

STATE OF NEW MEXICO

BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6

ANNUAL FINANCIAL REPORT

JUNE 30, 2019



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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, 2019

<u>Name</u>		<u>Title</u>
	<u>School Board</u>	
Dale Maes		President
Bruce Armenta		Vice President
Veronica Tso		Secretary
Cecelia Lier		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
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

Brian Colón, 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, 2019, 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, 2019, 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 50 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 80 through 88 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 112 through 114 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 25, 2019 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 25, 2019

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BASIC FINANCIAL STATEMENTS

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
STATEMENT OF NET POSITION
JUNE 30, 2019

Exhibit A-1

	Governmental Activities
ASSETS	
<i>Current Assets</i>	
Cash and temporary investments	\$ 13,541,047
Receivables (net of allowance for uncollectibles)	2,736,646
Inventory	326,172
<i>Total current assets</i>	16,603,865
<i>Noncurrent assets</i>	
Restricted Cash	6,538,188
Capital assets (net of accumulated depreciation):	
Land and land improvements	9,547,641
Buildings and building improvements	133,564,631
Furniture, fixtures and equipment	5,689,531
Less: accumulated depreciation	(89,077,971)
<i>Total noncurrent assets</i>	66,262,020
DEFERRED OUTFLOWS OF RESOURCES	
Deferred costs on debt refunding , net of amortization of \$140,896	295,493
Deferred outflows - pensions	16,372,453
Deferred outflows - other post-employment benefits	479,473
<i>Total deferred outflows</i>	17,147,419
<i>Total assets and deferred outflows of resources</i>	\$ 100,013,304
LIABILITIES	
<i>Current liabilities</i>	
Accounts payable	\$ 105,760
Accrued payroll liabilities	1,483,563
Accrued interest payable	484,450
Unearned revenue	5,524
Current maturities of:	
Bonds payable	4,945,000
Compensated absences	273,201
<i>Total current liabilities</i>	7,297,498
<i>Noncurrent liabilities:</i>	
Bond premiums, net of amortization of \$2,649,337	1,493,285
Bonds payable	31,175,000
Compensated absences	58,135
Net pension liability	66,998,137
Net other post-employment benefits liability	15,986,726
<i>Total noncurrent liabilities</i>	115,711,283
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows - pensions	1,921,046
Deferred inflows - other post-employment benefits	4,130,676
<i>Total deferred inflows</i>	6,051,722
NET POSITION	
Invested in capital assets	22,406,040
Restricted for:	
Debt service	7,290,366
Capital projects	5,098,406
Other purposes - special revenue	1,526,724
Unrestricted	(65,368,735)
<i>Total net position</i>	(29,047,199)
<i>Total liabilities, deferred inflows of resources, and net position</i>	\$ 100,013,304

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, 2019

Exhibit A-2

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position</u>
		<u>Charges for Service</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Primary Government					
Governmental activities:					
Instruction	\$ 22,134,691	\$ 204,716	\$ 3,830,190	\$ -	\$ (18,099,785)
Support services:					
Students	4,226,502	-	435,774	-	(3,790,728)
Instruction	400,761	-	-	-	(400,761)
General administration	1,259,675	-	-	-	(1,259,675)
School administration	3,304,770	-	-	-	(3,304,770)
Central services	1,410,622	110,180	-	-	(1,300,442)
Operation & maintenance of plant	2,684,544	71,888	-	68,482	(2,544,174)
Student transportation	1,345,837	-	1,086,776	-	(259,061)
Food services operations	2,014,265	36,859	1,642,510	-	(334,896)
Interest on long-term debt	1,481,059	-	302,702	-	(1,178,357)
Facilities materials, supplies, & other services	2,537,454	-	-	28,068	(2,509,386)
Total Primary Government	<u>\$ 42,800,180</u>	<u>\$ 423,643</u>	<u>\$ 7,297,952</u>	<u>\$ 96,550</u>	<u>(34,982,035)</u>
General Revenues:					
Property taxes:					
Levied for general purposes					
					209,771
Levied for debt service					
					4,786,555
Levied for capital projects					
					980,419
Oil and gas taxes					
					4,117,560
State Equalization Guarantee					
					21,138,147
Unrestricted Federal grants					
					1,372,711
Unrestricted investment earnings					
					111,042
Miscellaneous					
					<u>452,899</u>
Total general revenues					
					<u>33,169,104</u>
Change in net position					
					(1,812,931)
Net position - beginning of year					
					<u>(27,234,268)</u>
Net position - end of year					
					<u>\$ (29,047,199)</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, 2019

Ex B-1

	General Fund			Special Revenue
	Operational 11000	Transportation 13000	Instructional Materials 14000	Title I IASA 24101
ASSETS				
<i>Current assets:</i>				
Cash and temporary investments	\$ 7,103,861	\$ 38,426	\$ 29,591	\$ -
Accounts receivable				
Taxes	32,311	-	-	-
Due from other governments	-	-	-	385,739
Interfund receivables	1,163,848	-	-	-
Other	-	-	-	-
Inventory	157,578	139,628	-	-
<i>Total assets</i>	<u>8,457,598</u>	<u>178,054</u>	<u>29,591</u>	<u>385,739</u>
LIABILITIES				
<i>Current liabilities:</i>				
Accounts payable	67,801	3,762	-	-
Accrued payroll liabilities	1,159,357	36,549	-	51,666
Interfund payables	-	-	-	333,643
Unearned revenue	-	-	-	430
<i>Total liabilities</i>	<u>1,227,158</u>	<u>40,311</u>	<u>-</u>	<u>385,739</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - property taxes	13,879	-	-	-
<i>Total deferred inflows of resources</i>	<u>13,879</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	157,578	139,628	-	-
Restricted for:				
Transportation	-	-	-	-
Instructional materials	-	-	29,591	-
Grant mandates	-	-	-	-
Capital projects	-	-	-	(4,382,128)
Debt service	-	-	-	-
Assigned	6,219,529	-	-	4,382,128
Unassigned	839,454	(1,885)	-	-
<i>Total fund balances</i>	<u>7,216,561</u>	<u>137,743</u>	<u>29,591</u>	<u>-</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 8,457,598</u>	<u>\$ 178,054</u>	<u>\$ 29,591</u>	<u>\$ 385,739</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, 2019

Ex B-1

	Capital Projects				
	Capital Improvements SB-9 (Local) 31701	Debt Service 41000	Other Governmental Funds	Total Primary Government	
ASSETS					
<i>Current assets:</i>					
Cash and temporary investments	\$ 4,657,876	\$ 6,538,188	\$ 1,711,293	\$ 20,079,235	
Accounts receivable					
Taxes	143,548	694,104	-	869,963	
Due from other governments	-	-	1,160,521	1,546,260	
Interfund receivables	-	-	-	1,163,848	
Other	320,423	-	-	320,423	
Inventory	-	-	28,966	326,172	
	<u>5,121,847</u>	<u>7,232,292</u>	<u>2,900,780</u>	<u>24,305,901</u>	
<i>Total assets</i>					
LIABILITIES					
<i>Current liabilities:</i>					
Accounts payable	34,172	-	25	105,760	
Accrued payroll liabilities	-	-	235,991	1,483,563	
Interfund payables	-	-	830,205	1,163,848	
Unearned revenue	-	-	5,094	5,524	
	<u>34,172</u>	<u>-</u>	<u>1,071,315</u>	<u>2,758,695</u>	
<i>Total liabilities</i>					
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues - property taxes	66,557	318,735	-	399,171	
	<u>66,557</u>	<u>318,735</u>	<u>-</u>	<u>399,171</u>	
<i>Total deferred inflows of resources</i>					
FUND BALANCES					
Nonspendable	-	-	28,966	326,172	
Restricted for:					
Transportation	-	-	-	-	
Instructional materials	-	-	-	29,591	
Grant mandates	-	-	973,272	973,272	
Capital projects	638,990	-	2,064	(3,741,074)	
Debt service	-	2,495,467	-	2,495,467	
Assigned	4,382,128	4,418,090	832,135	20,234,010	
Unassigned	-	-	(6,972)	830,597	
	<u>5,021,118</u>	<u>6,913,557</u>	<u>1,829,465</u>	<u>21,148,035</u>	
<i>Total fund balances</i>					
<i>Total liabilities, deferred inflows of resources, and fund balances</i>					
	<u>\$ 5,121,847</u>	<u>\$ 7,232,292</u>	<u>\$ 2,900,780</u>	<u>\$ 24,305,901</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, 2019

Exhibit B-2

	Governmental Funds
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Total fund balances - governmental funds	\$ 21,148,035
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
The cost of capital assets is	148,801,803
Accumulated depreciation is	(89,077,971)
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	399,171
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	295,493
Deferred outflows of resources - pensions	16,372,453
Deferred outflows of resources - other post-employment benefits	479,473
Deferred inflows of resources - pensions	(1,921,046)
Deferred inflows of resources - other post-employment benefits	(4,130,676)
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	(1,493,285)
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	(484,450)
Bonds payable	(36,120,000)
Accrued compensated absences	(331,336)
Net pension liability	(66,998,137)
Net other post-employment benefits liability	(15,986,726)
Total net position - governmental activities	\$ (29,047,199)

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, 2019

Ex B-3

	General Fund			Special Revenue
	Operational 11000	Transportation 13000	Instructional Materials 14000	Title I IASA 24101
<i>Revenues:</i>				
Property taxes	\$ 204,527	\$ -	\$ -	\$ -
Oil and gas taxes	171,403	-	-	-
State grants	21,138,147	1,086,776	95,893	-
Federal grants	1,151,303	-	-	841,158
Miscellaneous	127,180	-	-	-
Charges for services	182,068	-	-	-
Investment income	40,843	-	-	-
<i>Total revenues</i>	<u>23,015,471</u>	<u>1,086,776</u>	<u>95,893</u>	<u>841,158</u>
<i>Expenditures:</i>				
Current:				
Instruction	12,860,820	-	95,065	583,867
Support services				
Students	1,771,949	-	-	126,336
Instruction	424,567	-	-	-
General administration	791,033	-	-	31,963
School administration	2,000,055	-	-	98,992
Central services	824,572	-	-	-
Operation & maintenance of plant	2,680,774	-	-	-
Student transportation	8	1,101,001	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>21,353,778</u>	<u>1,101,001</u>	<u>95,065</u>	<u>841,158</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>1,661,693</u>	<u>(14,225)</u>	<u>828</u>	<u>-</u>
<i>Net changes in fund balances</i>	1,661,693	(14,225)	828	-
<i>Fund balances - beginning of year</i>	<u>5,554,868</u>	<u>151,968</u>	<u>28,763</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ 7,216,561</u>	<u>\$ 137,743</u>	<u>\$ 29,591</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, 2019

Ex B-3

	<u>Capital Projects</u>			Total Primary Government
	Capital Improvements SB-9 (Local) 31701	Debt Service 41000	Other Governmental Funds	
<i>Revenues:</i>				
Property taxes	\$ 960,252	\$ 4,675,285	\$ -	\$ 5,840,064
Oil and gas taxes	1,985,476	1,960,681	-	4,117,560
State grants	28,068	-	1,074,957	23,423,841
Federal grants	-	302,702	4,144,822	6,439,985
Miscellaneous	325,719	-	41,534	494,433
Charges for services	-	-	241,575	423,643
Investment income	24,657	35,190	10,352	111,042
<i>Total revenues</i>	<u>3,324,172</u>	<u>6,973,858</u>	<u>5,513,240</u>	<u>40,850,568</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	1,984,457	15,524,209
Support services				
Students	-	-	1,121,832	3,020,117
Instruction	-	-	12,745	437,312
General administration	9,611	46,756	82,111	961,474
School administration	-	-	140,452	2,239,499
Central services	-	-	-	824,572
Operation & maintenance of plant	-	-	-	2,680,774
Student transportation	-	-	36,548	1,137,557
Other support services	-	-	-	-
Food services operations	-	-	1,589,165	1,589,165
Community services	-	-	-	-
Capital outlay	2,682,979	-	74,253	2,757,232
Debt service				
Principal	-	4,190,000	-	4,190,000
Interest	-	1,481,059	-	1,481,059
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>2,692,590</u>	<u>5,717,815</u>	<u>5,041,563</u>	<u>36,842,970</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>631,582</u>	<u>1,256,043</u>	<u>471,677</u>	<u>4,007,598</u>
<i>Net changes in fund balances</i>	631,582	1,256,043	471,677	4,007,598
<i>Fund balances - beginning of year</i>	<u>4,389,536</u>	<u>5,657,514</u>	<u>1,357,788</u>	<u>17,140,437</u>
<i>Fund balances - end of year</i>	<u>\$ 5,021,118</u>	<u>\$ 6,913,557</u>	<u>\$ 1,829,465</u>	<u>\$ 21,148,035</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, 2019

	<u>Governmental Funds</u>
Amounts reported for governmental activities in the Statement of Activities are different because:	
Net change in fund balances - total governmental funds	\$ 4,007,598
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.	
Depreciation expense	(3,630,605)
Capital outlays	1,585,257
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:	
Unavailable revenue related to the property taxes receivable	136,681
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:	
Amortization of debt refunding	(70,448)
Amortization of bond premium	323,108
Accrued interest payable	45,916
Accrued compensated absences	(6,091)
Bond principle payments	4,190,000
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.	
Pension contributions - current year	2,274,242
Pension expense	(10,983,918)
Other post-employment benefits contributions - current year	326,150
Other post-employment benefits expense	<u>(10,821)</u>
Change in net position - total governmental activities	<u>\$ (1,812,931)</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
OPERATIONAL FUND (11000)
FOR THE YEAR ENDING JUNE 30, 2019

Exhibit C-1

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ 207,391	\$ 207,391	\$ 204,601	\$ (2,790)
Oil and gas taxzes	103,389	103,389	165,548	62,159
State grants	21,190,450	21,431,505	21,138,147	(293,358)
Federal grants	621,863	621,863	1,151,303	529,440
Miscellaneous	170,083	170,083	267,273	97,190
Charges for services	187,379	187,379	182,068	(5,311)
Investment income	15,000	15,000	40,843	25,843
<i>Total revenues</i>	<u>22,495,555</u>	<u>22,736,610</u>	<u>23,149,783</u>	<u>413,173</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	16,350,132	16,591,187	12,863,214	3,727,973
Support services				
Students	1,989,319	1,883,033	1,771,949	111,084
Instruction	511,554	504,967	424,567	80,400
General administration	941,798	1,011,285	791,033	220,252
School administration	2,020,251	2,060,733	2,000,055	60,678
Central services	908,469	944,378	824,572	119,806
Operation & maintenance of plant	3,629,801	3,596,785	2,711,420	885,365
Student transportation	-	11	8	3
Other support services	37,149	37,149	-	37,149
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>26,388,473</u>	<u>26,629,528</u>	<u>21,386,818</u>	<u>5,242,710</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(3,892,918)</u>	<u>(3,892,918)</u>	<u>1,762,965</u>	<u>5,655,883</u>
<i>Other financing sources (uses):</i>				
Designated cash	3,892,918	3,892,918	-	(3,892,918)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>3,892,918</u>	<u>3,892,918</u>	<u>-</u>	<u>(3,892,918)</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>1,762,965</u>	<u>1,762,965</u>
<i>Cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>6,504,744</u>	<u>6,504,744</u>
Prior period adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>6,504,744</u>	<u>6,504,744</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,267,709</u>	<u>\$ 8,267,709</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance (cash basis)			\$ 1,762,965	
Adjustments to revenues			(134,312)	
Adjustments to expenditures			33,040	
Net change in fund balance (GAAP basis)			<u>\$ 1,661,693</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, 2019

Exhibit C-2

	<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	1,086,776	1,086,776	1,086,776	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
<i>Total revenues</i>	<u>1,086,776</u>	<u>1,086,776</u>	<u>1,086,776</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	1,086,776	1,086,776	1,088,829	(2,053)
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,086,776</u>	<u>1,086,776</u>	<u>1,088,829</u>	<u>(2,053)</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(2,053)</u>	<u>(2,053)</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>(2,053)</u>	<u>(2,053)</u>
<i>Cash or fund balance - beginning of year</i>	-	-	40,479	40,479
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>40,479</u>	<u>40,479</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,426</u>	<u>\$ 38,426</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance (cash basis)			\$ (2,053)	
Adjustments to revenues			-	
Adjustments to expenditures			<u>(12,172)</u>	
Net change in fund balance (GAAP basis)			<u>\$ (14,225)</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
INSTRUCTIONAL MATERIALS FUND (14000)
FOR THE YEAR ENDING JUNE 30, 2019

	<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	96,314	95,894	95,893	(1)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
<i>Total revenues</i>	<u>96,314</u>	<u>95,894</u>	<u>95,893</u>	<u>(1)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	96,314	95,894	95,065	829
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>	<u>96,314</u>	<u>95,894</u>	<u>95,065</u>	<u>829</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>828</u>	<u>828</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>828</u>	<u>828</u>
<i>Cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>28,763</u>	<u>28,763</u>
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>28,763</u>	<u>28,763</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,591</u>	<u>\$ 29,591</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance (cash basis)			\$ 828	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ 828</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
TITLE I IASA SPECIAL REVENUE FUND (24101)
FOR THE YEAR ENDING JUNE 30, 2019

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	-	-	-	-
Federal grants	956,106	843,112	703,120	(139,992)
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
<i>Total revenues</i>	<u>956,106</u>	<u>843,112</u>	<u>703,120</u>	<u>(139,992)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	634,116	583,995	580,804	3,191
Support services				
Students	105,082	126,738	126,336	402
Instruction	1,685	185	-	185
General administration	36,322	32,254	31,963	291
School administration	178,901	99,940	98,992	948
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>956,106</u>	<u>843,112</u>	<u>838,095</u>	<u>5,017</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(134,975)</u>	<u>(134,975)</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>(134,975)</u>	<u>(134,975)</u>
<i>Cash or fund balance - beginning of year</i>	-	-	(198,668)	(198,668)
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(198,668)</u>	<u>(198,668)</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (333,643)</u>	<u>\$ (333,643)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance (cash basis)			\$ (134,975)	
Adjustments to revenues			138,038	
Adjustments to expenditures			(3,063)	
Net change in fund balance (GAAP basis)			<u>\$ -</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, 2019

Exhibit D-1

	<u>Agency Funds</u>
ASSETS	
<i>Current assets</i>	
Cash	<u>\$ 272,807</u>
<i>Total assets</i>	<u><u>\$ 272,807</u></u>
 LIABILITIES	
<i>Current liabilities</i>	
Deposits held in trust for others	<u>\$ 272,807</u>
<i>Total liabilities</i>	<u><u>\$ 272,807</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, 2019

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, 2019, the District adopted the following GASB Statements.

- GASB Statement No. 83, *Certain Asset Retirement Obligations*. 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. This Statement will enhance comparability of financial statements among governments by establishing uniform criteria for governments to recognize and measure certain AROs, including obligations that may not have been previously reported. This Statement also will enhance the decision-usefulness of the information provided to financial statement users by requiring disclosures related to those AROs. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018.
- GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged.

These pronouncements are not expected to have a material effect on the District. The more significant of the government’s accounting policies are described below.

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.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 Summary of Significant Accounting Policies (Continued)

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 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.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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

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

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.

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.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 Summary of Significant Accounting Policies (Continued)

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

The *Special 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 *Title I IASA Special Revenue Fund* (24101) accounts for 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.

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).

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.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 Summary of Significant Accounting Policies (Continued)

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

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 Treasurer in July and August 2019 is considered 'measurable and available' and, accordingly, is recorded as revenue during the year ended June 30, 2019. 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.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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)

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, 2019.

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 \$295,493 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, 2018. Contributions of \$2,274,242 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 four other deferred outflows which arise due to the implementation of GASB 68; change in proportion \$92,997; change in assumptions \$13,807,999; investment experience \$148,317; and actuarial experience \$48,898.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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 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, 2018. Contributions of \$326,150 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 had one other deferred outflows which arise due to the implementation of GASB 75; change in proportion \$153,323. Change in assumptions, investment experience, and actuarial experience had 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, 2019, the District had \$5,524 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 \$331,336 at June 30, 2019. 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 \$36,120,000 as of June 30, 2019 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.

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 ERB'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.

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, 2019, the net pension liability totaled \$66,998,137.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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)*

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.

Net Other Post-Employment Benefits Liability: The District records its proportionate share of the difference between the value of total other post-employment benefit (OPEB) liabilities and plan assets for the State of New Mexico's Retiree Health Care plan. For the year ended June 30, 2019 net OPEB liability totaled \$15,986,726.

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 \$399,171 for property taxes were recorded at June 30, 2019.

Deferred Inflows of Resources – Pensions: Change in actuarial experience \$1,275,082 and change in proportion \$645,964 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 \$946,517, change in assumptions \$2,984,651, and change in investment experience \$199,508 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."

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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)*

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.

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.

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, 2019

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 \$21,138,147 in state equalization guarantee distributions during the year ended June 30, 2019.

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, 2019 were \$5,840,064. Amounts collected from oil and gas taxes were \$4,117,560.

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 \$1,086,776 in transportation distributions during the year ended June 30, 2019.

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, 2019 totaled \$95,893.

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 \$68,482 in state SB-9 matching during the year ended June 30, 2019.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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, 2019, 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 flow through 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.
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.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2 Stewardship, Compliance and Accountability (Continued)

Budgetary Information (Continued)

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, 2019, 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, 2019. Deposits of funds may be made in interest or non-interest-bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the 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.

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.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 3 Cash and Temporary Investments (Continued)

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.

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.

Deposits

	Citizens Bank
Total amounts of deposits	\$ 19,559,334
FDIC coverage	250,000
Total uninsured public funds	19,309,334
Collateral requirement (50% of uninsured public funds)	9,654,667
Pledged security	11,202,459
Total over (under) collateralized	\$ 1,547,792

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.

At June 30, 2019, \$19,309,334 of the District's bank balance of \$19,559,334 was exposed to custodial credit risk as it was uninsured and the collateral was not held in the District's name.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 3 Cash and Temporary Investments (Continued)

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	\$ 20,079,235
Statement of Fiduciary Net Position - cash per Exhibit D-1	<u>272,807</u>
Total per financial statements	20,352,042
Less funds held in trust investments	(1,232,599)
Add outstanding checks and other reconciling items	<u>439,891</u>
 Bank balance of deposits	 <u><u>\$ 19,559,334</u></u>

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, 2019. 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, 2019:

Investments

At June 30, 2019, the District had \$1,232,599 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.

STATE OF NEW MEXICO
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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 4 Receivables

Receivables as of June 30, 2019 are as follows:

	Major Funds					Total Governmental Funds
	Operational 11000	Title I IASA 24101	Capital Improv. SB-9 31701	Debt Service 41000	Other Governmental Funds	
Property taxes receivable	\$ 32,311	\$ -	\$ 143,548	\$ 694,104	\$ -	\$ 869,963
Due from other governments	-	385,739	-	-	1,160,521	1,546,260
Total receivables	\$ 32,311	\$ 385,739	\$ 463,971	\$ 694,104	\$ 1,160,521	\$ 2,736,646

The above receivables are deemed 100% collectible. In accordance with GASB No. 33, property tax revenues in the amount of \$399,171 were not collected within the period of availability.

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, 2019 is as follows:

Governmental Activities	Interfund Receivables	Interfund Payables
Major Funds:		
Operational (11000)	\$ 1,163,848	\$ -
Title I IASA (24101)	-	333,643
IDEA-B Entitlement (24106)	-	203,157
Non-major Funds:		
IDEA B Preschool (24109)	-	9,907
Education of the Homeless (24113)	-	7,022
Fresh Fruits and Vegetables (24118)	-	4,280
IDEA B Results Plan (24132)	-	11,614
Title I Striving Readers (24145)	-	229,020
English Language Acquisition (24153)	-	19,207
Teacher/Principal Training & Recruiting (24154)	-	1,739
Carl D. Perkins Secondary Current (24174)	-	72
Student Support Academic Achievement Title IV (24189)	-	5,042
Title I Comprehensive Support & Improvement (24190)	-	19,020
Johnson O'Malley (25131)	-	14,800
Dual Credit Instructional Materials (27103)	-	5,725
2012 GO Bond Student Library Fund (SB66) (27107)	-	223
NM Reads to Lead K-3 (27114)	-	7,891
PreK Initiative (27149)	-	190,610
Kindergarten Three Plus (27166)	-	52,178
K-3 Plus 4 & 5 Pilot (27198)	\$ -	\$ 48,698
Totals	\$ 1,163,848	\$ 1,163,848

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

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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 6 Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2019 follows. Land and construction in progress is not subject to depreciation.

	Balance			Balance
Capital assets used in governmental activities:	June 30, 2018	Additions	Deletions	June 30, 2019
Capital assets not being depreciated:				
Land	\$ 4,164,172	\$ -	\$ -	\$ 4,164,172
Construction in progress	78,798	79,211	(158,009)	-
Total capital assets not being depreciated	<u>4,242,970</u>	<u>79,211</u>	<u>(158,009)</u>	<u>4,164,172</u>
Capital assets being depreciated:				
Land improvements	4,957,383	426,086	-	5,383,469
Buildings and building improvements	132,715,056	849,575	-	133,564,631
Furniture, fixtures, and equipment	5,301,137	388,394	-	5,689,531
Total capital assets being depreciated	<u>142,973,576</u>	<u>1,664,055</u>	<u>-</u>	<u>144,637,631</u>
Less accumulated depreciation:				
Land improvements	3,157,259	235,088	-	3,392,347
Buildings and building improvements	77,840,714	3,057,071	-	80,897,785
Furniture, fixtures, and equipment	4,449,393	338,446	-	4,787,839
Total accumulated depreciation	<u>85,447,366</u>	<u>3,630,605</u>	<u>-</u>	<u>89,077,971</u>
Total capital assets, net of depreciation	<u>\$ 61,769,180</u>	<u>\$ (1,887,339)</u>	<u>\$ (158,009)</u>	<u>\$ 59,723,832</u>

Depreciation was allocated for the year as follows:

Governmental activities:	
Instruction	\$ 1,869,953
Support services - students	313,948
Support services - instruction	64,181
Support services - general administration	102,044
School administration	249,703
Central services	302,054
Operation and maintenance of plant	377,197
Student transportation	156,485
Food services	195,040
Total depreciation	<u>\$ 3,630,605</u>

At June 30, 2019, 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.

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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 7 Long-Term Debt

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

	Balance at 06/30/18	Additions	Deletions	Balance at 06/30/19	Due Within One Year
General Obligation Bonds	\$ 34,310,000	\$ -	\$ 4,190,000	\$ 30,120,000	\$ 4,645,000
Qualified School Construction Bond	6,000,000	-	-	6,000,000	300,000
Compensated Absences	325,245	279,292	273,201	331,336	273,201
Total	\$ 40,635,245	\$ 279,292	\$ 4,463,201	\$ 36,451,336	\$ 5,218,201

General Obligation Bonds: GO Bonds are direct obligations and pledge the full faith and credit of the District. The District has three outstanding general obligation bonds as of June 30, 2019. All general obligation bonds are for governmental activities.

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

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

Fiscal Year Ending June 30,	Total General Obligation Bonds		Total Debt
	Principal	Interest	Service
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	1,200,000	728,710	1,928,710
2025-2029	6,640,000	2,443,310	9,083,310
2030-2034	3,055,000	92,325	3,147,325
Totals	\$ 30,120,000	\$ 7,617,810	\$ 37,737,810

No assets or revenues of the District are pledged for the general obligation bonds. The District receives property tax revenues from the assessed property within the school district limits to pay the principal and interest on the general obligation bonds.

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BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 7 Long-Term Debt (Continued)

Qualified School Construction Bond

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 \$48,358 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 \$302,702.

	2010
	GO Bond
Issue Date	<u>8/17/2010</u>
Original Issue	\$6,000,000
Maturity Date	8/1/2027
Principal	1-Aug
Interest Rate	5.851%
Principal/Interest	1-Aug
Interest	1-Feb

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:

Balance and Funding of Sinking Fund			
Current Balance	\$ 1,200,000		
Future Funding Requirements		Interest	Total Debt
August 1,	Principal	Before Subsidy	Service
2020	\$ 300,000	\$ 351,060	\$ 651,060
2021	300,000	351,060	651,060
2022	500,000	351,060	851,060
2023	600,000	351,060	951,060
2024	600,000	351,060	951,060
2025 - 2028	2,500,000	1,228,710	3,728,710
Total future amounts	<u>\$ 4,800,000</u>	<u>\$ 2,984,010</u>	<u>\$ 7,784,010</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.

This bond payment is also funded through property taxes on the residents and business within the District. No assets or revenues of the District are pledged for the bond.

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, 2019, compensated absences increased \$6,091 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.

STATE OF NEW MEXICO
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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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 the following unearned revenues at June 30, 2019:

Fund #	Special Revenue Funds:	Amount
24101	Title I IASA	\$ 430
24106	IDEA-B Entitlement	792
24154	Teacher/Principal Training & Recruiting	606
24174	Carl D Perkins Secondary - Current	37
25184	Indian Ed Formula Grant	3,536
27183	NM Grown Fresh Fruits and Vegetables	<u>123</u>
	Total	<u>\$ 5,524</u>

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, 2019, 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, 2019:

Fund #	Fund Description	Amount
24118	Fresh Fruits and Vegetables	\$ 10
24153	English Language Acquisition	496
25131	Johnson O'Malley	6,243
27107	IDEA-B Preschool	<u>223</u>
	Total	<u>\$ 6,972</u>

**STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 10 Other Required Individual Fund Disclosures (Continued)

B. Excess of expenditures over appropriations. For the year ended June 30, 2019, the District had one fund with expenditures in excess of appropriations.

Fund #	Fund and Function	Amount
24132	IDEA-B Results Plan - Support Services	\$ 225

C. Cash appropriations in excess of available cash balance. For the year ended June 30, 2019, the District had one fund with cash appropriations in excess of available cash balance.

Fund #	Non-major Funds:	Original Cash Budget	Actual Cash	Difference
31100	Bond Building Capital Projects	\$ 14,447	\$ 14,386	\$ (61)

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 a pension trust fund of the State of New Mexico. The ERA assigns the authority to establish and amend benefit provisions to a seven-member Board of Trustees (Board); the state legislature has the authority to set or amend contribution rates and other terms of the Plan. 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.

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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)

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.

- 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).

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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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

- 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 1.5%. 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 1.7%. 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, 2019 and 2018 educational employers contributed to the Plan based on the following rate schedule:

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase Over Prior Year
2019	7-1-18 to 6-30-19	Over \$20K	10.70%	13.90%	24.60%	0.00%
2019	7-1-18 to 6-30-19	\$20K or less	7.90%	13.90%	21.80%	0.00%
2018	7-1-17 to 6-30-18	Over \$20K	10.70%	13.90%	24.60%	0.00%
2018	7-1-17 to 6-30-18	\$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, 2019 and 2018, the District paid employee and employer contributions of \$3,950,560 and \$3,801,426, respectively, 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, 2019, the District reported a liability of \$66,998,137 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2018, using generally accepted actuarial principles. 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, 2018. Therefore, the employer’s portion was established as of the measurement date of June 30, 2018. 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, 2018, the District’s proportion was 0.56342%, which was a decrease of 0.01118% from its proportion measured as of June 30, 2017.

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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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

For the year ended June 30, 2019, the District recognized pension expense of \$8,709,676. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net (Inflows) Outflows
Differences between expected and actuarial experience	\$ 48,898	\$ (1,275,082)	\$ (1,226,184)
Changes of assumptions	13,807,999	-	13,807,999
Net difference between projected and actual earnings on pension plan investments	148,317.00	-	148,317
Changes in proportion and differences between contributions and proportionate share of contributions	92,997	(645,964)	(552,967)
District's contributions subsequent to the measurement date	<u>2,274,242</u>	<u>-</u>	<u>2,274,242</u>
Total	<u>\$ 16,372,453</u>	<u>\$ (1,921,046)</u>	<u>\$ 14,451,407</u>

Reported deferred outflows of resources of \$2,274,242 related to pensions resulting from the District's contributions subsequent to the measurement date of June 30, 2018 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	\$ 7,631,804
2020	4,776,751
2021	(233,342)
2022	1,952
2023	-
Thereafter	-
Total	<u>\$ 12,177,165</u>

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

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

**STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

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 April 21, 2017 in conjunction with the six-year experience study for the period ending June 30, 2016.
Cost-of-Living Increases	1.90% per year, compounded annually; increases deferred until July 1 following the year a member retires, or the year in which a member attains the age of 65 (67 for Tier 3), whichever is later or, for disabled retirees, until July 1 of the third year following retirement.
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, 2019**

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 5.69% was used to measure the total pension liability as of June 30, 2018. This rate is .21% less than the 5.90% discount rate used for June 30, 2017.

The June 30, 2018 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 3.62%. 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 2050. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the 2050 fiscal year, and the municipal bond rate was applied to all benefit payments after that date.

The projections of cash flows used to determine the June 30, 2018 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 5.69%, 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 (4.69%) or 1-percentage-point higher (6.69%) than the current rate:

<u>1% Decrease (4.69%)</u>	<u>Current Discount Rate (5.69%)</u>	<u>1% Increase (6.69%)</u>
\$ 87,071,918	\$ 66,998,137	\$ 50,619,184

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, 2019 the contributions due and payable by the District were \$710,533 which were paid on July 10, 2019.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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 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, 2018, the Fund’s measurement date, the following employees were covered by the benefit terms:

Plan membership	
Current retirees and surviving spouses	51,205
Inactive and eligible for deferred benefit	11,471
Current active members	<u>93,349</u>
Total	<u><u>156,025</u></u>
Active membership	
State general	19,593
State police and corrections	1,886
Municipal general	17,004
Municipal police	3,820
Municipal FTRE	2,290
Educational Retirement Board	<u>48,756</u>
Total	<u><u>93,349</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 \$489,266 and \$470,874 for the years ended June 30, 2019 and 2018, respectively.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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

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

At June 30, 2019, the District reported a liability of \$15,986,726 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as June 30, 2018, 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, 2018, the District's proportion was 0.36767% which was an increase of 0.00334% from its proportion measured at June 30, 2017.

For the year ended June 30, 2019, the District recognized OPEB expense of \$315,329. At June 30, 2019, 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	\$ -	\$ (946,517)	\$ (946,517)
Changes of assumptions	-	(2,984,651)	(2,984,651)
Net difference between projected and actual earnings on OPEB plan investments	-	(199,508)	(199,508)
Changes in proportion	153,323	-	153,323
District's contributions subsequent to the measurement date	<u>326,150</u>	<u>-</u>	<u>326,150</u>
Total	<u>\$ 479,473</u>	<u>\$ (4,130,676)</u>	<u>\$ (3,651,203)</u>

Deferred outflows of resources totaling \$326,150 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year ended June 30,	
2019	\$ (1,017,032)
2020	(1,017,032)
2021	(1,017,032)
2022	(778,007)
2023	(148,250)
Thereafter	-
Total	<u>\$ (3,977,353)</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.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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

Asset valuation method	Market value of assets
Actuarial assumptions:	
Inflation	2.50% for ERB, 2.25% for PERA
Projected payroll increases	3.25% to 12.5% based on years of service including inflation
Investment rate of return	7.25%, net of OPEB plan investment expense and margin for adverse deviation including inflation.
Health care cost trend rate	8% graded down to 4.5% over 14 years for Non-Medicare medical plan costs and 7.5% graded down to 4.5% over 12 for Medicare medical plan costs
Mortality	ERB members: RP-2000 Combined Healthy Mortality Table with White Collar Adjustment (males) and GRS Southwest Region Teacher Mortality Table (females) PERA members: RP-2000 Combined Healthy Mortality

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

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

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

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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

Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates: The following presents the net OPEB liability of the 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 (3.08 percent) or 1-percentage-point higher (4.08 percent) than the current discount rate:

1% Decrease (3.08%)	Current Discount Rate (4.08%)	1% Increase (5.08%)
\$ 19,347,704	\$ 15,986,726	\$ 13,337,527

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:

1% Decrease	Current Trend Rates	1% Increase
\$ 13,514,389	\$ 15,986,726	\$ 17,925,095

OPEB plan fiduciary net position: Detailed information about the OPEB plan’s fiduciary net position is available in NMRHCA’s audited financial statements for the year ended June 30, 2018. The reports and other relevant information can be found on NMRHCA’s web site at <https://www.nmrhca.org>.

Payable changes in the net OPEB liability: At June 30, 2019, the District reported a payable of \$87,940 for outstanding contributions due to NMRHCA for the year ended June 30, 2019 which was paid on July 19, 2019.

NOTE 13 Unavailable Revenues

The District had \$399,171 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, 2019.

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.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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 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 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 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

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 17 **Subsequent Accounting Standard Pronouncements (Continued)**

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.

In May 2019, GASB Statement No. 91 *Conduit Debt Obligations*, was issued. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement will improve financial reporting by eliminating the existing option for issuers to report conduit debt obligations as their own liabilities, thereby ending significant diversity in practice. The clarified definition will resolve stakeholders' uncertainty as to whether a given financing is, in fact, a conduit debt obligation. Requiring issuers to recognize liabilities associated with additional commitments extended by issuers and to recognize assets and deferred inflows of resources related to certain arrangements associated with conduit debt obligations also will eliminate diversity, thereby improving comparability in reporting by issuers. Revised disclosure requirements will provide financial statement users with better information regarding the commitments issuers extend and the likelihood that they will fulfill those commitments. That information will inform users of the potential impact of such commitments on the financial resources of issuers and help users assess issuers' roles in conduit debt obligations. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged.

NOTE 18 **GASB Statement No. 83 *Certain Asset Retirement Obligations***

The District has reviewed GASB Statement No. 83 *Certain Asset Retirement Obligations* and has determined that it has one asset which would qualify under this statement – underground fuel storage tanks. However, the District has insurance to cover the cost of any remediation services done as the result of an underground storage tank leak. Additionally, there is no estimate as to when the District would ever “retire” such an asset but would simply replace one tank with another tank. Retirement would only come in the future when some other fuel source becomes available to fuel school buses as the District, as long as it operates, will be required to transport students to-and-from school.

The only cost to the District when it does, if ever, retire its underground fuel storage tanks is its deductible on the insurance premium which is \$10,000. This amount is immaterial in the government-wide financial statements taken as a whole and has chosen not to book this retirement obligation.

NOTE 19 **Subsequent Events**

A review of subsequent events through October 25, 2019, 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, 2019

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
2019	2018	0.56342%	\$ 66,998,137	\$ 15,749,442	425.40%	52.17%
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, 2019

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
2019	\$ 2,274,242	\$ 2,274,242	\$ -	\$ 16,361,448	13.90%
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, 2019

Changes in benefit provisions. There were no modifications to the benefit provisions that were reflected in the actuarial valuation as of June 30, 2018.

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%.

See also Note 11 *General Information on the Pension Plan - Educational Retirement Act* in the financial statement note disclosure on the OPEB plan.

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, 2019

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
2019	2018	0.36765%	\$ 15,986,726	\$ 15,698,848	101.83%	13.14%
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

Schedule IV

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, 2019

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
2019	\$ 326,150	\$ 326,150	\$ -	\$ 16,308,948	2.00%
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.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
RETIREE HEALTH CARE AUTHORITY (RHCA)
JUNE 30, 2019

Changes in assumptions and methods. RHCA conducts an actuarial experience study for the Plan on a biennial basis. Based on the six-year actuarial experience study presented to the Board of Trustees on June 30, 2017, RHCA implemented the following changes in assumptions for fiscal years 2018 and 2017.

The total OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2018. The mortality, retirement, disability, turnover, and salary increase assumptions are based on the PERA annual valuation as of June 30, 2017 and the ERB actuarial experience study as of June 30, 2017.

- 1) Fiscal year 2018 valuation assumptions that changed based on this study:
 - a. Minor changes to demographic assumptions
- 2) Assumptions that were not changed:
 - a. Investment return 7.25%
 - b. Inflation rate 2.50% for ERB and 2.25% for PERA
 - c. Population growth per year at 0.00%
 - d. Health care cost trend rate 8% graded down to 1.5% over 14 years for Non-Medicare medical plan costs and 7.5%

See also Note 12 *Other Post-Employment Benefits (OPEB) - State Retiree Health Care Act (RHCA)* in the financial statement note disclosure on the OPEB plan.

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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, 2019

Statement A-1

	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TOTAL
ASSETS				
<i>Current assets:</i>				
Cash and temporary investments	\$ 1,642,488	\$ 10,731	\$ 58,074	\$ 1,711,293
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	1,160,521	-	-	1,160,521
Interfund receivables	-	-	-	-
Other	-	-	-	-
Inventory	28,966	-	-	28,966
	<u>2,831,975</u>	<u>10,731</u>	<u>58,074</u>	<u>2,900,780</u>
<i>Total assets</i>	<u>2,831,975</u>	<u>10,731</u>	<u>58,074</u>	<u>2,900,780</u>
LIABILITIES				
<i>Current liabilities:</i>				
Accounts payable	25	-	-	25
Accrued payroll liabilities	235,991	-	-	235,991
Interfund payables	830,205	-	-	830,205
Unearned revenue	5,094	-	-	5,094
	<u>1,071,315</u>	<u>-</u>	<u>-</u>	<u>1,071,315</u>
<i>Total liabilities</i>	<u>1,071,315</u>	<u>-</u>	<u>-</u>	<u>1,071,315</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - property taxes	-	-	-	-
Unavailable revenues - other	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	28,966	-	-	28,966
Restricted for:				
Grant mandates	973,272	-	-	973,272
Capital projects	-	2,064	-	2,064
Debt service	-	-	-	-
Assigned	765,394	8,667	58,074	832,135
Unassigned	(6,972)	-	-	(6,972)
	<u>1,760,660</u>	<u>10,731</u>	<u>58,074</u>	<u>1,829,465</u>
<i>Total fund balances</i>	<u>1,760,660</u>	<u>10,731</u>	<u>58,074</u>	<u>1,829,465</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 2,831,975</u>	<u>\$ 10,731</u>	<u>\$ 58,074</u>	<u>\$ 2,900,780</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, 2019

Statement A-2

	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TOTAL
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
State grants	1,006,475	68,482	-	1,074,957
Federal grants	4,144,822	-	-	4,144,822
Miscellaneous	41,534	-	-	41,534
Charges for services	241,575	-	-	241,575
Investment income	10,300	52	-	10,352
<i>Total revenues</i>	<u>5,444,706</u>	<u>68,534</u>	<u>-</u>	<u>5,513,240</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	1,984,457	-	-	1,984,457
Support services				
Students	1,121,832	-	-	1,121,832
Instruction	12,745	-	-	12,745
General administration	82,111	-	-	82,111
School administration	140,452	-	-	140,452
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	36,548	-	-	36,548
Other support services	-	-	-	-
Food services operations	1,589,165	-	-	1,589,165
Community services	-	-	-	-
Capital outlay	-	74,253	-	74,253
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>4,967,310</u>	<u>74,253</u>	<u>-</u>	<u>5,041,563</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>477,396</u>	<u>(5,719)</u>	<u>-</u>	<u>471,677</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>	477,396	(5,719)	-	471,677
<i>Fund balances - beginning of year</i>	<u>1,283,264</u>	<u>16,450</u>	<u>58,074</u>	<u>1,357,788</u>
<i>Fund balances - end of year</i>	<u>\$ 1,760,660</u>	<u>\$ 10,731</u>	<u>\$ 58,074</u>	<u>\$ 1,829,465</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, 2019

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.

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.

Title I Striving Readers (24145) – The funding for this award must be used to advance pre-literacy and literacy skills by developing a continuum of language, emergent literacy and literacy supports for children from birth through grade 12 using interventions with moderate or strong evidence of effectiveness.

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.

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.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SPECIAL REVENUE FUNDS DESCRIPTIONS
FOR THE YEAR ENDED JUNE 30, 2019

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.

Student Support Academic Enrichment Title IV (24189) – This sub award supports well-rounded educational opportunities, safe, and healthy students and effective use of technology.

Title I – Comprehensive Support and Improvement (24190) – LEA’s with identified CSI schools are able to identify pathways for intensive improvement under the NM ESSA plan

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.

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.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SPECIAL REVENUE FUNDS DESCRIPTIONS
FOR THE YEAR ENDED JUNE 30, 2019

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.

New Mexico Reads to Lead K-3 (27114) – Funds may be used to supplement and not supplant any moneys currently being used to embed the essential components of reading instruction into all elements of the K-3 teaching structures in schools.

Excellence in Teaching Awards (27125) – The funding under this award must be used solely for Excellence in Teaching salary supplements and may be only awarded to teachers who have met the award criteria.

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.

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.

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.

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, 2019

Statement B-1

	Food Services 21000	Athletics 22000	Student Activities 23000	IDEA-B Entitlement 24106	IDEA-B Preschool 24109
ASSETS					
<i>Current assets:</i>					
Cash and temporary investments	\$ 369,465	\$ 114,743	\$ 218,784	\$ -	\$ -
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	178,581	-	-	234,694	11,908
Interfund receivables	-	-	-	-	-
Other	-	-	-	-	-
Inventory	19,353	9,613	-	-	-
<i>Total assets</i>	<u>567,399</u>	<u>124,356</u>	<u>218,784</u>	<u>234,694</u>	<u>11,908</u>
LIABILITIES					
<i>Current liabilities:</i>					
Accounts payable	-	-	25	-	-
Accrued payroll liabilities	79,189	-	95	30,745	2,001
Interfund payables	-	-	-	203,157	9,907
Unearned revenue	-	-	-	792	-
<i>Total liabilities</i>	<u>79,189</u>	<u>-</u>	<u>120</u>	<u>234,694</u>	<u>11,908</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	19,353	9,613	-	-	-
Restricted for:					
Grant mandates	245,002	35,806	9,460	-	-
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned	223,855	78,937	209,204	-	-
Unassigned	-	-	-	-	-
<i>Total fund balances</i>	<u>488,210</u>	<u>124,356</u>	<u>218,664</u>	<u>-</u>	<u>-</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 567,399</u>	<u>\$ 124,356</u>	<u>\$ 218,784</u>	<u>\$ 234,694</u>	<u>\$ 11,908</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, 2019

Statement B-1

	Education of Homeless 24113	Fresh Fruits and Vegetables 24118	IDEA-B Results Plan 24132	Title I Striving Readers 24145	English Language Acquisition 24153
ASSETS					
<i>Current assets:</i>					
Cash and temporary investments	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	7,069	4,270	13,049	248,963	18,711
Interfund receivables	-	-	-	-	-
Other	-	-	-	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>7,069</u>	<u>4,270</u>	<u>13,049</u>	<u>248,963</u>	<u>18,711</u>
LIABILITIES					
<i>Current liabilities:</i>					
Accounts payable	-	-	-	-	-
Accrued payroll liabilities	47	-	1,435	19,943	-
Interfund payables	7,022	4,280	11,614	229,020	19,207
Unearned revenue	-	-	-	-	-
<i>Total liabilities</i>	<u>7,069</u>	<u>4,280</u>	<u>13,049</u>	<u>248,963</u>	<u>19,207</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>-</u>	<u>(496)</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 7,069</u>	<u>\$ 4,270</u>	<u>\$ 13,049</u>	<u>\$ 248,963</u>	<u>\$ 18,711</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, 2019

Statement B-1

	Teacher/Principal Training & Recruiting 24154	Carl D Perkins Secondary - Current 24174	Carl D Perkins Secondary - Redistribution 24176	Student Supp Acad. Enrich Title IV 24189	Title I Comprehensive Support & Improv 24190
ASSETS					
<i>Current assets:</i>					
Cash and temporary investments	\$ -	\$ -	\$ 1	\$ -	\$ -
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	2,716	109	-	5,791	22,156
Interfund receivables	-	-	-	-	-
Other	-	-	-	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>2,716</u>	<u>109</u>	<u>1</u>	<u>5,791</u>	<u>22,156</u>
LIABILITIES					
<i>Current liabilities:</i>					
Accounts payable	-	-	-	-	-
Accrued payroll liabilities	371	-	-	749	3,136
Interfund payables	1,739	72	-	5,042	19,020
Unearned revenue	606	37	-	-	-
<i>Total liabilities</i>	<u>2,716</u>	<u>109</u>	<u>-</u>	<u>5,791</u>	<u>22,156</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>\$ 2,716</u>	<u>\$ 109</u>	<u>\$ 1</u>	<u>\$ 5,791</u>	<u>\$ 22,156</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, 2019

Statement B-1

	Johnson O'Malley 25131	Impact Aid Special Education 25145	Impact Aid Indian Education 25147	Title XIX Medicaid 3/21 Years 25153	Indian Education Grant 25184
ASSETS					
<i>Current assets:</i>					
Cash and temporary investments	\$ -	\$ 176,846	\$ 222,651	\$ 482,427	\$ 11,938
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	11,563	-	-	37,255	755
Interfund receivables	-	-	-	-	-
Other	-	-	-	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>11,563</u>	<u>176,846</u>	<u>222,651</u>	<u>519,682</u>	<u>12,693</u>
LIABILITIES					
<i>Current liabilities:</i>					
Accounts payable	-	-	-	-	-
Accrued payroll liabilities	3,006	825	8,199	21,767	9,157
Interfund payables	14,800	-	-	-	-
Unearned revenue	-	-	-	-	3,536
<i>Total liabilities</i>	<u>17,806</u>	<u>825</u>	<u>8,199</u>	<u>21,767</u>	<u>12,693</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	-	176,021	88,689	397,915	-
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned	-	-	125,763	100,000	-
Unassigned	(6,243)	-	-	-	-
<i>Total fund balances</i>	<u>(6,243)</u>	<u>176,021</u>	<u>214,452</u>	<u>497,915</u>	<u>-</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 11,563</u>	<u>\$ 176,846</u>	<u>\$ 222,651</u>	<u>\$ 519,682</u>	<u>\$ 12,693</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, 2019

Statement B-1

	Golden Apple Foundation 26163	Conoco Phillips School Grant 26200	Dual Credit Instructional Materials 27103	2012 GO Bond Student Library Fund (SB66) 27107	NM Reads To Lead K-3 27114
ASSETS					
<i>Current assets:</i>					
Cash and temporary investments	\$ 2,154	\$ 14,765	\$ -	\$ -	\$ -
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	-	-	5,725	-	7,938
Interfund receivables	-	-	-	-	-
Other	-	-	-	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>2,154</u>	<u>14,765</u>	<u>5,725</u>	<u>-</u>	<u>7,938</u>
LIABILITIES					
<i>Current liabilities:</i>					
Accounts payable	-	-	-	-	-
Accrued payroll liabilities	-	-	-	-	47
Interfund payables	-	-	5,725	223	7,891
Unearned revenue	-	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>5,725</u>	<u>223</u>	<u>7,938</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	2,154	14,765	-	-	-
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	(223)	-
<i>Total fund balances</i>	<u>2,154</u>	<u>14,765</u>	<u>-</u>	<u>(223)</u>	<u>-</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 2,154</u>	<u>\$ 14,765</u>	<u>\$ 5,725</u>	<u>\$ -</u>	<u>\$ 7,938</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, 2019

Statement B-1

	Excellence in Teaching Awards 27125	PreK Initiative 27149	Kindergarten - Three Plus 27166	NM Grown Fresh Fruits and Vegetables 27183	K-3 Plus 4 & 5 Pilot 27198
ASSETS					
<i>Current assets:</i>					
Cash and temporary investments	\$ -	\$ -	\$ -	\$ 123	\$ -
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	-	219,347	66,518	-	63,403
Interfund receivables	-	-	-	-	-
Other	-	-	-	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>-</u>	<u>219,347</u>	<u>66,518</u>	<u>123</u>	<u>63,403</u>
LIABILITIES					
<i>Current liabilities:</i>					
Accounts payable	-	-	-	-	-
Accrued payroll liabilities	-	26,234	14,340	-	14,705
Interfund payables	-	190,610	52,178	-	48,698
Unearned revenue	-	-	-	123	-
<i>Total liabilities</i>	<u>-</u>	<u>216,844</u>	<u>66,518</u>	<u>123</u>	<u>63,403</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	-	2,503	-	-	-
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<i>Total fund balances</i>	<u>-</u>	<u>2,503</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ -</u>	<u>\$ 219,347</u>	<u>\$ 66,518</u>	<u>\$ 123</u>	<u>\$ 63,403</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, 2019

Statement B-1

	Private Direct Grants 29102	<u>Total</u>
ASSETS		
<i>Current assets:</i>		
Cash and temporary investments	\$ 28,591	\$ 1,642,488
Accounts receivable	-	-
Taxes	-	-
Due from other governments	-	1,160,521
Interfund receivables	-	-
Other	-	-
Inventory	-	28,966
	<u>28,591</u>	<u>2,831,975</u>
<i>Total assets</i>	<u>28,591</u>	<u>2,831,975</u>
LIABILITIES		
<i>Current liabilities:</i>		
Accounts payable	-	25
Accrued payroll liabilities	-	235,991
Interfund payables	-	830,205
Unearned revenue	-	5,094
	<u>-</u>	<u>1,071,315</u>
<i>Total liabilities</i>	<u>-</u>	<u>1,071,315</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenues - property taxes	-	-
Unavailable revenues - other	-	-
	<u>-</u>	<u>-</u>
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>
FUND BALANCES		
Nonspendable	-	28,966
Restricted for:		
Grant mandates	956	973,272
Capital projects	-	-
Debt service	-	-
Assigned	27,635	765,394
Unassigned	-	(6,972)
	<u>28,591</u>	<u>1,760,660</u>
<i>Total fund balances</i>	<u>28,591</u>	<u>1,760,660</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 28,591</u>	<u>\$ 2,831,975</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, 2019

	Food Services 21000	Athletics 22000	Student Activities 23000	IDEA-B Entitlement 24106	IDEA-B Preschool 24109
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-	-
State grants	-	-	-	-	-
Federal grants	1,600,813	-	-	793,613	63,463
Miscellaneous	-	-	5,250	-	-
Charges for services	36,859	110,926	93,790	-	-
Investment income	1,414	-	8,886	-	-
<i>Total revenues</i>	<u>1,639,086</u>	<u>110,926</u>	<u>107,926</u>	<u>793,613</u>	<u>63,463</u>
<i>Expenditures:</i>					
Current:					
Instruction	-	145,281	19,248	378,440	61,051
Support services					
Students	-	-	-	384,993	-
Instruction	-	-	-	-	-
General administration	-	-	-	30,180	2,412
School administration	-	-	-	-	-
Central services	-	-	-	-	-
Operation & maintenance of plant	-	-	-	-	-
Student transportation	-	-	-	-	-
Other support services	-	-	-	-	-
Food services operations	1,547,468	-	-	-	-
Community services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>1,547,468</u>	<u>145,281</u>	<u>19,248</u>	<u>793,613</u>	<u>63,463</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>91,618</u>	<u>(34,355)</u>	<u>88,678</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>	91,618	(34,355)	88,678	-	-
<i>Fund balances - beginning of year</i>	<u>396,592</u>	<u>158,711</u>	<u>129,986</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ 488,210</u>	<u>\$ 124,356</u>	<u>\$ 218,664</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, 2019

	Education of Homeless 24113	Fresh Fruits and Vegetables 24118	IDEA-B Results Plan 24132	Title I Striving Readers 24145	English Language Acquisition 24153
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-	-
State grants	-	-	-	-	-
Federal grants	13,914	38,248	50,416	390,402	18,966
Miscellaneous	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment income	-	-	-	-	-
<i>Total revenues</i>	<u>13,914</u>	<u>38,248</u>	<u>50,416</u>	<u>390,402</u>	<u>18,966</u>
<i>Expenditures:</i>					
Current:					
Instruction	-	-	50,191	54,642	18,246
Support services					
Students	6,765	-	225	320,925	-
Instruction	-	-	-	-	-
General administration	4,424	-	-	14,835	720
School administration	-	-	-	-	-
Central services	-	-	-	-	-
Operation & maintenance of plant	-	-	-	-	-
Student transportation	2,725	-	-	-	-
Other support services	-	-	-	-	-
Food services operations	-	38,248	-	-	-
Community services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>13,914</u>	<u>38,248</u>	<u>50,416</u>	<u>390,402</u>	<u>18,966</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>	-	(10)	-	-	(496)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ (10)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (496)</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, 2019

	Teacher/Principal Training & Recruiting 24154	Carl D Perkins Secondary - Current 24174	Carl D Perkins Secondary - Redistribution 24176	Student Supp Acad. Enrich Title IV 24189	Title I Comp Support & Improvement 24190
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-	-
State grants	-	-	-	-	-
Federal grants	34,142	26,564	-	5,791	69,295
Miscellaneous	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment income	-	-	-	-	-
<i>Total revenues</i>	<u>34,142</u>	<u>26,564</u>	<u>-</u>	<u>5,791</u>	<u>69,295</u>
<i>Expenditures:</i>					
Current:					
Instruction	32,845	25,555	-	-	66,662
Support services					
Students	-	-	-	5,791	-
Instruction	-	-	-	-	-
General administration	1,297	1,009	-	-	2,633
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>	<u>34,142</u>	<u>26,564</u>	<u>-</u>	<u>5,791</u>	<u>69,295</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>-</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>
<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, 2019

	Johnson O'Malley 25131	Impact Aid Special Education 25145	Impact Aid Indian Education 25147	Title XIX Medicaid 3/21 Years 25153	Indian Ed Formula Grant 25184
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-	-
State grants	-	-	-	-	-
Federal grants	67,286	166,479	221,408	408,861	175,161
Miscellaneous	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment income	-	-	-	-	-
<i>Total revenues</i>	<u>67,286</u>	<u>166,479</u>	<u>221,408</u>	<u>408,861</u>	<u>175,161</u>
<i>Expenditures:</i>					
Current:					
Instruction	18,072	-	56,088	1,046	101,945
Support services					
Students	42,971	660	37,472	302,130	10,444
Instruction	-	-	-	-	-
General administration	2,164	985	4,606	-	6,656
School administration	10,322	24,286	26,354	-	56,036
Central services	-	-	-	-	-
Operation & maintenance of plant	-	-	-	-	-
Student transportation	-	-	-	-	80
Other support services	-	-	-	-	-
Food services operations	-	-	-	-	-
Community services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>73,529</u>	<u>25,931</u>	<u>124,520</u>	<u>303,176</u>	<u>175,161</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(6,243)</u>	<u>140,548</u>	<u>96,888</u>	<u>105,685</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>(6,243)</u>	<u>140,548</u>	<u>96,888</u>	<u>105,685</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>35,473</u>	<u>117,564</u>	<u>392,230</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ (6,243)</u>	<u>\$ 176,021</u>	<u>\$ 214,452</u>	<u>\$ 497,915</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, 2019

	Golden Apple Foundation 26163	Conoco Phillips School Grant 26200	Dual Credit Instructional Materials 27103	2012 GO Bond Student Library Fund (SB66) 27107	NM Reads to Lead K-3 27114
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-	-
State grants	-	-	5,725	-	118,750
Federal grants	-	-	-	-	-
Miscellaneous	1,908	-	-	-	-
Charges for services	-	-	-	-	-
Investment income	-	-	-	-	-
<i>Total revenues</i>	<u>1,908</u>	<u>-</u>	<u>5,725</u>	<u>-</u>	<u>118,750</u>
<i>Expenditures:</i>					
Current:					
Instruction	1,743	1,345	5,725	223	114,238
Support services					
Students	-	-	-	-	-
Instruction	-	-	-	-	-
General administration	-	-	-	-	4,512
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>	<u>1,743</u>	<u>1,345</u>	<u>5,725</u>	<u>223</u>	<u>118,750</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>165</u>	<u>(1,345)</u>	<u>-</u>	<u>(223)</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>	165	(1,345)	-	(223)	-
<i>Fund balances - beginning of year</i>	<u>1,989</u>	<u>16,110</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ 2,154</u>	<u>\$ 14,765</u>	<u>\$ -</u>	<u>\$ (223)</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, 2019

	Excellence in Teaching Awards 27125	PreK Initiative 27149	Kindergarten - Three Plus 27166	NM Grown Fresh Fruits and Vegetables 27183	K-3 Plus 4 & 5 Pilot 27198
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-	-
State grants	26,913	556,928	187,031	3,449	107,679
Federal grants	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment income	-	-	-	-	-
<i>Total revenues</i>	<u>26,913</u>	<u>556,928</u>	<u>187,031</u>	<u>3,449</u>	<u>107,679</u>
<i>Expenditures:</i>					
Current:					
Instruction	26,913	514,879	159,391	-	89,292
Support services					
Students	-	-	4,229	-	5,227
Instruction	-	-	6,804	-	5,941
General administration	-	5,678	-	-	-
School administration	-	10,091	6,876	-	6,487
Central services	-	-	-	-	-
Operation & maintenance of plant	-	-	-	-	-
Student transportation	-	23,280	9,731	-	732
Other support services	-	-	-	-	-
Food services operations	-	-	-	3,449	-
Community services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>26,913</u>	<u>553,928</u>	<u>187,031</u>	<u>3,449</u>	<u>107,679</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>3,000</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>	-	3,000	-	-	-
<i>Fund balances - beginning of year</i>	-	(497)	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ 2,503</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2019

	Private Direct Grants 29102	Total
	<u> </u>	<u> </u>
<i>Revenues:</i>		
Property taxes	\$ -	\$ -
Oil and gas taxes	-	-
State grants	-	1,006,475
Federal grants	-	4,144,822
Miscellaneous	34,376	41,534
Charges for services	-	241,575
Investment income	-	10,300
<i>Total revenues</i>	<u>34,376</u>	<u>5,444,706</u>
<i>Expenditures:</i>		
<i>Current:</i>		
Instruction	41,396	1,984,457
Support services		
Students	-	1,121,832
Instruction	-	12,745
General administration	-	82,111
School administration	-	140,452
Central services	-	-
Operation & maintenance of plant	-	-
Student transportation	-	36,548
Other support services	-	-
Food services operations	-	1,589,165
Community services	-	-
Capital outlay	-	-
Debt service		
Principal	-	-
Interest	-	-
<i>Total expenditures</i>	<u>41,396</u>	<u>4,967,310</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(7,020)</u>	<u>477,396</u>
<i>Other financing sources (uses):</i>		
Operating transfers	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	(7,020)	477,396
<i>Fund balances - beginning of year</i>	<u>35,611</u>	<u>1,283,264</u>
<i>Fund balances - end of year</i>	<u>\$ 28,591</u>	<u>\$ 1,760,660</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, 2019

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, 2019

Statement C-1

	Bond Building 31100	Capital Improvements SB-9 (State Match) 31700	Total
ASSETS			
<i>Current assets:</i>			
Cash and temporary investments	\$ 8,667	\$ 2,064	\$ 10,731
Accounts receivable			
Taxes	-	-	-
Due from other governments	-	-	-
Interfund receivables	-	-	-
Other	-	-	-
Inventory	-	-	-
	<u>8,667</u>	<u>2,064</u>	<u>10,731</u>
<i>Total assets</i>	<u><u>8,667</u></u>	<u><u>2,064</u></u>	<u><u>10,731</u></u>
LIABILITIES			
<i>Current liabilities:</i>			
Accounts payable	-	-	-
Accrued payroll liabilities	-	-	-
Interfund payables	-	-	-
Unearned revenue	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total liabilities</i>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues - property taxes	-	-	-
Unavailable revenues - other	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total deferred inflows of resources</i>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted for:			
Grant mandates	-	-	-
Capital projects	-	2,064	2,064
Debt service	-	-	-
Assigned	8,667	-	8,667
Unassigned	-	-	-
	<u>8,667</u>	<u>2,064</u>	<u>10,731</u>
<i>Total fund balances</i>	<u><u>8,667</u></u>	<u><u>2,064</u></u>	<u><u>10,731</u></u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u><u>\$ 8,667</u></u>	<u><u>\$ 2,064</u></u>	<u><u>\$ 10,731</u></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, 2019

	Bond Building 31100	Capital Improvements SB-9 (State Match) 31700	Total
<i>Revenues:</i>			
Property taxes	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-
State grants	-	68,482	68,482
Federal grants	-	-	-
Miscellaneous	-	-	-
Charges for services	-	-	-
Investment income	52	-	52
<i>Total revenues</i>	<u>52</u>	<u>68,482</u>	<u>68,534</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	5,771	68,482	74,253
Debt service			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>5,771</u>	<u>68,482</u>	<u>74,253</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(5,719)</u>	<u>-</u>	<u>(5,719)</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>	(5,719)	-	(5,719)
<i>Fund balances - beginning of year</i>	<u>14,386</u>	<u>2,064</u>	<u>16,450</u>
<i>Fund balances - end of year</i>	<u>\$ 8,667</u>	<u>\$ 2,064</u>	<u>\$ 10,731</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, 2019

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, 2019

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><u>58,074</u></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	-
Assigned	58,074
Unassigned	-
	<hr/>
<i>Total fund balances</i>	<u>58,074</u>
	<hr/>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u><u>\$ 58,074</u></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, 2019

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	-
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>	-
<i>Excess (deficiency) of revenues</i> <i>over (under) expenditures</i>	-
<i>Other financing sources (uses):</i>	
Operating transfers	-
<i>Total other financing sources (uses)</i>	-
<i>Net changes in fund balances</i>	-
<i>Fund balances - beginning of year</i>	58,074
<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, 2019

Schedule V

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
ASSETS				
Bloomfield High School	\$ 117,552	\$ 154,018	\$ 151,736	\$ 119,834
Charlie Brown Secondary	3,235	168	683	2,720
Mesa Alta School	42,288	37,188	31,986	47,490
Blanco School	24,449	29,652	30,902	23,199
Central School	26,370	27,428	27,249	26,549
Naaba Ani School	30,197	11,845	11,742	30,300
Bloomfield Learning Center	30,548	8,225	20,488	18,285
H. Hayes Scholarship	6,353	77	2,000	4,430
Total Agency Funds	<u>\$ 280,992</u>	<u>\$ 268,601</u>	<u>\$ 276,786</u>	<u>\$ 272,807</u>
LIABILITIES				
Deposits held for others	<u>\$ 280,992</u>	<u>\$ 268,601</u>	<u>\$ 276,786</u>	<u>\$ 272,807</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, 2019

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, 2019</u>
Citizens Bank				
	Fannie Mae	9/25/2029	3136A9LLO	\$ 5,142,062
	Fannie Mae	5/4/2026	3133EF5W3	4,000,000
	Fannie Mae	12/16/2026	38378AU82	2,060,397
Total Citizens Bank				<u>\$ 11,202,459</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, 2019

Schedule VII

Bank Name/Account Type	Account Type	Bank Balance	Deposits in Transit	Outstanding Checks/Wires	Other Adjustments	Book Balance
Citizens Bank						
Operational	Checking	\$ 6,753,849	\$ -	\$ -	\$ -	\$ 6,753,849
Accounts Payable	Checking	1,872,110	-	(417,779)	-	1,454,331
Payroll Clearing	Checking	22,886	-	(22,112)	-	774
Student Nutrition	Checking	298,996	-	-	-	298,996
Federal Funds	Checking	30,964	-	-	-	30,964
Bond Fund	Checking	8,667	-	-	-	8,667
Capital Improvements	Checking	4,659,940	-	-	-	4,659,940
Debt Service	Checking	5,305,588	-	-	-	5,305,588
Activity Account	Checking	606,334	-	-	-	606,334
Total Citizens Bank		<u>\$ 19,559,334</u>	<u>\$ -</u>	<u>\$ (439,891)</u>	<u>\$ -</u>	<u>\$ 19,119,443</u>
Bank of Albuquerque						
Bond Sinking Fund	Trust	\$ 1,232,599	\$ -	\$ -	\$ -	\$ 1,232,599
Total Bank of Albuquerque		<u>\$ 1,232,599</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,232,599</u>
Cash on Hand						
Total		<u>\$ 20,791,933</u>	<u>\$ -</u>	<u>\$ (439,891)</u>	<u>\$ -</u>	<u>\$ 20,352,042</u>
Cash per financial statements						
Cash and cash equivalents - Government Activities Exhibit A-1						\$ 20,079,235
Fiduciary funds - Exhibit D-1						<u>272,807</u>
						<u>\$ 20,352,042</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, 2019

Schedule VIII

Primary Government

	Operational 11000	Transportation 13000	Instructional Materials 14000	Food Services 21000
Cash, June 30, 2018	\$ 6,504,744	\$ 40,479	\$ 28,763	\$ 434,505
Add:				
Current year revenues	23,149,783	1,086,776	95,893	1,339,004
Permanent cash transfers	-	-	-	-
Prior period adjustment	-	-	-	-
Loans from other funds	-	-	-	-
Total cash available	29,654,527	1,127,255	124,656	1,773,509
Less:				
Current year expenditures	(21,386,818)	(1,088,829)	(95,065)	(1,404,044)
Permanent cash transfers	-	-	-	-
Prior period adjustment	-	-	-	-
Loans to other funds	(1,163,848)	-	-	-
Cash, June 30, 2019	<u>\$ 7,103,861</u>	<u>\$ 38,426</u>	<u>\$ 29,591</u>	<u>\$ 369,465</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, 2019

Schedule VIII

Primary Government

	Athletics 22000	Student Activities 23000	Federal Flowthrough 24000	Federal Direct 25000
Cash, June 30, 2018	\$ 147,484	\$ 130,265	\$ (578,736)	\$ 493,300
Add:				
Current year revenues	110,926	107,926	2,054,893	1,083,767
Permanent cash transfers	-	-	-	-
Prior period adjustment	-	-	-	-
Loans from other funds	-	-	843,723	14,800
Total cash available	258,410	238,191	2,319,880	1,591,867
Less:				
Current year expenditures	(143,667)	(19,407)	(2,319,879)	(698,005)
Permanent cash transfers	-	-	-	-
Prior period adjustment	-	-	-	-
Loans to other funds	-	-	-	-
Cash, June 30, 2019	<u>\$ 114,743</u>	<u>\$ 218,784</u>	<u>\$ 1</u>	<u>\$ 893,862</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, 2019

Schedule VIII

Primary Government

	Local Grants 26000	State Flowthrough 27000	Local / State 29000	Bond Building 31100
Cash, June 30, 2018	\$ 18,099	\$ (250,383)	\$ 35,611	\$ 14,386
Add:				
Current year revenues	1,908	955,148	34,376	52
Permanent cash transfers	-	-	-	-
Prior period adjustment	-	-	-	-
Loans from other funds	-	305,325	-	-
Total cash available	20,007	1,010,090	69,987	14,438
Less:				
Current year expenditures	(3,088)	(1,009,967)	(41,396)	(5,771)
Permanent cash transfers	-	-	-	-
Prior period adjustment	-	-	-	-
Loans to other funds	-	-	-	-
Cash, June 30, 2019	<u>\$ 16,919</u>	<u>\$ 123</u>	<u>\$ 28,591</u>	<u>\$ 8,667</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, 2019

Schedule VIII

Primary Government

	Capital. Improv. SB 9 (State Match) 31700	Cap. Improv. SB 9 (Local) 31701	Debt Service 41000	Deferred Sick Leave 42000
Cash, June 30, 2018	\$ (66,016)	\$ 4,235,316	\$ 5,558,292	\$ 58,074
Add:				
Current year revenues	136,562	3,128,182	6,697,711	-
Permanent cash transfers	-	-	-	-
Prior period adjustment	-	-	-	-
Loans from other funds	-	-	-	-
Total cash available	70,546	7,363,498	12,256,003	58,074
Less:				
Current year expenditures	(68,482)	(2,705,622)	(5,717,815)	-
Permanent cash transfers	-	-	-	-
Prior period adjustment	-	-	-	-
Loans to other funds	-	-	-	-
Cash, June 30, 2019	<u>\$ 2,064</u>	<u>\$ 4,657,876</u>	<u>\$ 6,538,188</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, 2019

Schedule VIII

Primary Government

	<u>Total</u>
Cash, June 30, 2018	\$ 16,804,183
Add:	
Current year revenues	39,982,907
Permanent cash transfers	-
Prior period adjustment	-
Loans from other funds	<u>1,163,848</u>
Total cash available	57,950,938
Less:	
Current year expenditures	(36,707,855)
Permanent cash transfers	-
Prior period adjustment	-
Loans to other funds	<u>(1,163,848)</u>
Cash, June 30, 2019	<u><u>\$ 20,079,235</u></u>

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, 2019

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

Brian Colón
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, 2019, 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 25, 2019.

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 2018-001, NM 2019-001, NM 2019-002, NM 2019-003, and NM 2019-004.

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 25, 2019

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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

Brian Colón, 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, 2019. 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, 2019.

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 25, 2019

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

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	24106	84.027	\$ 793,613
IDEA-B Results Plan	24132	84.027	50,416
IDEA-B Preschool	24109	84.173	63,463
Total Special Education Cluster (IDEA)			<u>907,492</u>
Other Programs (Treated individually for major program determination)			
Title I IASA	24101	84.010	841,158
Title I Comprehensive Support & Improvement	24190	84.010	69,295
Total Title I			<u>910,453</u>
Carl D Perkins Secondary - Current	24174	84.048A	26,564
Title I Striving Readers (1)	24145	84.371C	390,402
Education of Homeless	24113	84.196A	13,914
English Language Acquisition	24153	84.365A	18,966
Teacher/Principal Training & Recruiting	24154	84.367	34,142
Student Support Academic Achievement Title IV	24189	84.424A	5,791
Total Other Programs			<u>1,400,232</u>
<i>Subtotal - Passthrough State of New Mexico Public Education Department</i>			<u>2,307,724</u>
<i>Direct U.S. Department of Education</i>			
Other Programs (Treated individually for major program determination)			
Impact Aid			
Impact Aid	11000	84.041	1,088,489
Impact Aid Special Education	25145	84.041	25,931
Impact Aid Indian Education	25147	84.041	124,520
Total Impact Aid			<u>1,238,940</u>
Indian Ed Formula Grant	25184	84.060	175,161
Total Other Programs			<u>1,414,101</u>
<i>Subtotal - Direct U.S. Department of Education</i>			<u>1,414,101</u>
Total U.S. Department of Education			<u>3,721,825</u>
U.S. Department of Interior			
<i>Direct U.S. Department of Interior</i>			
Johnson O'Malley	25131	15.130	73,529
Total U.S. Department of Interior			<u>73,529</u>
U.S. Department of Defense			
<i>Direct U.S. Department of Defense</i>			
National Guard Military Projects	11000	12.401	62,814
Total U.S. Department of Defense			<u>62,814</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	38,248
Child Nutrition Cluster			
USDA School Breakfast Program (1)	21000	10.553	433,181
National School Lunch Program (1)	21000	10.555	992,786
Total Child Nutrition Cluster			<u>1,425,967</u>
<i>Passthrough State of New Mexico Human Services Department</i>			
Food Distribution (Commodities)	21000	10.565	121,501
<i>Subtotal - Passthrough State of New Mexico Public Education Department</i>			<u>1,464,215</u>
<i>Subtotal - Passthrough State of New Mexico Human Services Department</i>			<u>121,501</u>
Total U.S. Department of Agriculture			<u>1,585,716</u>
Total Federal Financial Assistance			<u>\$ 5,443,884</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, 2019

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, 2019 was \$107,975 and is reported in the Schedule of Expenditures of Federal Awards under the Department of Agriculture Commodities program, CFDA number 10.565. 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 3.95%

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	\$ 5,443,884
Total expenditures funded by other sources	<u>31,399,086</u>
Total expenditures	<u><u>\$ 36,842,970</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, 2019

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
84.371C 10.553 and 10.555	Title I Striving Readers Child Nutrition Cluster

- | | |
|---|-----------|
| 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) Repeated and Revised

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.

Section II – Financial Statement Findings

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

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

(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 did not properly reconcile all bank reconciliations during the year. The payroll clearing and the accounts payable clearing accounts were not reconciled on a timely basis with signatures indicating when the reconciliations had been completed and the date of secondary review. Additionally, the accounts were out of balance by \$8,337.

In the prior year, due to implementation errors account discrepancies in cash balances and interfund balances of \$4.665 million existed. The two clearing accounts were never truly reconciled on the year and were not corrected until October 2018. After identifying the issues caused by the implementation errors an adjustment of approximately \$1,100 was made to increase the operational account to match the reconciled bank statements.

Cause: The District was still trying to work out some issues as they had moved to a new financial software in the previous year where the company had not set the cash system up properly which caused the reconciliations to be out of balance. Additionally, the District forgot to get the signatures and dates on the reconciliations when completed.

Effect: The lack of timely reconciliations can lead to unrecognized errors in the cash accounts of the various funds. Additionally, it opens the District up to the chance of fraud or embezzlement. Lack of signatures and dates makes it difficult to verify when reconciliations are being done and who is providing secondary review.

Auditor's Recommendation: We recommend that the District maintain all cash accounts in the general ledger as statute and good accounting practices dictate. All reconciliations should be completed within 30 days of month-end and contain the signatures and dates of the reconciler and reviewer. Additionally, we recommend that the District close its accounts and re-open new accounts so that the issues related to the initial setup of the system can be bypassed which will allow proper reconciliation of the cash accounts.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

Schedule XI

Section II – Financial Statement Findings (Continued)

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

Responsible Official's View:

- Specific corrective action plan for finding:
At the recommendation of our auditor, the District has opened new banking accounts. This should clear up the issues related to the financial conversion. All bank reconciliations will be approved by the Director of Finance

- Timeline for completion of corrective action plan:
Immediately

- Employee position(s) responsible for meeting the timeline:
Director of Finance and Business Manager

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

Schedule XI

Section III – Federal Award Findings

None Identified

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

NM 2018-001 - Improper Reimbursement of Travel Expense (Other Non-compliance) Repeated and Revised

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

A. **Applicability:** Upon written request of a public officer or an employee, agency heads may grant written approval for a public officer or employee of that agency or local public body to be reimbursed actual expenses in lieu of the per diem rate where overnight travel is required.

B. **Overnight travel:** For overnight travel for state officers and employees where overnight lodging is required, the public officer or employee will be reimbursed as follows:

(1) **Actual reimbursement for lodging:** A public officer or an employee may elect to be reimbursed actual expenses for lodging not exceeding the single occupancy room charge (including tax) in lieu of the per diem rate set forth in this Section. Whenever possible, public officers and employees should stay in hotels which offer government rates. Agencies, public officers or employees who incur lodging expenses in excess of \$215.00 per night must obtain the signature of the agency head or chairperson of the governing board on the travel voucher prior to requesting reimbursement and on the encumbering document at the time of encumbering the expenditure.

(2) **Actual reimbursement for meals:** Actual expenses for meals are limited by Section 10-8-4(K)(2) NMSA 1978 (1995 Repl. Pamp.) to a maximum of \$30.00 for in-state travel and \$45.00 for out-of-state travel for a 24-hour period.

(3) **Receipts required:** The public officer or employee must submit receipts for the actual meal and lodging expenses incurred. Under circumstances where the loss of receipts would create a hardship, an affidavit from the officer or employee attesting to the expenses may be substituted for actual receipts. The affidavit must accompany the travel voucher and include the signature of the agency head or governing board. See Appendix B for a sample affidavit.

C. **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 on the travel. **Divide the total number of hours traveled by 24. The hours remaining constitute the partial day which shall be reimbursed as follows:**

- (1) for less than 2 hours, none;
- (2) **for 2 hours but less than 6 hours, \$12.00;**
- (3) for 6 hours or more, but less than 12 hours, \$20.00;
- (4) for 12 hours or more, \$30.00;
- (5) **no reimbursement for actual expenses will be granted in lieu of partial day per diem rates.**

2.42.2.11 NMAC 1978: MILEAGE-PRIVATE CONVEYANCE:

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 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.

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

NM 2018-001 - Improper Reimbursement of Travel Expense (Other Non-compliance) (Continued)
Repeated and Revised

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 1 of 25 items tested the District did not pay an employee \$12 for a partial day per diem after overnight travel.

In the prior year there were 5 instances in which the employee was not paid the proper mileage rate.

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 they are reimbursing employees properly for their per diem and ensure that policies are consistent for all employees.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

Schedule XI

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

NM 2018-001 - Improper Reimbursement of Travel Expense (Other Non-compliance) (Continued)
Repeated and Revised

Responsible Official's View:

- Specific corrective action plan for finding:
The business office will ensure all employees are reimbursed correctly to include partial day payment.

- Timeline for completion of corrective action plan:
Immediately

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

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

NM 2019-001 – Timeliness of Deposits – Activity Accounts (Other Non-compliance)

Criteria: 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.

B. The school district shall issue a factory pre-numbered receipt for all money received. Pre-numbered receipts are to be controlled and secured. If a receipt is voided, all copies shall be marked "VOID" and retained in the receipt book.

C. **Money received and receipted shall be deposited in the bank within twenty-four (24) hours or one banking day.** If the distance to the bank is considerable, or the cash collection is limited to small amounts and/or low volume and it is impractical to meet the twenty-four hour/one banking day requirement, the local board may request approval from the department for an alternative plan. The bank deposit slip shall have the numbers from applicable receipts entered on it or attached as a reference.

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.

Condition: During our review of activity receipts we identified the following instances in which proper procedures were not followed:

- In 1 of 25 items tested money received was not deposited within 24 hours.
 - \$10.50 was received on 10/24/18 and was deposited on 10/26/18

In the prior year's audit, there was one instance where a deposit was not made within 24 hours.

Cause: The District did not deposit the funds received within 24 hours after receipt. Proper procedures relating to cash receipts were not followed.

Effect: Non-adherence to state statutes places the District in noncompliance and lack of timeliness of deposits could subject the District to a possible occurrence of fraud.

Auditors' Recommendations: We recommend that the District emphasize the importance of timely deposits of receipts. The District should cross-train employees so that more than one individual is able to make deposits to ensure timely deposits are possible.

Responsible Official's Plan:

- Specific corrective action plan for finding:
The district has received an alternative plan for small deposits from PED. If the amount is less than \$500 the monies can be held in the vault for no more than three days or until the minimum has reached \$500 and the money will be deposited.
- Timeline for completion of corrective action plan:
September 18, 2019
- Employee position(s) responsible for meeting the timeline:
Director of Finance

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

Schedule XI

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

NM 2019-002 – Improper Withholding of Employee Contributions (Other Non-compliance)

Criteria: 22-29-10 NMSA 1978: Group Insurance Contributions:

A. Group insurance contributions for school districts, charter schools and participating entities in the authority shall be made as follows:

- (1) at least seventy-five percent of the cost of the insurance of an employee whose annual salary is less than fifteen thousand dollars (\$15,000);
- (2) at least seventy percent of the cost of the insurance of an employee whose annual salary is fifteen thousand dollars (\$15,000) or more but less than twenty thousand dollars (\$20,000);
- (3) at least sixty-five percent of the cost of the insurance of an employee whose annual salary is twenty thousand dollars (\$20,000) or more but less than twenty-five thousand dollars (\$25,000); or
- (4) **at least sixty percent of the cost of the insurance of an employee whose annual salary is twenty-five thousand dollars (\$25,000) or more.**

B. Within available revenue, school districts, charter schools and participating entities in the authority may contribute up to eighty percent of the cost of the insurance of all employees.

22-11-21 NMSA 1978: Contributions; members; local administrative units:

A. Except as provided in Subsection D of this section, for a member whose annual salary is greater than twenty thousand dollars (\$20,000), the member shall make contributions to the fund according to the following schedule:

- (1) from July 1, 2013 through June 30, 2014, the member contribution rate shall be ten and one-tenth percent of the member's annual salary; and
- (2) on and after July 1, 2014, the member contribution rate shall be ten and seven-tenths percent of the member's annual salary.

B. On and after July 1, 2008, for a member whose annual salary is twenty thousand dollars (\$20,000) or less, the member contribution rate shall be seven and nine-tenths percent of the member's annual salary.

C. Except as provided in Subsection D of this section, each local administrative unit shall make an annual contribution to the fund according to the following schedule:

- (1) from July 1, 2013 through June 30, 2014, a sum equal to thirteen and fifteen-hundredths percent of the annual salary of each member employed by the local administrative unit; and
- (2) on and after July 1, 2014, a sum equal to thirteen and nine-tenths percent of the annual salary of each member employed by the local administrative unit.

D. If, in a calendar year, the salary of a member, initially employed by a local administrative unit on or after July 1, 1996, equals the annual compensation limit set pursuant to Section 401(a)(17) of the Internal Revenue Code of 1986, as amended, then:

- (1) for the remainder of that calendar year, no additional member contributions or local administrative unit contributions for that member shall be made pursuant to this section; provided that no member shall be denied service credit solely because contributions are not made by the member or on behalf of the member pursuant to the provisions of this subsection; and
- (2) the amount of the annual compensation limit shall be divided into four equal portions, and, for purposes of attributing contributory employment and crediting service credit, each portion shall be attributable to one of the four quarters of the calendar year.

The New Mexico Retiree Health Care Authority the employee/employer contribution rate for regular (non-enhanced) retirement plans is as follows;

- Employer portion is equal to 2% of the employee's salary
- Employee portion is equal to 1% of the employee's salary

STATE OF NEW MEXICO
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SCHEDULE OF FINDINGS AND QUESTIONED COSTS
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Schedule XI

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

NM 2019-002 – Improper Withholding of Employee Contributions (Other Non-compliance)

Condition: During our review of personnel files we discovered one employee whose insurance deductions were less than the amount prescribed by statute. One of employee's contract was greater than \$25,000 and should have had deductions at 60% - 40%. The District was making deductions for an employee making between \$20,000 and \$25,000 and was deducting at the 65%-35% rate.

Cause: The District has not followed state guidelines regarding employee contribution limits and mandatory deductions.

Effect: The District's improper calculation of employee withholdings has resulted in employees having less withheld from their paycheck than statute requires for health benefits.

Auditor's Recommendation: We recommend that the District review payroll files to ensure that employee contributions are being calculated and withheld properly.

Responsible Official's Plan:

- Specific corrective action plan for finding:
An audit on all personnel files has been completed to ensure calculations are correct and withholding are proper.
- Timeline for completion of corrective action plan:
Immediately
- Employee position(s) responsible for meeting the timeline:
Director of Human Resources

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

NM 2019-003 – I-9 Documentation (Other Non-compliance)

Criteria: 6.20.2.18 NMAC 1978 PAYROLL:

The local board shall establish written payroll policies and procedures which comply with state and federal regulations on payroll as well as maintaining strict internal controls, close supervision and financial accounting in accordance with GAAP. **School districts shall maintain and have available for inspection the following employee record documentation: employment contracts (including increments), personnel/payroll action forms, certification records, employment eligibility verification (federal form I-9 for citizenship certification), federal and state withholding allowance certificates, pay deduction authorizations, pay or position change notices, Educational Retirement Act plan application, and direct deposit authorizations.**

IMMIGRATION REFORM AND CONTROL ACT OF 1986:

Form I-9 is used for verifying the identity and employment authorization of individuals hired for employment in the United States. **All U.S. employers must ensure proper completion of Form I-9 for each individual they hire for employment in the United States. This includes citizens and noncitizens.** Both employees and employers (or authorized representatives of the employer) must complete the form. On the form, an employee must attest to his or her employment authorization. **The employee must also present his or her employer with acceptable documents evidencing identity and employment authorization. The employer must examine the employment eligibility and identity document(s) an employee presents to determine whether the document(s) reasonably appear to be genuine and to relate to the employee and record the document information on the Form I-9. Employers must retain Form I-9 for a designated period and make it available for inspection by authorized government officers.** NOTE: State agencies may use Form I-9.

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

- In 1 of 25 personnel files reviewed the employee did not provide a copy of their social security card or other secondary proof for citizenship verification requirements.

Cause: District, State, and Federal policies are not being followed or reviewed to ensure proper execution.

Effect: The District is in a violation of NMAC 6.20.2.18 and the Immigration Reform and Control Act of 1986.

Auditor's Recommendation: We recommend that the District follow the corrective action plan set forth in the Immigration Reform and control Act of 1986 and request that the employee complete section 1 of the Form I-9 immediately and submit documentation as required in Section 2. The new form should be dated when completed- never postdated. When an employee does not provide acceptable documentation, the employer must terminate employment or risk being subject to penalties for “knowingly” continuing to employ an unauthorized worker if the individual is not in fact authorized to work.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

Schedule XI

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

NM 2019-003 – I-9 Documentation (Other Non-compliance)

Responsible Official's Plan:

- Specific corrective action plan for finding:
An audit has been completed on all personnel files to ensure acceptable documentation has been provided.

- Timeline for completion of corrective action plan:
Immediately

- Employee position(s) responsible for meeting the timeline:
Director of Human Resources

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

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

NM 2019-004 – Budgetary Controls (Other Non-compliance)

Criteria: 2.2.2.10 NMAC 1978 GENERAL CRITERIA:

Q. Budgetary presentation:

(2) The differences between the budgetary basis and GAAP basis revenues and expenditures shall be reconciled. If the required budgetary comparison information is included in the basic financial statements, the reconciliation shall be included on the statement itself or in the notes to the financial statements. If the required budgetary comparison is presented as RSI, the reconciliation to GAAP basis shall appear in either a separate schedule or in the notes to the RSI (AAG-SLV 11.14). **The notes to the financial statements shall disclose the legal level of budgetary control for the entity and any excess of expenditures over appropriations at the legal level of budgetary control. The legal level of budgetary control for local governments is at the fund level. The legal level of budgetary control for school districts is at the function level.**

R. Appropriations:

(1) Budget related findings:

(a) If actual expenditures exceed budgeted expenditures at the legal level of budgetary control, that fact shall be reported in a finding and disclosed in the notes to the financial statements.

(b) If budgeted expenditures exceed budgeted revenues (after prior-year cash balance and any applicable federal receivables used to balance the budget), that fact shall be reported in a finding. This type of finding shall be confirmed with the agency’s budget oversight entity (if applicable).

All District funds, with the exception of agency funds, are to be budgeted by the local governing body and submitted to the Public Education Department for approval. Cash balances re-budgeted to make up for deficit budgeted revenues that do not cover the budgeted expenditures cannot exceed the actual cash balance available at the end of the prior year.

Additionally, 22-8-11 NMSA 1978 BUDGETS; APPROVAL OF OPERATING BUDGET:

B. No School district or state-chartered school or officer or employee of a school district or state-chartered school shall make any expenditure or incur any obligation for the expenditure of public funds unless that expenditure or obligation is made in accordance with an operating budget approved by the department. This prohibition does not prohibit the transfer of funds pursuant to the department’s rules and procedures.

Condition: During our review of budgets and related expenditures, we noted that the District had expenditures in excess of budget in the following fund:

Fund #	Fund and Function	Amount
24132	IDEA-B Results Plan - Support Services	\$ 225

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 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2019

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

NM 2019-004 – Budgetary Controls and Cash Appropriations (Other Non-Compliance) (Continued)

The District re-budgeted “cash balance” in excess of available cash balances in the following fund:

Fund #	Non-major Funds:	Original Cash Budget	Actual Cash	Difference
31100	Bond Building Capital Projects	\$ 14,447	\$ 14,386	\$ (61)

Cause: The District just missed during their normal review procedures this one fund and function. There was only one expenditure for the 24132 Fund not in the student instruction function and no budget had been placed in any other function. Additionally, the small difference between budget and actual in the 31100 Fund was missed when other budgets were modified.

Effect: The District has expended funds in excess of its budget authority and one fund had \$61 budgeted for which it didn’t have sufficient resources though the funds were not expended.

Auditor’s Recommendation: Greater attention should be given to the budget monitoring process at the end-of-the-year. Adjustments should be made to budget balances in any function where there may be expenditures in excess of budget. Additionally, once the audit is completed all cash balances should be adjusted down if too much cash was originally estimated and budgeted in the particular fund.

Responsible Official’s Plan:

- Specific corrective action plan for finding:
Cash balance will be adjusted upon completion of audit and budgets will be timely reviewed.

- Timeline for completion of corrective action plan:
Once audit is complete and approved and throughout the new year for budgetary reviews.

- Employee position(s) responsible for meeting the timeline:
Director of Finance

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

Schedule XI

Section V – Prior Year Audit Findings

Financial Statement Findings

FS 2018-001 – Improper Cash Controls – Repeated and Revised

Federal Awards Findings

None Identified

Section 12-6-5 NMSA 1978 Findings

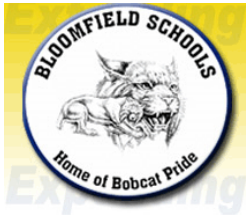
NM 2017-002 – Purchase Orders and Payment Authorization – Resolved

NM 2018-001 – Improper Reimbursement of Travel Expense – Repeated and Revised

NM 2018-002 – Late Payment of Retiree Health Care Contributions – Resolved

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UNAUDITED SUPPLEMENTAL INFORMATION



Bloomfield Schools

Dr. Kimberly Mizell, Superintendent

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) Repeated and Revised

Federal Awards Findings

None

New Mexico Findings

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

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

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

NM 2018-003 –

2019 Audit

Financial Statement Findings

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

- Specific corrective action plan for finding: At the recommendation of our auditor, the District has opened new banking accounts. This should clear up the issues related to the financial conversion. All bank reconciliations will be reviewed and approved by the Director of Finance
- Timeline for completion of corrective action plan: Immediately
- Employee position(s) responsible for meeting the timeline: Director of Finance and Business Manager

Federal Awards Findings

None

New Mexico Findings

NM 2018-001 - Improper Reimbursement of Travel Expense (Other Non-compliance) Repeated and Revised

- Specific corrective action plan for finding: The business office will ensure all employees are reimbursed correctly to include partial day payment.
- Timeline for completion of corrective action plan: Immediately
- Employee position(s) responsible for meeting the timeline: Business Manager

NM 2019-001 – Timeliness of Deposits – Activity Accounts (Other Non-compliance)

- Specific corrective action plan for finding: The district has received an alternative plan for small deposits from PED. If the amount is less than \$500 the monies can be held in the vault for no more than three days or until the minimum has reached \$500 and the money will be deposited.
- Timeline for completion of corrective action plan: September 18, 2019
- Employee position(s) responsible for meeting the timeline: Director of Finance

NM 2019-002 – Improper Withholding of Employee Contributions (Other Non-compliance)

- Specific corrective action plan for finding: An audit on all personnel files has been completed to ensure calculations are correct and withholding are proper.
- Timeline for completion of corrective action plan: Immediately
- Employee position(s) responsible for meeting the timeline: Director of Human Resources

NM 2019-003 – I-9 Documentation (Other Non-compliance)

- Specific corrective action plan for finding: An audit has been completed on all personnel files to ensure acceptable documentation has been provided.
- Timeline for completion of corrective action plan: Immediately
- Employee position(s) responsible for meeting the timeline: Director of Human Resources

NM 2019-004 – Budgetary Controls (Other Non-compliance)

- Specific corrective action plan for finding: Cash Balance will be adjusted upon completion of audit
- Timeline for completion of corrective action plan: Once audit is complete and approved
- Employee position(s) responsible for meeting the timeline: Director of Finance

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO.6
OTHER DISCLOSURES
FOR THE YEAR ENDED JUNE 30, 2019

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 25, 2019. The following individuals were in attendance.

Bloomfield Municipal School District No. 6

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 Babcock, Business Manager

Manning Accounting and Consulting Services, LLC

Byron R. Manning, CPA, Managing Partner
Chris Manning, Staff Accountant