



SJT GROUP LLC
CERTIFIED PUBLIC ACCOUNTANTS



State of New Mexico City of Bloomfield

Financial Statements,
Supplementary Information,
and
Independent Auditor's Reports,

June 30, 2021

State of New Mexico City of Bloomfield

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State of New Mexico

City of Bloomfield

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State of New Mexico City of Bloomfield

Official Roster

Mayor and Council Members

Name	Title
Cynthia Atencio	Mayor
George Walter	Councilor
Tony Herrera	Councilor
Sue Finch	Councilor
Ken Hare	Councilor

Administrative Officials

Name	Title
George Duncan	City Manager
Crystal Hornberger	City Clerk
Kimberly Simpson	Finance Director



Independent Auditor's Report

Mr. Brian S. Colón, Esq., New Mexico State Auditor
and the City Council
City of Bloomfield, New Mexico

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparison for the general fund of the City of Bloomfield (the "City"), as of and for the year ended June 30, 2021, and the related notes to the financial statements which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinions

Management has not performed a physical inventory of its capital assets, nor has the City reconciled the information from its asset module to the general ledger of the accounting system. Accounting principles generally accepted in the United States of America require that capital assets be adequately supported to conclude that capital asset balances are materially correct. The amount by which this departure would affect the assets, net position, and expenses of the governmental activities, business-type activities, and each major enterprise fund has not been determined.

Qualified Opinions

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinions” paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, business-type activities, and each major enterprise fund of the City as of June 30, 2021, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major governmental fund and the aggregate remaining fund information of the City as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows and the budgetary comparison of the general 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 require 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 that the Schedule of the City’s Proportionate Share of the Net Pension Liability and Schedule of the City’s Contributions on pages 51-53 and the Schedule of the City’s Proportionate Share of the Net OPEB Liability and Schedule of the City’s Contributions on page 54 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other schedules required by 2.2.2 NMAC, listed as "other supplementary information" in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis 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 is also not a required part of the basic financial statements.

The other schedules required by 2.2.2 NMAC and the schedule of expenditures of federal awards 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 other schedules required by 2.2.2 NMAC and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 City's internal control over financial reporting and compliance.

SJT Group LLC

Albuquerque, New Mexico
December 14, 2021

Basic Financial Statements

Government-Wide Financial Statements

State of New Mexico
City of Bloomfield
Statement of Net Position
June 30, 2021

	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets			
Cash and cash equivalents - unrestricted	\$ 4,943,727	\$ 459,303	\$ 5,403,030
Accounts receivable, net	1,084,223	434,427	1,518,650
Internal balances	(35,497)	35,497	-
Inventory	-	176,549	176,549
Total current assets	<u>5,992,453</u>	<u>1,105,776</u>	<u>7,098,229</u>
Noncurrent assets			
Cash and cash equivalents - restricted	1,060,683	386,883	1,447,566
Capital assets, net	<u>27,840,601</u>	<u>16,103,433</u>	<u>43,944,034</u>
Total noncurrent assets	<u>28,901,284</u>	<u>16,490,316</u>	<u>45,391,600</u>
Total assets	<u>34,893,737</u>	<u>17,596,092</u>	<u>52,489,829</u>
Deferred Outflows of Resources			
Deferred amounts on refunding of debt	328,028	-	328,028
Deferred amounts related to pensions	2,188,913	610,765	2,799,678
Deferred amounts related to other post-employment benefits (OPEB)	<u>535,669</u>	<u>192,896</u>	<u>728,565</u>
Total deferred outflows of resources	<u>\$ 3,052,610</u>	<u>\$ 803,661</u>	<u>\$ 3,856,271</u>

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

State of New Mexico
City of Bloomfield
Statement of Net Position – continued
June 30, 2021

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current liabilities			
Accounts payable	\$ 7,830	\$ 933,939	\$ 941,769
Accrued payroll liabilities	238,822	-	238,822
Other accrued liabilities	227,726	193,580	421,306
Compensated absences, current portion	163,937	58,873	222,810
Notes payable, current portion	780,908	508,833	1,289,741
Total current liabilities	<u>1,419,223</u>	<u>1,695,225</u>	<u>3,114,448</u>
Noncurrent liabilities			
Compensated absences, net of current portion	163,936	58,872	222,808
Notes payable, net of current portion	8,317,455	7,201,926	15,519,381
Net pension liability	6,902,715	2,126,751	9,029,466
Net post-employment benefit liability	2,389,493	860,462	3,249,955
Total noncurrent liabilities	<u>17,773,599</u>	<u>10,248,011</u>	<u>28,021,610</u>
Total liabilities	<u>19,192,822</u>	<u>11,943,236</u>	<u>31,136,058</u>
Deferred Inflows of Resources			
Deferred amounts related to pensions	787,247	110,890	898,137
Deferred amounts related to other post-employment benefits (OPEB)	1,610,030	579,775	2,189,805
Total deferred inflows of resources	<u>2,397,277</u>	<u>690,665</u>	<u>3,087,942</u>
Net Position			
Net investment in capital assets	18,742,238	8,392,674	27,134,912
Restricted for:			
Subsequent year's expenditures	611,126	-	611,126
Special revenue	254,545	-	254,545
Capital projects	441,784	-	441,784
Debt service	1,063,761	386,883	1,450,644
Unrestricted (deficit)	<u>(4,757,206)</u>	<u>(3,013,705)</u>	<u>(7,770,911)</u>
Total net position	<u>\$ 16,356,248</u>	<u>\$ 5,765,852</u>	<u>\$ 22,122,100</u>

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

State of New Mexico
City of Bloomfield
Statement of Activities
For the Year Ended June 30, 2021

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ (685,263)	\$ 190,236	\$ 743,619	\$ -	\$ 248,592	\$ -	\$ 248,592
Public safety	(3,034,506)	-	515,673	1,679,207	(839,626)	-	(839,626)
Public works	(1,022,718)	-	-	-	(1,022,718)	-	(1,022,718)
Culture and recreation	(778,186)	1,181	14,101	-	(762,904)	-	(762,904)
Health and welfare	(378,368)	9,333	240,497	28,185	(100,353)	-	(100,353)
Interest	(407,786)	-	-	-	(407,786)	-	(407,786)
Total governmental activities	<u>(6,306,827)</u>	<u>200,750</u>	<u>1,513,890</u>	<u>1,707,392</u>	<u>(2,884,795)</u>	<u>-</u>	<u>(2,884,795)</u>
Business-type activities:							
Joint Utility Fund	(10,370,845)	3,549,314	-	218,592	-	(6,602,939)	(6,602,939)
Solid Waste Fund	(719,255)	697,732	-	-	-	(21,523)	(21,523)
Interest	(130,186)	-	-	-	-	(130,186)	(130,186)
Total business-type activities	<u>(11,220,286)</u>	<u>4,247,046</u>	<u>-</u>	<u>218,592</u>	<u>-</u>	<u>(6,754,648)</u>	<u>(6,754,648)</u>
Total primary government	<u><u>\$(17,527,113)</u></u>	<u><u>\$ 4,447,796</u></u>	<u><u>\$ 1,513,890</u></u>	<u><u>\$ 1,925,984</u></u>	<u><u>(2,884,795)</u></u>	<u><u>(6,754,648)</u></u>	<u><u>(9,639,443)</u></u>
General revenues:							
Property taxes					874,653	-	874,653
Gross receipts taxes					4,768,245	-	4,768,245
Gasoline and motor vehicle taxes					333,802	-	333,802
Other taxes					402,435	-	402,435
Licenses and permits					145,354	-	145,354
Investment income					11,710	10,707	22,417
Other					66,667	17,927	84,594
Transfers in (out)					(39,707)	39,707	-
Total general revenues					<u>6,563,159</u>	<u>68,341</u>	<u>6,631,500</u>
Change in net position					<u>3,678,364</u>	<u>(6,686,307)</u>	<u>(3,007,943)</u>
Net position, beginning of year					13,577,843	11,552,200	25,130,043
Restatements, see Note 12					(899,959)	899,959	-
Net position, beginning of year, as restated					<u>12,677,884</u>	<u>12,452,159</u>	<u>25,130,043</u>
Net position, end of year					<u><u>\$ 16,356,248</u></u>	<u><u>\$ 5,765,852</u></u>	<u><u>\$ 22,122,100</u></u>

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

Governmental Funds Financial Statements

State of New Mexico
City of Bloomfield
Balance Sheet – Governmental Funds
June 30, 2021

	General Fund	055 Municipal Street Fund	032 Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 4,187,059	\$ 376,626	\$ 2,976	\$ 377,066	\$ 4,943,727
Restricted cash and cash equivalents	-	-	1,060,683	-	1,060,683
Accounts receivable, net	997,695	52,553	3,527	30,448	1,084,223
Due from other funds	237,290	-	-	27,781	265,071
Total assets	<u>\$ 5,422,044</u>	<u>\$ 429,179</u>	<u>\$ 1,067,186</u>	<u>\$ 435,295</u>	<u>\$ 7,353,704</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities					
Accounts payable	\$ 7,830	\$ -	\$ -	\$ -	\$ 7,830
Accrued payroll liabilities	238,822	-	-	-	238,822
Other accrued liabilities	227,726	-	-	-	227,726
Due to other funds	142,173	8,131	-	150,264	300,568
Total liabilities	<u>616,551</u>	<u>8,131</u>	<u>-</u>	<u>150,264</u>	<u>774,946</u>
Deferred inflows of resources					
Unavailable revenue - property taxes	50,515	-	3,425	-	53,940
Fund balances					
Restricted	611,126	421,048	1,063,761	275,281	2,371,216
Committed	-	-	-	46,762	46,762
Unassigned (deficit)	4,143,852	-	-	(37,012)	4,106,840
Total fund balances	<u>4,754,978</u>	<u>421,048</u>	<u>1,063,761</u>	<u>285,031</u>	<u>6,524,818</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 5,422,044</u>	<u>\$ 429,179</u>	<u>\$ 1,067,186</u>	<u>\$ 435,295</u>	<u>\$ 7,353,704</u>

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

State of New Mexico
City of Bloomfield
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2021

Total fund balance - governmental funds		\$ 6,524,818
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Capital assets	44,127,556	
Less accumulated depreciation	<u>(16,286,955)</u>	27,840,601
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Notes payable	(9,098,363)	
Compensated absences	<u>(327,873)</u>	(9,426,236)
Loan proceeds paid to refunded bond escrow agent reported as an other financing use in the funds are netted against the refunded bonds, with the difference being reported as a deferred outflow of resources in the statement of net position and amortized over the remaining life of the refunded bonds.		
		328,028
Items related to the defined benefit pension plan and other post-employment benefits are not financial resources and, therefore, are not reported in the funds.		
Deferred outflows of resources - pension	2,188,913	
Deferred outflows of resources - other post-employment benefits	535,669	
Deferred inflows of resources - pension	(787,247)	
Deferred inflows of resources - other post-employment benefits	(1,610,030)	
Net pension liability	(6,902,715)	
Net post-employment benefit liability	<u>(2,389,493)</u>	(8,964,903)
Delinquent property taxes not collected within sixty days after year-end are not considered "available" and are considered unavailable revenue in the governmental fund financial statements, but are considered revenue in the government-wide financial statements.		
		<u>53,940</u>
Net position - governmental activities		<u><u>\$ 16,356,248</u></u>

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

State of New Mexico
City of Bloomfield
Statement of Revenues, Expenditures, and
Changes in Fund Balance – Governmental Funds
For the Year Ended June 30, 2021

	General Fund	055 Municipal Street Fund	032 Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	\$ 881,510	\$ -	\$ 4,917	\$ -	\$ 886,427
Gross receipts taxes	4,387,666	-	-	380,579	4,768,245
Gasoline and motor vehicle taxes	-	333,802	-	-	333,802
Other taxes	351,889	-	-	50,546	402,435
Federal grants	96,106	-	-	437,948	534,054
State grants	2,106,197	-	-	581,031	2,687,228
Licenses and permits	137,253	-	-	8,101	145,354
Charges for services	200,750	-	-	-	200,750
Investment income	39	-	11,671	-	11,710
Other	16,473	24,371	-	25,823	66,667
Total revenues	<u>8,177,883</u>	<u>358,173</u>	<u>16,588</u>	<u>1,484,028</u>	<u>10,036,672</u>
Expenditures					
Current					
General government	1,766,455	-	57	470,327	2,236,839
Public safety	3,160,820	-	-	654,538	3,815,358
Public works	-	1,022,718	-	-	1,022,718
Culture and recreation	640,586	-	-	137,600	778,186
Health and welfare	378,368	-	-	-	378,368
Debt service					
Principal	-	17,648	898,921	-	916,569
Interest	-	159	271,224	-	271,383
Total expenditures	<u>5,946,229</u>	<u>1,040,525</u>	<u>1,170,202</u>	<u>1,262,465</u>	<u>9,419,421</u>
Excess (deficiency) of revenues over expenditures	<u>2,231,654</u>	<u>(682,352)</u>	<u>(1,153,614)</u>	<u>221,563</u>	<u>617,251</u>
Other Financing Sources (Uses)					
Transfers in	-	390,000	1,032,242	74,143	1,496,385
Transfers out	(986,603)	-	-	(549,489)	(1,536,092)
Total other financing sources (uses)	<u>(986,603)</u>	<u>390,000</u>	<u>1,032,242</u>	<u>(475,346)</u>	<u>(39,707)</u>
Net change in fund balances	1,245,051	(292,352)	(121,372)	(253,783)	577,544
Fund balance, beginning of year	<u>3,509,927</u>	<u>713,400</u>	<u>1,185,133</u>	<u>538,814</u>	<u>5,947,274</u>
Fund balance, end of year	<u>\$ 4,754,978</u>	<u>\$ 421,048</u>	<u>\$ 1,063,761</u>	<u>\$ 285,031</u>	<u>\$ 6,524,818</u>

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

State of New Mexico
City of Bloomfield
Reconciliation of the Governmental Funds Statement
of Revenues, Expenditures, and Changes in
Fund Balance to the Statement of Activities
For the Year Ended June 30, 2021

Net change in fund balances - governmental funds \$ 577,544

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

Compensated absences reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Net change in compensated absences 28,138

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Payments on judgments	233,334	
Amortization of deferred amount on refunding of debt	(164,014)	
Change in accrued interest payable	27,611	
Principal payments on long-term debt	916,569	1,013,500

The changes in the City's pension and other post-employment benefit liabilities and deferred outflows and inflows of resources, which are reported as expenses in the statement of activities, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Changes in deferred outflows of resources - pension	1,052,299	
Changes in deferred outflows of resources - other post-employment benefits	480,276	
Changes in deferred inflows of resources - pension	1,060,853	
Changes in deferred inflows of resources - other post-employment benefits	479,533	
Changes in net pension liability	(501,880)	
Changes in net post-employment benefit liability	(500,125)	2,070,956

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

Change in deferred inflows related to delinquent property taxes. (11,774)

Change in net position - governmental activities **\$ 3,678,364**

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

State of New Mexico
City of Bloomfield
Statement of Revenues and Expenditures – Budget and Actual
(Budgetary Basis) – General Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 857,637	\$ 857,637	\$ 866,928	\$ 9,291
Gross receipts taxes	5,281,702	5,281,702	4,441,759	(839,943)
Other taxes	348,500	348,500	364,340	15,840
Federal grants	41,806	41,806	879	(40,927)
State grants	256,371	256,371	1,926,963	1,670,592
Licenses and permits	87,450	87,450	137,253	49,803
Charges for services	266,000	266,000	200,750	(65,250)
Investment income	50	50	39	(11)
Other	<u>53,200</u>	<u>53,200</u>	<u>16,473</u>	<u>(36,727)</u>
Total revenues	<u>7,192,716</u>	<u>7,192,716</u>	<u>7,955,384</u>	<u>762,668</u>
Expenses				
Current				
General government	1,929,018	2,327,123	1,931,458	395,665
Public safety	3,483,004	3,483,004	3,272,726	210,278
Culture and recreation	640,315	640,315	640,586	(271)
Health and welfare	<u>353,970</u>	<u>353,970</u>	<u>378,368</u>	<u>(24,398)</u>
Total expenses	<u>6,406,307</u>	<u>6,804,412</u>	<u>6,223,138</u>	<u>581,274</u>
Excess (deficiency) of revenues over expenditures	<u>786,409</u>	<u>388,304</u>	<u>1,732,246</u>	<u>181,394</u>
Other Financing Sources (Uses)				
Transfers in	2,000	2,000	-	2,000
Transfers out	<u>(994,844)</u>	<u>(994,844)</u>	<u>(986,603)</u>	<u>(8,241)</u>
Total other financing sources (uses)	<u>(992,844)</u>	<u>(992,844)</u>	<u>(986,603)</u>	<u>(6,241)</u>
Net change in fund balance	(206,435)	(604,540)	<u>\$ 745,643</u>	<u>\$ 175,153</u>
Budgeted cash carry forward	<u>3,240,974</u>	<u>3,274,149</u>		
Total	<u>\$ 3,034,539</u>	<u>\$ 2,669,609</u>		
Reconciliation to GAAP basis:				
Net change in fund balance (Budgetary basis)			\$ 745,643	
To adjust applicable revenue accruals and deferrals			222,499	
To adjust applicable expenditure accruals			<u>276,909</u>	
Net change in fund balance (GAAP basis)			<u>\$ 1,245,051</u>	

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

Proprietary Funds Financial Statements

State of New Mexico
City of Bloomfield
Statement of Net Position – Enterprise Funds
June 30, 2021

	Joint Utility Fund	Solid Waste Fund	Total Enterprise Funds
Assets			
Current assets			
Cash and cash equivalents - unrestricted	\$ 73,084	\$ 386,219	\$ 459,303
Accounts receivable, net	373,562	60,865	434,427
Inventory	176,549	-	176,549
Due from other funds	94,746	-	94,746
Total current assets	<u>717,941</u>	<u>447,084</u>	<u>1,165,025</u>
Noncurrent assets			
Cash and cash equivalents - restricted	365,750	21,133	386,883
Capital assets, net	<u>15,735,351</u>	<u>368,082</u>	<u>16,103,433</u>
Total noncurrent assets	<u>16,101,101</u>	<u>389,215</u>	<u>16,490,316</u>
Total assets	<u>16,819,042</u>	<u>836,299</u>	<u>17,655,341</u>
Deferred Outflows of Resources			
Deferred amounts related to pensions	610,765	-	610,765
Deferred amounts related to other post-employment benefits	<u>192,896</u>	<u>-</u>	<u>192,896</u>
Total deferred outflows of resources	<u>803,661</u>	<u>-</u>	<u>803,661</u>

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

State of New Mexico
City of Bloomfield
Statement of Net Position – Enterprise Funds – continued
June 30, 2021

	Joint Utility Fund	Solid Waste Fund	Total Enterprise Funds
Liabilities			
Current liabilities			
Accounts payable	\$ 900,441	\$ 33,498	\$ 933,939
Other accrued liabilities	193,060	520	193,580
Due to other funds	59,249	-	59,249
Compensated absences, current portion	58,873	-	58,873
Note payable, current portion	495,174	13,659	508,833
Total current liabilities	<u>1,706,797</u>	<u>47,677</u>	<u>1,754,474</u>
Noncurrent liabilities			
Compensated absences, net of current portion	58,872	-	58,872
Note payable, net of current portion	7,157,225	44,701	7,201,926
Net pension liability	2,126,751	-	2,126,751
Net post-employment benefit liability	860,462	-	860,462
Total noncurrent liabilities	<u>10,203,310</u>	<u>44,701</u>	<u>10,248,011</u>
Total liabilities	<u>11,910,107</u>	<u>92,378</u>	<u>12,002,485</u>
Deferred Inflows of Resources			
Deferred amounts related to pensions	110,890	-	110,890
Deferred amounts related to other post-employment benefits	579,775	-	579,775
Total deferred inflows of resources	<u>690,665</u>	<u>-</u>	<u>690,665</u>
Net Position			
Net investment in capital assets	8,082,952	309,722	8,392,674
Restricted for debt service	365,750	21,133	386,883
Unrestricted (deficit)	(3,426,771)	413,066	(3,013,705)
Total net position	<u>\$ 5,021,931</u>	<u>\$ 743,921</u>	<u>\$ 5,765,852</u>

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

State of New Mexico
City of Bloomfield
Statement of Revenues, Expenses, and Changes in Net Position – Enterprise Funds
For the Year Ended June 30, 2021

	Joint Utility Fund	Solid Waste Fund	Total Enterprise Funds
Operating Revenues			
Charges for services	\$ 3,549,314	\$ 697,732	\$ 4,247,046
Total operating revenues	<u>3,549,314</u>	<u>697,732</u>	<u>4,247,046</u>
Operating Expenses			
Salaries, benefits and payroll taxes	1,894,510	-	1,894,510
Contractual services	561,959	719,255	1,281,214
Supplies and purchased power	482,822	-	482,822
Maintenance and materials	7,254,461	-	7,254,461
Utilities	23,624	-	23,624
Equipment	2,046	-	2,046
Miscellaneous	151,423	-	151,423
Total operating expenses	<u>10,370,845</u>	<u>719,255</u>	<u>11,090,100</u>
Operating loss	<u>(6,821,531)</u>	<u>(21,523)</u>	<u>(6,843,054)</u>
Nonoperating Revenues (Expenses)			
Federal grants	15,098	-	15,098
State grants	203,494	-	203,494
Investment income	6,448	4,259	10,707
Other income	17,927	-	17,927
Interest expense	(130,186)	-	(130,186)
Total nonoperating revenues, net	<u>112,781</u>	<u>4,259</u>	<u>117,040</u>
Loss before transfers	<u>(6,708,750)</u>	<u>(17,264)</u>	<u>(6,726,014)</u>
Transfers			
Transfers in	688,993	-	688,993
Transfers out	(642,065)	(7,221)	(649,286)
Total transfers	<u>46,928</u>	<u>(7,221)</u>	<u>39,707</u>
Change in net position	<u>(6,661,822)</u>	<u>(24,485)</u>	<u>(6,686,307)</u>
Net position, beginning of year	10,783,794	768,406	11,552,200
Restatements, see Note 12	899,959	-	899,959
Net position, beginning of year, as restated	<u>11,683,753</u>	<u>768,406</u>	<u>12,452,159</u>
Net position, end of year	<u><u>\$ 5,021,931</u></u>	<u><u>\$ 743,921</u></u>	<u><u>\$ 5,765,852</u></u>

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

State of New Mexico
City of Bloomfield
Statement of Cash Flows – Enterprise Funds
For the Year Ended June 30, 2021

	Joint Utility Fund	Solid Waste Fund	Total Enterprise Funds
Cash flows from operating activities			
Cash received from customers	\$ 3,890,251	\$ 735,255	\$ 4,625,506
Cash paid to employees	(1,511,077)	-	(1,511,077)
Cash paid to suppliers for goods and services	<u>(7,798,000)</u>	<u>(738,242)</u>	<u>(8,536,242)</u>
Net cash used by operating activities	<u>(5,418,826)</u>	<u>(2,987)</u>	<u>(5,421,813)</u>
Cash flows from noncapital financing activities			
Net transfers received (paid)	17,927	(7,221)	10,706
Other cash received	<u>46,928</u>	<u>-</u>	<u>46,928</u>
Net cash provided (used) by noncapital financing activities	<u>64,855</u>	<u>(7,221)</u>	<u>57,634</u>
Cash flows from capital and related financing activities			
Grants received	218,592	-	218,592
Proceeds from the issuance of long-term debt	4,500,660	-	4,500,660
Principal payments on long-term debt	(465,508)	(13,092)	(478,600)
Interest payments on long-term debt	<u>(130,186)</u>	<u>-</u>	<u>(130,186)</u>
Net cash provided (used) by capital and related financing activities	<u>4,123,558</u>	<u>(13,092)</u>	<u>4,110,466</u>
Cash flows from investing activities			
Interest income received	<u>6,448</u>	<u>4,259</u>	<u>10,707</u>
Net cash provided by investing activities	<u>6,448</u>	<u>4,259</u>	<u>10,707</u>
Net change in cash and cash equivalents	(1,223,965)	(19,041)	(1,243,006)
Cash and cash equivalents, beginning of year	<u>1,662,799</u>	<u>426,393</u>	<u>2,089,192</u>
Cash and cash equivalents, end of year	<u>\$ 438,834</u>	<u>\$ 407,352</u>	<u>\$ 846,186</u>
Financial statement presentation			
Cash and cash equivalents - unrestricted	\$ 73,084	\$ 386,219	\$ 459,303
Cash and cash equivalents - restricted	<u>365,750</u>	<u>21,133</u>	<u>386,883</u>
	<u>\$ 438,834</u>	<u>\$ 407,352</u>	<u>\$ 846,186</u>

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

State of New Mexico
City of Bloomfield
Statement of Cash Flows – Enterprise Funds – continued
For the Year Ended June 30, 2021

	Joint Utility Fund	Solid Waste Fund	Total Enterprise Funds
	<u> </u>	<u> </u>	<u> </u>
Reconciliation of operating loss to net cash used by operating activities			
Operating loss	\$ (6,821,531)	\$ (21,523)	\$ (6,843,054)
Adjustments to reconcile operating loss to net cash used by operating activities			
Changes in assets and liabilities:			
Accounts receivable, net	283,488	37,523	321,011
Inventory	3,396	-	3,396
Due from other funds	(89,524)	-	(89,524)
Accounts payable	732,236	(18,987)	713,249
Payroll related liabilities	(57,223)	-	(57,223)
Other accrued liabilities	32,227	-	32,227
Due to other funds	57,449	-	57,449
Compensated absences	(6,989)	-	(6,989)
Net pension liability and related deferred amounts	555,654	-	555,654
Post-employment benefit liability and related deferred amounts	(108,009)	-	(108,009)
Total adjustments	<u>1,402,705</u>	<u>18,536</u>	<u>1,421,241</u>
Net cash used by operating activities	<u>\$ (5,418,826)</u>	<u>\$ (2,987)</u>	<u>\$ (5,421,813)</u>

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

Fiduciary Fund Financial Statements

State of New Mexico
City of Bloomfield
Statement of Fiduciary Net Position – Custodial Fund
June 30, 2021

Assets

Cash	\$ 77
Total assets	<u>77</u>

Fiduciary Net Position

Restricted for motor vehicle department	<u>\$ 77</u>
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The accompanying notes are an integral part of these financial statements.

State of New Mexico
City of Bloomfield
Statement of Changes in Fiduciary Net Position – Custodial Funds
For the Year Ended June 30, 2021

Deductions

Bank fees	\$ 64
Total deductions	<u>64</u>
Change in fiduciary net position	(64)
Fiduciary net position, beginning of year	<u>141</u>
Fiduciary net position, end of year	<u><u>\$ 77</u></u>

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

State of New Mexico
City of Bloomfield
Notes to the Financial Statements
June 30, 2021

1) History and Organization

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

Financial Reporting Entity

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

In evaluating how to define the City, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statement No. 39, GASB Statement No. 61 and GASB Statement No. 80. Blended component units, although legally separate entities, are in substance part of the government’s operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic—but not the only—criterion for including a potential component unit within the reporting entity is the governing body’s ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters.

A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

State of New Mexico
City of Bloomfield
Notes to the Financial Statements
June 30, 2021

1) History and Organization – continued

Based upon the application of these criteria, the City has no component units, and is not a component unit of another governmental agency.

2) **Summary of Significant Accounting Principles**

Accounting Standards

The accompanying financial statements have been prepared in accordance with the accounting principles generally accepted in the United States of America (GAAP) applicable to governmental units. The GASB is the standard-setting body for governmental accounting and financial reporting. GASB standards and interpretations constitute GAAP for governments.

Basis of Presentation

Government-Wide Financial Statements. The government-wide financial statements include a statement of net position and a statement of activities and are reported using the economic resources measurement focus and the accrual basis of accounting. These statements present information about the City as a whole. These statements include the financial activities of the overall entity, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. *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 presents a comparison between direct expenses and program revenues for each function of the City's governmental and business-type activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. Indirect expenses are allocated to program/functions that they benefit.

Fund Financial Statements. The fund financial statements provide information about the City's funds. Separate statements for each fund category: governmental, proprietary and fiduciary are displayed, as applicable. The emphasis of fund financial statements is on major funds, each displayed in a separate column. All remaining funds are aggregated and reported as nonmajor funds.

State of New Mexico
City of Bloomfield
Notes to the Financial Statements
June 30, 2021

2) Summary of Significant Accounting Principles – continued

Governmental funds are those through which most of the governmental functions of the City are financed. The measurement focus is based upon determination of changes in financial position rather than upon net income determination. Accordingly, the City reports the following major governmental funds:

- ◆ *General Fund*—is made up of multiple component funds, including the City’s general fund (001), its primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The general fund will always be considered a major fund in the basic financial statements. Budget amounts in the budgetary comparison schedule represent the budget and revisions as approved by the City Council for the general fund (001) only.
- ◆ *Municipal Street Fund (055/062)*—This capital project fund accounts for project costs of paving certain streets funded by the City and a cooperation agreement with the New Mexico State Highway Department.
- ◆ *Debt Service Fund (032)*—This fund accounts for the principal and interest expenditures on the City’s bonds and loans.

Proprietary funds are used to account for the City’s ongoing business-type activities, which are similar to those often found in the private sector and where cost recovery and the determination of net income is useful or necessary for sound fiscal management. The measurement focus is based upon determination of net income, changes in net position, financial position and cash flows. Accordingly, the City reports the following major proprietary (enterprise) funds:

- ◆ *Joint Utility Fund*—This enterprise fund is used to account for fees generated from charges for the operations of the water and wastewater system.
- ◆ *Solid Waste Fund*—This enterprise fund is used to account for fees generated from charges for trash collection.

Fiduciary funds are used to account for assets held by the City in a trustee capacity as an agent for individuals, private organizations, other governmental units and other funds. The reporting focus is on net position and changes in net position and employs accounting principles similar to proprietary funds. Fiduciary funds are not included in the government-wide financial statements since they are not assets of the City available to support programs or obligations.

The City’s only fiduciary fund is a custodial fund for the collection and payment of motor vehicle fees.

State of New Mexico
City of Bloomfield
Notes to the Financial Statements
June 30, 2021

2) Summary of Significant Accounting Principles – continued

Measurement Focus and Basis of Accounting

Government-Wide Financial Statements. The statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange include grants, entitlements and donations. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which eligibility requirements have been satisfied.

Fund Financial Statements. Governmental funds are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers revenues to be available if they are collected within 60 days after year-end. Grant revenue (for expenditure driven grants) of the governmental funds is generally recognized as revenue when earned as long as the payment is expected to be received within twelve months at year-end.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Property taxes, franchise taxes, other taxes, licenses and permits, 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, subject to the availability criterion. 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, subject to the availability criterion. All other revenue items are considered to be measurable and available only when cash is received by the City.

State of New Mexico
City of Bloomfield
Notes to the Financial Statements
June 30, 2021

2) Summary of Significant Accounting Principles – continued

Expenditures are recorded when the related fund liability is incurred. However, principal and interest on general long-term liabilities and claims and judgments are recorded as fund liabilities and expenditures when they are due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from long-term liabilities and acquisitions under capital leases are reported as other financing sources.

Proprietary funds and fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting, whereby revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recognized when incurred. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations. Operating expenses for proprietary funds include contractual services and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating items

Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. For purposes of the statement of cash flows, cash and cash equivalents represent restricted and unrestricted cash and cash equivalents. State statutes authorize the City to invest in certificates of deposit, obligations of the U.S. Government, and the State Treasurer's Investment Pool.

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents include bond and loan debt service accounts held by the New Mexico Finance Authority (NMFA) for the repayment of bonds or for use on capital projects, as well as a restricted meter deposit account.

Accounts Receivable

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

In the government-wide and governmental fund financial statements, delinquent property taxes are recorded when levied. Property taxes are levied on November 1 based on the assessed value of property as listed on the previous January 1 and are due in two payments by November 10th and April 10th. Property taxes uncollected after November 10th and April 10th are considered delinquent and the City may assess penalties and interest. The taxes attach as an enforceable lien on property thirty (30) days thereafter, at which time they become delinquent. Property taxes are collected by San Juan County and are remitted monthly to the City.

State of New Mexico
City of Bloomfield
Notes to the Financial Statements
June 30, 2021

2) Summary of Significant Accounting Principles – continued

Inventory

The City accounts for inventory using the consumption method. Under the consumption method, the City reports inventory they purchase as an asset and defers the recognition of the expense until the period in which the inventory is consumed. Inventory is valued at cost using the first-in first-out (FIFO) method and consists of supplies and materials of the joint utility fund. The cost of purchased supplies and materials is recorded as an expense at the time individual inventory items are consumed.

Interfund Activity

During the course of the City’s operations, numerous transactions occur between funds to account for goods received or services rendered, finance operations, cover deficit cash balances, or service debt. The related receivables and payables are classified as “due from other funds” and “due to other funds” on the governmental funds balance sheet and the proprietary funds statement of net position. Any other residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”. All balances are expected to be repaid within a year.

Transactions that constitute reimbursements to a fund for 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 are reported as transfers.

Capital Assets

According to Section 12-6-10 NMSA 1978, capital assets are defined 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. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Depreciation on all capital assets is provided using the straight-line basis over the following estimated useful lives of the assets:

<u>Asset Class</u>	<u>Useful Life</u>
Land improvements	20 years
Buildings and improvements	45 years
Furniture, fixtures and equipment	5-20 years
Infrastructure	40 years
Distribution system	40 years

State of New Mexico
City of Bloomfield
Notes to the Financial Statements
June 30, 2021

2) Summary of Significant Accounting Principles – continued

Compensated Absences

Qualified employees are entitled to accumulate annual leave according to a graduated leave schedule of ten days to twenty days per year, depending on length of service. Employees may accumulate up to 320 hours (forty days) of annual leave and carry that leave forward from calendar year to calendar year. Upon termination, employees will be paid for up to 320 hours (forty days) of accrued annual leave.

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

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

Deferred Outflows/Inflows of Resources

In addition to assets, the government-wide statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a *consumption* of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until that time. Deferred outflows of resources of the City relate to deferred amounts from the refunding of debt, as well as from pension and other post-employment benefits.

In addition to liabilities, the governmental funds balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element represents an *acquisition* of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Revenue must be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period) to be recognized. If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by deferred inflows of resources. The City reports one type of deferred inflows which arises under the modified accrual basis of accounting. Accordingly, the financial statement line item “unavailable revenue – property taxes” is reported only in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. The City has recorded \$53,940 related to property taxes considered “unavailable”.

State of New Mexico
City of Bloomfield
Notes to the Financial Statements
June 30, 2021

2) Summary of Significant Accounting Principles – continued

In addition to assets, the government-wide statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents a *consumption* of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until that time. Deferred outflows of resources of the City relate to deferred amounts from pension and other post-employment benefits.

Pensions

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

Other Post-Employment Benefits (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 (RHCA) and additions to and deductions from RHCA's fiduciary net position have been determined on the same basis as they are reported by RHCA. For this purpose, RHCA recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position and Fund Balance

In the government-wide financial statements, net position is classified into the following categories:

- ◆ *Net investment in capital assets*—Consists of capital assets, net of accumulated depreciation and outstanding principal balances attributable to the acquisition, construction, or improvement of those assets;
- ◆ *Restricted*—When constraints placed on an assets use are either (1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or (2) imposed by law through constitutional provisions or enabling legislation. The basic concept is that restrictions are not unilaterally established by a reporting government itself and cannot be removed without the consent of those imposing the restrictions.

State of New Mexico
City of Bloomfield
Notes to the Financial Statements
June 30, 2021

2) Summary of Significant Accounting Principles – continued

This category of net position is intended to identify resources that were received or earned by the City with an explicit understanding between the City and the resource providers that the funds would be used for a specific purpose;

- ◆ *Unrestricted*—Consists of net position that does not meet the definition of the two preceding categories.

In accordance with GASB Statement No. 54, the City classifies fund balance primarily on the extent to which the City is bound to observe constraints imposed on the use of the resources reported in governmental funds. This statement provides the following classifications:

- ◆ *Nonspendable*—Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.
- ◆ *Restricted*—Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- ◆ *Committed*—Amounts that can only be used for specific purposes due to constraints imposed by formal action of the highest level of authority, the City Council. Those committed amounts cannot be used for any other purpose unless the Council removes or changes the specific use by taking the same type of action (for example, resolution or ordinance) it employed to previously commit those amounts;
- ◆ *Assigned*—Amounts that are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed and should be reported as assigned fund balance. The City Council has not delegated the authority to assign amounts to other persons or entities within the City;
- ◆ *Unassigned*—Residual classification for the general fund. This classification 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. The general fund should be the only fund that reports a positive unassigned fund balance amount.

The City’s policy for maintaining a minimum amount of fund balance for operations is to minimize any sudden and unplanned discontinuity to programs and operations and for unforeseen contingencies. At a minimum, the budget shall ensure that the City holds cash reserves equal to 1/12th of the general fund’s annual expenditures as required by the New Mexico Department of Finance and Administration (NM DFA). This restricted fund balance for the City is \$611,126 at June 30, 2021.

State of New Mexico
City of Bloomfield
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June 30, 2021

2) Summary of Significant Accounting Principles – continued

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

Use of Estimates

The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Tax Abatements

GASB Statement No. 77 requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments that reduce the reporting government's tax revenues. For financial statement reporting purposes, this statement defines a tax abatement as resulting from an agreement between a government and an individual or entity in which the government promises to forego tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. These tax abatements may affect the financial position of the government and its results of operations, including its ability to raise resources in the future.

The City has evaluated the requirements of GASB Statement No. 77 and has concluded that this disclosure requirement does not apply to the City.

Budgetary Data

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

State law prescribes that the City's budget be prepared on the basis of cash receipts and cash expenditures. Therefore, budgetary comparison statements are prepared on a cash basis to compare actual revenues and expenditures with a cash basis budget, as amended. Since the budgetary basis differs significantly from the basis of accounting used to present financial statements in conformity with GAAP, a reconciliation of the budgetary comparison statements to the GAAP basis financial statements is presented at the bottom of each budgetary comparison statement.

State of New Mexico
City of Bloomfield
Notes to the Financial Statements
June 30, 2021

2) Summary of Significant Accounting Principles – continued

New Accounting Standards

During fiscal year 2021, the City implemented the requirements of GASB Statement No. 84, *Fiduciary Activities*. GASB Statement No. 84 had two major objectives – to improve guidance regarding the identification of fiduciary activities and how those activities should be reported. The implementation of this Statement impacted the City’s reporting of its fiduciary fund financial statements. GASB Statement No. 84 requires the removal of agency funds and the addition of custodial funds to fiduciary fund types, and now requires additions to and deductions from custodial funds to be reported on the Statement of Changes in Fiduciary Net Position. As such, the City’s fiduciary fund is now reported as a custodial fund.

GASB has issued several other accounting standards that are not yet effective or implemented by the City. Management has not determined the impact these upcoming pronouncements will have on financial reporting of the City.

3) **Cash and Cash Equivalents**

State statutes authorize the investment of City funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pools, money market accounts, and United States Government obligations. Deposits of funds may be made in interest or noninterest-bearing checking accounts in one or more banks or savings and loan associations. Deposits may be made to the extent that they are insured by an agency of the United States or collateralized as required by statute. The financial institution must provide pledged collateral for at least 50% of the deposit amount in excess of the deposit insurance.

At June 30, 2021, the carrying amount of the City’s cash and cash equivalents was comprised of the following:

Carrying amount of deposits	\$ 5,537,861
Cash on hand	4,388
NMFA reserve funds	1,308,424
Total cash and cash equivalents	\$ 6,850,673
Statement of net position - cash and cash equivalents - unrestricted	\$ 5,403,030
Statement of net position - cash and cash equivalents - restricted	1,447,566
Statement of fiduciary net position - cash and cash equivalents	77
Total cash and cash equivalents	\$ 6,850,673

State of New Mexico
City of Bloomfield
Notes to the Financial Statements
June 30, 2021

3) Cash and Cash Equivalents – continued

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk, other than state statutes as set forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2021, the City’s bank deposits were exposed to custodial credit risk as follows:

	Wells Fargo Bank	Citizen's Bank	Total
Bank balance of deposits	\$ 4,826,182	\$ 909,956	\$ 5,736,138
Less: FDIC insurance coverage	<u>(250,000)</u>	<u>(500,000)</u>	<u>(750,000)</u>
Total uninsured deposits	4,576,182	409,956	4,986,138
Less: Pledged collateral at fair value	<u>(4,401,378)</u>	<u>(1,312,732)</u>	<u>(5,714,110)</u>
Total uninsured/uncollateralized deposits	<u>\$ 174,804</u>	<u>\$ (902,776)</u>	<u>\$ (727,972)</u>
Collateral requirement (50%)	\$ 2,288,091	\$ 204,978	\$ 2,493,069
Pledged collateral	<u>4,401,378</u>	<u>1,312,732</u>	<u>5,714,110</u>
Over (under) collateralized	<u>\$ 2,113,287</u>	<u>\$ 1,107,754</u>	<u>\$ 3,221,041</u>

4) **Accounts Receivable**

Accounts receivable of the City are as follows as of June 30, 2021:

	General Fund	Municipal Street Fund	Debt Service Fund	Nonmajor Governmental Funds	Total
<i>Governmental activities</i>					
Gross receipts tax	\$ 746,084	\$ -	\$ -	\$ 24,872	\$ 770,956
Property tax	71,060	-	3,527	-	74,587
Franchise tax	134,954	-	-	-	134,954
Lodger's tax	-	-	-	5,576	5,576
Motor vehicle tax	3,597	-	-	-	3,597
Fuel tax	-	52,553	-	-	52,553
Other	42,000	-	-	-	42,000
Total accounts receivable, net	<u>\$ 997,695</u>	<u>\$ 52,553</u>	<u>\$ 3,527</u>	<u>\$ 30,448</u>	<u>\$ 1,084,223</u>
	Joint Utility Fund	Solid Waste Fund	Total		
<i>Business-type activities</i>					
Utility fees	\$ 635,573	\$ 106,835	\$ 742,408		
Less: Allowance for doubtful accounts	<u>(262,011)</u>	<u>(45,970)</u>	<u>(307,981)</u>		
Total accounts receivable, net	<u>\$ 373,562</u>	<u>\$ 60,865</u>	<u>\$ 434,427</u>		

State of New Mexico
City of Bloomfield
Notes to the Financial Statements
June 30, 2021

5) Capital Assets

Capital assets activity for the City’s governmental activities for the year ended June 30, 2021 was as follows:

<i>Governmental activities</i>	Beginning Balance	Additions	Deletions	Ending Balance
<i>Capital assets not being depreciated</i>				
Land	\$ 2,256,522	\$ -	\$ -	\$ 2,256,522
Construction in progress	524,696	-	-	524,696
Total capital assets not being depreciated	<u>2,781,218</u>	<u>-</u>	<u>-</u>	<u>2,781,218</u>
<i>Capital assets being depreciated</i>				
Land improvements	2,628,230	-	-	2,628,230
Buildings and improvements	17,911,491	-	-	17,911,491
Furniture, fixtures and equipment	9,912,641	-	-	9,912,641
Infrastructure	10,893,976	-	-	10,893,976
Total capital assets being depreciated	<u>41,346,338</u>	<u>-</u>	<u>-</u>	<u>41,346,338</u>
<i>Less accumulated depreciation</i>				
Land improvements	(871,834)	-	-	(871,834)
Buildings and improvements	(5,813,327)	-	-	(5,813,327)
Furniture, fixtures and equipment	(7,245,978)	-	-	(7,245,978)
Infrastructure	(2,355,816)	-	-	(2,355,816)
Total accumulated depreciation	<u>(16,286,955)</u>	<u>-</u>	<u>-</u>	<u>(16,286,955)</u>
Capital assets being depreciated, net	<u>25,059,383</u>	<u>-</u>	<u>-</u>	<u>25,059,383</u>
Total capital assets, net	<u>\$ 27,840,601</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,840,601</u>

Depreciation expense for the year ended June 30, 2021 was charged to the following functions of the City’s governmental activities:

General government	\$ -
Public safety	-
Public works	-
Culture and recreation	-
Health and welfare	-
	<u>-</u>
	<u>\$ -</u>

The City has not performed a physical inventory of its capital assets, nor has the City reconciled the information from its asset module to the general ledger of the accounting system. Therefore, no capital asset activity is reported for City in fiscal year 2021.

State of New Mexico
City of Bloomfield
Notes to the Financial Statements
June 30, 2021

5) Capital Assets – continued

Capital assets activity for the City’s business-type activities for the year ended June 30, 2021 was as follows:

<i>Business-type activities</i>	Beginning Balance	Additions	Deletions	Ending Balance
<i>Capital assets not being depreciated</i>				
Land	\$ 395,469	\$ -	\$ -	\$ 395,469
Water rights	313,686	-	-	313,686
Construction in progress	618,910	-	-	618,910
Total capital assets not being depreciated	<u>1,328,065</u>	<u>-</u>	<u>-</u>	<u>1,328,065</u>
<i>Capital assets being depreciated</i>				
Land improvements	1,753,859	-	-	1,753,859
Buildings and improvements	10,908,287	-	-	10,908,287
Furniture, fixtures and equipment	625,157	-	-	625,157
Infrastructure	12,413,049	-	-	12,413,049
Total capital assets being depreciated	<u>25,700,352</u>	<u>-</u>	<u>-</u>	<u>25,700,352</u>
<i>Less accumulated depreciation</i>				
Land improvements	(354,335)	-	-	(354,335)
Buildings and improvements	(3,694,589)	-	-	(3,694,589)
Furniture, fixtures and equipment	(374,113)	-	-	(374,113)
Infrastructure	(6,501,947)	-	-	(6,501,947)
Total accumulated depreciation	<u>(10,924,984)</u>	<u>-</u>	<u>-</u>	<u>(10,924,984)</u>
Capital assets being depreciated, net	<u>14,775,368</u>	<u>-</u>	<u>-</u>	<u>14,775,368</u>
Total capital assets, net	<u>\$ 16,103,433</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,103,433</u>

6) Long-Term Debt

Governmental Activities

Long-term debt activity of the City’s governmental activities for the year ended June 30, 2021 was as follows:

<i>Governmental activities</i>	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
2005 General obligation bonds	\$ 135,000	\$ -	\$ (135,000)	\$ -	\$ -
NMFA PPRF 3285 - Landscaping and facility upgrades	7,402,000	-	(498,000)	6,904,000	505,000
NMFA PPRF 2688 - Fire Department	924,966	-	(89,966)	835,000	92,647
NMFA PPRF 2446 - U.S. Highway 64	899,959	-	(66,206)	833,753	68,632
NMFA PPRF 3337 - Fiber optic project	404,245	-	(34,196)	370,049	37,631
NMFA PPRF 4708 - Fire truck	231,114	-	(75,553)	155,561	76,998
Capital lease - Street sweeper	17,648	-	(17,648)	-	-
Judgments	233,334	-	(233,334)	-	-
Compensated absences	356,011	253,906	(282,044)	327,873	163,937
	<u>\$ 10,604,277</u>	<u>\$ 253,906</u>	<u>\$ (1,431,947)</u>	<u>\$ 9,426,236</u>	<u>\$ 944,845</u>

State of New Mexico
City of Bloomfield
Notes to the Financial Statements
June 30, 2021

6) Long-Term Debt – continued

A description of the above governmental activities loans outstanding at June 30, 2021 is shown below:

<i>Description</i>	<i>Date of issue</i>	<i>Due date</i>	<i>Interest rate</i>	<i>amount of issue</i>	<i>Balance at June 30, 2021</i>
2005 General obligation bonds	Jan. 2005	Dec. 2020	2.87% - 4.30%	1,600,000	\$ -
NMFA PPRF 3285 - Landscaping and facility upgrades	July 2015	June 2033	3.25%	7,402,000	6,904,000
NMFA PPRF 2688 - Fire Department	April 2012	Mar. 2030	3.00%	1,580,054	835,000
NMFA PPRF 2446 - U.S. Highway 64	May 2011	April 2021	4.176%	1,426,075	833,753
NMFA PPRF 3337 - Fiber optic project	Sept. 2015	Aug. 2030	3.34%	535,998	370,049
NMFA PPRF 4708 - Fire truck	June 2018	May 2022	2.03%	300,000	155,561
Capital lease - Street sweeper	Jan. 2016	Dec. 2021	3.59%	58,944	-
					<u>\$ 9,098,363</u>

The City entered into loan agreements with NMFA for the Public Project Revolving Fund (PPRF) loans above, wherein the City pledged revenue derived from state share gross receipts taxes (PPRF-3285, PPRF-2688, PPRF-2446, PPRF-3337) and state fire protection funds (PPRF-4708). Debt service payments are made via intercept agreements with NMFA.

Future scheduled payments on the City’s governmental activities loans are as follows:

<i>Years Ending June 30,</i>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 780,908	\$ 281,308	\$ 1,062,216
2023	799,664	261,796	1,061,460
2024	739,726	241,598	981,324
2025	759,849	220,758	980,607
2026	781,480	197,792	979,272
2027-2031	3,966,736	600,905	4,567,641
2032-2033	<u>1,270,000</u>	<u>23,745</u>	<u>1,293,745</u>
Total	<u>\$ 9,098,363</u>	<u>\$ 1,827,902</u>	<u>\$ 10,926,265</u>

On December 5, 2017, the City reached a settlement agreement in the case of Felix, et al. v. City of Bloomfield. The City agreed to pay the sum of \$700,000 for attorneys’ fees and costs to the plaintiff’s attorneys payable in full by close of business on June 30, 2021. The City did pay this judgment in full by June 30, 2021.

Compensated absences are typically paid with general fund resources when used by employees.

State of New Mexico
City of Bloomfield
Notes to the Financial Statements
June 30, 2021

6) Long-Term Debt – continued

Business-Type Activities

Long-term debt activity of the City’s business-type activities for the year ended June 30, 2021 was as follows:

<i>Business-type activities</i>	Beginning	Increases	Decreases	Ending	Amounts
	Balance			Balance	Due Within
					One Year
NMFA DW 1888 - Water plant	\$ 1,543,031	\$ -	\$ (207,525)	\$ 1,335,506	\$ 211,686
NMFA WPF 649 - Water plant	27,725	-	(4,592)	23,133	4,375
NMFA WPF 739 - Water storage tank	111,373	-	(11,013)	100,360	11,040
NMFA WPF 700 - N. Heights water line	24,784	-	(3,071)	21,713	3,079
NMFA WPF 740 - Regional water proj.	27,844	-	(2,753)	25,091	2,760
NMFA WPF 783 - U.S. Highway 64	133,482	-	(11,984)	121,498	12,014
NMFA WPF 3548 - Raw water source	50,724	-	(2,610)	48,114	2,630
NMFA WPF 5120 - Water reclamation	-	22,610	-	22,610	-
NMFA PPRF 1776 - Solid waste facility	71,452	-	(13,092)	58,360	13,659
NMED CWSRF 1438146 - Water/ wastewater (W/W) plant	1,016,626	-	(157,168)	859,458	161,883
NMED CWSRF 091 - W/W facility	-	8,047	-	8,047	1,976
NMED CWSRF 101 - W/W facility	-	37,857	-	37,857	7,403
NMED CWSRF 103 - W/W facility	-	4,432,145	-	4,432,145	-
NMED RIP 2003-04 - Water rights	97,329	-	(10,945)	86,384	11,274
NMED RIP 2007-01 - Water plant	209,386	-	(27,326)	182,060	28,146
City of Aztec - Water line lease	374,943	-	(26,520)	348,423	36,908
Compensated absences	124,734	79,541	(86,530)	117,745	58,873
	<u>\$ 3,813,433</u>	<u>\$ 4,580,200</u>	<u>\$ (565,129)</u>	<u>\$ 7,828,504</u>	<u>\$ 567,706</u>

A description of the above business-type activities loans outstanding at June 30, 2021 is shown below:

<i>Description</i>	Date of issue	Due date	Interest rate	amount of issue	Balance at June 30, 2021
NMFA DW 1888 - Water plant	Aug. 2006	July 2028	1.75%	\$ 3,737,000	\$ 1,335,506
NMFA WPF 649 - Water plant	Feb. 2007	Jan. 2027	0.25%	87,500	23,133
NMFA WPF 739 - Water storage tank	April 2010	Mar. 2030	0.25%	220,000	100,360
NMFA WPF 700 - N. Heights water line	Dec. 2008	Nov. 2028	0.25%	60,000	21,713
NMFA WPF 740 - Regional water proj.	Nov. 2010	Oct. 2030	0.25%	55,000	25,091
NMFA WPF 783 - U.S. Highway 64	June 2011	May 2031	0.25%	240,000	121,498
NMFA WPF 3548 - Raw water source	Jan. 2017	Dec. 2026	0.25%	53,280	48,114
NMFA WPF 5120 - Water reclamation	Jan. 2021	*	0.25%	80,650	22,610
NMFA PPRF 1776 - Solid waste facility	Feb. 2007	Jan. 2027	3.925%	216,218	58,360
NMED CWSRF 1438146 - Water/ wastewater (W/W) plant	Oct. 2004	Sept. 2024	3.00%	2,700,000	859,458
NMED CWSRF 091 - W/W facility	Mar. 2020	Jan. 2025	1.20%	10,000	8,047
NMED CWSRF 101 - W/W facility	Nov. 2020	Oct. 2025	1.20%	37,857	37,857
NMED CWSRF 103 - W/W facility	Dec. 2020	*	0.00%	9,112,143	4,432,145
NMED RIP 2003-04 - Water rights	Jan. 2008	Dec. 2027	3.00%	206,277	86,384

State of New Mexico
City of Bloomfield
Notes to the Financial Statements
June 30, 2021

6) Long-Term Debt – continued

<i>City of Aztec - Water line lease</i>	Date of issue	Due date	Interest rate	amount of issue	Balance at June 30, 2021
NMED RIP 2007-01 - Water plant	June 2007	May 2027	3.00%	500,000	182,060
City of Aztec - Water line lease	June 2009	May 2029	3.81%	687,900	348,423
					<u>\$ 7,710,759</u>

*No payment terms have been established for this loan as of June 30, 2021.

The City entered into a loan agreement with NMFA for the Drinking Water (DW) loan above, wherein the City pledged state share gross receipts tax and net revenues derived from operations of the water, wastewater, and solid waste systems.

The City also entered into loan agreements with NMFA for the Water Project Fund (WPF) and Public Project Revolving Fund (PPRF) loans above, wherein the City pledged net revenues derived from operations of the water, wastewater, and solid waste systems, less operation and maintenance expenses of the systems.

The City also entered into loan agreements with the New Mexico Environment Department (NMED) for the loans above, wherein the City pledged net revenues derived from operations of the water, wastewater, and solid waste systems, less operation and maintenance expenses of the systems.

Future scheduled payments on the City's business-type activities loans, not including those loans without established payment terms, are as follows:

<i>Years Ending June 30,</i>	Principal	Interest	Total
2022	\$ 508,833	\$ 73,505	\$ 582,338
2023	521,336	61,793	583,129
2024	534,195	49,741	583,936
2025	547,423	37,254	584,677
2026	542,646	24,927	567,573
2027-2031	560,634	23,462	584,096
2032-2036	40,937	170	41,107
Total	<u>\$ 3,256,004</u>	<u>\$ 270,852</u>	<u>\$ 3,526,856</u>

Compensated absences are typically paid with joint utility fund resources when used by employees.

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City of Bloomfield
Notes to the Financial Statements
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7) Deferred Amounts on Refunding of Debt

On July 17, 2015, the City closed on a loan through the NMFA (PPRF-3285) for the advance refunding of a portion of another NMFA loan, and the financing of landscape improvements and facility energy efficiency upgrades. The City saved approximately \$870,779 in net interest that would have been paid on the refunded loan portion by borrowing \$7,265,000 to be used in the refunding. This deferred amount is being amortized by the City over the remaining life of the refunded NMFA loan, which would have matured in fiscal year 2023. During fiscal year 2021, the City amortized \$164,014 of this deferred amount, which is included in interest expense in the statement of activities. The remaining deferred amount from this refunding is \$328,028, which is reported as deferred outflow of resources in the government-wide statement of net position.

8) Interfund Activity

The City had the following interfund transfers, made to close out funds, to transfer debt proceeds, or to supplement other funding sources, for the year ended June 30, 2021:

<i>Governmental activities</i>	<u>Transfers In</u>	<u>Transfers Out</u>
General fund	\$ -	\$ 986,603
Municipal street fund	390,000	-
Debt service fund	1,032,242	-
Fire protection fund (nonmajor governmental fund)	74,143	80,282
Capital equipment replace (nonmajor governmental fund)	-	469,207
Joint utility fund	688,993	642,065
Solid waste fund	<u>-</u>	<u>7,221</u>
Total transfers in (out)	<u>\$ 2,185,378</u>	<u>\$ 2,185,378</u>

Additionally, various funds within the City report interfund receivables and payables at June 30, 2021. These interfund receivables/payable represent short-term loans between funds and are expected to be repaid within one year.

9) Risk Management

The City is exposed to various risks of loss related to torts, thefts of, damage to, and destruction of property, errors and omissions and natural disasters. The City participates in the New Mexico Self-Insurers' Fund risk pool.

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City of Bloomfield
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9) Risk Management – continued

The City has not filed any claims for which the settlement amount exceeded the insurance coverage during the past three years. However, should a claim be filed against the City which exceeds the insurance coverage, the City would be responsible for a loss in excess of the coverage amounts. As claims are filed, the New Mexico Self-Insurers' Fund assesses and estimates the potential for loss and handles all aspects of the claim. Insurance coverage has not changed significantly from prior years and coverages are expected to be continued.

At June 30, 2021, no unpaid claims have been filed which exceed the policy limits and to the best of management's knowledge and belief all known and unknown claims will be covered by insurance. The City is not aware of any major lawsuits that have been filed.

10) **Defined Benefit Pension Plan – PERA**

General Information About the Pension Plan

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

Benefits Provided. Benefits are generally available at age 65 with five or more years of service or after 25 years of service regardless of age for TIER I members. Provisions also exist for retirement between ages 60 and 65, with varying amounts of service required. Certain police and fire members may retire at any age with 20 or more years of service for Tier I members. Generally, the amount of retirement pension is based on final average salary, which is defined under Tier I as the average of salary for the 36 consecutive months of credited service producing the largest average; credited service; and the pension factor of the applicable coverage plan. Monthly benefits vary depending upon the plan under which the member qualifies, ranging from 2% to 3.5% of the member's final average salary per year of service.

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Notes to the Financial Statements
June 30, 2021

10) Defined Benefit Pension Plan – PERA – continued

The maximum benefit that can be paid to a retiree may not exceed a range of 60% to 90% of the final average salary, depending on the division. Benefits for duty and non-duty death and disability and for post-retirement survivors' annuities are also available.

The retirement age and service credit requirements for normal retirement for PERA state and municipal general members hired increased effective July 1, 2013 with the passage of Senate Bill 27 in the 2013 Legislative Session. Under the new requirements (Tier II), general members are eligible to retire at any age if the member has at least eight years of service credit and the sum of the member's age and service credit equals at least 85 or at age 67 with 8 or more years of service credit. General members hired on or before June 30, 2013 (Tier I) remain eligible to retire at any age with 25 or more years of service credit.

Under Tier II, police and firefighters in Plans 3, 4 and 5 are eligible to retire at any age with 25 or more years of service credit. State police and adult correctional officers, peace officers and municipal juvenile detention officers will remain in 25-year retirement plans, however, service credit will no longer be enhanced by 20%. All public safety members in Tier II may retire at age 60 with 6 or more years of service credit. Generally, under Tier II pension factors were reduced by 0.5%, employee contributions increased 1.5% and effective July 1, 2014 employer contributions were raised 0.05%. The computation of final average salary increased as the average of salary for 60 consecutive months.

Contributions: See PERA's publicly available annual comprehensive financial report obtained at <http://www.nmpera.org/financialoverview>, for the employer and employee contribution rates in effect for fiscal year 2021.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2020 using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2020. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2020. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined.

State of New Mexico
City of Bloomfield
Notes to the Financial Statements
June 30, 2021

10) Defined Benefit Pension Plan – PERA – continued

Municipal General Division. At June 30, 2021, the City reported a liability of \$4,566,190 for its proportionate share of the net pension liability. At June 30, 2020, the City's proportion was 0.2258%, which was an increase of 0.0051% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the City recognized pension recoveries of \$117,465. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<i>Municipal General Division</i>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 126,540	\$ -
Changes of assumptions	84,484	-
Net difference between projected and actual investment earnings on pension plan investments	835,019	-
Changes in proportion and differences between the City's contributions and proportionate share of contributions	58,762	238,083
The City's contributions subsequent to the measurement date	<u>206,524</u>	<u>-</u>
Total	<u>\$ 1,311,329</u>	<u>\$ 238,083</u>

Deferred outflows of resources totaling \$206,524 represent City contributions made subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<i>Municipal General Division</i>	
Year ended June 30:	
2022	\$ 189,456
2023	213,279
2024	259,099
2025	<u>204,888</u>
Total	<u>\$ 866,722</u>

State of New Mexico
City of Bloomfield
Notes to the Financial Statements
June 30, 2021

10) Defined Benefit Pension Plan – PERA – continued

Municipal Police Division. At June 30, 2021, the City reported a liability of \$3,770,438 for its proportionate share of the net pension liability. At June 30, 2020, the City’s proportion was 0.4390%, which was an increase of 0.0339% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the City recognized pension recoveries of \$99,470. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<i>Municipal Police Division</i>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 219,105	\$ -
Changes of assumptions	89,286	-
Net difference between projected and actual investment earnings on pension plan investments	647,166	-
Changes in proportion and differences between the City's contributions and proportionate share of contributions	177,908	268,678
The City's contributions subsequent to the measurement date	<u>258,762</u>	<u>-</u>
Total	<u>\$ 1,392,227</u>	<u>\$ 268,678</u>

Deferred outflows of resources totaling \$258,762 represent City contributions made subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<i>Municipal Police Division</i>	
Year ended June 30:	
2022	\$ 250,552
2023	192,744
2024	262,605
2025	<u>158,886</u>
Total	<u>\$ 864,787</u>

State of New Mexico
City of Bloomfield
Notes to the Financial Statements
June 30, 2021

10) Defined Benefit Pension Plan – PERA – continued

Municipal Fire Division. At June 30, 2021, the City reported a liability of \$692,838 for its proportionate share of the net pension liability. At June 30, 2020, the City’s proportion was 0.0916%, which was a decrease of 0.0093% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the City recognized pension expense of \$414,287. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<i>Municipal Fire Division</i>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 15,361	\$ -
Changes of assumptions	8,303	-
Net difference between projected and actual investment earnings on pension plan investments	64,124	-
Changes in proportion and differences between the City's contributions and proportionate share of contributions	-	391,376
The City's contributions subsequent to the measurement date	8,334	-
Total	<u>\$ 96,122</u>	<u>\$ 391,376</u>

Deferred outflows of resources totaling \$8,334 represent City contributions made subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<i>Municipal Fire Division</i>	
Year ended June 30:	
2022	\$ (236,892)
2023	(89,503)
2024	7,062
2025	15,745
Total	<u>\$ (303,588)</u>

State of New Mexico
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Notes to the Financial Statements
June 30, 2021

10) Defined Benefit Pension Plan – PERA – continued

Actuarial assumptions. The total pension liability in the June 30, 2020 actuarial valuation was determined using the following significant actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	June 30, 2019
Actuarial cost method	Entry age normal
Amortization method	Level percentage pay
Amortization period	Solved for based on statutory rates
Asset valuation method	4 year smoothed market value
Actuarial assumptions:	
- Investment rate of return	7.25% annual rate, net of investment expense
- Projected benefit payment	100 years
- Payroll growth	3.00%
- Projected salary increases	3.25% to 13.50%
- Includes inflation at	2.50% and 2.75% for all other years
- Mortality assumption	The mortality assumptions are based on the RPH-2014 Blue Collar mortality table with female ages set forward one year. Future improvement in mortality rates is assumed using 60% of the MP-2017 projection scale generationally. For non-public safety groups, 25% of in-service deaths are assumed to be duty related and 35% are assumed to be duty-related for public safety groups.
- Experience study dates	July 1, 2008 to June 30, 2017 (demographic) and July 1, 2013 to June 30, 2017 (economic)

The total pension liability, net pension liability, and certain sensitivity information are based on an actuarial valuation performed as of June 30, 2019. The total pension liability was rolled-forward from the valuation date to the plan year ended June 30, 2020. These assumptions were adopted by the Board and used in the June 30, 2019 actuarial valuation.

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

State of New Mexico
City of Bloomfield
Notes to the Financial Statements
June 30, 2021

10) Defined Benefit Pension Plan – PERA – continued

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

All Funds - Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	35.50%	5.90%
Risk reduction and mitigation	19.50%	1.00%
Credit oriented fixed income	15.00%	4.20%
Real assets	20.00%	6.00%
Multi-risk allocation	<u>10.00%</u>	6.40%
Total	<u>100.00%</u>	

Discount rate. A single discount rate of 7.25% was used to measure the total pension liability as of June 30, 2020. This single discount rate was based on a long-term expected rate of return on pension plan investments of 7.25%, compounded annually, net of expense. Based on the stated assumptions and the projection of cash flows, the plan’s fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1% Decrease (6.25%)	Current Rate (7.25%)	1% Increase (8.25%)
<i>Municipal General Division</i>			
The City's proportionate share of the net pension liability	\$ 6,537,596	\$ 4,566,190	2,931,497

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June 30, 2021

10) Defined Benefit Pension Plan – PERA – continued

	1% Decrease	Current Rate	1% Increase
<i>Municipal Police Division</i>	(6.25%)	(7.25%)	(8.25%)
The City's proportionate share of the net pension liability	\$ 5,410,942	\$ 3,770,438	2,427,773
<i>Municipal Fire Division</i>	(6.25%)	(7.25%)	(8.25%)
The City's proportionate share of the net pension liability	\$ 896,623	\$ 692,838	525,343

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

11) **Other Post-Employment Benefit – RHCA**

General Information About the Other Post-Employment Benefit (OPEB)

Plan Description. Employees of the City are provided with OPEB through the Retiree Health Care Fund (the "Fund")—a cost-sharing multiple-employer defined benefit OPEB plan administered by the New Mexico Retiree Health Care Authority (RHCA). RHCA 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.

RHCA is an independent agency of the State of New Mexico. The funds administered by RHCA are considered part of the State of New Mexico financial reporting entity and are OPEB trust funds of the State of New Mexico. RHCA'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.

State of New Mexico
City of Bloomfield
Notes to the Financial Statements
June 30, 2021

11) Other Post-Employment Benefit – RHCA – continued

Employees covered by benefit terms. At June 30, 2020, the Fund’s measurement date, the following employees were covered by the benefit terms:

Plan membership	
Current retirees and surviving spouses	52,179
Inactive and eligible for deferred benefits	10,916
Current active members	91,082
	154,177
Active membership	
State general	17,097
State police and corrections	1,830
Municipal general	17,538
Municipal police	3,159
Municipal FTRE	1,966
Educational Retirement Board	49,492
	91,082

Contributions. Employer and employee contributions to the Fund total 3% for non-enhanced retirement plans and 3.75% of enhanced retirement plans of each participating employee’s salary as required by Section 10-7C-15 NMSA 1978. The contributions are established by statute and are not based on an actuarial calculation. All employer and employee contributions are non-refundable under any circumstance, including termination of the employer’s participation in the Fund. Contributions to the Fund from the City were \$72,853 for the year ended June 30, 2021.

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

At June 30, 2021, the City reported a liability of \$3,249,955 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019. The City’s proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ended June 30, 2020. At June 30, 2020, the City’s proportion was 0.07740%.

State of New Mexico
City of Bloomfield
Notes to the Financial Statements
June 30, 2021

11) Other Post-Employment Benefit – RHCA – continued

For the year ended June 30, 2021, the City recognized OPEB recoveries of \$494,674. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 17,723	\$ 577,105
Changes of assumptions	637,989	577,170
Changes in proportion and differences between the City's contributions and proportionate share of contributions	-	1,035,530
The City's contributions subsequent to the measurement date	72,853	-
Total	\$ 728,565	\$ 2,189,805

Deferred outflows of resources totaling \$72,853 represent City contributions to the Fund made subsequent to the measurement date and will be recognized as a reduction of net OPEB liability in the year ending June 30, 2022. 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:	
2022	\$ (624,309)
2023	(573,988)
2024	(370,705)
2025	(63,129)
2026	98,038
Total	\$ (1,534,093)

State of New Mexico
City of Bloomfield
Notes to the Financial Statements
June 30, 2021

11) Other Post-Employment Benefit – RHCA – continued

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

Actuarial valuation date	June 30, 2019
Actuarial cost method	Entry age normal, level percentage of pay, calculated on an individual basis
Asset valuation method	Market value of assets
Actuarial assumptions:	
- Inflation	2.50% for ERB members; 2.50% for PERA members
- Projected payroll increases	3.25% to 13.50%, based on years of service, including inflation
- Investment rate of return	7.25%, net of OPEB plan investment expense and margin for adverse deviation including inflation
- Health care cost trend rate	8% graded down to 4.5% over 14 years for Non-Medicare medical plan costs and 7.5% graded down to 4.5% over 12 years for Medicare medical plan costs
- Mortality assumption	ERB members: RP-2000 Combined Healthy Mortality Table with White Collar Adjustment (males) and GRS Southwest Region Teacher Mortality Table (females) PERA members: RP-2014 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:

All Funds - Asset Class	Target Allocation	Long-term Expected Real Rate of Return
U.S. core fixed income	20.00%	2.10%
U.S. equity - large cap	20.00%	7.10%
Non-U.S. - emerging markets	15.00%	10.20%
Non-U.S. - developed equities	12.00%	7.80%
Private equity	10.00%	11.80%
Credit and structured finance	10.00%	5.30%

State of New Mexico
City of Bloomfield
Notes to the Financial Statements
June 30, 2021

11) Other Post-Employment Benefit – RHCA – continued

All Funds - Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Real estate	5.00%	4.90%
Absolute return	5.00%	4.10%
U.S. equity - small/mid cap	<u>3.00%</u>	7.10%
Total	<u>100.00%</u>	

Discount Rate. The discount rate used to measure the Fund’s total OPEB liability is 2.86% as of June 30, 2020. 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, 2040. The 7.25% discount rate, which includes the assumed inflation rate of 2.50%, was used to calculate the net OPEB liability through 2040. Beyond 2040, the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher (2.21%) was applied. Thus, 2.86% is the blended discount rate.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates. The following presents the net OPEB liability of the City, calculated using the discount rate of 2.86% as of June 30, 2020, as well as what the City’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.86%) or 1-percentage-point higher (3.86%) than the current discount rate:

	1% Decrease	Current Rate	1% Increase
<u>RHC Fund Division: Municipal General</u>	(1.86%)	(2.86%)	(3.86%)
The City's proportionate share of the net OPEB liability	\$ 4,039,707	\$ 3,249,955	2,639,558

OPEB Plan Fiduciary Net Position. Detailed information about the OPEB plan’s fiduciary net position is available in RHCA’s audited financial statements for the year ended June 30, 2020.

State of New Mexico
City of Bloomfield
Notes to the Financial Statements
June 30, 2021

12) Restatement of Previously Reported Amounts

During fiscal year 2021, the City identified that a NMFA loan that was issued in previous years should have been recorded as long-term debt of the City's governmental activities. The outstanding balance of this loan as of June 30, 2020 was \$899,959, which the City has reported as a restatement of amounts previously reported in its governmental activities (resulting in a decrease of net position of \$899,959) and its joint utility fund and business-type activities (resulting in an increase of net position of \$899,959). The net impact of this restatement on the City's overall primary government net position is \$0.

13) Commitments

During fiscal year 2021, the City issued a loan with the NMED to fund improvements to the water reclamation facility. The City also signed a contract with a construction contractor for this project, which totaled \$11,736,965 including approved change orders as of June 30, 2021. At June 30, 2021, the uncompleted construction commitment for the project was \$6,079,942. This amount will be paid from loan proceeds and then unrestricted cash as needed.

During fiscal year 2021, the City also entered into the contract with San Juan County for the County to provide emergency medical and fire protection services on behalf of the City. The contract is for a fifteen-year period commencing in July 2020. The City paid the County \$710,000 for services provided under this contract in fiscal year 2021, which is reported as public safety expenditures in the General fund. On January 1st each year thereafter, this annual fee will be increased based on the Consumer Price Index (CPI).

14) Concentrations

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

15) Fund Deficits

The Capital Equipment Replacement fund (006) reports a fund deficit of \$9,285 at June 30, 2021, the Kirtland Air Force Base – Bloomfield pride fund (046) reports a fund deficit of \$40 at June 30, 2021, and the Senior Citizens Center fund reports a fund deficit of \$27,687 at June 30, 2021. These deficits will be eliminated through future transfers from other funds.

Required Supplementary Information

State of New Mexico
City of Bloomfield
Schedule of the City's Proportionate Share of the Net Pension Liability and
Schedule of the City's Contributions (in thousands)
Municipal General Division
Last 10 Fiscal Years*

	<i>Municipal general division</i>		June 30,						
	Fiscal year		2021	2020	2019	2018	2017	2016	2015
	Measurement date		2020	2019	2018	2017	2016	2015	2014
The City's proportion of the net pension liability			0.00%	0.22%	0.06%	0.07%	0.09%	0.08%	0.08%
The City's proportionate share of the net pension liability	\$		4,566	\$ 3,821	\$ 4,003	\$ 3,626	\$ 5,386	\$ 3,356	\$ 2,523
The City's covered payroll	\$		2,438	\$ 2,014	\$ 2,044	\$ 2,317	\$ 2,887	\$ 2,728	\$ 2,728
The City's proportionate share of the net pension liability as a percentage of its covered-employee payroll			187.28%	189.72%	195.84%	156.50%	186.56%	123.02%	92.49%
Plan fiduciary net position as a percentage of the total pension liability			66.36%	70.52%	71.13%	73.74%	69.18%	76.99%	81.29%

	<i>Municipal general division</i>		June 30,						
	Fiscal year		2021	2020	2019	2018	2017	2016	2015
	Measurement date		2020	2019	2018	2017	2016	2015	2014
Statutory required contribution	\$		207	\$ 206	\$ 192	\$ 195	\$ 221	\$ 276	\$ 260
Contributions in relation to the statutorily required contributions			207	206	192	195	221	276	260
Annual contribution deficiency (excess)	\$		-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
The City's covered payroll	\$		2,438	\$ 2,014	\$ 2,044	\$ 2,317	\$ 2,887	\$ 2,728	\$ 2,728
Contributions as a percentage of covered payroll			8.49%	10.23%	9.39%	8.42%	7.66%	10.12%	9.53%

* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

State of New Mexico
City of Bloomfield
Schedule of the City's Proportionate Share of the Net Pension Liability and
Schedule of the City's Contributions (in thousands)
Municipal Police Division
Last 10 Fiscal Years*

	<i>Municipal police division</i>		June 30,						
	Fiscal year		2021	2020	2019	2018	2017	2016	2015
	Measurement date		2020	2019	2018	2017	2016	2015	2014
The City's proportion of the net pension liability			0.00%	0.41%	0.05%	0.05%	0.07%	0.06%	0.06%
The City's proportionate share of the net pension liability	\$		3,770	\$ 2,992	\$ 3,394	\$ 2,727	\$ 4,087	\$ 2,573	\$ 1,943
The City's covered payroll	\$		1,157	\$ 902	\$ 1,015	\$ 1,012	\$ 1,102	\$ 1,053	\$ 1,053
The City's proportionate share of the net pension liability as a percentage of its covered-employee payroll			325.84%	331.71%	334.38%	269.47%	370.87%	244.35%	184.52%
Plan fiduciary net position as a percentage of the total pension liability			66.36%	70.52%	71.13%	73.74%	69.18%	76.99%	81.29%

	<i>Municipal police division</i>		June 30,						
	Fiscal year		2021	2020	2019	2018	2017	2016	2015
	Measurement date		2020	2019	2018	2017	2016	2015	2014
Statutory required contribution	\$		259	\$ 242	\$ 170	\$ 192	\$ 191	\$ 208	\$ 199
Contributions in relation to the statutorily required contributions			<u>259</u>	<u>242</u>	<u>170</u>	<u>192</u>	<u>191</u>	<u>208</u>	<u>199</u>
Annual contribution deficiency (excess)	\$		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
The City's covered payroll	\$		1,157	\$ 902	\$ 1,015	\$ 1,012	\$ 1,102	\$ 1,053	\$ 1,053
Contributions as a percentage of covered payroll			22.39%	26.83%	16.75%	18.97%	17.33%	19.75%	18.90%

* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

State of New Mexico
City of Bloomfield
Schedule of the City's Proportionate Share of the Net Pension Liability and
Schedule of the City's Contributions (in thousands)
Municipal Fire Division
Last 10 Fiscal Years*

	<i>Municipal fire division</i>						
	Fiscal year		June 30,				
	2021	2020	2019	2018	2017	2016	2015
Measurement date	2020	2019	2018	2017	2016	2015	2014
The City's proportion of the net pension liability	0.00%	0.10%	0.02%	0.03%	0.04%	0.05%	0.03%
The City's proportionate share of the net pension liability	\$ 693	\$ 693	\$ 1,071	\$ 1,519	\$ 2,695	\$ 2,092	\$ 902
The City's covered payroll	\$ 37	\$ 134	\$ 205	\$ 324	\$ 471	\$ 464	\$ 464
The City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	1872.97%	517.16%	522.44%	468.83%	572.19%	450.86%	194.40%
Plan fiduciary net position as a percentage of the total pension liability	66.36%	70.52%	71.13%	73.74%	69.18%	76.99%	81.29%

	<i>Municipal fire division</i>						
	Fiscal year		June 30,				
	2021	2020	2019	2018	2017	2016	2015
Measurement date	2020	2019	2018	2017	2016	2015	2014
Statutory required contribution	\$ 8	\$ 36	\$ 29	\$ 44	\$ 70	\$ 102	\$ 101
Contributions in relation to the statutorily required contributions	8	36	29	44	70	102	101
Annual contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
The City's covered payroll	\$ 37	\$ 134	\$ 205	\$ 324	\$ 471	\$ 464	\$ 464
Contributions as a percentage of covered payroll	21.62%	26.87%	14.15%	13.58%	14.86%	21.98%	21.77%

* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

State of New Mexico
City of Bloomfield
Schedule of the City's Proportionate Share of the Net OPEB Liability and
Schedule of the City's Contributions (in thousands)
Last 10 Fiscal Years*

Fiscal year Measurement date	June 30,			
	2021 2020	2020 2019	2019 2018	2018 2017
The City's proportion of the net OPEB liability	0.07740%	0.07840%	0.08759%	0.11285%
The City's proportionate share of the net OPEB liability	\$ 3,250	\$ 2,542	\$ 3,809	\$ 5,114
The City's covered payroll	\$ 3,327	\$ 3,212	\$ 3,444	\$ 3,444
The City's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	97.69%	79.14%	110.60%	148.49%
Plan fiduciary net position as a percentage of the total net OPEB liability	16.50%	18.92%	13.14%	11.34%

Fiscal year Measurement date	June 30,			
	2021 2020	2020 2019	2019 2018	2018 2017
Statutory required contribution	\$ 73	\$ 75	\$ 69	\$ 75
Contributions in relation to the statutorily required contributions	<u>73</u>	<u>75</u>	<u>69</u>	<u>75</u>
Annual contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
The City's covered payroll	\$ 3,327	\$ 3,212	\$ 3,444	\$ 3,444
Contributions as a percentage of covered payroll	2.19%	2.33%	2.00%	2.18%

* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

See notes to the requires supplementary information.

State of New Mexico
City of Bloomfield
Notes to the Required Supplementary Information
June 30, 2021

New Mexico Public Employee Retirement Association (PERA) – Pension

Changes of benefit terms. The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA ACFR available at <https://www.saonm.org>.

Changes of assumptions. The Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation as of June 2020 report is available at <http://www.nmpera.org>.

New Mexico Retiree Health Care Authority (RHCA) – Other Post-Employment Benefit

In the June 30, 2019 actuarial valuation rolled forward to the measurement date of June 30, 2020, changes in assumptions and differences between expected and actual experience include adjustments resulting from an decrease in the discount rate from 4.16% to 2.86%, changes in medical carrier election assumptions based on recent enrollment, and updated Medicare Advantage trends to reflect 2020 and 2021 premiums.

Other Supplementary Information

State of New Mexico
City of Bloomfield
Nonmajor Governmental Fund Descriptions

Special Revenue Funds

Fire Protection Fund (004) – To account for the operations and maintenance of the fire department. Funding is provided by a distribution from the fire protection fund established by Section 59A-6-5 NMSA 1978 as authorized by Section 59A-53-2. Funds are used in the operation, maintenance and betterment of local fire departments, to the end that the hazard of loss by fire and fire insurance rates may be reduced and the public safety thereby promoted.

Recreation Fund (005) – To account for the operations and maintenance of recreation facilities. Funding managed and/or owned by the City is provided by recreational fees charged to users and cigarette taxes received pursuant to Section 7-12-15 NMSA 1978 which provides that the cigarette taxes received under this section shall be used for recreational facilities and salaries of instructors and other employees necessary to the operation of recreational facilities. Such recreational facilities shall be for the use of all persons, and juveniles and elderly persons shall not be excluded.

Capital Equipment Replacement Fund (006) – To account for expenditures for capital equipment funded by special revenues for standby services designated by the City Council. Funding authority by City Council Resolution No. 90-16.

Correction Fees Fund (007) – To account for the correction fees (\$10) imposed pursuant to 35-14-IIB (1) NMSA 1978. The correction fees shall be used for municipal jailer or juvenile detention officer training, for the construction planning, construction and maintenance of a municipal jail or juvenile detention facility, for paying the cost of housing municipal prisoners in a county jail or housing juveniles in a detention facility or for complying with match or contribution requirements for the receipt of federal funds relating to jails or juvenile detention facilities.

Police Evidence Fund (008) – To account for funds acquired during police raids and gathering of evidence. Fund authorized by City Council.

DARE Fund (011) – To account for expenditures of the drug prevention program D.A.R.E. The fund is funded by citizen's contributions and a federal grant from U.S. Department of Justice. Fund authorized by City Council resolution and the Anti-Drug Abuse Act of 1988, Public law 100- 690, Title VI, Subtitle.

Library Gifts and Grants Fund (012) – To account for the operations of a library grant from the New Mexico State Library for additions to the city library. The authority is the Laws of New Mexico 2002, Chapter 93, G.O. Bonds for Public Library Resources.

Law Enforcement Protection Fund (013) – To account for grant funds used for maintenance and development of the City's police force. Financing is provided by a grant from the State of New Mexico. Such revenue provides for purchase and repairs of equipment as well as classes to upgrade the training of police personnel and may be used only for these purposes. Funding authority is NMSA 29-13-1.

State of New Mexico
City of Bloomfield
Nonmajor Governmental Fund Descriptions – continued

CARES Act Fund (014) – To account for Coronavirus Aid, Relief, and Economic Security (CARES) Act funding for expenditures incurred due to the public health emergency with respect to Coronavirus Disease 2019 (COVID-19). Authority for creation of this fund is the City Council.

Judicial Education Fund (018) – To account for fine income and expenditures for the judicial education center. The Judicial Education fee (\$1) is imposed pursuant to 35-14-1 IB (2) NMSA 1978.

Traffic Safety Education Fund (019) – To account for expenditures of a grant from the New Mexico Department of Transportation to educate the citizens of Bloomfield in traffic safety. Funding authority is 66-7-512 NMSA 1978.

Court Automation Fund (020) – To account for fine income and expenditures for computer equipment to improve the courts computer system. The Court Automation fee (\$6) is imposed pursuant to 35-14-1 IB (3) NMSA 1978.

Kirtland Air Force (KAB) Bloomfield Pride Fund (046) – To account for the expenditures of a grant from the New Mexico Beautification Inc. under the litter Control and Beautification Act. Funding authority is NMSA 67-16-14.

Emergency Medical Fund (048) – To account for the operations of the City Emergency Medical Service Unit. Sources of funds are the State of New Mexico Health and Environment Department, Emergency Medical Service Bureau. Expenditures are subject to approval of the state agency and the City Council. Funding authority is NMSA 24-IOA-1 to 24-IOA-10 or 63-9D-1 to 63-9D-11.1.

Senior Citizens Center Fund (060) – To account for a portion of the operations of the City's Senior Citizens Center. The sales of ceramics, fees, and dues are accounted for in this fund and a portion of the operating expenses. The operations are funded by donations and sales made by San Juan-McKinley County Senior Citizens and was set up administratively.

Bureau of Land Management (BLM) Wildlife Grant Fund (068) – To account for funds received from the State of New Mexico Forestry Division to acquire equipment to fight brush fires in rural fire districts. Fund authorized by City Council.

Enhanced 911 Addressing Fund (071) – To account for the operations of the City's Emergency Medical Services Unit. Sources of funds are the State of New Mexico Health and Environment Department, Emergency Medical Services Bureau. Funding authority is NMSA 24-IOA-1.

Lodger's Tax Fund (077) – To account for lodger's tax revenues collected from the lodges within the City of Bloomfield and expenditures in accordance with the Lodger's Tax Law. Funding authority is NMSA 3-38-15.

State of New Mexico
City of Bloomfield
Nonmajor Governmental Fund Descriptions – continued

Capital Project Funds

Fire Department Construction Fund (015) – The fire department construction project was approved by City Council Resolution 92-26. The revenues came from the sale of the old fire station to the State Highway Department. The monies in this fund are for future fire department construction projects.

Land Acquisition Fund (025) – To account for monies that have been designated by the City Council for future land purchases. The land acquisition fund was authorized by City Council Resolution No. 99-13.

Park Purchase and Improvements Fund (030) – To account for the project costs to acquire park land funded by a grant from the State of New Mexico under a special appropriation authorized by NMSA Laws of 2002, Chapter 110.

Highway Co-op Construction Fund (070) – To account for state funds provided by the New Mexico State Highway and Transportation Department. The purpose of the program is to maintain or construct various streets within the City of Bloomfield.

Park Improvements Fund (882) – To account for grant monies for park improvements as well as plan, design and construct the Parks and Recreation office building and workshop. Funding is provided by the State of New Mexico under a special appropriation authorized by NMSA Laws of 2004, Chapter 126.

State of New Mexico
City of Bloomfield
Combining Balance Sheets
Nonmajor Governmental Funds
June 30, 2021

	Special Revenue Funds								
	004	005	006	007	008	011	012	013	014
	Fire Protection Fund	Recreation Fund	Capital Equipment Replacement Fund	Correction Fees Fund	Police Evidence Fund	DARE Fund	Library Gifts and Grants Fund	Law Enforcement Protection Fund	CARES Act Fund
Assets									
Cash and cash equivalents	\$ 80,390	\$ 5,397	\$ -	\$ 450	\$ 11,619	\$ 123	\$ 9,287	\$ -	\$ -
Accounts receivable, net	-	-	24,873	-	-	-	-	-	-
Due from other funds	27,379	-	-	-	-	-	-	-	-
Total assets	<u>\$ 107,769</u>	<u>\$ 5,397</u>	<u>\$ 24,873</u>	<u>\$ 450</u>	<u>\$ 11,619</u>	<u>\$ 123</u>	<u>\$ 9,287</u>	<u>\$ -</u>	<u>\$ -</u>
Liabilities and Fund Balance (Deficit)									
Liabilities									
Due to other funds	\$ -	\$ -	\$ 34,158	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>34,158</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit)									
Restricted	107,769	-	-	450	-	123	9,287	-	-
Committed	-	5,397	-	-	11,619	-	-	-	-
Unassigned	-	-	(9,285)	-	-	-	-	-	-
Total fund balance (deficit)	<u>107,769</u>	<u>5,397</u>	<u>(9,285)</u>	<u>450</u>	<u>11,619</u>	<u>123</u>	<u>9,287</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balance (deficit)	<u>\$ 107,769</u>	<u>\$ 5,397</u>	<u>\$ 24,873</u>	<u>\$ 450</u>	<u>\$ 11,619</u>	<u>\$ 123</u>	<u>\$ 9,287</u>	<u>\$ -</u>	<u>\$ -</u>

State of New Mexico
City of Bloomfield
Combining Balance Sheets – continued
Nonmajor Governmental Funds
June 30, 2021

	Special Revenue Funds								
	018	019	020	046	048	060	068	071	077
	Judicial Education Fund	Traffic Safety Education Fund	Court Automation Fund	Kitrtland Air Force Base - Bloomfield Pride Fund	Emergency Medical Fund	Senior Citizens Center Fund	BLM Wildlife Grant Fund	Enhanced 911 Adressing Fund	Lodgers Tax Fund
Assets									
Cash and cash equivalents	\$ 376	\$ 4,835	\$ 7,759	\$ 1,260	\$ -	\$ 26,604	\$ 161	\$ 2,554	\$ 115,656
Accounts receivable, net	-	-	-	-	-	-	-	-	5,575
Due from other funds	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 376</u>	<u>\$ 4,835</u>	<u>\$ 7,759</u>	<u>\$ 1,260</u>	<u>\$ -</u>	<u>\$ 26,604</u>	<u>\$ 161</u>	<u>\$ 2,554</u>	<u>\$ 121,231</u>
Liabilities and Fund Balance (Deficit)									
Liabilities									
Due to other funds	\$ -	\$ -	\$ -	\$ 1,300	\$ -	\$ 54,291	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,300</u>	<u>-</u>	<u>54,291</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit)									
Restricted	376	4,835	7,759	-	-	-	161	2,554	121,231
Committed	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	(40)	-	(27,687)	-	-	-
Total fund balance (deficit)	<u>376</u>	<u>4,835</u>	<u>7,759</u>	<u>(40)</u>	<u>-</u>	<u>(27,687)</u>	<u>161</u>	<u>2,554</u>	<u>121,231</u>
Total liabilities, deferred inflows of resources, and fund balance (deficit)	<u>\$ 376</u>	<u>\$ 4,835</u>	<u>\$ 7,759</u>	<u>\$ 1,260</u>	<u>\$ -</u>	<u>\$ 26,604</u>	<u>\$ 161</u>	<u>\$ 2,554</u>	<u>\$ 121,231</u>

State of New Mexico
City of Bloomfield
Combining Balance Sheets – continued
Nonmajor Governmental Funds
June 30, 2021

	Capital Project Funds					Total Nonmajor Governmental Funds
	015 Fire Department Construction Fund	025 Land Acquisition Fund	030 Park Purchase and Improvements Fund	070 Highway Co-op Construction Fund	882 Park Improvements Fund	
Assets						
Cash and cash equivalents	\$ 83,930	\$ 5,929	\$ 12,287	\$ 5,978	\$ 2,471	\$ 377,066
Accounts receivable, net	-	-	-	-	-	30,448
Due from other funds	402	-	-	-	-	27,781
Total assets	<u>\$ 84,332</u>	<u>\$ 5,929</u>	<u>\$ 12,287</u>	<u>\$ 5,978</u>	<u>\$ 2,471</u>	<u>\$ 435,295</u>
Liabilities and Fund Balance (Deficit)						
Liabilities						
Due to other funds	\$ 60,515	\$ -	\$ -	\$ -	\$ -	\$ 150,264
Total liabilities	<u>60,515</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,264</u>
Fund balance (deficit)						
Restricted	-	-	12,287	5,978	2,471	275,281
Committed	23,817	5,929	-	-	-	46,762
Unassigned	-	-	-	-	-	(37,012)
Total fund balance (deficit)	<u>23,817</u>	<u>5,929</u>	<u>12,287</u>	<u>5,978</u>	<u>2,471</u>	<u>285,031</u>
Total liabilities, deferred inflows of resources, and fund balance (deficit)	<u>\$ 84,332</u>	<u>\$ 5,929</u>	<u>\$ 12,287</u>	<u>\$ 5,978</u>	<u>\$ 2,471</u>	<u>\$ 435,295</u>

State of New Mexico
City of Bloomfield
Combining Statements of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2021

	Special Revenue Funds								
	004	005	006 Capital Equipment Replacement Fund	007 Correction Fees Fund	008 Police Evidence Fund	011 DARE Fund	012 Library Gifts and Grants Fund	013 Law Enforcement Protection Fund	014 CARES Act Fund
Revenues									
Gross receipts taxes	\$ -	\$ -	\$ 380,579	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-	-	-	-	-
Federal grants	-	-	-	-	-	-	-	-	437,948
State grants	394,003	-	-	-	-	-	11,602	31,400	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other	-	825	-	-	4,601	-	407	-	-
Total revenues	<u>394,003</u>	<u>825</u>	<u>380,579</u>	<u>-</u>	<u>4,601</u>	<u>-</u>	<u>12,009</u>	<u>31,400</u>	<u>437,948</u>
Expenditures									
Current									
General government	-	-	13,231	-	-	-	-	-	437,948
Public safety	618,238	-	-	-	106	-	-	31,400	-
Culture and recreation	-	5,356	-	-	-	-	4,864	-	-
Total expenditures	<u>618,238</u>	<u>5,356</u>	<u>13,231</u>	<u>-</u>	<u>106</u>	<u>-</u>	<u>4,864</u>	<u>31,400</u>	<u>437,948</u>
Excess (deficiency) of revenues over expenditures	<u>(224,235)</u>	<u>(4,531)</u>	<u>367,348</u>	<u>-</u>	<u>4,495</u>	<u>-</u>	<u>7,145</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)									
Transfers in	74,143	-	-	-	-	-	-	-	-
Transfers out	(80,282)	-	(469,207)	-	-	-	-	-	-
Total other financing sources (uses)	<u>(6,139)</u>	<u>-</u>	<u>(469,207)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(230,374)	(4,531)	(101,859)	-	4,495	-	7,145	-	-
Fund balance (deficit), beginning of year	<u>338,143</u>	<u>9,928</u>	<u>92,574</u>	<u>450</u>	<u>7,124</u>	<u>123</u>	<u>2,142</u>	<u>-</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ 107,769</u>	<u>\$ 5,397</u>	<u>\$ (9,285)</u>	<u>\$ 450</u>	<u>\$ 11,619</u>	<u>\$ 123</u>	<u>\$ 9,287</u>	<u>\$ -</u>	<u>\$ -</u>

State of New Mexico
City of Bloomfield
Combining Statements of Revenues, Expenditures and Changes in Fund Balance – continued
Nonmajor Governmental Funds
For the Year Ended June 30, 2021

	Special Revenue Funds								
	018	019	020	046	048	060	068	071	077
	Judicial Education Fund	Traffic Safety Education Fund	Court Automation Fund	Kitrtland Air Force Base - Bloomfield Pride Fund	Emergency Medical Fund	Senior Citizens Center Fund	BLM Wildlife Grant Fund	Enhanced 911 Adressing Fund	Lodgers Tax Fund
Revenues									
Gross receipts taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-	-	-	-	50,546
Federal grants	-	-	-	-	-	-	-	-	-
State grants	-	-	-	-	-	142,500	-	-	-
Licenses and permits	2,686	39	5,376	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	19,990
Total revenues	<u>2,686</u>	<u>39</u>	<u>5,376</u>	<u>-</u>	<u>-</u>	<u>142,500</u>	<u>-</u>	<u>-</u>	<u>70,536</u>
Expenditures									
Current									
General government	2,402	-	-	-	-	-	-	-	16,746
Public safety	-	-	4,794	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	127,380	-	-	-
Total expenditures	<u>2,402</u>	<u>-</u>	<u>4,794</u>	<u>-</u>	<u>-</u>	<u>127,380</u>	<u>-</u>	<u>-</u>	<u>16,746</u>
Excess (deficiency) of revenues over expenditures	<u>284</u>	<u>39</u>	<u>582</u>	<u>-</u>	<u>-</u>	<u>15,120</u>	<u>-</u>	<u>-</u>	<u>53,790</u>
Other Financing Sources (Uses)									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	284	39	582	-	-	15,120	-	-	53,790
Fund balance (deficit), beginning of year	<u>92</u>	<u>4,796</u>	<u>7,177</u>	<u>(40)</u>	<u>-</u>	<u>(42,807)</u>	<u>161</u>	<u>2,554</u>	<u>67,441</u>
Fund balance (deficit), end of year	<u>\$ 376</u>	<u>\$ 4,835</u>	<u>\$ 7,759</u>	<u>\$ (40)</u>	<u>\$ -</u>	<u>\$ (27,687)</u>	<u>\$ 161</u>	<u>\$ 2,554</u>	<u>\$ 121,231</u>

State of New Mexico
City of Bloomfield
Combining Statements of Revenues, Expenditures and Changes in Fund Balance – continued
Nonmajor Governmental Funds
For the Year Ended June 30, 2021

	Capital Project Funds					Total Nonmajor Governmental Funds
	015 Fire Department Construction Fund	025 Land Acquisition Fund	030 Park Purchase and Improvements Fund	070 Highway Co-op Construction Fund	882 Park Improvements Fund	
Revenues						
Gross receipts taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 380,579
Other taxes	-	-	-	-	-	50,546
Federal grants	-	-	-	-	-	437,948
State grants	1,526	-	-	-	-	581,031
Licenses and permits	-	-	-	-	-	8,101
Other	-	-	-	-	-	25,823
Total revenues	<u>1,526</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,484,028</u>
Expenditures						
Current						
General government	-	-	-	-	-	470,327
Public safety	-	-	-	-	-	654,538
Culture and recreation	-	-	-	-	-	137,600
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,262,465</u>
Excess (deficiency) of revenues over expenditures	<u>1,526</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>221,563</u>
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	-	74,143
Transfers out	-	-	-	-	-	(549,489)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(475,346)</u>
Net change in fund balance	1,526	-	-	-	-	(253,783)
Fund balance (deficit), beginning of year	<u>22,291</u>	<u>5,929</u>	<u>12,287</u>	<u>5,978</u>	<u>2,471</u>	<u>538,814</u>
Fund balance (deficit), end of year	<u>\$ 23,817</u>	<u>\$ 5,929</u>	<u>\$ 12,287</u>	<u>\$ 5,978</u>	<u>\$ 2,471</u>	<u>\$ 285,031</u>

State of New Mexico
City of Bloomfield
Schedule of Deposits by Financial Institution
June 30, 2021

Name/Account Type	Bank Balance	Deposits in Transit	Outstanding Checks	Book Balance
<i>Wells Fargo Bank</i>				
Non-interest bearing (NIB) checking account - operating	\$ 4,788,584	\$ 49,481	\$ (237,826)	\$ 4,600,239
NIB checking account - senior	26,454	-	-	26,454
NIB checking account - G.O. bond	7,335	-	-	7,335
NIB checking account - motor vehicle	3,809	1,816	(5,548)	77
<i>Citizen's Bank</i>				
NIB checking account - payroll	265,863	-	(5,605)	260,258
NIB checking account - meter deposits	132,402	375	(970)	131,807
NIB checking account - police evidence	11,619	-	-	11,619
NIB checking account - wastewater	244,557	-	-	244,557
Money markey deposit account	255,515	-	-	255,515
<i>New Mexico Finance Authority</i>				
Debt service account (PPRF-2668)	35,760	-	-	35,760
Debt service reserve escrow (PPRF-2668)	128,555	-	-	128,555
Debt service account (PPRF-3285)	756,454	-	-	756,454
Debt service reserve escrow (PPRF-3285)	69,994	-	-	69,994
Debt service account (PPRF-3337)	6,795	-	-	6,795
Debt service reserve escrow (PPRF-3337)	55,766	-	-	55,766
Debt service account (PPRF-4708)	24	-	-	24
Debt service account (PPRF-1776)	4,062	-	-	4,062
Debt service reserve escrow (PPRF-1776)	17,071	-	-	17,071
Debt service account (PPRF-2446)	25,499	-	-	25,499
Debt service reserve escrow (PPRF-2446)	110,418	-	-	110,418
Debt service account (DW-1888)	98,026	-	-	98,026
Petty cash	-	-	-	4,388
Total cash and cash equivalents	<u>\$ 7,044,562</u>	<u>\$ 51,672</u>	<u>\$ (249,949)</u>	<u>\$ 6,850,673</u>

State of New Mexico
City of Bloomfield
Schedule of Pledged Collateral by Financial Institution
June 30, 2021

Name/Collateral description	Maturity	CUSIP	Current Market Value
<i>Wells Fargo Bank</i>			
FMAC FEPC 3.5%	10/1/2033	3131XECT8	\$ 293,756
FMAC FEPC 3.0%	3/1/2043	3131XL2S5	275,721
FMAC FEPC 3.5%	7/1/2045	3132A5D36	1,375,643
FNMA FNMS 3.0%	2/1/2050	3140QCWM4	632,008
FNMA FNMS 3.5%	7/1/2043	31417G3Z7	<u>1,824,250</u>
			<u>4,401,378</u>
<i>Citizen's Bank</i>			
FHLB 4.0%	2/15/2031	3137A7G46	<u>1,312,732</u>

State of New Mexico
City of Bloomfield
Schedule of Joint Power Agreements
June 30, 2021

Joint Powers Agreement	Participants	Responsible party	Description	Term	Total estimated project amount	Portion applicable to the City	Audit Responsibility
Consolidated communications	City of Bloomfield San Juan County City of Farmington City of Aztec	City of Bloomfield San Juan County City of Farmington City of Aztec	Establish and operate a consolidated communication center to provide emergency and law enforcement communications.	Indefinite	\$75,000 for first year; for subsequent years \$75,000 adjusted to the most recent Consumer Price Index.	3/16 of 1% of total costs	City of Bloomfield
School district	City of Bloomfield Bloomfield School District	City of Bloomfield Bloomfield School District	Construction management, maintenance and operation of a new outdoor swimming pool and to renovate the existing indoor pool.	25 years beginning 12/1/2005	Estimated to be \$3,212,000 for construction costs.	Liable for operation and maintenance costs.	City of Bloomfield
Detention center services	City of Bloomfield San Juan County	City of Bloomfield San Juan County	City uses County detention center to incarcerate adult offenders sentenced in Municipal Court.	Indefinite	Unknown	\$86 per prisoner per day	City of Bloomfield
Metropolitan planning organization	City of Bloomfield San Juan County City of Farmington City of Aztec	City of Bloomfield San Juan County City of Farmington City of Aztec	Establishing, overseeing, and directing transportation related policy within Farmington metro area.	Indefinite	Unknown	10% of costs	City of Bloomfield
Law enforcement training	City of Bloomfield San Juan County City of Farmington City of Aztec NM Department of Public Safety	City of Bloomfield San Juan County City of Farmington City of Aztec NM Department of Public Safety	Establishing, overseeing, and directing the San Juan County Criminal Justice Training City to operate a regional law enforcement training facility for officers in San Juan County.	Indefinite	Unknown	9,000	City of Bloomfield

Compliance Section

State of New Mexico
City of Bloomfield
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Federal Grantor / Pass-Through Grantor/ Program Title	Assistance Listing Number	Pass-through Grantor or Other Identifying Number	Federal Expenditures
U.S. Department of the Treasury			
<i>Passed through the New Mexico Department of Finance and Administration</i>			
COVID-19 Coronavirus Relief Fund - Small Business	21.019	CARES-BUS-16002-CBL	\$ 153,573
COVID-19 Coronavirus Relief Fund - Municipality	21.019	CARES-16002-CBL	<u>284,375</u>
			<u>437,948</u>
Total U.S. Department of the Treasury			<u>437,948</u>
U.S. Environmental Protection Agency			
<i>Passed through the New Mexico Environment Department</i>			
Capitalization Grants for the Clean Water State Revolving Funds	66.458	CWSRF 103	<u>6,125,106</u>
			<u>6,125,106</u>
Total U.S. Environmental Protection Agency			<u>6,125,106</u>
Total expenditures of federal awards			<u>\$ 6,563,054</u>

See notes to the schedule of expenditures of federal awards.

State of New Mexico
City of Bloomfield
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

1) Summary of Significant Accounting Policies

General

The accompanying schedule of expenditures of federal awards presents the federal financial assistance programs of the City of Bloomfield, New Mexico, and is presented on the modified accrual basis of accounting. The information in the schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Indirect Cost Rate

The City has elected not to use the 10% de minimis indirect cost rate.

2) Loan Proceeds

During fiscal year 2021, the City expended \$5,224,665 under the Clean Water State Revolving Funds program (Assistance Listing Number 66.458). The City was approved for a total loan under this program of \$9,112,143, of which \$4,432,145 was drawn down during fiscal year 2021. The loan proceeds were recorded as a portion of long-term debt in the joint utility fund at June 30, 2021.



Independent Auditor's 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*

Mr. Brian S. Colón, Esq., New Mexico State Auditor
and the City Council
City of 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, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparison of the general fund of the City of Bloomfield (the "City") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 14, 2021.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. 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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified.

We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-002, that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 2021-002, 2021-003, and 2021-004.

The City's Response to Findings

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City'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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SJT Group LLC

Albuquerque, New Mexico
December 14, 2021



Independent Auditor's Report on Compliance for Each
Major Federal Program and on Internal Control Over Compliance
Required by the Uniform Guidance

Mr. Brian S. Colón, Esq., New Mexico State Auditor
and the City Council
City of Bloomfield, New Mexico

Report on Compliance for Each Major Federal Program

We have audited the City of Bloomfield's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended June 30, 2021. The City's major federal program is identified in the summary of auditor's 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 compliance for the City's major federal program 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 the 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 City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on the Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the City 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 City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the 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 City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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. 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

SJT Group LLC

Albuquerque, New Mexico
December 14, 2021

State of New Mexico
City of Bloomfield
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

Section I — Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued on whether the financial statements audited were prepared in accordance with GAAP: Qualified/Unmodified

Internal control over financial reporting:

Material weaknesses identified? Yes

Significant deficiencies identified? None reported

Noncompliance material to financial statements noted? No

Other findings required to be reported under Section 12-6-5, NMSA 1978? Yes

Federal Awards

Type of auditor’s report issued on compliance for major programs: Unmodified

Internal control over major programs:

Material weaknesses identified? No

Significant deficiencies identified? None reported

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? No

State of New Mexico
City of Bloomfield
Schedule of Findings and Questioned Costs – continued
For the Year Ended June 30, 2021

Section I — Summary of Auditor’s Results — continued

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
66.458	Capitalization Grants for the Clean Water State Revolving Funds

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
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Auditee qualified as low-risk auditee?	No
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State of New Mexico
City of Bloomfield
Schedule of Findings and Questioned Costs – continued
For the Year Ended June 30, 2021

Section II—Financial Statement Findings

2021-001 [2020-003] – Financial Close and Reporting (Material Weakness)

Criteria: Maintenance of complete and accurate accounting records and preparation of annual financial statements and footnotes, required supplementary information, and supplementary information in accordance with generally accepted accounting principles (GAAP) ensures that timely, accurate and useful information is available to management, the Village Council, and other interested parties. Internal controls must be in place to safeguard assets and ensure accurate financial accounting and reporting. Fundamental to a good system of internal controls is thorough review processes, accurate record keeping of accounting transactions, and preparation of the annual financial statements.

Condition: Significant adjusting journal entries were required after the accounting records were closed at year-end. Material adjustments to accounts receivable, accounts payable, accrued liabilities, long-term debt, fund balance/net position, revenue and expenditures/expenses were required. The City made some progress in implementing corrective action from the previous year in this area.

Cause: The City’s accounting records are maintained on a cash basis, and year-end accrual adjustments were not recorded in accordance with GAAP.

Effect: Material audit adjustments were required to correctly state account balances in accordance with GAAP.

Auditor’s Recommendation: The City should implement create a year-end closing schedule to ensure that all year-end accrual adjustments are created, reviewed, and posted at each year-end. The City should work with its independent auditor to create this year-end closing schedule to ensure that the schedule would capture all financial areas requiring year-end analysis and accrual adjustments.

Management’s Response: The City will work with its independent auditor to create a year-end closing schedule to include all accrual adjustments that are required in the financial areas for year-end analysis. The City will then ensure adherence to the schedule each year.

Responsible Party: Finance Director

Anticipated Completion: June 30, 2022

State of New Mexico
City of Bloomfield
Schedule of Findings and Questioned Costs – continued
For the Year Ended June 30, 2021

Section II—Financial Statement Findings—continued

2021-002 [2020-002] – Capital Assets (Material Weakness, Other Noncompliance)

Criteria: Capital asset records should be maintained in accordance with 25 CFR 276.11 and 25 CFR 900.51, as well as 2.20.1.18 (a) NMAC. The records should be sufficiently detailed to allow City management to take a physical inventory of recorded capital assets at least once each year.

Condition: The City detailed listing of capital assets for governmental and business-type activities does not reconcile to the accounting records. Additionally, the City has not performed a physical inventory of its capital assets in the last two years. During fiscal year 2021, the City did update the asset module of its accounting system with any new assets purchased during the last two years, and has also created a listing of construction in progress assets. However, the total balances of capital assets from the asset module does not agree with previous year audited balances or the City’s accounting records.

Cause: There has been turnover in the Finance department at the City, and the COVID-19 pandemic impacted the City’s ability to perform a physical inventory count of its capital assets during fiscal year 2021.

Effect: Capital assets do not reconcile with accounting records by a material amount, resulting in a qualified auditor’s opinion related to capital assets of the City.

Auditor’s Recommendation: The City should update the asset module of the accounting system for previous years and ensure that capital asset balances through June 30, 2019 agree to the asset module. Once this has been reconciled, the City should perform an inventory count of its capital assets and post adjustments to the general ledger as a result of the inventory count. Once all assets have been added to the asset module, the City should calculate depreciation for all depreciable assets, and post an adjustment to record depreciation through June 30, 2021.

Management’s Response: With the assistance of an outside entity experienced in asset management, the City will verify and correct as needed, capital asset balances as of June 30, 2019 based on a physical inventory. Once completed, the total balances of assets will be reconciled with the general ledger balances, with adjustments posted as necessary. Once all asset balances are verified and reconciled, the City will calculate depreciation and record deprecation through June 30, 2021 as well as June 30, 2022.

Responsible Party: Finance Director

Anticipated Completion: June 30, 2022

State of New Mexico
City of Bloomfield
Schedule of Findings and Questioned Costs – continued
For the Year Ended June 30, 2021

Section III—Federal Award Findings

None.

State of New Mexico
City of Bloomfield
Schedule of Findings and Questioned Costs – continued
For the Year Ended June 30, 2021

Section III—Other Findings Required to be Reported Under Section 12-6-5, NMSA 1978

2021-003 – Debt Limit (Other Noncompliance)

Criteria: According to Article IX, Section 13 of the New Mexico State Constitution, no county, city, town or village shall ever become indebted to an amount in the aggregate, including existing indebtedness, exceeding 4% on the value of the taxable property within such county, city, town or village, as shown by the last preceding assessment for state or county taxes; and all bonds or obligations issued in excess of such amount shall be void; provided, that any city, town or village may contract debts in excess of such limitation for the construction or purchase of a system for supplying water, or of a sewer system, for such city, town or village.

Condition: At June 30, 2021, the City had a total outstanding debt of \$8,264,610 that was not associated with the City's water, wastewater, or solid waste system. The value of the taxable property with the City totaled \$147,786,271 according to the 2020 final valuations. Therefore, the total debt to taxable property value percentage is calculated to be 5.6%.

Cause: The City has not issued general long-term debt (not associated with the water, wastewater, or solid waste systems) in several years. The City has not monitored this debt limit for several years.

Effect: The City is not in compliance with the limits on indebtedness in Article IX of the New Mexico State Constitution.

Auditor's Recommendation: The City should work with its legal counsel to identify ways to remedy this issue to ensure that the City is at or below the statutory debt limit.

Management's Response: As the City has not acquired any new debt in many years, the City, along with its legal counsel, will research the best method to ensure compliance with the debt limit.

Responsible Party: Finance Director, City Manager, Legal Counsel

Anticipated Completion: June 20, 2022

State of New Mexico
City of Bloomfield
Schedule of Findings and Questioned Costs – continued
For the Year Ended June 30, 2021

Section III—Other Findings Required to be Reported Under Section 12-6-5, NMSA 1978—
continued

2021-004 – Information Technology Policies and Procedures (Other Matter)

Criteria: Information technology (IT) including systems and infrastructure are essential and integral to the efficiency of the City’s operations. IT internal controls are essential to maintain the confidentiality, integrity and availability of data. IT internal controls are as important as the internal controls that surround the input of financial transactions into the City’s accounting system.

Condition: Several areas of the IT infrastructure were identified as needing enhanced controls. These areas are:

- ◆ Documented IT general policies and procedures
- ◆ Documented disaster recovery policies and procedures
- ◆ User set up and termination policies and procedures

Cause: An IT risk assessment has not been performed and formal policies and procedures have not been developed or implemented.

Effect: Without strong internal controls over the City’s IT infrastructure, there is the potential for the confidentiality, integrity and/or availability of data to be compromised. This compromise could be by an internal user of the system, by an external source (hacker) and could be intentional or unintentional.

Auditor’s Recommendation: The City should perform a formal IT risk assessment and draft policies and procedures for general IT functions, backup and disaster recovery and user controls. These procedures should then be approved by the City Council.

Management’s Response: The City contracts with an outside vendor for IT services and will coordinate with them to create an IT policy.

Responsible Party: Finance Director, City Manager

Anticipated Completion: June 30, 2022

State of New Mexico
City of Bloomfield
Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2021

2020-001 — Controls over Gasoline Cards

Condition: During our audit procedures regarding gas credit cards, we noted that 2 of 8 gas card purchases tested were used for more than one vehicle, therefore it is not possible to determine if the gallons purchased is reasonable based on tank size or mileage.

Current Status: Resolved, corrective action was taken.

2020-002 — Capital Asset Tracking

Condition: Capital asset records were not adequately maintained; detailed records did not agree to the trial balance and had not been properly updated and adjusted during the year. In addition, there was not enough information provided to ascertain what adjustments would be required to correctly adjust the accounts.

Current Status: Repeated and modified, see current year finding 2021-002.

2020-003 — Financial Close and Reporting

Condition: In preparation for final field work it was identified that significant adjustments to various key transaction cycles were required after the deadline established for the final trial balance. Additionally, the City does not have adequate procedures for year-end close processes related to fund balance, long-term debt, transfers, and various accrual accounts resulting in subsequent adjustments to the trial balance totaling \$5,799,341.

Current Status: Repeated and modified, see current year finding 2021-001.

2020-004 — Lack of Review of Codes of Conduct

Condition: Auditor noted that code of conduct has not been reviewed or approved in the last 4 years.

Current Status: Resolved, corrective action was taken.

State of New Mexico
City of Bloomfield
Exit Conference
For the Year Ended June 30, 2021

An exit conference was held in a closed session on December 14, 2021. Present at the exit conference were:

For the City of Bloomfield:

Kenneth Hare, Mayor Pro-Tem
George Duncan, City Manager
Kimberly Simpson, Finance Director

For the SJT Group LLC:

Joshua Trujillo, Principal

Preparation of the Financial Statements

The accompanying financial statements of the City have been prepared by the SJT Group LLC, the City's independent auditors, however, the financial statements are the responsibility of management.