</u>	<u>\$ 13,210</u>	<u>\$ 257</u>	<u>\$ -</u>	<u>\$ 26,963</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO.6
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2018

Statement B-1

	Title I School Improvement 24162	Carl D Perkins Secondary - Current 24174	Carl D Perkins Secondary - Redistribution 24176	Carl D Perkins Secondary - Redistribution 2 24183	Johnson O'Malley 25131
ASSETS					
<i>Current assets:</i>					
Cash and temporary investments	\$ -	\$ -	\$ 1	\$ -	\$ -
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	2,714	3,419	-	17,833	28,228
Interfund receivables	-	-	-	-	-
Other	-	-	-	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>2,714</u>	<u>3,419</u>	<u>1</u>	<u>17,833</u>	<u>28,228</u>
LIABILITIES					
<i>Current liabilities:</i>					
Accounts payable	-	-	-	-	-
Accrued payroll liabilities	-	-	-	-	2,915
Interfund payables	2,714	3,419	-	17,833	24,408
Unearned revenue	-	-	-	-	905
<i>Total liabilities</i>	<u>2,714</u>	<u>3,419</u>	<u>-</u>	<u>17,833</u>	<u>28,228</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues - property taxes	-	-	-	-	-
Unavailable revenues - other	-	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted for:					
Grant mandates	-	-	1	-	-
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<i>Total fund balances</i>	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 2,714</u>	<u>\$ 3,419</u>	<u>\$ 1</u>	<u>\$ 17,833</u>	<u>\$ 28,228</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO.6
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2018

Statement B-1

	Impact Aid Special Education 25145	Impact Aid Indian Education 25147	Title XIX Medicaid 3/21 Years 25153	Indian Education Grant 25184	Golden Apple Foundation 26163
ASSETS					
<i>Current assets:</i>					
Cash and temporary investments	\$ 36,263	\$ 125,763	\$ 368,732	\$ -	\$ 1,989
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	-	-	42,465	24,364	-
Interfund receivables	-	-	-	-	-
Other	-	-	-	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>36,263</u>	<u>125,763</u>	<u>411,197</u>	<u>24,364</u>	<u>1,989</u>
LIABILITIES					
<i>Current liabilities:</i>					
Accounts payable	-	-	749	-	-
Accrued payroll liabilities	790	8,199	18,218	7,771	-
Interfund payables	-	-	-	13,050	-
Unearned revenue	-	-	-	3,543	-
<i>Total liabilities</i>	<u>790</u>	<u>8,199</u>	<u>18,967</u>	<u>24,364</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues - property taxes	-	-	-	-	-
Unavailable revenues - other	-	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted for:					
Grant mandates	35,473	117,564	372,230	-	1,989
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned	-	-	20,000	-	-
Unassigned	-	-	-	-	-
<i>Total fund balances</i>	<u>35,473</u>	<u>117,564</u>	<u>392,230</u>	<u>-</u>	<u>1,989</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 36,263</u>	<u>\$ 125,763</u>	<u>\$ 411,197</u>	<u>\$ 24,364</u>	<u>\$ 1,989</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO.6
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2018

Statement B-1

	Conoco Phillips School Grant 26200	Dual Credit Instructional Materials 27103	2012 GO Bond Student Library Fund (SB66) 27107	Recruitment Support Fund 27128	Truancy Initiative PED 27141
ASSETS					
<i>Current assets:</i>					
Cash and temporary investments	\$ 16,110	\$ -	\$ -	\$ -	\$ -
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	-	1,779	3,185	8,597	5,474
Interfund receivables	-	-	-	-	-
Other	-	-	-	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>16,110</u>	<u>1,779</u>	<u>3,185</u>	<u>8,597</u>	<u>5,474</u>
LIABILITIES					
<i>Current liabilities:</i>					
Accounts payable	-	-	-	-	-
Accrued payroll liabilities	-	-	-	-	2,202
Interfund payables	-	1,779	3,185	8,597	3,272
Unearned revenue	-	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>1,779</u>	<u>3,185</u>	<u>8,597</u>	<u>5,474</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues - property taxes	-	-	-	-	-
Unavailable revenues - other	-	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted for:					
Grant mandates	16,110	-	-	-	-
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<i>Total fund balances</i>	<u>16,110</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 16,110</u>	<u>\$ 1,779</u>	<u>\$ 3,185</u>	<u>\$ 8,597</u>	<u>\$ 5,474</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO.6
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2018

Statement B-1

	PreK Initiative 27149	Indian Education Act 27150	Kindergarten - Three Plus 27166	STEM Teacher Initiative 27181	NM Grown Fresh Fruits and Vegetables 27183
ASSETS					
<i>Current assets:</i>					
Cash and temporary investments	\$ -	\$ -	\$ -	\$ -	\$ 123
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	132,183	10,802	27,157	90,431	-
Interfund receivables	-	-	-	-	-
Other	-	-	-	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>132,183</u>	<u>10,802</u>	<u>27,157</u>	<u>90,431</u>	<u>123</u>
LIABILITIES					
<i>Current liabilities:</i>					
Accounts payable	-	-	-	-	-
Accrued payroll liabilities	24,835	936	6,297	22,964	-
Interfund payables	107,845	9,866	20,860	67,467	-
Unearned revenue	-	-	-	-	123
<i>Total liabilities</i>	<u>132,680</u>	<u>10,802</u>	<u>27,157</u>	<u>90,431</u>	<u>123</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues - property taxes	-	-	-	-	-
Unavailable revenues - other	-	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted for:					
Grant mandates	-	-	-	-	-
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	(497)	-	-	-	-
<i>Total fund balances</i>	<u>(497)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 132,183</u>	<u>\$ 10,802</u>	<u>\$ 27,157</u>	<u>\$ 90,431</u>	<u>\$ 123</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO.6
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2018

Statement B-1

	College Advisor Initiative 27189	Teachers "Hard to Staff" Stipends 27195	K-3 Plus 4 & 5 Pilot 27198	Private Direct Grants 29102	Total
ASSETS					
<i>Current assets:</i>					
Cash and temporary investments	\$ -	\$ -	\$ -	\$ 35,611	\$ 1,296,846
Accounts receivable					-
Taxes	-	-	-	-	-
Due from other governments	8,010	11,625	12,361	-	735,505
Interfund receivables	-	-	-	-	-
Other	-	-	-	-	-
Inventory	-	-	-	-	37,925
<i>Total assets</i>	<u>8,010</u>	<u>11,625</u>	<u>12,361</u>	<u>35,611</u>	<u>2,070,276</u>
LIABILITIES					
<i>Current liabilities:</i>					
Accounts payable	-	-	-	-	774
Accrued payroll liabilities	1,803	2,052	506	-	218,562
Interfund payables	6,207	9,573	11,855	-	562,069
Unearned revenue	-	-	-	-	5,607
<i>Total liabilities</i>	<u>8,010</u>	<u>11,625</u>	<u>12,361</u>	<u>-</u>	<u>787,012</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues - property taxes	-	-	-	-	-
Unavailable revenues - other	-	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	37,925
Restricted for:					
Grant mandates	-	-	-	35,611	949,807
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned	-	-	-	-	296,535
Unassigned	-	-	-	-	(1,003)
<i>Total fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,611</u>	<u>1,283,264</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 8,010</u>	<u>\$ 11,625</u>	<u>\$ 12,361</u>	<u>\$ 35,611</u>	<u>\$ 2,070,276</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO

Statement B-2

BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2018

	Food Services 21000	Athletics 22000	Student Activities 23000	Title I IASA 24101	IDEA-B Preschool 24109
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-	-
State grants	-	-	-	-	-
Federal grants	1,485,948	-	-	915,640	41,763
Miscellaneous	-	50	24,152	-	-
Charges for services	40,627	107,497	72,139	-	-
Investment income	708	-	5,500	-	-
<i>Total revenues</i>	<u>1,527,283</u>	<u>107,547</u>	<u>101,791</u>	<u>915,640</u>	<u>41,763</u>
<i>Expenditures:</i>					
<i>Current:</i>					
Instruction	-	125,550	16,209	629,329	2,898
Support services					
Students	-	-	-	77,906	37,422
Instruction	-	-	-	481	-
General administration	-	-	-	33,036	1,443
School administration	-	-	-	175,366	-
Central services	-	-	-	-	-
Operation & maintenance of plant	-	-	-	-	-
Student transportation	-	-	-	-	-
Other support services	-	-	-	-	-
Food services operations	1,537,495	-	-	-	-
Community services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>1,537,495</u>	<u>125,550</u>	<u>16,209</u>	<u>916,118</u>	<u>41,763</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(10,212)</u>	<u>(18,003)</u>	<u>85,582</u>	<u>(478)</u>	<u>-</u>
<i>Other financing sources (uses):</i>					
Operating transfers	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	(10,212)	(18,003)	85,582	(478)	-
<i>Fund balances - beginning of year</i>	<u>406,804</u>	<u>176,714</u>	<u>44,404</u>	<u>478</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ 396,592</u>	<u>\$ 158,711</u>	<u>\$ 129,986</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO

Statement B-2

BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2018

	Education of Homeless 24113	Fresh Fruits and Vegetables 24118	IDEA-B Results Plan 24132	English Language Acquisition 24153	Teacher/Principal Training & Recruiting 24154
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-	-
State grants	-	-	-	-	-
Federal grants	8,619	61,116	39,397	22,564	89,509
Miscellaneous	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment income	-	-	-	-	-
<i>Total revenues</i>	<u>8,619</u>	<u>61,116</u>	<u>39,397</u>	<u>22,564</u>	<u>89,509</u>
<i>Expenditures:</i>					
Current:					
Instruction	-	-	39,397	21,925	87,000
Support services					
Students	6,781	-	-	-	-
Instruction	36	-	-	-	-
General administration	329	-	-	452	3,114
School administration	-	-	-	683	-
Central services	-	-	-	-	-
Operation & maintenance of plant	-	-	-	-	-
Student transportation	352	-	-	-	-
Other support services	-	-	-	-	-
Food services operations	-	61,126	-	-	-
Community services	1,121	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>8,619</u>	<u>61,126</u>	<u>39,397</u>	<u>23,060</u>	<u>90,114</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(10)</u>	<u>-</u>	<u>(496)</u>	<u>(605)</u>
<i>Other financing sources (uses):</i>					
Operating transfers	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	-	(10)	-	(496)	(605)
<i>Fund balances - beginning of year</i>	-	-	-	-	605
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ (10)</u>	<u>\$ -</u>	<u>\$ (496)</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO

Statement B-2

BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2018

	Title I School Improvement 24162	Carl D Perkins Secondary - Current 24174	Carl D Perkins Secondary - Redistribution 24176	Carl D Perkins Secondary - Redistribution 2 24183	Johnson O'Malley 25131
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-	-
State grants	-	-	-	-	-
Federal grants	58,689	18,264	-	17,833	71,904
Miscellaneous	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment income	-	-	-	-	-
<i>Total revenues</i>	<u>58,689</u>	<u>18,264</u>	<u>-</u>	<u>17,833</u>	<u>71,904</u>
<i>Expenditures:</i>					
Current:					
Instruction	56,661	17,117	-	-	11,895
Support services					
Students	-	-	-	-	50,439
Instruction	-	-	-	-	-
General administration	2,028	631	-	-	2,517
School administration	-	277	-	-	7,958
Central services	-	239	-	-	-
Operation & maintenance of plant	-	-	-	-	-
Student transportation	-	-	-	-	-
Other support services	-	-	-	-	-
Food services operations	-	-	-	17,833	-
Community services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>58,689</u>	<u>18,264</u>	<u>-</u>	<u>17,833</u>	<u>72,809</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(905)</u>
<i>Other financing sources (uses):</i>					
Operating transfers	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	-	-	-	-	(905)
<i>Fund balances - beginning of year</i>	-	-	1	-	905
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO

Statement B-2

BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2018

	Impact Aid Special Education 25145	Impact Aid Indian Education 25147	Title XIX Medicaid 3/21 Years 25153	Indian Ed Formula Grant 25184	Golden Apple Foundation 26163
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-	-
State grants	-	-	-	-	-
Federal grants	49,122	170,479	393,383	172,939	-
Miscellaneous	-	-	-	-	1,592
Charges for services	-	-	-	-	-
Investment income	-	-	-	-	-
<i>Total revenues</i>	<u>49,122</u>	<u>170,479</u>	<u>393,383</u>	<u>172,939</u>	<u>1,592</u>
<i>Expenditures:</i>					
Current:					
Instruction	-	35,980	10,275	102,370	-
Support services					
Students	-	38,375	288,719	9,951	-
Instruction	-	-	-	-	-
General administration	526	3,414	-	4,952	-
School administration	23,645	31,288	-	58,061	-
Central services	-	-	-	-	-
Operation & maintenance of plant	-	-	-	-	-
Student transportation	-	-	-	-	-
Other support services	-	-	-	-	-
Food services operations	-	-	-	-	-
Community services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>24,171</u>	<u>109,057</u>	<u>298,994</u>	<u>175,334</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>24,951</u>	<u>61,422</u>	<u>94,389</u>	<u>(2,395)</u>	<u>1,592</u>
<i>Other financing sources (uses):</i>					
Operating transfers	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	24,951	61,422	94,389	(2,395)	1,592
<i>Fund balances - beginning of year</i>	<u>10,522</u>	<u>56,142</u>	<u>297,841</u>	<u>2,395</u>	<u>397</u>
<i>Fund balances - end of year</i>	<u>\$ 35,473</u>	<u>\$ 117,564</u>	<u>\$ 392,230</u>	<u>\$ -</u>	<u>\$ 1,989</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO

Statement B-2

BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2018

	Conoco Phillips School Grant 26200	Dual Credit Instructional Materials 27103	2012 GO Bond Student Library Fund (SB66) 27107	Recruitment Support Fund 27128	Truancy Initiative PED 27141
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-	-
State grants	-	7,231	25,277	8,597	65,618
Federal grants	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment income	-	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>7,231</u>	<u>25,277</u>	<u>8,597</u>	<u>65,618</u>
<i>Expenditures:</i>					
Current:					
Instruction	22,591	7,231	-	-	-
Support services					
Students	-	-	-	-	65,618
Instruction	-	-	25,277	-	-
General administration	-	-	-	-	-
School administration	-	-	-	-	-
Central services	-	-	-	8,597	-
Operation & maintenance of plant	-	-	-	-	-
Student transportation	-	-	-	-	-
Other support services	-	-	-	-	-
Food services operations	-	-	-	-	-
Community services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>22,591</u>	<u>7,231</u>	<u>25,277</u>	<u>8,597</u>	<u>65,618</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(22,591)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>					
Operating transfers	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>(22,591)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>38,701</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ 16,110</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO

Statement B-2

BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2018

	PreK Initiative 27149	Indian Education Act 27150	Kindergarten - Three Plus 27166	STEM Teacher Initiative 27181	NM Grown Fresh Fruits and Vegetables 27183
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-	-
State grants	418,110	14,110	27,157	348,560	-
Federal grants	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment income	-	-	-	-	-
<i>Total revenues</i>	<u>418,110</u>	<u>14,110</u>	<u>27,157</u>	<u>348,560</u>	<u>-</u>
<i>Expenditures:</i>					
Current:					
Instruction	343,608	13,622	17,513	348,560	-
Support services					
Students	38,280	-	1,675	-	-
Instruction	-	-	1,433	-	-
General administration	4,140	488	-	-	-
School administration	9,617	-	6,536	-	-
Central services	-	-	-	-	-
Operation & maintenance of plant	-	-	-	-	-
Student transportation	22,465	-	-	-	-
Other support services	-	-	-	-	-
Food services operations	-	-	-	-	-
Community services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>418,110</u>	<u>14,110</u>	<u>27,157</u>	<u>348,560</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>					
Operating transfers	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	-	-	-	-	-
<i>Fund balances - beginning of year</i>	<u>(497)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ (497)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO

Statement B-2

BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2018

	College Advisor Initiative 27189	Teachers "hard to staff" Stipends 27195	K-3 Plus 4 & 5 Pilot 27198	Private Direct Grants 29102	Total
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-	-
State grants	37,015	38,985	12,361	-	1,003,021
Federal grants	-	-	-	-	3,617,169
Miscellaneous	-	-	-	11,060	36,854
Charges for services	-	-	-	-	220,263
Investment income	-	-	-	-	6,208
<i>Total revenues</i>	<u>37,015</u>	<u>38,985</u>	<u>12,361</u>	<u>11,060</u>	<u>4,883,515</u>
<i>Expenditures:</i>					
<i>Current:</i>					
Instruction	-	38,985	9,147	7,828	1,965,691
Support services					
Students	37,015	-	-	-	652,181
Instruction	-	-	-	6,027	33,254
General administration	-	-	-	-	57,070
School administration	-	-	-	-	313,431
Central services	-	-	-	-	8,836
Operation & maintenance of plant	-	-	-	-	-
Student transportation	-	-	3,214	-	26,031
Other support services	-	-	-	-	-
Food services operations	-	-	-	-	1,616,454
Community services	-	-	-	-	1,121
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>37,015</u>	<u>38,985</u>	<u>12,361</u>	<u>13,855</u>	<u>4,674,069</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,795)</u>	<u>209,446</u>
<i>Other financing sources (uses):</i>					
Operating transfers	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	-	-	-	(2,795)	209,446
<i>Fund balances - beginning of year</i>	-	-	-	38,406	1,073,818
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,611</u>	<u>\$ 1,283,264</u>

The accompanying notes are an integral part of these financial statements.

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CAPITAL PROJECTS FUNDS

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
CAPITAL PROJECTS FUNDS DESCRIPTIONS
FOR THE YEAR ENDED JUNE 30, 2018

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Bond Building (31100) — To account for bond proceeds and any income earned thereon. The proceeds are restricted for the purpose of making additions to and furnishing of school buildings, or purchasing or improving school grounds or any combination thereof, as approved by the voters of the District. No minimum balance required according to legislation.

Capital Improvements SB-9 (State Match) (31700) – To account for erecting, remodeling, making additions to, and furnishing of school buildings, or purchasing or improving school grounds or any combination thereof, as identified by the local school board. Financing is provided by the State of New Mexico’s State Equalization Matching. No minimum balance required according to legislation. (22-25-1 to 22-25-10 NMSA 1978)

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2018

	Bond Building 31100	Capital Improvements SB-9 (State Match) 31700	Total
ASSETS			
<i>Current assets:</i>			
Cash and temporary investments	\$ 14,386	\$ (66,016)	\$ (51,630)
Accounts receivable			
Taxes	-	-	-
Due from other governments	-	68,080	68,080
Interfund receivables	-	-	-
Other	-	-	-
Inventory	-	-	-
<i>Total assets</i>	<u>14,386</u>	<u>2,064</u>	<u>16,450</u>
LIABILITIES			
<i>Current liabilities:</i>			
Accounts payable	-	-	-
Accrued payroll liabilities	-	-	-
Interfund payables	-	-	-
Unearned revenue	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues - property taxes	-	-	-
Unavailable revenues - other	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted for:			
Grant mandates	-	-	-
Capital projects	14,386	2,064	16,450
Debt service	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
<i>Total fund balances</i>	<u>14,386</u>	<u>2,064</u>	<u>16,450</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 14,386</u>	<u>\$ 2,064</u>	<u>\$ 16,450</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Bond Building 31100	Capital Improvements SB-9 (State Match) 31700	Total
<i>Revenues:</i>			
Property taxes	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-
State grants	-	765	765
Federal grants	-	-	-
Miscellaneous	-	-	-
Charges for services	-	-	-
Investment income	60	-	60
<i>Total revenues</i>	<u>60</u>	<u>765</u>	<u>825</u>
<i>Expenditures:</i>			
<i>Current:</i>			
Instruction	-	-	-
Support services			
Students	-	-	-
Instruction	-	-	-
General administration	-	-	-
School administration	-	-	-
Central services	-	-	-
Operation & maintenance of plant	-	-	-
Student transportation	-	-	-
Other support services	-	-	-
Food services operations	-	-	-
Community service	-	-	-
Capital outlay	6,652	68,080	74,732
Debt service			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>6,652</u>	<u>68,080</u>	<u>74,732</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(6,592)</u>	<u>(67,315)</u>	<u>(73,907)</u>
<i>Other financing sources (uses):</i>			
Operating transfers	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	(6,592)	(67,315)	(73,907)
<i>Fund balances - beginning of year</i>	<u>20,978</u>	<u>69,379</u>	<u>90,357</u>
<i>Fund balances - end of year</i>	<u>\$ 14,386</u>	<u>\$ 2,064</u>	<u>\$ 16,450</u>

The accompanying notes are an integral part of these financial statements.

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DEBT SERVICE FUNDS

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
DEBT SERVICE FUNDS DESCRIPTIONS
FOR THE YEAR ENDED JUNE 30, 2018

Debt Service Funds account for the services of general long-term debt not being financed by proprietary or nonexpendable trust funds.

Deferred Sick Leave (42000) – To account for funds set aside for paid and sick leave payouts upon retirement. No minimum balance required according to legislation.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVE FUNDS
JUNE 30, 2018

Statement D-1

	Deferred Sick Leave 42000 <hr/>
ASSETS	
<i>Current assets:</i>	
Cash and temporary investments	\$ 58,074
Accounts receivable	
Taxes	-
Due from other governments	-
Interfund receivables	-
Other	-
Inventory	-
	<hr/>
<i>Total assets</i>	<u>58,074</u>
LIABILITIES	
<i>Current Liabilities:</i>	
Accounts payable	-
Accrued payroll liabilities	-
Interfund payables	-
Unearned revenue	-
	<hr/>
<i>Total liabilities</i>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenues - property taxes	-
Unavailable revenues - other	-
	<hr/>
<i>Total deferred inflows of resources</i>	<u>-</u>
FUND BALANCES	
Nonspendable	-
Restricted for:	
Grant mandates	-
Capital projects	-
Debt service	2,875
Assigned	55,199
Unassigned	-
	<hr/>
<i>Total fund balances</i>	<u>58,074</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 58,074</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

Statement D-2

	Deferred Sick Leave 42000
	42000
<i>Revenues:</i>	
Property taxes	\$ -
Oil and gas taxes	-
State grants	-
Federal grants	-
Miscellaneous	-
Charges for services	-
Investment income	-
<i>Total revenues</i>	-
<i>Expenditures:</i>	
Current:	
Instruction	-
Support services	
Students	-
Instruction	-
General administration	125
School administration	-
Central services	-
Operation & maintenance of plant	-
Student transportation	-
Other support services	-
Food services operations	-
Community services	-
Capital outlay	-
Debt service	
Principal	-
Interest	-
<i>Total expenditures</i>	125
<i>Excess (deficiency) of revenues</i>	
<i>over (under) expenditures</i>	(125)
<i>Other financing sources (uses):</i>	
Operating transfers	-
<i>Total other financing sources (uses)</i>	-
<i>Net changes in fund balances</i>	(125)
<i>Fund balances - beginning of year</i>	58,199
<i>Fund balances - end of year</i>	\$ 58,074

The accompanying notes are an integral part of these financial statements.

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OTHER SUPPLEMENTAL INFORMATION

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
AGENCY FUNDS
SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2018

Schedule V

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
Bloomfield High School	\$ 86,976	\$ 215,194	\$ 184,618	\$ 117,552
Charlie Brown Secondary	3,295	866	926	3,235
Mesa Alta School	43,589	35,525	36,826	42,288
Blanco School	29,605	14,639	19,795	24,449
Central School	25,619	8,797	8,046	26,370
Naaba Ani School	32,833	8,908	11,544	30,197
Bloomfield Learning Center	29,475	8,907	7,834	30,548
H. Hayes Scholarship	7,060	1,593	2,300	6,353
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 258,452</u>	<u>\$ 294,429</u>	<u>\$ 271,889</u>	<u>\$ 280,992</u>
Less: Uncollected Checks				<u>-</u>
Total Fiduciary Fund Cash				<u>\$ 280,992</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SCHEDULE OF PLEDGED COLLATERAL
FOR THE YEAR ENDED JUNE 30, 2018

Schedule VI

<u>Name of Depository</u>	<u>Description of Pledged Collateral</u>	<u>Maturity Date</u>	<u>CUSIP Number</u>	<u>Fair Market Value June 30, 2018</u>
Citizens Bank				
	FNMA	9/25/2029	3136A9LL0	\$ 4,913,000
	FNMA	5/4/2026	3133EF5W3	<u>3,790,800</u>
Total Citizens Bank				<u>\$ 8,703,800</u>

The securities are held, not in the District's name, at:
 FHLB - Dallas
 85000 Freeport Parkway South
 Irving, TX 75063

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SCHEDULE OF CASH AND TEMPORARY INVESTMENT ACCOUNTS
JUNE 30, 2018

Schedule VII

Bank Name/Account Type	Account Type	Bank Balance	Deposits in Transit	Outstanding Checks/Wires	Other Adjustments	Book Balance
Citizens Bank						
Operational	Checking	\$ 4,994,733	\$ -	\$ -	\$ -	\$ 4,994,733
Accounts Payable	Checking	2,015,454	-	(609,382)	-	1,406,072
Payroll Clearing	Checking	32,011	-	(31,547)	-	464
Student Nutrition	Checking	338,865	-	-	-	338,865
Federal Funds	Checking	44,549	-	-	-	44,549
Bond Fund	Checking	14,386	-	-	-	14,386
Capital Improvements	Checking	4,169,299	-	-	-	4,169,299
Debt Service	Checking	4,648,396	-	-	-	4,648,396
Activity Account	Checking	557,558	657	-	-	558,215
Total Citizens Bank		<u>\$ 16,815,251</u>	<u>\$ 657</u>	<u>\$ (640,929)</u>	<u>\$ -</u>	<u>\$ 16,174,979</u>
Bank of Albuquerque						
Bond Sinking Fund	Trust	\$ 909,896	\$ -	\$ -	\$ -	\$ 909,896
Total Bank of Albuquerque		<u>\$ 909,896</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 909,896</u>
Cash on Hand						<u>300</u>
Total		<u>\$ 17,725,147</u>	<u>\$ 657</u>	<u>\$ (640,929)</u>	<u>\$ -</u>	<u>\$ 17,085,175</u>
Cash per financial statements						
Cash and cash equivalents - Government Activities Exhibit A-1						\$ 16,804,183
Fiduciary funds - Exhibit D-1						<u>280,992</u>
						<u>\$ 17,085,175</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SCHEDULE OF CASH RECONCILIATIONS
JUNE 30, 2018

Schedule VIII

Primary Government

	Operational 11000	Transportation 13000	Instructional Materials 14000	Food Services 21000
Cash, June 30, 2017	\$ 5,128,537	\$ -	\$ 44,839	\$ 338,564
Add:				
Current year revenues	22,292,331	1,086,300	90,234	1,469,491
Permanent cash transfers	-	-	-	-
Prior period adjustment	-	-	-	-
Loans from other funds	-	-	-	-
Total cash available	27,420,868	1,086,300	135,073	1,808,055
Less:				
Current year expenditures	(20,916,124)	(1,045,821)	(106,310)	(1,373,550)
Permanent cash transfers	-	-	-	-
Prior period adjustment	-	-	-	-
Loans to other funds	(866,701)	-	-	-
Cash, June 30, 2018	<u>\$ 5,638,043</u>	<u>\$ 40,479</u>	<u>\$ 28,763</u>	<u>\$ 434,505</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SCHEDULE OF CASH RECONCILIATIONS
JUNE 30, 2018

Schedule VIII

Primary Government

	Athletics 22000	Student Activities 23000	Federal Flowthrough 24000	Federal Direct 25000
Cash, June 30, 2017	\$ 165,643	\$ 44,404	\$ (462,514)	\$ 269,825
Add:				
Current year revenues	107,547	101,791	1,904,938	865,198
Permanent cash transfers	-	-	-	-
Prior period adjustment	-	-	-	-
Loans from other funds	-	-	578,737	37,458
Total cash available	273,190	146,195	2,021,161	1,172,481
Less:				
Current year expenditures	(125,706)	(15,930)	(2,021,160)	(641,723)
Permanent cash transfers	-	-	-	-
Prior period adjustment	-	-	-	-
Loans to other funds	-	-	-	-
Cash, June 30, 2018	<u>\$ 147,484</u>	<u>\$ 130,265</u>	<u>\$ 1</u>	<u>\$ 530,758</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SCHEDULE OF CASH RECONCILIATIONS
JUNE 30, 2018

Schedule VIII

Primary Government

	Local Grants 26000	State Flowthrough 27000	Local / State 29000	Bond Building 31100
Cash, June 30, 2017	\$ 39,098	\$ (304,691)	\$ 38,406	\$ 20,978
Add:				
Current year revenues	1,592	995,734	11,060	60
Permanent cash transfers	-	-	-	-
Prior period adjustment	-	-	-	-
Loans from other funds	-	250,506	-	-
Total cash available	40,690	941,549	49,466	21,038
Less:				
Current year expenditures	(22,591)	(941,426)	(13,855)	(6,652)
Permanent cash transfers	-	-	-	-
Prior period adjustment	-	-	-	-
Loans to other funds	-	-	-	-
Cash, June 30, 2018	<u>\$ 18,099</u>	<u>\$ 123</u>	<u>\$ 35,611</u>	<u>\$ 14,386</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SCHEDULE OF CASH RECONCILIATIONS
JUNE 30, 2018

Schedule VIII

Primary Government

	Cap. Improv. SB 9 (State Match) 31700	Cap. Improv. SB 9 (Local) 31701	Debt Service 41000	Deferred Sick Leave 42000
Cash, June 30, 2017	\$ 2,064	\$ 2,939,004	\$ 6,435,614	\$ 58,199
Add:				
Current year revenues	-	3,466,987	5,558,695	-
Permanent cash transfers	-	-	-	-
Prior period adjustment	-	-	-	-
Loans from other funds	-	-	-	-
Total cash available	2,064	6,405,991	11,994,309	58,199
Less:				
Current year expenditures	(68,080)	(2,170,675)	(6,436,017)	(125)
Permanent cash transfers	-	-	-	-
Prior period adjustment	-	-	-	-
Loans to other funds	-	-	-	-
Cash, June 30, 2018	<u>\$ (66,016)</u>	<u>\$ 4,235,316</u>	<u>\$ 5,558,292</u>	<u>\$ 58,074</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SCHEDULE OF CASH RECONCILIATIONS
JUNE 30, 2018

Schedule VIII

Primary Government

	Total
Cash, June 30, 2017	\$ 14,757,970
Add:	
Current year revenues	37,951,958
Permanent cash transfers	-
Prior period adjustment	-
Loans from other funds	866,701
Total cash available	53,576,629
Less:	
Current year expenditures	(35,905,745)
Permanent cash transfers	-
Prior period adjustment	-
Loans to other funds	(866,701)
Cash, June 30, 2018	\$ 16,804,183

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SCHEDULE OF JOINT POWERS AGREEMENTS
JUNE 30, 2018

Schedule IX

Title: Joint Powers Agreement – Swimming Pool Operation

Participants: Bloomfield Municipal School District No. 6 and City of Bloomfield

Responsible Party: Bloomfield Municipal School District No. 6 and City of Bloomfield

Description: For the purposes of constructing, maintaining, and operating a swimming pool facility for the students and the public. Bloomfield Municipal School District No. 6 is responsible for constructing and insuring the facility. The City of Bloomfield will be the fiscal agent of the facility and will maintain and operate the facility.

Dates of Operation: January 10, 2005 to January 10, 2030. Renewable for two additional five year terms.

Projected Cost: Bloomfield Municipal Schools agrees to provide location and pay for construction costs in addition to carrying property damage insurance.

Audit Responsibility: City of Bloomfield

Reporting Responsibility: Revenues are collected and recorded by the City and are shared and recorded by both parties. Expenses are incurred and recorded by both parties.

The accompanying notes are an integral part of these financial statements.

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COMPLIANCE SECTION



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

INDEPENDENT AUDITOR'S REPORT

Wayne A. Johnson
New Mexico State Auditor
The Office of Management and Budget
And the Board of Education of
Bloomfield Municipal School District No. 6
Bloomfield, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the General Fund and major special revenue fund of the Bloomfield Municipal School District No. 6 (the "District"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 19, 2018.

Internal Control over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency. (FS 2018-001)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items NM 2017-002, NM 2018-001 and NM 2018-002.

Response to Findings

The District's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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

Manning Accounting and Consulting Services, LLC

Manning Accounting and Consulting Services, LLC

Kirtland, New Mexico

October 19, 2018

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FEDERAL FINANCIAL ASSISTANCE



**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

INDEPENDENT AUDITOR'S REPORT

Wayne A. Johnson, New Mexico State Auditor
The Office of Management and Budget
And the Board of Education of
Bloomfield Municipal School District No. 6
Bloomfield, New Mexico

Report on Compliance for Each Major Federal Program

We have audited the Bloomfield Municipal School District No. 6's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2018. The District's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on the compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Manning Accounting and Consulting Services, LLC

Manning Accounting and Consulting Services, LLC
Kirtland, New Mexico
October 19, 2018

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

Schedule X

Federal Grantor or Pass-Through Grantor / Program Title	Passthrough Number	Federal CFDA Number	Federal Expenditures
U.S. Department of Education			
<i>Passthrough State of New Mexico Public Education Department</i>			
Special Education Cluster (IDEA)			
IDEA B - Entitlement (1)	24106	84.027	\$ 831,541
IDEA-B Results Plan (1)	24132	84.027	39,397
IDEA-B Preschool (1)	24109	84.173	41,763
Total Special Education Cluster (IDEA)			<u>912,701</u>
Other Programs (Treated individually for major program determination)			
Carl D Perkins Secondary - Current	24174	84.048A	18,264
Carl D Perkins Secondary - Redistribution 2	24183	84.048A	17,833
Subtotal CFDA # 84.048A			<u>36,097</u>
Title I IASA (1)	24101	84.010	916,118
Title I School Improvement (1)	24162	84.010	58,689
Subtotal CFDA #84.010			<u>974,807</u>
Education of Homeless	24113	84.196A	8,619
English Language Acquisition	24153	84.365A	23,060
Teacher/Principal Training & Recruiting	24154	84.367	90,114
Total Other Programs			<u>1,132,697</u>
<i>Subtotal - Passthrough State of New Mexico Public Education Department</i>			<u>2,045,398</u>
<i>Direct U.S. Department of Education</i>			
Other Programs (Treated individually for major program determination)			
Impact Aid			
Impact Aid	11000	84.041	681,917
Impact Aid Special Education	25145	84.041	24,171
Impact Aid Indian Education	25147	84.041	109,057
Total Impact Aid			<u>815,145</u>
Indian Ed Formula Grant	25184	84.060	175,334
Total Other Programs			<u>990,479</u>
<i>Subtotal - Direct U.S. Department of Education</i>			<u>990,479</u>
Total U.S. Department of Education			<u>3,035,877</u>
U.S. Department of Interior			
<i>Direct U.S. Department of Interior</i>			
Johnson O'Malley	25131	15.130	72,809
Total U.S. Department of Interior			<u>72,809</u>
U.S. Department of Defense			
<i>Direct U.S. Department of Defense</i>			
National Guard Military Projects	11000	12.401	27,926
Total U.S. Department of Defense			<u>27,926</u>
U.S. Department of Agriculture			
<i>Passthrough State of New Mexico Public Education Department</i>			
Other Programs (Treated individually for major program determination)			
Fresh Fruit and Vegetables	24118	10.582	61,126
Child Nutrition Cluster			
USDA School Breakfast Program (1)	21000	10.553	398,877
National School Lunch Program (1)	21000	10.555	1,036,204
<i>Passthrough State of New Mexico Department of Health and Human Services</i>			
Food Distribution (Commodities) (1)	21000	10.553/10.555	102,414
Total Child Nutrition Cluster			<u>1,537,495</u>
<i>Subtotal - Passthrough State of New Mexico Public Education Department</i>			<u>1,496,207</u>
<i>Subtotal - Passthrough State of Department of Health and Human Services</i>			<u>102,414</u>
Total U.S. Department of Agriculture			<u>1,598,621</u>
Total Federal Financial Assistance			<u>\$ 4,735,233</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

Schedule X

Notes to Schedule of Expenditures of Federal Awards

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards presents the activity of federal award programs administered by the District, which is described in Note 1 to the District's accompanying financial statements, using the modified accrual basis of accounting. federal awards that are included in the schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

2. Sub recipients

The District did not provide any federal awards to sub recipients during the year.

3. Non Cash Federal Assistance

The District receives USDA commodities for use in sponsoring the National School Lunch and Breakfast programs. The value of commodities received for the year ended June 30, 2017 was \$107,975 and is reported in the Schedule of Expenditures of Federal Awards under the Department of Agriculture Commodities program, CFDA numbers 10.553 and 10.555. Commodities are recorded as revenues and expenditures in the Food Service Fund.

4. Indirect Cost Rate

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented. Certain of the District's federal award programs have been charged with indirect costs, based upon a rate established by the State of New Mexico, and the District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance applied to overall expenditures. The District's indirect cost rate for the year was 3.52%

5. Matching Costs

Matching costs (the District's share of certain program costs) are not included in the reported expenditures. The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program. The amounts reported as federal expenditures were obtained from the federal financial reports for the applicable program and periods. The amounts reported in these reports are prepared from records maintained for each program, which are reconciled with the District's financial reporting system.

6. Insurance

No insurance is carried specifically to cover equipment purchased with federal funds. Any equipment purchased with federal funds has only a nominal value, and is covered by the District's casualty insurance policies.

7. Loan or Loan Guarantees

There were no loans or loan guarantees outstanding at year-end.

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

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 4,735,233
Total expenditures funded by other sources	<u>31,416,813</u>
Total expenditures	<u><u>\$ 36,152,046</u></u>

(1) Denotes Major Federal Financial Assistance Program

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018

Section I – Summary of Audit Results

Financial Statements:

- | | |
|--|------------|
| 1. Type of auditor’s report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weakness in internal control identified? | None Noted |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes |
| c. Noncompliance material to financial statements noted? | None Noted |

Federal Awards:

- | | |
|---|------------|
| 1. Internal control over major programs: | |
| a. Material weaknesses identified? | None Noted |
| b. Significant deficiencies identified not considered to be material weaknesses? | None Noted |
| 2. Type of auditor’s report issued on compliance for major programs: | Unmodified |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR-200.516(a)? | None Noted |
| 4. Identification of major programs: | |

CFDA Number	Federal Program
84.027 and 84.173 84.010	Special Education Cluster (IDEA) Title I IASA

- | | |
|---|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$750,000 |
| 6. Auditee qualified as low-risk auditee? | Yes |

Section II – Financial Statement Findings

FS 2018-001 – Improper Cash Controls (Significant Deficiency)

***Criteria:* [6.20.2.11 NMAC 1978](#) INTERNAL CONTROL STRUCTURE ANDARDS:**

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

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

(1) School district management must ensure that protection of the public trust is a major focus when granting the authorization to execute business of the school district.

(2) Employees handling significant amounts of cash must be adequately bonded. Access to assets is permitted only in accordance with school district authorization.

(3) Receipts, checks or warrants, purchase orders, and vouchers shall be sequentially pre-numbered.

(4) School districts shall have proper safeguards to protect unused checks and other pre-numbered forms, undeposited cash and other receipts, and facsimile signature plates.

(5) Transactions are to be recorded as necessary to permit preparation of financial statements in conformity with GAAP. In addition, school districts shall establish any other criteria applicable to such statements to maintain accountability for assets.

(6) School districts shall conduct independent checks on performance and proper valuation of recorded amounts, such as clerical checks, reconciliations, comparison of assets with recorded accountability, computer-programmed controls, management review of reports that summarize the detail of account balances, and user review of computer generated reports.

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

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

6.20.2.14 NMAC 1978 CASH CONTROL STANDARDS:

A. School districts shall establish and maintain a cash management program to safeguard cash and provide prompt and accurate reporting that adheres to cash management requirements of the office of management and budget (OMB) Circular A-102, and applicable state and federal laws and regulations.

F. The school district shall establish a cash control ledger for each fund/subfund. Inter-fund transfers of cash among separate and distinct funds are not receipts or expenditures. Permanent transfers of previously receipted cash require local board and SIDE approval prior to the transfer. All other types of cash transfers require only local board approval.

(1) Temporary transfers of cash are to be posted as "due from" and "due to" to indicate inter-fund receivables and payables.

Section II – Financial Statement Findings (Continued)

FS 2018-001 – Improper Cash Controls (Significant Deficiency) (Continued)

(2) Posting errors are not to be erased, crossed out, or in any other manner eliminated from the ledger. A separate entry is required to incorporate necessary corrections. Cross-referencing of a correcting entry to the original error should be inserted under the "description" column of the ledger.

G. **Clearing accounts or pooled accounts may be used to combine more than one fund in one bank account. Clearing accounts shall reconcile to a zero balance at the end of each month. Bank reconciliations for clearing accounts shall be completed on a monthly basis.**

J. **The school district shall maintain a cash control ledger for each fund/subfund where all transactions affecting cash are recorded. Cash balances reported to the department shall be the same as the district's cash control ledger and annual audit.**

K. **All bank accounts shall be reconciled on a monthly basis. Reconciled bank statements are to be reviewed by the business manager and/or assistant superintendent for business administration. The bank statement, deposit slips, and canceled checks shall be made available to the district's auditor during the annual audit.**

Additionally, 6-5-2C NMSA 1978, "state agencies shall implement accounting controls designed to prevent accounting errors and violations of state and federal law and rules related to financial matters."

Condition: The District had not properly reconciled all bank reconciliations during the year. The payroll clearing and the accounts payable clearing were not reconciled on a monthly basis after September 2017. The District implemented a change in its financial accounting software during the year, moving to the Visions financial system. In the initial implementation of the system, improper alignments for the cash accounts occurred over the July through September time frames which caused wide variances in the cash reconciliations.

Account discrepancies in cash balances and the interfund balances existed because of these implementation errors. As such, these two accounts were never truly reconciled nor were the improper interfund loans cleared from the system during the year. These issues were not corrected until October 2018. After identifying the issues caused by the implementation errors an adjustment of approximately \$950 was made to increase the operational account to match the reconciled bank statements.

Cause: The implementation of the Visions financial software system which was not originally set up correctly by the vendor caused improper accounts to be debited and credited. As such, total cash balances and interfund loan balances were not properly recorded by the system during the first three months of the year.

Effect: The large variances in cash and interfund loan balances made it impossible to properly reconcile the payroll clearing account or the accounts payable clearing account. As such, the balances in the general ledger were wrong for both cash and interfund loans. The errors caused by the implementation issues were not identified and corrected during the year but were corrected after year-end.

Auditor's Recommendation: We recommend that the District use the financial system reconciliation procedures to identify any variances and correct those variances immediately. Proper tracking of individual fund cash balances

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018

Schedule XI

Section II – Financial Statement Findings (Continued)

FS 2018-001 – Improper Cash Controls (Significant Deficiency) (Continued)

Responsible Official's View:

- Specific corrective action plan for finding:
The Business Manager will reconcile all accounts in a timely fashion using the Infinite Vision's Software. Cash balances will be tracked using the software as well.

- Timeline for completion of corrective action plan:
Immediately

- Employee position(s) responsible for meeting the timeline:
Business Manager and business office staff

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018

Schedule XI

Section III – Federal Award Findings

None Identified

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018

Schedule XI

Section IV – Section 12-6-5 NMSA 1978 Findings

NM 2017-002 – [FS 2015-004] Purchase Orders and Payment Authorization (Compliance and Other Matters) Repeated and Revised

Criteria: Per the New Mexico Manual of Procedures for Public School Accounting and Budgeting, Supplement 13 – Purchasing, **“the preparation and execution of a duly authorized purchase order must precede the placement of any order for goods, services, or construction.....For each individual purchase contract, a receiving document or other recording instrument (i.e., electronic) shall be present at the delivery site to record the delivery of items or service. Upon verifying and recording the receipt of all the items or services ordered, the receiving document or recording instrument shall be manually or electronically signed by authorized receiving personnel and processed for payment according to procedures established by school district or charter school boards’ of education local procedures.”**

13-1-157 NMSA 1978 Receipt; inspection; acceptance or rejection of deliveries.

The using agency is responsible for inspecting and accepting or rejecting deliveries. The using agency shall determine whether the quantity is as specified in the purchase order or contract and whether the quality conforms to the specifications referred to or included in the purchase order or contract. If inspection reveals that the delivery does not conform to the quantity or quality specified in the purchase order or contract, the using agency shall immediately notify the central purchasing office. The central purchasing office shall notify the vendor that the delivery has been rejected and shall order the vendor to promptly make a satisfactory replacement or supplementary delivery. In case the vendor fails to comply, the central purchasing office shall have no obligation to pay for the nonconforming items of tangible personal property. If the delivery does conform to the quantity and quality specified in the purchase order or contract, the using agency shall certify to the central purchasing office that delivery has been completed and is satisfactory.

Additionally, [13-1-158 NMSA 1978](#) states:

“No warrant, check or other negotiable instrument shall be issued in payment for any purchase of services, construction or items of tangible personal property unless the central purchasing office or the using **agency certifies that the services, construction or items of tangible personal property have been received** and meet specifications or unless prepayment is permitted under [Section 13-1-98 NMSA 1978](#) by exclusion of the purchase from the Procurement Code [[13-1-28 NMSA 1978](#)].”

Finally, in order to be in compliance with federal purchasing guidelines the District instituted a policy requiring three written quotes for all purchases above \$3,500.

Condition: During our review of disbursements we noted the following instances in which proper procedures were not followed:

- In 1 of 25 items tested the purchase order was not in place prior to the purchase of goods and or services. The value of these disbursements were \$2,149.81.

During our review of single audit disbursements we noted the following instances in which proper procedures were not followed:

- In 4 of 60 items tested the purchase order was not in place prior to the purchase of goods and or services. The value of the disbursements were \$115.00, \$2,840.13, \$3,671.50, and \$45,276.15.

In the prior year’s audit there were 2 instances in which there was not a purchase order in place prior to goods or services being purchased.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018

Schedule XI

Section IV – Section 12-6-5 NMSA 1978 Findings (Continued)

NM 2017-002 – [FS 2015-004] Purchase Orders and Payment Authorization (Compliance and Other Matters) Repeated and Revised (Continued)

Cause: District personnel have not followed state guidelines or internal procedures in the payment of services. Policy clearly states that the District must have a signed purchase order in place prior to receiving goods and or services and that there is a receiving document to verify goods and services are received.

Effect: Internal control over expenditures and the ability of responsible parties to appropriately monitor budgets for which they bear responsibility may be compromised. Not being in compliance with these requirements places the District and the Board at risk for fraud or misuse of public funds

Auditor's Recommendation: We recommend that all personnel be reminded of, or trained in, District and state policy in regards to payment of goods, services, or construction. All District personnel need to be aware that a purchase order must be approved prior to the receipt of goods and services and that all goods and services should be signed for indicating when items were received and by whom.

Responsible official's view:

- Specific corrective action plan for finding:
We will continue training staff on District and State purchasing policies and procedures. If/when procedures are not being followed a “naughty letter” will be drafted for the employee and supervisor asking for a corrective action plan.

- Timeline for completion of corrective action plan:
Immediately

- Employee position(s) responsible for meeting the timeline:
Business office staff

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018

Schedule XI

Section IV – Section 12-6-5 NMSA 1978 Findings (Continued)

NM 2018-001 - Improper Reimbursement of Travel Expense (Compliance and Other Matters)

Criteria: 2.42.2.9 NMAC 1978: REIMBURSEMENT OF ACTUAL EXPENSES IN LIEU OF PER DIEM RATES:

A. **Applicability:** Per diem rates shall be paid to public officers and employees only in accordance with the provisions of this section. Per diem rates shall be paid without regard to whether expenses are actually incurred. Where lodging and/or meals are provided or paid for by the agency, the governing body, or another entity, the public officer or employee is entitled to reimbursement only for actual expenses under 2.42.2.9 NMAC.

B. **Per diem rate computation:** Except as provided in Subsections C through I of this Section, per diem rates for travel by public officers and employees shall be computed as follows:

(1) **Partial day per diem rate:** Public officers or employees who occasionally and irregularly travel shall be reimbursed for travel which does not require overnight lodging, but extends beyond a normal work day as follows:

- (a) for less than 2 hours of travel beyond normal work day, none;
- (b) for 2 hours, but less than 6 hours beyond the normal work day, \$12.00;
- (c) for 6 six hours, but less than 12 hours beyond the normal work day, \$20.00;
- (d) for 12 hours or more beyond the normal work day, \$30.00;
- (e) "Occasionally and irregularly" means not on a regular basis and infrequently as

determined by the agency. For example, an employee is not entitled to per diem rates under this subparagraph if the employee either travels once a week or travels every fourth Thursday of the month. However, the employee is entitled to per diem rates under this subparagraph if the employee either travels once a month with irregular destinations and at irregular times or travels four times in one month and then does not travel again in the next two months, so long as this is not a regular pattern.

(f) **"Normal work day" means 8 hours within a nine-hour period for all public officers and employees both salaried and nonsalaried, regardless of the officers' or employees' regular work schedule.**

(2) **Overnight travel:** Regardless of the number of hours traveled, travel for public officers and employees where overnight lodging is required shall be reimbursed as follows:

- (a) in state areas \$85.00
- (b) in state special areas \$135.00
- (c) out of state areas \$115.00;
- (d) or actual lodging and meal expenses under 2.42.2.9 NMAC.

(3) **Return from overnight travel:** On the last day of travel when overnight lodging is no longer required, partial day reimbursement shall be made. To calculate the number of hours in the partial day, begin with the time the traveler initially departed. Divide the number of hours traveled by 24. The hours remaining constitute the partial day which shall be reimbursed as follows:

- (a) for less than 2 hours, none;
- (b) for 2 hours, but less than 6 hours, \$12.00;
- (c) for 6 hours or more, but less than 12 hours, \$20.00;
- (d) for 12 hours or more but less than 24, \$30.00.

(4) **Special area designations:** For all officers and employees, the in state special area shall be Santa Fe.

2.42.2.11 NMAC 1978: MILEAGE-PRIVATE CONVEYANCE:

Schedule XI

A. **Applicability:** Mileage accrued in the use of a private conveyance shall be paid only in accordance with the provisions of this section.

B. **Rate: Public officers and employees of state agencies shall be reimbursed for mileage accrued in the use of a private automobile or aircraft in the discharge of official duties as follows:**

(1) **unless the secretary has reduced the rates set for mileage for any class of public officials and for employees of state agencies pursuant to Section 10-8-5 (D) NMSA 1978, 80% of the internal**

Section IV – Section 12-6-5 NMSA 1978 Findings (Continued)

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018

NM 2018-001 - Improper Reimbursement of Travel Expense (Compliance and Other Matters) (Continued)

revenue service standard mileage rate set January 1 of the previous year for each mile traveled in a privately owned vehicle;

(2) privately owned airplane, eighty-eight cents (\$0.88) per nautical mile.

C. Local public bodies: Public officers and employees of local public bodies may be reimbursed for mileage accrued in the use of a private conveyance in the discharge of official duties, at the statutory rates unless such rates have been reduced by the governing bodies of the local public body pursuant to Section 10-8-5 (D) NMSA 1978.

D. **Privately owned automobile: For conveyance in the discharge of official duties by privately owned automobile, mileage accrued shall be reimbursed at the rate set forth in this section as follows:**

(1) pursuant to the mileage chart of the official state map published by the state highway and transportation department for distances in New Mexico and the most recent edition of the Rand-McNally road atlas for distances outside of New Mexico; or

(2) pursuant to actual mileage if the beginning and ending odometer reading is certified as true and correct by the traveler; and

(a) the destination is not included on the official state map or on the Rand McNally road atlas, or,

(b) at the destination(s) of the public officer or employee, the public officer or employee was required to use the private conveyance in performance of official duties.

2.42.2.10 NMAC 1978 TRAVEL ADVANCES:

A. **Authorizations:** Upon written request accompanied by a travel voucher, agency heads and governing boards of local public bodies or their authorized designees may approve a public officer's or employee's request to be advanced up to 80 percent of per diem rates and mileage cost or for the actual cost of lodging and meals pursuant to 2.42.2.8 NMAC and 2.42.2.9 NMAC and for other travel expenses that may be reimbursed under 2.42.2.12 NMAC. Requests for travel advances shall not be submitted to the financial control division of the department of finance and administration more than two weeks prior to travel unless, by processing the request earlier, significant savings can be realized for travel by common carrier or for registration fees for seminars and conferences.

B. **Travel period:** A travel advance may be authorized either for a single trip or on a monthly basis for public officers and employees who travel continually throughout the month. Payment shall be made only upon vouchers submitted with attached authorization for each travel period.

(1) **Single trip advances:** Where a travel advance is made for a single trip, the officer or employee shall remit, within 5 working days of the return from the trip, a refund of any excess advance payment to the agency. The agency or local public body shall deposit the refund and reduce the disbursement recorded when the money was advanced.

Condition: During our review of travel and per diem we noted the following instances in which proper procedures were not followed:

- In 5 of 25 items tested the District did not pay the proper mileage rate. In 2 of the instances the employee was not paid for mileage according to the District approved rate chart. In both instances the employee was reimbursed for more miles than allowed. In one instance the employee was reimbursed at \$0.42/mile instead of the approved \$0.40/mile rate. In the final 2 instances the employee was paid \$3 less than they should have due to a calculation error and an error in Schedule XI reimbursed at a rate of \$0.32/mile instead of the approved \$0.40/mile rate.
- In 1 instance an employee was paid the improper partial per diem rate. The employee traveled to Albuquerque and back in a single day. The employee is contracted for 8 hours on a normal work day. The total travel time was 14 hours, as such, the employee worked 6 hours in excess of the normal work day and should have been paid \$20 but was instead paid \$30 at the more than 12 hours but less than 24 hour rate.

Section IV – Section 12-6-5 NMSA 1978 Findings (Continued)

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018

NM 2018-001 - Improper Reimbursement of Travel Expense (Compliance and Other Matters) (Continued)

Cause: The District did not reimburse employees at the proper rate according to State and District policies.

Effect: The District is not in compliance with State guidelines.

Auditor's Recommendation: We recommend that management ensure that they are reimbursing employees properly reimbursed for their mileage and per diem rates, and ensure that policies are consistent for all employees.

Responsible Official's View:

- Specific corrective action plan for finding:
We will review our reimbursement cost form and ensure the proper forms are being disseminated at the school/department sites. Continue to train bookkeepers on importance of proper reimbursement training. Cross check all travel for errors within the business office.

- Timeline for completion of corrective action plan:
Immediately

- Employee position(s) responsible for meeting the timeline:
Business office staff

Section IV – Section 12-6-5 NMSA 1978 Findings (Continued)

NM 2018-002 – Late Payment of Retiree Health Care Contributions (Compliance and Other Matters)

Criteria: [10-7C-15 NMSA 1978](#) Retiree health care fund contributions:

D. Except for contributions made pursuant to Subsection C of this section, **a participating employer that fails to remit before the tenth day after the last day of the month all employer and employee deposits required by the Retiree Health Care Act to be remitted by the employer for the month shall pay to the fund**, in addition to the deposits, interest on the unpaid amounts at the rate of six percent per year compounded monthly.

Condition: During our review of personnel files we noted the following instances in which proper procedures were not followed:

- In 2 of 3 months reviewed the District did not submit its employer contributions before the 10th of the month. The payments were submitted on the 11th and the 12th of the month.

Cause: The District has not followed state guidelines in regards to contribution timelines.

Effect: The District's late payment subjects the school to possible late fees and puts them in non-compliance with state guidelines.

Auditor's Recommendation: We recommend that the District ensure that RHC contributions are transmitted by the 10th of the month in which the payment is due.

Responsible Official's View:

- Specific corrective action plan for finding:
The payroll department will ensure that contributions are transmitted by the 10 day of the following month of last payroll.
- Timeline for completion of corrective action plan:
Immediately
- Employee position(s) responsible for meeting the timeline:
Payroll Specialist

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018

Schedule XI

Section V – Prior Year Audit Findings

Financial Statement Findings

None Identified

Federal Awards Findings

FA 2017-001 – Indirect Costs Charged Exceeded Allowable Rate – Resolved

FA 2017-002 – Improper Cost Allocation – Resolved

FA 2017-003 – Impact Aid Application Issues – Resolved

Section 12-6-5 NMSA 1978 Findings

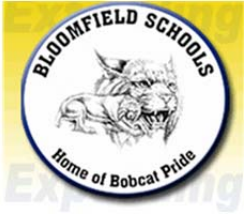
NM 2017-001 – Failure to Follow Bid/RFP Procedures – Resolved

NM 2017-002 – Purchase Orders no in Place Prior to Purchase – Repeated and Modified

NM 2017-003 – Failure to Notify State Auditor of Disposition of Assets - Resolved

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UNAUDITED SUPPLEMENTAL INFORMATION



Bloomfield Schools

Dr. Kimberly Mizell, Superintendent

2016 AUDIT

Financial Statement Findings

FS 2015-004 – Purchase Orders and Payment Authorization – Repeated and Revised **RENAMED TO 2016-001**
(This may never be resolved. It relates to a New Mexico requirement, a Purchase Order must always be in place prior to products or service being ordered. We have a number of people who can initiate purchases and may at time initiate purchases prior to having a PO.)

FS 2016-001 – Failure to Follow Bid/RFP and Sole Source Procedures – Repeated and Revised (Reclassified to NM 2017-001) Resolved

FS 2016-002 – Background Checks – Resolved

FS 2016-003 – Incorrect Travel and Per Diem Reimbursement – Resolved

FS 2016-004 – Improper Cash Controls Outstanding Warrants - Resolved

Federal Awards Findings

FA 2016-001 – Annual Report Card High School Graduation Rate for Title I – Resolved

2017 AUDIT

Financial Statement Findings

None

Federal Awards Findings

FA 2017-001– Indirect Costs Charged Exceeded Allowable Rate (Significant Deficiency) Resolved

FA 2017-002 – Improper Cost Allocation (Significant Deficiency) Resolved

FA 2017-003 – Impact Aid Application Issues (Significant Deficiency) Resolved

New Mexico Findings

NM 2017-001 – [FS 2016-001] – Failure to Follow Bid-RFP Procedures (Compliance and Other Matters) Repeated and Revised-Resolved

NM 2017-002 – [FS 2015-004] – Purchase Orders Not in Place Prior to Purchase (Compliance and Other Matters) Repeated and Revised- **RENAMED TO 2017-001**

(This may never be resolved. It relates to a New Mexico requirement, a Purchase Order must always be in place prior to products or service being ordered. We have a number of people who can initiate purchases and may at time initiate purchases prior to having a PO.)

NM 2017-003 – Failure to Notify State Auditor of Disposition of Assets (Non-Compliance or Other Matter) Resolved

2018 AUDIT

Financial Statement Findings

The FS 2018-001 – Improper Cash Controls (Significant Deficiency)

- Specific corrective action plan for finding: The Business Manager will reconcile all accounts in a timely fashion using the Infinite Vision’s Software. Cash balances will be tracked using the software as well.
- Timeline for completion of corrective action plan: Immediately
- Employee position(s) responsible for meeting the timeline: Business Manager and business office staff

New Mexico Findings

NM 2017-001 – [FS 2015-004] Purchase Orders and Payment Authorization (Compliance and Other Matters) Repeated and Revised

- Specific corrective action plan for finding: We will continue training staff on District and State purchasing policies and procedures. If/when procedures are not being followed a “naughty letter” will be drafted for the employee and supervisor asking for a corrective action plan.
- Timeline for completion of corrective action plan: Immediately
- Employee position(s) responsible for meeting the timeline: Business office staff

NM 2018-001 - Improper Reimbursement of Travel Expense (Compliance and Other Matters)

- Specific corrective action plan for finding: We will review our reimbursement cost form and ensure the proper forms are being disseminated at the school/department sites. Continue to train bookkeepers on importance of proper reimbursement training. Cross check all travel for errors within the business office
- Timeline for completion of corrective action plan: Immediately
- Employee position(s) responsible for meeting the timeline: Business office staff

NM 2018-002 – Late Payment of Retiree Health Care Contributions (Compliance and Other Matters)

- Specific corrective action plan for finding: The payroll department will ensure that contributions are transmitted by the 10 day of the following month of last payroll.
- Timeline for completion of corrective action plan: Immediately
- Employee position(s) responsible for meeting the timeline: Payroll Specialist

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO.6
OTHER DISCLOSURES
FOR THE YEAR ENDED JUNE 30, 2018

Auditor Prepared Financial Statements

Manning Accounting and Consulting Services, LLC prepared the GAAP-basis financial statements and footnotes of Bloomfield Municipal School District No. 6 from the original books and records provided to them by the management of the District. The District's management has reviewed and approved the financial statements and related notes and they believe that their records adequately support the financial statements. The responsibility for the financial statements remains with the District.

Exit Conference

The contents of this report were discussed on October 19, 2018. The following individuals were in attendance.

Bloomfield Municipal School District No. 6

Dr. Kimberly Mizel Superintendent
Dale J. Maes, School Board President
Tony De Herrera, Board Member
Jodie Maestas, Finance Director
Debbie Hernandez, Parent Audit Committee Member
Jeanie Milton, Community Finance Committee Member
Stacey Longacre, Purchasing Specialist

Manning Accounting and Consulting Services, LLC

Byron R. Manning, CPA, Managing Partner