

STATE OF NEW MEXICO
CITY OF BLOOMFIELD



ANNUAL FINANCIAL REPORT
JUNE 30, 2016

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INTRODUCTORY SECTION

STATE OF NEW MEXICO
City of Bloomfield
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For the Year Ended June 30, 2016

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STATE OF NEW MEXICO

City of Bloomfield

Official Roster

June 30, 2016

<u>Name</u>	<u>City Council</u>	<u>Title</u>
Scott Eckstein		Mayor
Curtis Lynch		City Councilor
Matt Pennington		City Councilor
Elwin Roark		City Councilor
DeLaws Lindsay		City Councilor
	<u>Administration</u>	
Eric Strahl		City Manager
Erikka Martinez		City Clerk
Brad Ellsworth		Finance Director

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Bloomfield
and Mr. Tim Keller
New Mexico State Auditor

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information and the budgetary comparisons for the general fund of the City of Bloomfield ("City") as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the City's nonmajor governmental funds, fiduciary fund and the budgetary comparisons for the major capital projects fund, major debt service fund, major enterprise funds and all of the nonmajor funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2016, 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.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2016, and the respective changes in financial position and where applicable, cash flows thereof and the respective budgetary comparisons for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental and fiduciary fund of the City as of June 30, 2016, and the respective changes in financial

position thereof and the respective budgetary comparisons for the major capital projects fund, major debt service fund, major enterprise funds and all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis on pages 10 to 19, Schedule of the City’s Proportionate Share of the Net Pension Liability, and Schedule of City Contributions on pages 74 and 75 to 78, respectively, 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 combining and individual fund financial statements, and the budgetary comparisons. The other schedules required by 2.2.2 NMAC are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The Schedule of Vendor Information for Purchases Exceeding \$60,000 has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2016 on our consideration of the City’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City’s internal control over financial reporting and compliance.



Albuquerque, New Mexico
December 13, 2016

State of New Mexico
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Management's Discussion and Analysis
June 30, 2016

As management of the City of Bloomfield, we offer readers of the City of Bloomfield financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with the financial statements of the City of Bloomfield and additional information provided.

FINANCIAL HIGHLIGHTS

- The assets of the City of Bloomfield exceeded its liabilities at the close of the most recent fiscal year by \$25,766,702 (*net position*).
- The government's total net position decreased by \$1,178,987 during the fiscal year. This decrease is due mainly to a severe downturn in the oil and gas industry during the last half of the fiscal year resulting in less than expected gross receipts tax revenue and a corresponding decrease in cash reserves and taxes receivable at year end.
- As of June 30, 2016, the City's governmental funds reported combined ending net position of \$14,834,967. Of this total, \$18,515,120 represents the City's investment in capital assets, net of any outstanding debt issued to pay for the assets. There is a negative balance in unrestricted net position of \$6,012,786 due almost entirely to the City's net pension liability and related deferred inflows and deferred outflows of resources.
- At the close of the current fiscal year, unassigned fund balance for the general fund was \$315,091, or 4.3 percent of total general fund expenditures.
- The City's total debt increased by \$2,146,244 during the current fiscal year. This increase was mainly due to the issuance of debt for three capital projects during the fiscal year totaling \$2.1 million.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Bloomfield's basic financial statements. The City of Bloomfield's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of City of Bloomfield's finances, in a manner similar to a private-sector business.

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

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Bloomfield that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Bloomfield include general government, public safety, public works, culture and recreation, and health and welfare. The business-type activities of the City include Joint Utility and Solid Waste Services.

The government-wide financial statements can be found at Exhibits A-1 and A-2 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Bloomfield, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Bloomfield can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements,

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governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in determining what financial resources are available in the near future to finance the City's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains twenty-seven individual governmental funds organized according to their type (special revenue, debt service and capital projects). Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Projects Fund, Special Street Maintenance Capital Projects Fund, and G.O. Bond Fund, which are considered to be major funds. Data from the other twenty-three governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund, Capital Projects Fund, Special Street Maintenance Capital Projects Fund, G.O. Bond Fund, and all other funds. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. In addition, the individual financial statements of the nonmajor governmental fund types include budgetary comparison data.

The basic governmental fund financial statements can be found at Exhibits B-1 through C-1 of this report.

Proprietary funds. Proprietary funds are generally used to account for services for which the City charges customers – either outside customers or internal units or departments of the City. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The City maintains one type of proprietary fund:

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the joint utility and solid waste operations of the City. The enterprise funds are considered to be major funds of the City and can be found at Exhibits D-1 through D-3 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support City of Bloomfield's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

City of Bloomfield fiduciary funds account for the collection of motor vehicle fees and their remittance to other governmental agencies.

The basic fiduciary fund financial statement can be found at Exhibit E-1 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 38-71 of this report.

Combining statements. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 84-94 of this report.

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GOVERNMENT-WIDE FINANCIAL ANALYSIS

Analysis of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Bloomfield, assets exceeded liabilities by \$25,766,702 at the close of the current fiscal year.

The significant portion of the City of Bloomfield's net position represents the City's investment of \$28,746,974 in capital assets (e.g., land improvements, buildings, infrastructure and machinery & equipment), less any related outstanding debt used to acquire those assets. The City of Bloomfield uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Bloomfield's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF BLOOMFIELD'S NET POSITION

	June 30, 2016			June 30, 2015		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Assets						
Current and other assets	\$ 1,876,594	\$ 1,863,569	\$ 3,740,163	\$ 3,032,682	\$ 2,090,404	\$ 5,123,086
Restricted cash and cash equivalents	1,436,226	359,359	1,795,585	974,955	780,460	1,755,415
Capital assets, net of accumulated depreciation	<u>29,552,917</u>	<u>16,736,498</u>	<u>46,289,415</u>	<u>27,925,244</u>	<u>17,129,388</u>	<u>45,054,632</u>
Total Assets	<u>32,865,737</u>	<u>18,959,426</u>	<u>51,825,163</u>	<u>31,932,881</u>	<u>20,000,252</u>	<u>51,933,133</u>
Deferred outflows of resources						
Deferred amount on refunding of debt	884,852	-	884,852	-	-	-
Pension - deferred outflows	<u>1,488,672</u>	<u>89,020</u>	<u>1,577,692</u>	<u>562,227</u>	<u>74,020</u>	<u>636,247</u>
Total deferred outflows of resources	<u>2,373,524</u>	<u>89,020</u>	<u>2,462,544</u>	<u>562,227</u>	<u>74,020</u>	<u>636,247</u>
Total assets and deferred outflows of resources	<u>\$ 35,239,261</u>	<u>\$ 19,048,446</u>	<u>\$ 54,287,707</u>	<u>\$ 32,495,108</u>	<u>\$ 20,074,272</u>	<u>\$ 52,569,380</u>
Liabilities						
Long-term liabilities outstanding	\$ 18,446,484	\$ 7,201,904	\$ 25,648,388	\$ 13,699,863	\$ 7,422,710	\$ 21,122,573
Other liabilities	<u>1,615,629</u>	<u>902,536</u>	<u>2,518,165</u>	<u>1,298,428</u>	<u>1,208,662</u>	<u>2,507,090</u>
Total Liabilities	<u>20,062,113</u>	<u>8,104,440</u>	<u>28,166,553</u>	<u>14,998,291</u>	<u>8,631,372</u>	<u>23,629,663</u>
Deferred inflows of resources						
Pension - deferred inflows	<u>342,181</u>	<u>12,271</u>	<u>354,452</u>	<u>1,712,737</u>	<u>281,291</u>	<u>1,994,028</u>
Net Position						
Net investment in capital assets	18,515,120	10,231,854	28,746,974	18,408,310	10,609,839	29,018,149
Restricted	2,332,633	77,405	2,410,038	2,327,994	-	2,327,994
Unrestricted	<u>(6,012,786)</u>	<u>622,476</u>	<u>(5,390,310)</u>	<u>(4,952,224)</u>	<u>551,770</u>	<u>(4,400,454)</u>
Total Net Position	<u>14,834,967</u>	<u>10,931,735</u>	<u>25,766,702</u>	<u>15,784,080</u>	<u>11,161,609</u>	<u>26,945,689</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 35,239,261</u>	<u>\$ 19,048,446</u>	<u>\$ 54,287,707</u>	<u>\$ 32,495,108</u>	<u>\$ 20,074,272</u>	<u>\$ 52,569,380</u>

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A portion of the City of Bloomfield's governmental net position (16 percent) represents resources that are subject to restrictions. The restrictions relate to covenants provided by the City's long-term debt issuance and capital projects as well as the City's General Fund reserve requirement imposed by the New Mexico Department of Finance and Administration. The remaining balance of *unrestricted net position*, (\$6,012,786), is negative due to the City's net pension liability and related deferred inflows and deferred outflows of resources. Although the net pension liability is not expected to be paid by current or future City assets other than the annual pension contributions required by law, the new reporting requirements under GASB 68 implemented in the previous fiscal year require that the City's proportionate share of the NM Public Employees Retirement System net pension liability be reported in the City's financial statements.

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Analysis of Changes in Net Position

The City's net position overall decreased by \$1,178,987 during the current fiscal year. These decreases are explained in the government and business-type activities discussion below.

**Changes in Net Position
For the Year Ended June 30, 2016**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Revenues			
Program revenues:			
Charges for services	\$ 641,907	\$ 4,224,552	\$ 4,866,459
Operating grants and contributions	1,133,549	-	1,133,549
Capital grants	208,853	50,000	258,853
General revenues:			
Property taxes	963,563	-	963,563
Gross receipts taxes	6,158,840	-	6,158,840
Gasoline and motor vehicle taxes	217,493	-	217,493
Franchise taxes	318,967	-	318,967
Cigarette and lodger's taxes	57,346	-	57,346
Miscellaneous revenue	49,215	1,828	51,043
Unrestricted investment earnings	12,014	2,922	14,936
Donation of capital assets	-	-	-
Gain on disposal of capital assets	4,631	-	4,631
Total revenues	<u>9,766,378</u>	<u>4,279,302</u>	<u>14,045,680</u>
Expenses			
General government	2,415,513	-	2,415,513
Public safety	5,023,862	-	5,023,862
Public works	1,042,538	-	1,042,538
Culture and recreation	1,500,545	-	1,500,545
Health and welfare	284,258	-	284,258
Interest and other charges	467,984	-	467,984
Joint utility and solid waste	-	4,489,967	4,489,967
Total expenses	<u>10,734,700</u>	<u>4,489,967</u>	<u>15,224,667</u>
Increase (decrease) in net position before transfers	<u>(968,322)</u>	<u>(210,665)</u>	<u>(1,178,987)</u>
Transfers	<u>19,209</u>	<u>(19,209)</u>	<u>-</u>
Increase (decrease) in net position	(949,113)	(229,874)	(1,178,987)
Net position, beginning of year	<u>15,784,080</u>	<u>11,161,609</u>	<u>26,945,689</u>
Net position, restatement	<u>-</u>	<u>-</u>	<u>-</u>
Net position, as restated	15,784,080	11,161,609	26,945,689
Ending net position	<u>\$ 14,834,967</u>	<u>\$ 10,931,735</u>	<u>\$ 25,766,702</u>

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Changes in Net Position
For the Year Ended June 30, 2015

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Revenues			
Program revenues:			
Charges for services	\$ 573,463	\$ 4,466,107	\$ 5,039,570
Operating grants and contributions	1,104,721	-	1,104,721
Capital grants	22,674	390,531	413,205
General revenues:			
Property taxes	771,132	-	771,132
Gross receipts taxes	7,486,865	-	7,486,865
Gasoline and motor vehicle taxes	229,005	-	229,005
Franchise taxes	301,070	-	301,070
Cigarette and lodger's taxes	59,251	-	59,251
Miscellaneous revenue	56,343	624	56,967
Unrestricted investment earnings	6,815	2,316	9,131
Total revenues	<u>10,611,339</u>	<u>4,859,578</u>	<u>15,470,917</u>
Expenses			
General government	2,209,635	-	2,209,635
Public safety	4,581,264	-	4,581,264
Public works	931,230	-	931,230
Culture and recreation	1,497,717	-	1,497,717
Health and welfare	280,296	-	280,296
Interest and other charges	494,310	-	494,310
Joint utility and solid waste	-	4,150,715	4,150,715
Total expenses	<u>9,994,452</u>	<u>4,150,715</u>	<u>14,145,167</u>
Increase (decrease) in net position before transfers	<u>616,887</u>	<u>708,863</u>	<u>1,325,750</u>
Transfers	<u>(73,492)</u>	<u>73,492</u>	<u>-</u>
Increase (decrease) in net position	543,395	782,355	1,325,750
Net position, beginning of year	21,244,942	11,348,363	32,593,305
Net position, restatement	<u>(6,004,257)</u>	<u>(969,109)</u>	<u>(6,973,366)</u>
Net position, as restated	15,240,685	10,379,254	25,619,939
Ending net position	<u>\$ 15,784,080</u>	<u>\$ 11,161,609</u>	<u>\$ 26,945,689</u>

Governmental activities. Governmental activities decreased City of Bloomfield's net position by \$968,322 in FY 2016 as opposed to an increase of \$543,395 in FY 2015. The key elements of this decrease are as follows:

- The City's expenses increased by \$740,248 or 7% due mainly to an increase in salaries and health insurance expense.
- The City's gross receipts tax revenues decreased by \$1,328,025 or 18% over last fiscal year due to decreased economic activity because of a severe downturn in the oil and gas industry.
- The City's property tax revenues increased by \$192,431 due to annexation of additional property in the prior year.

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June 30, 2016

- Operating and capital grants increased by \$212,390 over last fiscal year due to an increase in efforts to obtain more grant funding.

Business-type activities. Business-type activities decreased the City's net position by \$229,874. Total business type revenues decreased by \$580,276 or 12% from last fiscal year due mainly to a decrease of \$340,531 in grant revenues for capital projects and a decrease of \$241,555 in charges for services revenues from lower water consumption and a decrease in the garbage rates.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental funds. The focus of the City of Bloomfield's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of Bloomfield's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of Governmental funds reported by the City include the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds.

Revenues for governmental functions overall totaled \$9,760,265 in the fiscal year ended June 30, 2016, which represents a decrease of \$839,111 from the fiscal year ended June 30, 2015. This is mainly due to a decrease in gross receipts tax of \$1,328,025. Expenditures for governmental functions, totaling \$12,910,192, increased by \$2,335,921 from the fiscal year ended June 30, 2015. This increase was mainly due to a \$1,897,516 increase in capital outlay expenditures from the previous fiscal year. The remainder of the increase was in personnel expense due to increases in benefits costs and the filling of positions in the current year that had been vacant in the previous year. In the fiscal year ended June 30, 2016, expenditures exceeded revenues for governmental functions by \$3,149,927. Overall, after accounting for loan proceeds and other financing sources and uses, fund balances for governmental functions decreased by \$721,601.

The General Fund is the chief operating fund of the City of Bloomfield. At the end of the current fiscal year, *unassigned* fund balance of the general fund was \$315,091.

The fund balance of the City's general fund decreased by \$1,278,588 during the current fiscal year. There was an excess of revenues over expenditures of \$104,496, but this was offset by net transfers to other funds of \$1,388,715 for debt service, street maintenance, and capital outlay expenditures.

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

At the end of the fiscal year, the unrestricted net position for enterprise funds was \$622,476. The total decrease in net position for the enterprise funds was \$229,874. Factors concerning the finances of this fund have been addressed previously in the discussion of the City's business-type activities.

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

General Fund Budgetary Highlights

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

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

State of New Mexico
City of Bloomfield
Management's Discussion and Analysis
June 30, 2016

The following table examines the summary budget performance of the general fund for the fiscal year ending June 30, 2016. Detailed budget performance is examined through the Statement of Revenues, Expenditures, and Changes in Fund Balance for the general fund found at Exhibit C-1. The City's final budget differs from the original budget due to budget increases and decreases that were made during the fiscal year. Net budget decreases in the General Fund totaled \$2,435,467 for expenditures. Actual general fund expenditures were \$51,379 less than the final budget amount (favorable variance).

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original</u>	<u>Final</u>	(Non-GAAP	<u>Favorable</u>
			Budgetary	<u>(Unfavorable)</u>
			Basis)	<u>Final to Actual</u>
<i>Expenditures:</i>				
Current:				
General government	\$ 2,078,380	\$ 1,957,574	\$ 1,907,120	\$ 50,454
Public safety	3,997,535	3,873,021	3,834,104	38,917
Culture and recreation	1,344,216	1,339,536	1,363,364	(23,828)
Health and welfare	281,681	280,621	255,309	25,312
Capital outlay	2,349,425	165,018	154,915	10,103
Debt service:				
Principal	-	-	41,341	(41,341)
Interest	-	-	8,238	(8,238)
<i>Total expenditures</i>	<u>\$ 10,051,237</u>	<u>\$ 7,615,770</u>	<u>\$ 7,564,391</u>	<u>\$ 51,379</u>

Capital Asset and Debt Administration

Capital assets. The City of Bloomfield's capital assets for its governmental and business-type activities as of June 30, 2016 amount to \$46,201,679 (net of accumulated depreciation). Capital assets include land, land improvements, buildings and improvements, furniture, fixtures and equipment, and infrastructure. Total capital assets for governmental activities increased by \$1,539,937, due to additions of \$2,667,075 offset by depreciation expense of \$1,127,138. Total capital assets for business-type activities decreased by \$392,890 due to depreciation of \$508,363, offset by additions of \$115,473.

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

- \$1,784,772 was an addition to governmental land improvements for landscaping on US64 right of way and medians.
- \$453,762 was an addition to governmental equipment for energy upgrades on several city buildings.
- \$195,336 was an addition to governmental equipment for a new street sweeper.
- \$145,109 was an addition to governmental equipment for a generator at the main fire station.
- \$60,003 was an addition to business-type equipment for a new skid steer at the waste water treatment plant.

State of New Mexico
City of Bloomfield
Management's Discussion and Analysis
June 30, 2016

Capital Assets, Net of Depreciation
June 30, 2016

	Governmental Activities	Business-type Activities	Total
Land	\$ 2,256,522	\$ 395,469	\$ 2,651,991
Water rights	-	313,686	313,686
Buildings and improvements	17,636,785	10,889,584	28,526,369
Land improvements	2,589,528	1,747,406	4,336,934
Furniture, fixtures and equipment	8,721,925	606,690	9,328,615
Construction in progress	700,377	154,140	854,517
Infrastructure	10,893,976	-	10,893,976
Distribution system	-	12,190,606	12,190,606
Total capital assets	42,799,113	26,297,581	69,096,694
Accumulated depreciation	(13,246,196)	(9,561,083)	(22,807,279)
Capital assets, net of accumulated depreciation	<u>\$ 29,552,917</u>	<u>\$ 16,736,498</u>	<u>\$ 46,289,415</u>

For government-wide financial statement presentation, all depreciable capital assets were depreciated from acquisition date to the end of the current fiscal year. Fund financial statements record capital asset purchases as expenditures. See Note 6 in the accompanying Notes to the Financial Statements for further information regarding capital assets.

Debt Administration. At the end of the current fiscal year, City of Bloomfield had total long-term obligations outstanding of \$19,404,808.

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

- \$9,009,000 addition to NMFA loans for the advance refunding of \$6,435,000 on another NMFA loan, the installation of landscaping along the west end of US Highway 64 in town, and the installation of energy upgrades on several city buildings.
- \$535,998 addition to NMFA loans for the construction of a fiber optic network to connect all city buildings to a central computer server and to provide additional fiber optic strands for future lease to the business community.
- \$195,336 addition to capital leases for the purchase of a new street sweeper.

City of Bloomfield's Outstanding Debt
June 30, 2016

	Governmental Activities	Business-type Activities	Total
General obligation bonds	\$ 625,000	\$ -	\$ 625,000
Capital leases	263,016	504,291	767,307
Loans payable	-	4,574,076	4,574,076
NMFA loans	11,259,226	-	11,259,226
EID notes	-	1,600,834	1,600,834
Compensated absences	471,093	107,272	578,365
Total long-term liabilities	<u>\$ 12,618,335</u>	<u>\$ 6,786,473</u>	<u>\$ 19,404,808</u>

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

State of New Mexico
City of Bloomfield
Management's Discussion and Analysis
June 30, 2016

The City knows of no currently known facts, decisions or conditions that are expected to have a significant effect on financial position or results of operations other than the ongoing downturn in the oil and gas industry. The City has made significant cuts to the FY 2017 budget to compensate for the reduction in gross receipts tax revenue.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Bloomfield's finances for all of those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Bloomfield Administration, City of Bloomfield, Post Office Box 1839, Bloomfield, New Mexico, 87413.

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**BASIC
FINANCIAL STATEMENTS**

STATE OF NEW MEXICO

City of Bloomfield

Statement of Net Position

June 30, 2016

	Primary Government		Total
	Governmental Activities	Business-type Activities	
Assets			
Current assets			
Cash and cash equivalents	\$ 692,221	\$ 1,012,509	\$ 1,704,730
Property taxes receivable	86,127	-	86,127
Other taxes receivable	1,027,267	-	1,027,267
Due from customers (net)	-	536,112	536,112
Other receivables	142,119	-	142,119
Inventory	-	243,808	243,808
Internal balances	(71,140)	71,140	-
Total current assets	<u>1,876,594</u>	<u>1,863,569</u>	<u>3,740,163</u>
Noncurrent assets			
Restricted cash and investments	1,436,226	359,359	1,795,585
Capital assets	42,799,113	26,297,581	69,096,694
Less: accumulated depreciation	<u>(13,246,196)</u>	<u>(9,561,083)</u>	<u>(22,807,279)</u>
Total noncurrent assets	<u>30,989,143</u>	<u>17,095,857</u>	<u>48,085,000</u>
Deferred outflows of resources			
Deferred amount on refunding of debt	884,852	-	884,852
Pension - deferred outflows	<u>1,488,672</u>	<u>89,020</u>	<u>1,577,692</u>
Total deferred outflows of resources	<u>2,373,524</u>	<u>89,020</u>	<u>2,462,544</u>
Total assets and deferred outflows of resources	<u>\$ 35,239,261</u>	<u>\$ 19,048,446</u>	<u>\$ 54,287,707</u>

The accompanying notes are an integral part of these financial statements

	Primary Government		Total
	Governmental Activities	Business-type Activities	
Liabilities			
Current liabilities			
Accounts payable	\$ 90,288	\$ 161,109	\$ 251,397
Accrued payroll expenses	252,896	51,080	303,976
Accrued compensated absences	314,354	30,405	344,759
Meter deposits	-	107,397	107,397
Accrued interest	45,183	32,125	77,308
Current portion of bond payable	115,000	-	115,000
Current portion of loans and notes payable	797,908	520,420	1,318,328
Total current liabilities	<u>1,615,629</u>	<u>902,536</u>	<u>2,518,165</u>
Noncurrent liabilities			
Accrued compensated absences	156,739	76,867	233,606
Bond underwriter premiums (net of accumulated amortization of \$5,792)	265	-	265
Bonds payable	510,000	-	510,000
Loans and notes payable	10,724,334	6,158,781	16,883,115
Net pension liability	7,055,146	966,256	8,021,402
Total noncurrent liabilities	<u>18,446,484</u>	<u>7,201,904</u>	<u>25,648,388</u>
Total liabilities	<u>20,062,113</u>	<u>8,104,440</u>	<u>28,166,553</u>
Deferred inflows of resources			
Pension - deferred inflows	<u>342,181</u>	<u>12,271</u>	<u>354,452</u>
Net position			
Net investment in capital assets	18,515,120	10,231,854	28,746,974
Restricted for:			
Debt service	1,185,407	77,405	1,262,812
Capital projects	283,441	-	283,441
Special revenue	347,476	-	347,476
Reserve requirement	516,309	-	516,309
Unrestricted (deficit)	<u>(6,012,786)</u>	<u>622,476</u>	<u>(5,390,310)</u>
Total net position	<u>14,834,967</u>	<u>10,931,735</u>	<u>25,766,702</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 35,239,261</u>	<u>\$ 19,048,446</u>	<u>\$ 54,287,707</u>

STATE OF NEW MEXICO
City of Bloomfield
Statement of Activities
For the Year Ended June 30, 2016

<u>Functions/Programs</u>	<u>Program Revenues</u>			
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government				
General government	\$ 2,415,513	\$ 591,199	\$ 98,740	\$ -
Public safety	5,023,862	885	1,001,071	-
Public works	1,042,538	-	-	208,853
Culture and recreation	1,500,545	49,823	27,688	-
Health and welfare	284,258	-	6,050	-
Interest on long-term debt	467,984	-	-	-
<i>Total governmental activities</i>	<u>10,734,700</u>	<u>641,907</u>	<u>1,133,549</u>	<u>208,853</u>
Business-type Activities:				
Joint Utility	3,804,053	3,527,016	-	50,000
Solid Waste	685,914	697,536	-	-
<i>Total business-type activities</i>	<u>4,489,967</u>	<u>4,224,552</u>	<u>-</u>	<u>50,000</u>
<i>Total</i>	<u>\$ 15,224,667</u>	<u>\$ 4,866,459</u>	<u>\$ 1,133,549</u>	<u>\$ 258,853</u>

General Revenues and Transfers:

Taxes
Property taxes, levied for general purposes
Property taxes, levied for debt service
Gross receipts taxes
Gasoline and motor vehicle taxes
Franchise taxes
Cigarette and lodger's taxes
Investment income
Miscellaneous revenue
Transfers
Gain on disposal of capital assets

Total general revenues and transfers

Change in net position

Net position, beginning

Net position, ending

The accompanying notes are an integral part of these financial statements

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (1,725,574)	\$ -	\$ (1,725,574)
(4,021,906)	-	(4,021,906)
(833,685)	-	(833,685)
(1,423,034)	-	(1,423,034)
(278,208)	-	(278,208)
(467,984)	-	(467,984)
<u>(8,750,391)</u>	<u>-</u>	<u>(8,750,391)</u>
-	(227,037)	(227,037)
-	11,622	11,622
<u>-</u>	<u>(215,415)</u>	<u>(215,415)</u>
(8,750,391)	(215,415)	(8,965,806)
825,342	-	825,342
138,221	-	138,221
6,158,840	-	6,158,840
217,493	-	217,493
318,967	-	318,967
57,346	-	57,346
12,014	2,922	14,936
49,215	1,828	51,043
19,209	(19,209)	-
4,631	-	4,631
<u>7,801,278</u>	<u>(14,459)</u>	<u>7,786,819</u>
(949,113)	(229,874)	(1,178,987)
<u>15,784,080</u>	<u>11,161,609</u>	<u>26,945,689</u>
<u>\$ 14,834,967</u>	<u>\$ 10,931,735</u>	<u>\$ 25,766,702</u>

STATE OF NEW MEXICO

City of Bloomfield
Balance Sheet
Governmental Funds
June 30, 2016

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Special Street Maintenance Capital Projects Fund</u>	<u>G.O. Bond Debt Service Fund</u>
<i>Assets</i>				
Cash and cash equivalents	\$ 153,639	\$ 134,382	\$ 164,736	\$ 1,301,844
Receivables:				
Property taxes	71,058	-	-	15,068
Other taxes	918,494	-	37,315	-
Other receivables	30,309	-	-	-
Due from other funds	5,639	-	-	4,154
<i>Total assets</i>	<u>\$ 1,179,139</u>	<u>\$ 134,382</u>	<u>\$ 202,051</u>	<u>\$ 1,321,066</u>
<i>Liabilities, deferred inflows of resources, and fund balance</i>				
<i>Liabilities</i>				
Accounts payable	\$ 75,742	\$ -	\$ 11,440	\$ -
Accrued payroll expenses	215,972	-	18,397	-
Due to other funds	4,154	-	2,463	-
<i>Total liabilities</i>	<u>295,868</u>	<u>-</u>	<u>32,300</u>	<u>-</u>
<i>Deferred inflows of resources</i>				
Unavailable revenue- property taxes	51,871	-	-	11,231
<i>Total deferred inflows of resources</i>	<u>51,871</u>	<u>-</u>	<u>-</u>	<u>11,231</u>
<i>Fund balances</i>				
Restricted	516,309	134,382	169,751	1,309,835
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	315,091	-	-	-
<i>Total fund balances</i>	<u>831,400</u>	<u>134,382</u>	<u>169,751</u>	<u>1,309,835</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 1,179,139</u>	<u>\$ 134,382</u>	<u>\$ 202,051</u>	<u>\$ 1,321,066</u>

The accompanying notes are an integral part of these financial statements

Other Governmental Funds	Total
\$ 373,846	\$ 2,128,447
-	86,126
71,458	1,027,267
111,810	142,119
-	9,793
<u>\$ 557,114</u>	<u>\$ 3,393,752</u>
\$ 3,106	\$ 90,288
18,526	252,895
<u>74,316</u>	<u>80,933</u>
<u>95,948</u>	<u>424,116</u>
-	63,102
<u>-</u>	<u>63,102</u>
251,332	2,381,609
99,587	99,587
110,247	110,247
-	315,091
<u>461,166</u>	<u>2,906,534</u>
<u>\$ 557,114</u>	<u>\$ 3,393,752</u>

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STATE OF NEW MEXICO

City of Bloomfield
Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Position
June 30, 2016

Exhibit B-1
Page 2 of 2

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

Fund balances - total governmental funds	\$	2,906,534
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		29,552,917
Delinquent property taxes not collected within sixty days after year end are not considered "available" revenues and are considered to be deferred inflows of resources in the fund financial statements, but are considered revenue in the Statement of Activities		63,102
Items related to the defined benefit pension plan are not financial resources and, therefore, are not reported in the funds. Deferred outflows of resources		1,488,672
Loan proceeds paid to refunded bond escrow agent reported as an other financing use in the funds are netted against the refunded bonds with the difference being reported as a deferred outflow of resources in the government-wide statement of net position and amortized over the remaining life of the refunded bonds		884,852
Items related to the defined benefit pension plan are not due and payable in the current period and, therefore, are not reported in the funds Deferred inflows of resources		(342,181)
Certain liabilities, including bonds payable and related components, accrued interest, and current and long-term portions of accrued compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds		
Accrued interest		(45,183)
Current portion of accrued compensated absences		(314,354)
Long-term portion of accrued compensated absences		(156,739)
Bond underwriter premiums, net of amortization		(265)
Bonds and notes payable		(12,147,242)
Net pension liability		(7,055,146)
		<hr style="border-top: 1px solid black;"/>
Net position of governmental activities	\$	<u><u>14,834,967</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2016

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Special Street Maintenance Capital Projects Fund</u>	<u>G.O. Bond Debt Service Fund</u>
<i>Revenues:</i>				
Taxes:				
Property	\$ 821,539	\$ -	\$ -	\$ 140,542
Gross receipts	5,700,761	-	-	-
Gasoline and motor vehicle	-	-	217,493	-
Other	318,967	-	-	-
Intergovernmental				
Federal operating grants	34,196	-	-	-
State operating grants	192,065	-	-	-
State capital grants	-	-	208,853	-
Charges for services	369,296	-	-	-
Licenses and fees	262,132	-	-	-
Contributions and donations	-	-	-	-
Investment income	114	1,519	-	10,379
Miscellaneous	32,789	-	-	-
<i>Total revenues</i>	<u>7,731,859</u>	<u>1,519</u>	<u>426,346</u>	<u>150,921</u>
<i>Expenditures:</i>				
Current:				
General government	1,923,642	-	-	1,390
Public safety	3,934,273	-	-	-
Public works	-	-	750,583	-
Culture and recreation	1,345,168	-	-	-
Health and welfare	250,637	-	-	-
Capital outlay	124,064	2,218,178	274,126	-
Debt service:				
Principal	41,341	-	36,288	837,397
Interest	8,238	-	4,036	332,395
<i>Total expenditures</i>	<u>7,627,363</u>	<u>2,218,178</u>	<u>1,065,033</u>	<u>1,171,182</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>104,496</u>	<u>(2,216,659)</u>	<u>(638,687)</u>	<u>(1,020,261)</u>
<i>Other financing sources (uses)</i>				
Loan proceeds	-	2,054,682	195,336	7,490,316
Loan issuance costs	-	-	-	(133,869)
Proceeds from sale of capital assets	4,631	-	-	-
Payment to refunded bond escrow agent	-	-	-	(7,201,979)
Transfers in	45,130	296,359	600,350	1,062,279
Transfers out	(1,433,845)	-	-	-
<i>Total other financing sources (uses)</i>	<u>(1,384,084)</u>	<u>2,351,041</u>	<u>795,686</u>	<u>1,216,747</u>
<i>Net change in fund balance</i>	(1,279,588)	134,382	156,999	196,486
<i>Fund balance - beginning of year</i>	<u>2,110,988</u>	<u>-</u>	<u>12,752</u>	<u>1,113,349</u>
<i>Fund balance - end of year</i>	<u>\$ 831,400</u>	<u>\$ 134,382</u>	<u>\$ 169,751</u>	<u>\$ 1,309,835</u>

The accompanying notes are an integral part of these financial statements

Other Governmental Funds	Total
\$ -	\$ 962,081
458,079	6,158,840
-	217,493
57,346	376,313
491,306	525,502
415,982	608,047
-	208,853
1,037	370,333
9,442	271,574
11,150	11,150
2	12,014
5,276	38,065
<u>1,449,620</u>	<u>9,760,265</u>
66,442	1,991,474
570,804	4,505,077
-	750,583
52,747	1,397,915
-	250,637
138,443	2,754,811
-	915,026
-	344,669
<u>828,436</u>	<u>12,910,192</u>
<u>621,184</u>	<u>(3,149,927)</u>
-	9,740,334
-	(133,869)
-	4,631
-	(7,201,979)
113,879	2,117,997
(664,943)	(2,098,788)
<u>(551,064)</u>	<u>2,428,326</u>
70,120	(721,601)
<u>391,046</u>	<u>3,628,135</u>
<u>\$ 461,166</u>	<u>\$ 2,906,534</u>

STATE OF NEW MEXICO

City of Bloomfield
Governmental Funds

Exhibit B-2
Page 2 of 2

Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2016

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

Net change in fund balances - total governmental funds	\$	(721,601)
--	----	-----------

Governmental funds report capital outlays as expenditures. However in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital expenditures recorded in capital outlay		2,754,811
Depreciation expense		(1,127,138)

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

Decrease in deferred inflow related to property taxes receivable		1,482
--	--	-------

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

Increase in accrued compensated absences		(1,924)
Decrease in accrued interest		14,386
Change in net pension liability and the related deferred outflows and deferred inflows of resources related to pensions		(108,230)

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

Amortization of bond premiums and bond discounts		131
Proceeds from the issuance of loans		(9,740,334)
Principal payments on bonds, loans and notes payable		915,026
Payment to refunded bond escrow agent		7,201,979
Amortization of deferred amount on refunding of debt		(137,701)

Change in net position of governmental activities	\$	<u>(949,113)</u>
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The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Exhibit C-1

City of Bloomfield

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues:</i>				
Taxes				
Property	\$ 895,178	\$ 895,178	\$ 813,325	\$ (81,853)
Gross receipts	7,111,800	6,742,800	6,101,720	(641,080)
Other	304,000	304,000	307,948	3,948
Intergovernmental income:				
Federal operating grant	-	-	34,196	34,196
State operating grant	202,000	202,000	188,275	(13,725)
Charges for services	381,950	381,950	364,597	(17,353)
Licenses and fees	322,800	322,800	261,850	(60,950)
Investment income	50	50	24	(26)
Miscellaneous	25,600	47,975	27,789	(20,186)
<i>Total revenues</i>	<u>9,243,378</u>	<u>8,896,753</u>	<u>8,099,724</u>	<u>(797,029)</u>
<i>Expenditures:</i>				
Current:				
General government	2,078,380	1,957,574	1,907,120	50,454
Public safety	3,997,535	3,873,021	3,834,104	38,917
Culture and recreation	1,344,216	1,339,536	1,363,364	(23,828)
Health and welfare	281,681	280,621	255,309	25,312
Capital outlay	2,349,425	165,018	154,915	10,103
Debt service:				
Principal	-	-	41,341	(41,341)
Interest	-	-	8,238	(8,238)
<i>Total expenditures</i>	<u>10,051,237</u>	<u>7,615,770</u>	<u>7,564,391</u>	<u>51,379</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(807,859)</u>	<u>1,280,983</u>	<u>535,333</u>	<u>(745,650)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	(191,315)	114,993	-	(114,993)
Loan proceeds	2,558,000	90,142	-	(90,142)
Proceeds from sale of capital assets	-	-	4,631	4,631
Transfers out	(1,558,826)	(1,486,118)	(1,433,845)	52,273
<i>Total other financing sources (uses)</i>	<u>807,859</u>	<u>(1,280,983)</u>	<u>(1,429,214)</u>	<u>(148,231)</u>
<i>Net change in fund balance</i>	-	-	(893,881)	(893,881)
<i>Fund balance - beginning of year</i>	-	-	1,049,005	1,049,005
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 155,124</u>	<u>\$ 155,124</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ (893,881)	
Adjustments to revenues for taxes and other receivables.			(322,735)	
Adjustments to expenditures for salaries and accounts payable.			(62,972)	
Net change in fund balance (GAAP)			<u>\$ (1,279,588)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Statement of Net Position
Proprietary Funds
June 30, 2016

Exhibit D-1

	<u>Joint Utility</u>	<u>Solid Waste</u>	<u>Total</u>
<i>Assets</i>			
<i>Current assets</i>			
Cash and cash equivalents	\$ 645,456	\$ 367,053	\$ 1,012,509
Accounts receivable (net of allowance for doubtful accounts of \$188,292 and \$26,902, respectively)	454,469	81,643	536,112
Inventory	243,808	-	243,808
Due from other funds	73,016	-	73,016
<i>Total current assets</i>	<u>1,416,749</u>	<u>448,696</u>	<u>1,865,445</u>
<i>Noncurrent assets</i>			
Restricted cash and investments	342,991	16,368	359,359
Capital assets	25,793,683	503,898	26,297,581
Accumulated depreciation	(9,455,382)	(105,701)	(9,561,083)
<i>Total noncurrent assets</i>	<u>16,681,292</u>	<u>414,565</u>	<u>17,095,857</u>
<i>Deferred outflows of resources</i>			
Pension - deferred outflows	89,020	-	89,020
<i>Total assets and deferred outflows of resources</i>	<u>\$ 18,187,061</u>	<u>\$ 863,261</u>	<u>\$ 19,050,322</u>
<i>Liabilities, deferred inflows of resources, and Net Position</i>			
<i>Liabilities</i>			
<i>Current liabilities</i>			
Accounts payable	\$ 109,015	\$ 52,094	\$ 161,109
Accrued payroll expenses	51,080	-	51,080
Accrued compensated absences	30,405	-	30,405
Meter deposits	107,397	-	107,397
Due to other funds	1,876	-	1,876
Accrued interest	31,208	917	32,125
Current maturity of loans, notes and capital leases payable	509,319	11,101	520,420
<i>Total current liabilities</i>	<u>840,300</u>	<u>64,112</u>	<u>904,412</u>
<i>Noncurrent liabilities</i>			
Accrued compensated absences	76,867	-	76,867
Loans, notes and capital leases payable	6,051,171	107,610	6,158,781
Net pension liability	966,256	-	966,256
<i>Total noncurrent liabilities</i>	<u>7,094,294</u>	<u>107,610</u>	<u>7,201,904</u>
<i>Total liabilities</i>	<u>7,934,594</u>	<u>171,722</u>	<u>8,106,316</u>
<i>Deferred inflows of resources</i>			
Pension - deferred inflows	12,271	-	12,271
<i>Net position</i>			
Net investment in capital assets	9,936,000	295,854	10,231,854
Restricted for:			
Debt service	77,405	-	77,405
Unrestricted	226,791	395,685	622,476
<i>Total net position</i>	<u>10,240,196</u>	<u>691,539</u>	<u>10,931,735</u>
<i>Total liabilities, deferred inflows of resources and, net position</i>	<u>\$ 18,187,061</u>	<u>\$ 863,261</u>	<u>\$ 19,050,322</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 Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2016

Exhibit D-2

	Joint Utility	Solid Waste	Total
<i>Operating revenues:</i>			
Charges for services	\$ 3,527,016	\$ 697,536	\$ 4,224,552
<i>Total operating revenues</i>	3,527,016	697,536	4,224,552
<i>Operating expenses:</i>			
Depreciation	498,324	10,039	508,363
Personnel services	1,518,278	-	1,518,278
Contractual services	449,330	670,298	1,119,628
Supplies and purchased power	429,122	-	429,122
Maintenance and materials	256,047	-	256,047
Miscellaneous	219,595	-	219,595
Utilities	36,813	-	36,813
Equipment	36,825	-	36,825
Gross receipts taxes	169,890	-	169,890
<i>Total operating expenses</i>	3,614,224	680,337	4,294,561
<i>Operating income (loss)</i>	(87,208)	17,199	(70,009)
<i>Non-operating revenues (expenses):</i>			
Interest expense	(189,829)	(5,577)	(195,406)
Investment income	2,759	163	2,922
Miscellaneous income	1,828	-	1,828
<i>Total non-operating revenues (expenses)</i>	(185,242)	(5,414)	(190,656)
<i>Income (loss) before contributions and transfers</i>	(272,450)	11,785	(260,665)
Government contributions	50,000	-	50,000
Transfers in	105,912	-	105,912
Transfers out	(109,991)	(15,130)	(125,121)
<i>Change in net position</i>	(226,529)	(3,345)	(229,874)
<i>Total net position, beginning of year</i>	10,466,725	694,884	11,161,609
<i>Total net position, end of year</i>	\$ 10,240,196	\$ 691,539	\$ 10,931,735

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2016

Exhibit D-3

	Joint Utility	Solid Waste	Total
<i>Cash flows from operating activities:</i>			
Cash received from user charges	\$ 3,575,473	\$ 706,928	\$ 4,282,401
Cash payments to employees for services	(1,505,806)	-	(1,505,806)
Cash payments to suppliers for goods and services	(1,885,804)	(679,236)	(2,565,040)
<i>Net cash provided by operating activities</i>	183,863	27,692	211,555
<i>Cash flows from noncapital financing activities:</i>			
Internal balances and transfers	(77,486)	(15,130)	(92,616)
<i>Net cash (used) provided by noncapital financing activities:</i>	(77,486)	(15,130)	(92,616)
<i>Cash flows from investing activities:</i>			
Interest on investments	2,759	163	2,922
<i>Net cash provided from investing activities</i>	2,759	163	2,922
<i>Cash flows from capital and related financing activities:</i>			
Acquisition of capital assets	(115,473)	-	(115,473)
Capital grants received	50,006	-	50,006
Interest paid	(190,461)	(5,577)	(196,038)
Principal payments on bonds, loans and notes payable	(507,429)	(10,667)	(518,096)
<i>Net cash (used) from capital and related financing activities</i>	(763,357)	(16,244)	(779,601)
<i>Net increase in cash and cash equivalents</i>	(654,221)	(3,519)	(657,740)
<i>Cash and cash equivalents - beginning of year</i>	1,642,668	386,940	2,029,608
<i>Cash and cash equivalents - end of year</i>	\$ 988,447	\$ 383,421	\$ 1,371,868
<i>Reconciliation of operating income to net cash provided by operating activities:</i>			
Operating income	\$ (87,208)	\$ 17,199	\$ (70,009)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	498,324	10,039	508,363
Net pension expense	(35,520)	-	(35,520)
Miscellaneous income	1,828	-	1,828
Changes in assets and liabilities			
Receivables	46,629	9,392	56,021
Inventory	7,576	-	7,576
Accounts payable	(300,443)	(8,938)	(309,381)
Accrued payroll expenses	15,884	-	15,884
Accrued compensated absences	32,108	-	32,108
Meter deposits	4,685	-	4,685
<i>Net cash provided by operating activities</i>	\$ 183,863	\$ 27,692	\$ 211,555

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2016

Exhibit E-1

<i>Assets</i>	
Cash	<u>\$ 450</u>
<i>Total assets</i>	<u><u>\$ 450</u></u>
<i>Liabilities</i>	
Due to other entities	<u>\$ 450</u>
<i>Total liabilities</i>	<u><u>\$ 450</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2016

NOTE 1. Summary of Significant Accounting Policies

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

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

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

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

A. *Financial Reporting Entity*

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

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

B. *Government-wide and fund financial statements*

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

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2016

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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

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

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

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

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

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

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

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2016

NOTE 1. Summary of Significant Accounting Policies (continued)

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

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Sales and use taxes are classified as derived tax revenues and are recognized as revenue when the underlying exchange takes place and the revenues are measurable and available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. The government-wide full accrual basis property tax receivables recognize revenues net of estimated refunds and uncollectible amounts, in the period for which the taxes are levied, even if they are not available. All other revenue items are considered to be measurable and available only when cash is received by the City.

Program revenues included in the Statement of Activities are derived directly from the program itself or from parties outside the City's taxpayer or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the City's general revenues. Program revenues are categorized as (a) charges for services, which include revenues collected for fees and use of City facilities, etc., (b) program-specific operating grants, which includes revenues received from state and federal sources such as small cities assistance to be used as specified within each program grant agreement, and (c) program-specific capital grants and contributions, which include revenues from state sources to be used for capital projects. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

The City reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. The City does not currently employ indirect cost allocation systems. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenue of the City's enterprise fund is charges for services for the City's utilities. Operating expenses for enterprise funds include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2016

NOTE 1. Summary of Significant Accounting Policies (continued)

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

The *Capital Projects Fund* accounts for capital project costs of the City's governmental activities funded by loans, grants, or transfers from the General Fund.

The *Special Street Maintenance Capital Projects Fund* accounts for project costs of paving certain streets funded by the City and a cooperation agreement with the New Mexico State Highway Department.

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

The City reports its proprietary funds as major funds. Proprietary funds include:

The *Joint Utility Fund* accounts for fees generated from charges for utilities.

The *Solid Waste Fund* accounts for fees generated from charges for trash collection.

Additionally, the government reports the following agency fund:

The *Fiduciary Funds* are purely custodial (assets equal liabilities) and do not involve measurement of results of operations. The City's fiduciary funds are used to account for the collection and payment of motor vehicle fees.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes, because elimination of these charges would distort the direct costs and program revenues reported in the Statement of Activities.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

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

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

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

Investments for the City are reported at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties. All of the City's investments at June 30, 2016, are considered cash equivalents for financial statement purposes.

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

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

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2016

NOTE 1. Summary of Significant Accounting Policies (continued)

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

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. In the government-wide and governmental fund financial statements, delinquent property taxes are recorded when levied.

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

Inventory: The City’s method of accounting for inventory is the consumption method. Under the consumption approach, governments report inventories they purchase as an asset and defer the recognition of the expenditures until the period in which the inventories actually are consumed. Inventory is valued at cost and consists of supplies and materials. The cost of purchased supplies and materials is recorded as an expenditure at the time individual inventory items are consumed.

Restricted Assets: Restricted assets consist of those funds expendable for operating purposes but restricted by donors or other outside agencies as to the specific purpose for which they may be expended.

Capital Assets: Capital assets, which include property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Pursuant to the implementation of GASB Statement No. 34, the City was a phase III government for purposes of implementation, and accordingly, has prospectively reported infrastructure assets at historical cost as part of the governmental capital assets reported in the government-wide statements as of June 30, 2016. Donated capital assets are recorded at estimated fair market value at the date of donation. During the year ended June 30, 2016 the City did not receive any donated capital assets. The City does not develop any software.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction.

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

<u>Assets</u>	<u>Years</u>
Infrastructure	40
Distribution System	40
Buildings and Improvements	45
Land Improvements	20
Furniture, Fixtures, and Equipment	5-20

Accrued Expenses: Accrued expenses are comprised of payroll expenditures based on amounts earned by the employees through June 30, 2016, along with applicable PERA and Retiree Health Care.

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2016

NOTE 1. Summary of Significant Accounting Policies (continued)

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

Deferred Inflows/Outflows of Resources: In addition to liabilities, the statement of net position and the balance sheet report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Revenue must be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period) to be recognized. If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding liability for deferred inflows of resources. In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has only one type of item, which arises under the modified accrual basis of accounting that qualifies for reporting as a deferred inflow of resources. Accordingly, the item, unavailable revenue - property taxes, is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City has recorded \$63,102 related to property taxes considered "unavailable." In the government-wide financial statements, the City reports both deferred outflows of resources and deferred inflows of resources in relation to its pension activity. See the statement of net position on pages 22 to 23 for amounts for both governmental activities and business-type activities.

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

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

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

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2016

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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

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

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

Nonspendable Fund Balance: At June 30, 2016, the City did not have any nonspendable fund balance categorized in the governmental funds balance sheet.

Restricted and Committed Fund Balance: At June 30, 2016, the City has presented restricted fund balance on the governmental funds balance sheet in the amount of \$2,381,609 for various City operations, of which \$385,714 is restricted by enabling legislation, and \$1,995,895 by externally imposed restrictions from creditors, grantors, contributors, or laws or regulations of other governments. Of the \$1,995,895, \$516,309 is restricted in the General Fund by a reserve requirement imposed by the New Mexico Department of Finance and Administration which is one twelfth of budgeted General Fund expenditures. The City has also presented committed fund balance on the governmental funds balance sheet in the amount of \$99,587 in order to provide services throughout the City. The \$99,587 was committed by formal action of the City Council. Assigned fund balance, in the amount of \$110,247, has also been reported, of which \$63,206 was assigned by the City Council, and \$47,041 was assigned at the department level by policy. The details of these fund balance restrictions, commitments, and assignments are located on pages 41, and 80-82.

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

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

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

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

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2016

NOTE 2. Stewardship, Compliance and Accountability

Budgetary Information

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

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

	Excess (deficiency) of	
	revenues over expenditures	
	Original Budget	Final Budget
Budgeted Funds:		
General Fund	\$ (807,859)	\$ 1,280,983
Capital Projects Fund	\$ -	\$ (2,317,336)
Special Street Maintenance Capital Projects Fund	\$ (984,442)	\$ (652,621)
G.O. Bond Debt Service Fund	\$ (1,072,905)	\$ (1,102,599)
Other Governmental Funds	\$ 522,228	\$ 651,967
Joint Utility Proprietary Fund	\$ (571,614)	\$ (918,472)
Solid Waste Proprietary Fund	\$ 31,590	\$ 31,590

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

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

The accompanying Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual presents comparisons of the legally adopted budget with actual data on a budgetary basis. Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of resultant basis, perspective, equity and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2016 is presented.

NOTE 3. Deposits and Investments

State statutes authorize the investment of City funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested funds of the City properly followed State investment requirements as of June 30, 2016.

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

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

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2016

NOTE 3. Deposits and Investments (continued)

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

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

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2016, \$1,210,327 of the City's bank balance of \$1,970,130 was exposed to custodial credit risk. Although the \$1,210,327 was uninsured, \$959,026 of this amount was collateralized by collateral held by the pledging bank's trust department, not in the City's name. \$251,301 of the City's deposits was uninsured and uncollateralized at June 30, 2016.

	Wells Fargo Bank	Citizen's Bank	Total
Amount of deposits	\$ 1,058,682	\$ 911,448	\$ 1,970,130
FDIC coverage	(361,851)	(397,952)	(759,803)
Total uninsured public funds	696,831	513,496	1,210,327
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the City's name	445,530	513,496	959,026
Uninsured and uncollateralized	\$ 251,301	\$ -	\$ 251,301
Collateral requirement (50% of uninsured funds)	\$ 348,416	\$ 256,748	\$ 605,164
Pledged Collateral	445,530	1,419,860	1,865,390
Over (Under) collateralized	\$ 97,114	\$ 1,163,112	\$ 1,260,226

As of June 30, 2016, the City had the following investments and maturities:

<u>Investment Type</u>	<u>Maturities</u>	<u>Fair Value</u>	<u>Rating</u>
U.S. Treasury MM Mutual Funds	<360 days	\$ 1,556,135	Aaa*

*Rating based on Moody's

Custodial Credit Risk - Investments For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's policy related to investments is to comply with the state statute as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). The carrying value of the City's investments at June 30, 2016 was \$1,556,135.

The investments are listed on Schedule I of this report. They are considered restricted cash and investments for financial statement purposes. The total restricted cash and cash equivalents balance of \$1,795,585 also consists of \$107,393 in cash being held in the Joint Utility Fund for customer deposits and \$132,057 in cash being held in the G.O. Bond Debt Service Fund for payment of general obligation bonds.

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2016

NOTE 3. Deposits and Investments (continued)

The City utilizes pooled accounts for some of their programs and funds. Negative cash balances in individual funds that were part of the pooled accounts were reclassified as due to/from accounts in the combining balance sheets as of June 30, 2016. The following individual funds had negative cash balances as of June 30, 2016:

Governmental Activities

FEMA Grant - Fire Department Special Revenue Fund \$ 73,016

Reconciliation to the Statements of Net Position

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

Reconciliation to the Statement of Net Position:

Cash and cash equivalents per Exhibit A-1	\$1,704,730
Restricted cash and investments per Exhibit A-1	1,795,585
Agency funds cash per Exhibit E-1	450
	<u>3,500,765</u>
Add: deposits in transit and other reconciling items	28,400
Less: U.S. Treasury Money Market Mutual Fund	(1,556,135)
Less: petty cash	(2,900)
	<u>(1,529,635)</u>
Bank balance of deposits	<u>\$1,970,130</u>

NOTE 4. Receivables

Receivables as of June 30, 2016, including the applicable allowances for uncollectible accounts, are as follows:

Governmental Activities:

	General Fund	Special Street Maintenance Capital Projects Fund	G.O. Bond Debt Service Fund	Other Governmental Funds	Total
Property taxes	\$ 71,058	\$ -	\$ 15,068	\$ -	\$ 86,126
Other taxes:					
Gross receipts taxes	778,694	-	-	62,648	841,342
Gasoline taxes	-	37,315	-	-	37,315
Motor vehicle taxes	3,195	-	-	-	3,195
Franchise and lodgers taxes	136,605	-	-	8,810	145,415
Other receivables:					
Intergovernmental grants:					
Federal	2,268	-	-	88,841	91,109
State	13,358	-	-	22,969	36,327
Miscellaneous	14,683	-	-	-	14,683
Totals	<u>\$ 1,019,861</u>	<u>\$ 37,315</u>	<u>\$ 15,068</u>	<u>\$ 183,268</u>	<u>\$ 1,255,512</u>

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2016

NOTE 4. Receivables (continued)

In accordance with GASB No. 33, the property tax revenues that were not collected within the period of availability, \$86,126, have been reclassified as deferred inflows in the governmental fund financial statements. The above receivables are deemed 100% collectible.

Business-Type Activities:

	<u>Joint Utility</u>	<u>Solid Waste</u>	<u>Total</u>
Utility fees	\$ 642,761	\$ 107,145	\$ 749,906
Less: Allowance for uncollectible accounts	(188,292)	(26,902)	(215,194)
Other receivables:			
Miscellaneous	-	1,400	1,400
Totals	<u>\$ 454,469</u>	<u>\$ 81,643</u>	<u>\$ 536,112</u>

NOTE 5. Interfund Receivables, Payables, and Transfers

Operating transfers, made to close out funds and to supplement other funding sources in the normal course of operations, were as follows:

<u>Transfers Out</u>	<u>Transfers In</u>	<u>Amount</u>
Primary Government		
General Fund	Joint Utility Fund	\$ 105,912
General Fund	Special Street Maintenance Fund	600,350
General Fund	Capital Equipment Replacement Fund	113,879
General Fund	G.O. Bond Fund	397,336
General Fund	Capital Projects Fund	216,368
Fire Protection Fund	G.O. Bond Fund	62,948
Capital Equipment Replacement Fund	G.O. Bond Fund	601,995
Joint Utility Fund	General Fund	30,000
Joint Utility Fund	Capital Projects Fund	79,991
Solid Waste Fund	General Fund	15,130
Total		<u>\$ 2,223,909</u>

The City recorded interfund receivable/payable to reflect a temporary loan between funds. The purpose of the loan was to cover cash shortages until grant reimbursements could be obtained.

<u>Due From Other Fund</u>	<u>Due To Other Fund</u>	<u>Amount</u>
General Fund	Special Street Maintenance Fund	\$ 2,463
General Fund	KAB - Bloomfield Pride Fund	1,300
General Fund	Joint Utility Fund	1,876
G.O. Bond Fund	General Fund	4,154
Joint Utility Fund	FEMA Grant - Fire Department Fund	73,016
		<u>\$ 82,809</u>

All interfund transactions are short-term and are expected to be repaid within a year.

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2016

NOTE 6. Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2016, including those changes pursuant to the implementation of GASB Statement No. 34, follows. Land and construction in progress are not subject to depreciation.

Governmental Activities:

	Balance June 30, 2015	Additions & Transfers In	Deletions & Transfers Out	Balance June 30, 2016
Capital assets not being depreciated:				
Land	\$ 2,256,522	\$ -	\$ -	\$ 2,256,522
Construction in progress	612,641	465,479	377,743	700,377
	<u>2,869,163</u>	<u>465,479</u>	<u>377,743</u>	<u>2,956,899</u>
Capital assets being depreciated:				
Land improvements	804,756	1,784,772	-	2,589,528
Buildings and improvements	17,636,785	-	-	17,636,785
Furniture, fixtures and equipment	7,958,171	882,303	118,549	8,721,925
Infrastructure	10,893,976	-	-	10,893,976
	<u>37,293,688</u>	<u>2,667,075</u>	<u>118,549</u>	<u>39,842,214</u>
Total capital assets	<u>40,162,851</u>	<u>3,132,554</u>	<u>496,292</u>	<u>42,799,113</u>
Accumulated depreciation:				
Land improvements	484,283	46,167	-	530,450
Buildings and improvements	4,354,890	363,083	-	4,717,973
Furniture, fixtures and equipment	6,089,553	456,154	118,549	6,427,158
Infrastructure	1,308,881	261,734	-	1,570,615
Total accumulated depreciation	<u>12,237,607</u>	<u>1,127,138</u>	<u>118,549</u>	<u>13,246,196</u>
Net Capital Assets	<u>\$ 27,925,244</u>	<u>\$ 2,005,416</u>	<u>\$ 377,743</u>	<u>\$ 29,552,917</u>

Depreciation expense for the year ended June 30, 2016 was charged to governmental activities as follows:

General Government	\$ 275,752
Public Safety	440,363
Public Works	264,233
Culture and Recreation	115,792
Health and Welfare	<u>30,998</u>
Total	<u>\$ 1,127,138</u>

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2016

NOTE 6. Capital Assets (continued)

Business-type Activities:

	Balance June 30, 2015	Additions & Transfers In	Deletions & Transfers Out	Balance June 30, 2016
Capital assets not being depreciated:				
Land	\$ 395,469	\$ -	\$ -	\$ 395,469
Water rights	313,686	-	-	313,686
Construction in progress	154,140	-	-	154,140
	<u>863,295</u>	<u>-</u>	<u>-</u>	<u>863,295</u>
Capital assets being depreciated:				
Land improvements	1,712,773	34,633	-	1,747,406
Buildings and improvements	10,889,584	-	-	10,889,584
Distribution system	12,190,606	-	-	12,190,606
Furniture, fixtures and equipment	525,850	80,840	-	606,690
	<u>25,318,813</u>	<u>115,473</u>	<u>-</u>	<u>25,434,286</u>
Total capital assets	<u>26,182,108</u>	<u>115,473</u>	<u>-</u>	<u>26,297,581</u>
Accumulated depreciation:				
Land improvements	210,874	35,562	-	246,436
Buildings and improvements	2,823,064	217,743	-	3,040,807
Distribution system	5,829,887	201,170	-	6,031,057
Furniture, fixtures and equipment	188,895	53,888	-	242,783
Total accumulated depreciation	<u>9,052,720</u>	<u>508,363</u>	<u>-</u>	<u>9,561,083</u>
Net Book Value	<u>\$ 17,129,388</u>	<u>\$ (392,890)</u>	<u>\$ -</u>	<u>\$ 16,736,498</u>

Depreciation expense charged to business-type activities for the year ended June 30, 2016 was as follows:

Joint Utility Fund	\$ 498,324
Solid Waste Fund	<u>10,039</u>
Total	<u>\$ 508,363</u>

NOTE 7. Long-term Debt

During the year ended June 30, 2016, the following changes occurred in the liabilities reported in the government-wide statement of net position:

Governmental Activities

	Balance June 30, 2015	Additions	Retirements	Balance June 30, 2016	Due Within One Year
2005 General Obligation Series	735,000	-	110,000	625,000	115,000
Capital Lease	145,309	195,336	77,629	263,016	76,930
NMFA Loans	8,636,625	9,544,998	6,922,397	11,259,226	720,978
Compensated Absences	469,169	316,278	314,354	471,093	314,354
Total Long-term Debt	<u>\$ 9,986,103</u>	<u>\$ 10,056,612</u>	<u>\$ 7,424,380</u>	<u>\$ 12,618,335</u>	<u>\$ 1,227,262</u>

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2016

NOTE 7. Long-term Debt (continued)

Description	Date of Issue	Term	Interest Rate	Original Amount of Issue	Balance as of June 30, 2016
2005 General Obligation Series	January 2005	15 years	2.80%-4.30%	1,600,000	\$ 625,000
NMFA PPRF Loan-Refinance Fire Dept Loan	April 2012	18 years	3.25%	1,580,054	1,263,587
NMFA PPRF Loan-Fire Pumper	December 2007	10 years	3.96%	511,112	70,695
NMFA Pol/Crt/MVD	January 2009	24 years	5.71%	7,984,137	510,000
NMFA PPRF Loan-PD/FD Equipment	January 2015	3 years	0.70%	213,222	94,946
NMFA PPRF Loan-Refi PD/Landscape/EPC	July 2015	18 years	3.02%	9,009,000	8,784,000
NMFA PPRF Loan-Fiber Optic Project	September 2015	15 years	3.34%	535,998	535,998
Software Lease	August 2013	5 years	6.36%	215,750	88,707
Street Sweeper Lease	January 2016	5 years	3.59%	195,336	174,309
					<u>\$ 12,147,242</u>

The annual requirements to amortize the Bonds as of June 30, 2016, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2017	\$ 115,000	\$ 23,315	\$ 138,315
2018	120,000	18,760	138,760
2019	125,000	13,828	138,828
2020	130,000	8,535	138,535
2021	135,000	2,902	137,902
	<u>\$ 625,000</u>	<u>\$ 67,340</u>	<u>\$ 692,340</u>

General obligation bonds have been liquidated by the G.O. Bond Fund in prior years.

The annual requirements to amortize the NMFA Loans as of June 30, 2016, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2017	\$ 720,978	\$ 322,131	\$ 1,043,109
2018	595,186	303,033	898,219
2019	601,048	284,708	885,756
2020	610,803	274,953	885,756
2021	622,162	263,594	885,756
2022-2026	3,334,172	1,094,608	4,428,780
2027-2031	3,504,877	580,242	4,085,119
2032-2036	1,270,000	69,980	1,339,980
	<u>\$ 11,259,226</u>	<u>\$ 3,193,249</u>	<u>\$ 14,452,475</u>

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2016

NOTE 7. Long-term Debt (continued)

The annual requirements to amortize the capital lease as of June 30, 2016, including interest payments are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2017	\$ 76,930	\$ 10,875	\$ 87,805
2018	84,045	7,322	91,367
2019	39,723	3,014	42,737
2020	41,172	1,564	42,736
2021	21,146	222	21,368
	<u>\$ 263,016</u>	<u>\$ 22,997</u>	<u>\$ 286,013</u>

Compensated Absences – Employees of the City are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2016, long-term compensated absences increased \$1,924 over the prior year accrual.

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

Proprietary Funds

The Joint Utility fund has incurred various forms of debt which were used for the purposes of constructing, expanding, repairing and making improvements to its property, plant and equipment. The following schedule shows the changes to its various forms of debt during the fiscal year ended June 30, 2016:

Proprietary Funds

	<u>Balance June 30, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2016</u>	<u>Due Within One Year</u>
EID Notes	\$ 1,736,409	\$ -	\$ 135,575	\$ 1,600,834	\$ 139,641
Loans Payable	4,927,220	-	353,144	4,574,076	350,263
Capital Lease	533,668	-	29,377	504,291	30,516
Compensated Absences	<u>75,164</u>	<u>62,513</u>	<u>30,405</u>	<u>107,272</u>	<u>30,405</u>
Total Long-term Debt	<u>\$ 7,272,461</u>	<u>\$ 62,513</u>	<u>\$ 548,501</u>	<u>\$ 6,786,473</u>	<u>\$ 550,825</u>

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2016

NOTE 7. Long-term Debt (continued)

On October 24, 2004, the City received a note for improvements to the waste water plant for \$2,700,000. The note is financed over twenty years at 3%. The annual requirements to amortize the note as of June 30, 2016, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2017	\$ 139,641	\$ 48,025	\$ 187,666
2018	143,831	43,836	187,667
2019	148,146	39,521	187,667
2020	152,590	35,076	187,666
2021	157,168	30,499	187,667
2022-2026	859,458	78,875	938,333
	<u>\$ 1,600,834</u>	<u>\$ 275,832</u>	<u>\$ 1,876,666</u>

On August 18, 2006, the City entered into a loan agreement with the New Mexico Finance Authority for the drinking water state revolving fund in the amount of \$3,737,000. The loan is financed over twenty-two years at 1.75%. The annual requirements to amortize the loan as of June 30, 2016, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2017	\$ 191,683	\$ 46,663	\$ 238,346
2018	195,526	42,829	238,355
2019	199,447	38,918	238,365
2020	203,446	34,930	238,376
2021	207,525	30,861	238,386
2022-2026	1,101,731	90,356	1,192,087
2026-2031	233,775	4,675	238,450
	<u>\$ 2,333,133</u>	<u>\$ 289,232</u>	<u>\$ 2,622,365</u>

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2016

NOTE 7. Long-term Debt (continued)

On October 6, 2006, the City entered into a loan agreement with the New Mexico Finance Authority in the amount of \$528,051 to refund portions of earlier issues. Proceeds from the sale were placed in a reserve with the NMFA that is to be used to service the future debt requirements of the outstanding principal of, and interest accrued to the date of payment of principal of the 1973 Bonds, 1975 Bonds, 1977 Bonds, 1978 Bonds and 1982 Bonds. The loan is financed over twenty years at 3.977%. The annual requirements to amortize the loan as of June 30, 2016, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2017	\$ 21,476	\$ 2,955	\$ 24,431
2018	18,172	2,059	20,231
2019	7,887	1,294	9,181
2020	7,671	960	8,631
2021	7,449	632	8,081
2022-2026	7,219	312	7,531
	<u>\$ 69,874</u>	<u>\$ 8,212</u>	<u>\$ 78,086</u>

On February 9, 2007, the City entered into a loan agreement with the New Mexico Water Trust Board and the New Mexico Finance Authority for Water Project Fund in the amount of \$87,500. The loan is financed over twenty years. The annual requirements to amortize the loan as of June 30, 2016, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2017	\$ 4,547	\$ 115	\$ 4,662
2018	4,558	104	4,662
2019	4,569	92	4,661
2020	4,581	81	4,662
2021	4,592	69	4,661
2022-2026	23,133	174	23,307
	<u>\$ 45,980</u>	<u>\$ 635</u>	<u>\$ 46,615</u>

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2016

NOTE 7. Long-term Debt (continued)

On December 5, 2008, the City entered into a loan agreement with the New Mexico Water Trust Board and the New Mexico Finance Authority for Waterline Project in the amount of \$60,000. The loan is financed over twenty years. The annual requirements to amortize the loan as of June 30, 2016, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2017	\$ 3,040	\$ 93	\$ 3,133
2018	3,048	85	3,133
2019	3,056	77	3,133
2020	3,063	70	3,133
2021	3,071	62	3,133
2022-2026	15,471	194	15,665
2027-2031	6,242	23	6,265
	<u>\$ 36,991</u>	<u>\$ 604</u>	<u>\$ 37,595</u>

On April 30, 2010, the City entered into a loan agreement with the New Mexico Water Trust Board and the New Mexico Finance Authority for Waterline Project in the amount of \$220,000. The loan is financed over twenty years. The annual requirements to amortize the loan as of June 30, 2016, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2017	\$ 10,903	\$ 388	\$ 11,291
2018	10,930	361	11,291
2019	10,958	333	11,291
2020	10,985	306	11,291
2021	11,013	278	11,291
2022-2026	55,477	978	56,455
2027-2031	44,883	281	45,164
	<u>\$ 155,149</u>	<u>\$ 2,925</u>	<u>\$ 158,074</u>

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2016

NOTE 7. Long-term Debt (continued)

On June 25, 2007, the City entered into a loan agreement with the New Mexico Environment Department for the Rural Infrastructure Loan Fund in the amount of \$500,000. The loan is financed over twenty years at 3%. The annual requirements to amortize the loan as of June 30, 2016, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2017	\$ 24,279	\$ 9,329	\$ 33,608
2018	25,008	8,600	33,608
2019	25,758	7,850	33,608
2020	26,530	7,078	33,608
2021	27,326	6,282	33,608
2022-2026	149,431	18,608	168,039
2027-2031	32,629	979	33,608
	<u>\$ 310,961</u>	<u>\$ 58,726</u>	<u>\$ 369,687</u>

On January 27, 2008, the City entered into a loan agreement with the New Mexico Environment Department for the Rural Infrastructure Loan Fund in the amount of \$206,277. The loan is financed over twenty years at 3%. The annual requirements to amortize the loan as of June 30, 2016, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2017	\$ 9,725	\$ 4,140	\$ 13,865
2018	10,016	3,849	13,865
2019	10,317	3,548	13,865
2020	10,626	3,239	13,865
2021	10,945	2,920	13,865
2022-2026	59,853	9,472	69,325
2027-2031	26,531	1,200	27,731
	<u>\$ 138,013</u>	<u>\$ 28,368</u>	<u>\$ 166,381</u>

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2016

NOTE 7. Long-term Debt (continued)

On February 15, 2007, the City received a lease purchase contract for the construction of a solid waste facility in the amount of \$216,218. The lease purchase contract is financed over 20 years at 3.925%. The annual requirements to amortize the lease purchase contract as of June 30, 2016, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2017	\$ 11,101	\$ 5,144	\$ 16,245
2018	11,559	4,687	16,246
2019	12,044	4,204	16,248
2020	12,555	3,694	16,249
2021	13,092	3,158	16,250
2022-2026	58,360	6,656	65,016
	<u>\$ 118,711</u>	<u>\$ 27,543</u>	<u>\$ 146,254</u>

On November 19, 2010, the City entered into a loan agreement with the New Mexico Water Trust Board and the New Mexico Finance Authority for the Blanco/Navajo Dam Regional Water Project in the amount of \$55,000. The loan is financed over twenty years at 0.25%. The annual requirements to amortize the loan as of June 30, 2016, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2017	\$ 2,726	\$ 97	\$ 2,823
2018	2,733	90	2,823
2019	2,739	83	2,822
2020	2,746	76	2,822
2021	2,753	70	2,823
2022-2026	13,870	245	14,115
2027-2031	11,221	70	11,291
	<u>\$ 38,788</u>	<u>\$ 731</u>	<u>\$ 39,519</u>

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2016

NOTE 7. Long-term Debt (continued)

On May 13, 2011, the City entered into a loan agreement with the New Mexico Finance Authority for the upgrade and replacement of sewer lines under US Highway 64 in the amount of \$1,426,075. The loan is financed over twenty years at 4.176%. The annual requirements to amortize the loan as of June 30, 2016, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2017	\$ 58,918	\$ 46,989	\$ 105,907
2018	60,373	45,534	105,907
2019	62,082	43,825	105,907
2020	64,025	41,882	105,907
2021	66,208	39,699	105,907
2022-2026	371,896	157,640	529,536
2027-2031	461,855	67,680	529,535
	<u>\$ 1,145,357</u>	<u>\$ 443,249</u>	<u>\$ 1,588,606</u>

On June 24, 2011, the City entered into a loan agreement with the New Mexico Water Trust Board and the New Mexico Finance Authority for the upgrade and replacement of water lines under US Highway 64 in the amount of \$240,000. The loan is financed over twenty years at 0.25%. The annual requirements to amortize the loan as of June 30, 2016, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2017	\$ 11,865	\$ 453	\$ 12,318
2018	11,894	423	12,317
2019	11,924	393	12,317
2020	11,954	364	12,318
2021	11,984	334	12,318
2022-2026	60,370	1,218	61,588
2027-2031	61,128	459	61,587
	<u>\$ 181,119</u>	<u>\$ 3,644</u>	<u>\$ 184,763</u>

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2016

NOTE 7. Long-term Debt (continued)

The aggregated debt service payments required on the outstanding debt of the proprietary funds is as follows:

Fiscal Year Ending June 30,	EID Notes	Loans Payable	Total Debt Service
2017	\$ 187,666	\$ 466,629	\$ 654,295
2018	187,667	462,438	650,105
2019	187,667	451,398	639,065
2020	187,666	450,862	638,528
2021	187,667	450,323	637,990
2022-2026	938,333	2,202,664	3,140,997
2027-2031	-	953,631	953,631
Total Payments	\$ 1,876,666	\$ 5,437,945	\$ 7,314,611
Less Interest	(275,832)	(863,869)	(1,139,701)
Net Long-term Debt	<u>\$ 1,600,834</u>	<u>\$ 4,574,076</u>	<u>\$ 6,174,910</u>

On June 9, 2009, the City entered into a lease purchase contract with the City of Aztec for a main water line in the amount of \$687,900. The lease purchase contract is financed over 20 years at 3.81%. The annual requirements to amortize the lease purchase contract as of June 30, 2016, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2017	\$ 30,516	\$ 18,684	\$ 49,200
2018	31,699	17,501	49,200
2019	32,928	16,272	49,200
2020	34,205	14,995	49,200
2021	35,531	13,669	49,200
2021-2026	199,418	46,582	246,000
2027-2031	139,994	11,706	151,700
	<u>\$ 504,291</u>	<u>\$ 139,409</u>	<u>\$ 643,700</u>

Compensated Absences – Employees of the City are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2016, long-term compensated absences increased \$32,108 from the prior year accrual.

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

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2016

NOTE 8. Risk Management

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

At June 30, 2016, no unpaid claims have been filed which exceed the policy limits and to the best of management's knowledge and belief all known and unknown claims will be covered by insurance.

New Mexico Self-Insurers' Fund has not provided information on an entity by entity basis that would allow for a reconciliation of changes in the aggregate liabilities for claims for the current fiscal year and the prior fiscal year.

NOTE 9. PERA Pension Plan

Plan Description. The Public Employees Retirement Fund (PERA 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 Officer, 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 PERA 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), and the provisions of Sections 29-4-1 through 29-4-11, NMSA 1978 governing the State Police Pension Fund, each employee and elected official of every affiliated public employer is required to be a member in the PERA Fund.

PERA issues a publicly available financial report and a comprehensive annual financial report that can be obtained at <http://saonm.org/> using the Audit Report Search function for agency 366.

Benefits provided. For a description of the benefits provided and recent changes to the benefits see Note 1 in the PERA audited financial statements for the fiscal year ended June 30, 2015 available at http://osanm.org/media/audits/366_Public_Employees_Retirement_Association_FY2015.pdf.

Contributions. The contribution requirements of defined benefit plan members and the City of Bloomfield are established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature. For the employer and employee contribution rates in effect for FY15 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures on pages 31 through 32 of the PERA FY15 annual audit report at http://osanm.org/media/audits/366_Public_Employees_Retirement_Association_FY2015.pdf. The PERA coverage options that apply to City of Bloomfield are: Municipal Plan 2, Municipal Police Plan 5, and Municipal Fire Plan 5. Statutorily required contributions to the pension plan from the City of Bloomfield were \$586,028 and employer paid member benefits that were "picked up" by the employer were \$ 47,160 for the year ended June 30, 2016.

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2016

NOTE 9. PERA Pension Plan (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. The PERA pension liability amounts, net pension liability amounts, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2014. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2015, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2015.

The assets of the PERA fund are held in one trust, but there are six distinct membership groups (municipal general members, municipal police members, municipal fire members, state general members, state police members and legislative members) for whom separate contribution rates are determined each year pursuant to chapter 10, Article 11 NMSA 1978. Therefore, the calculations of the net pension liability, pension expense and deferred Inflows and Outflows were performed separately for each of the membership groups: municipal general members; municipal police members; municipal fire members; state general members; state police members and legislative members. The City of Bloomfield's proportion of the net pension liability for each membership group that the City participates in is based on the employer contributing entity's percentage of that membership group's total employer contributions for the fiscal year ended June 30, 2015. Only employer contributions for the pay period end dates that fell within the period of July 1, 2014 to June 30, 2015 were included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to FY 2015 are included in the total contribution amounts. In the event that an employer is behind in reporting to PERA its required contributions, an estimate (receivable) was used to project the unremitted employer contributions. This allowed for fair and consistent measurement of the contributions with the total population. This methodology was used to maintain consistent measurement each year in determining the percentages to be allocated among all the participating employers.

For PERA Fund Municipal General Division, at June 30, 2016, the City of Bloomfield reported a liability of \$3,356,479 for its proportionate share of the net pension liability. At June 30, 2015, the City's proportion was 0.3292 percent, which was 0.0058 percent higher than its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the City of Bloomfield recognized PERA Fund Municipal General Division pension expense of \$156,818. At June 30, 2016, the City reported PERA Fund Municipal General Division deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	74,348
Changes of assumptions	-	1,308
Net difference between projected and actual earnings on pension plan investments	-	10,618
Changes in proportion and differences between City of Bloomfield contributions and proportionate share of contributions	34,550	-
City of Bloomfield contributions subsequent to the measurement date	275,987	-
Total	<u>\$ 310,537</u>	<u>86,274</u>

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2016

NOTE 9. PERA Pension Plan (continued)

\$275,987 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date June 30, 2015 will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2017	\$	(78,203)
2018		(78,203)
2019		(78,203)
2020		182,885
2021		-
Total	\$	(51,724)

For PERA Fund Municipal Police Division, at June 30, 2016, the City of Bloomfield reported a liability of \$2,572,580 for its proportionate share of the net pension liability. At June 30, 2015, the City's proportion was 0.5350 percent, which was 0.0611 less than its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the City of Bloomfield recognized PERA Fund Municipal Police Division pension expense of \$65,261. At June 30, 2016, the City reported PERA Fund Municipal Police Division deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 179,761	-
Changes of assumptions	-	106,433
Net difference between projected and actual earnings on pension plan investments	-	7,136
Changes in proportion and differences between City of Bloomfield contributions and proportionate share of contributions	-	152,092
City of Bloomfield contributions subsequent to the measurement date	241,297	-
Total	\$ 421,058	265,661

\$241,297 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date June 30, 2015 will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2016

NOTE 9. PERA Pension Plan (continued)

Year ended June 30:

2016	\$	(68,992)
2017		(68,992)
2018		(68,992)
2019		121,076
2020		<u>-</u>
Total	\$	<u><u>(85,900)</u></u>

For PERA Fund Municipal Fire Division, at June 30, 2016, the City of Bloomfield reported a liability of \$2,092,343 for its proportionate share of the net pension liability. At June 30, 2015, the City's proportion was 0.4054 percent, which was 0.1894 more than its proportion measured as of June 30, 2014, due to the addition of seven firefighters to the payroll at the beginning of FY 2015.

For the year ended June 30, 2016, the City of Bloomfield recognized PERA Fund Municipal Fire Division pension expense of \$483,819. At June 30, 2016, the City reported PERA Fund Municipal Fire Division deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 82,401	-
Changes of assumptions	44,130	-
Net difference between projected and actual earnings on pension plan investments	-	2,517
Changes in proportion and differences between City of Bloomfield contributions and proportionate share of contributions	603,662	-
City of Bloomfield contributions subsequent to the measurement date	115,904	-
Total	<u><u>\$ 846,097</u></u>	<u><u>2,517</u></u>

\$115,904 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date June 30, 2015 will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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City of Bloomfield
Notes to Financial Statements
June 30, 2016

NOTE 9. PERA Pension Plan (continued)

Year ended June 30:

2016	\$	211,738
2017		211,738
2018		211,738
2019		92,462
2020		-
Total	\$	727,676

Actuarial assumptions. As described above, the PERA Fund member group pension liabilities and net pension liabilities are based on actuarial valuations performed as of June 30, 2014 for each of the membership groups. Then each PERA Fund member group pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2015 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2015. These actuarial methods and assumptions were adopted by the Board for use in the June 30, 2014 actuarial valuation.

Actuarial valuation date	June 30, 2014
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay
Amortization period	Solved for based on statutory rates
Asset valuation method	Fair value
Actuarial assumptions:	
• Investment rate of return	7.75% annual rate, net of investment expense
• Payroll growth	3.50% annual rate
• Projected salary increases	3.50% to 14.25% annual rate
• Includes inflation at	3.00% annual rate

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

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City of Bloomfield
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June 30, 2016

NOTE 9. PERA Pension Plan (continued)

ALL FUNDS – Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	21.1%	5.00%
International Equity	24.8	5.20
Private Equity	7.0	8.20
Core and Global Fixed Income	26.1	1.85
Fixed Income Plus Sectors	5.0	4.80
Real Estate	5.0	5.30
Real Assets	7.0	5.70
Absolute Return	<u>4.0</u>	4.15
Total	<u>100.0%</u>	

Discount rate. The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that future contributions will be made in accordance with statutory rates. On this basis, the pension plan’s fiduciary net position together with the expected future contributions are sufficient to provide all projected future benefit payments of current plan members as determined in accordance with GASBS 67. Therefore, the 7.75% assumed 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.

Sensitivity of the City of Bloomfield’s proportionate share of the net pension liability to changes in the discount rate. The following tables show the sensitivity of the net pension liability to changes in the discount rate. In particular, the tables present the City’s net pension liability in each PERA Fund Division that the City participates in, under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.75%) or one percentage point higher (8.75%) than the single discount rate.

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
PERA Fund Municipal General Division			
City of Bloomfield's proportionate share of the net pension liability	\$ 5,714,752	\$ 3,356,479	\$ 1,395,735
PERA Fund Municipal Police Division			
City of Bloomfield's proportionate share of the net pension liability	\$ 4,248,461	\$ 2,572,580	\$ 1,197,790
PERA Fund Municipal Fire Division			
City of Bloomfield's proportionate share of the net pension liability	\$ 2,837,736	\$ 2,092,343	\$ 1,478,039

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued FY15 PERA financial report. The report is available at http://osanm.org/audit_reports.

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2016

NOTE 10. Post-Employment Benefits

Plan Description. The City contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

Eligible retirees are: 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the person's behalf unless that person retires before the employer's RHCA effective date, in which event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; 2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; and 4) former governing authority members who served at least four years.

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare plan. That report and further information can be obtained by writing to the Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107.

Funding Policy. The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars if the eligible participant retired prior to the employer's RHCA effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at www.nmrhca.state.nm.us.

The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the employer and employee contributions can be changed by the New Mexico State Legislature. Employers that choose to become participating employers after January 1, 1998, are required to make contributions to the RHCA fund in the amount determined to be appropriate by the board.

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2016, the statutes required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2016, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The City's contributions to the RHCA for the years ended June 30, 2016, 2015, and 2014 were \$103,163, \$98,586, and \$93,217, respectively, which equal the required contributions for each year.

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2016

NOTE 11. Contingent Liabilities

The City is party to various claims and lawsuits in the normal course of business. Management and the City’s attorney are unaware of any material pending or threatened litigation, claims or assessments against the City which are not covered by the City’s insurance other than the following.

The case of Jane Felix and B.N. Coone v. City of Bloomfield, et al., involves a lawsuit filed by two citizens of Bloomfield in an effort to cause the City of Bloomfield to remove a Ten Commandments historical document display from the lawn in front of the City of Bloomfield City Hall. A trial of this matter was held in 2014. The trial Court found in favor of the Plaintiffs. The City subsequently appealed and a three judge panel of the Tenth Circuit Court of Appeals affirmed the trial court’s ruling. The City elected to file an appeal *en banc* before the entire Tenth Circuit Court of Appeals. The appeal *en banc* is currently pending. To date the City Council has chosen to defend the case. The two Plaintiffs are seeking monetary damages in the amount of \$1.00 each, plus attorneys’ fees. The attorney for the Plaintiffs has asserted that his attorneys’ fees for this case, as of August 15, 2014, amounted to \$490,000. The damages and fees alleged in this case are not covered by the NMSIF. To date, the City Council has not made a decision regarding further appeal should the current appeal not be decided in the City’s favor

NOTE 12. Federal and State Grants

In the normal course of operations, the City receives grant funds from various federal and state agencies. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as a result of these audits is not believed to be material.

NOTE 13. Landfill Closure and Post Closure Care Costs

The City currently contracts with an independent commercial entity to collect, haul away and maintain a landfill site for its solid waste. City management believes that the City does not have any real or potential liability for closure or post closure care costs at the landfill sites used by its contractor. All other landfill sites used by the City were closed more than 20 years ago.

NOTE 14. Joint Powers Agreements

Crime Stoppers

Participants	City of Bloomfield San Juan County City of Farmington City of Aztec
Responsible party	City of Bloomfield San Juan County City of Farmington City of Aztec
Description	Task Force formed to combat illegal controlled substance activities
Term of agreement	June 30, 2019
Amount of project	\$41,637/Annually
City contributions	\$7,744
Audit responsibility	City of Bloomfield

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2016

NOTE 14. Joint Powers Agreements (continued)

Consolidated Communications

Participants	City of Bloomfield San Juan County City of Farmington City of Aztec
Responsible party	City of Bloomfield San Juan County City of Farmington City of Aztec
Description	Establish and operate a consolidated communication center to provide emergency and law enforcement communications.
Term of agreement	Indefinite
Amount of project	\$75,000 for first year and for subsequent years \$75,000 adjusted to the most recent Consumer Price Index
City contributions	6% of the total costs
Audit responsibility	City of Bloomfield

School District

Participants	City of Bloomfield Bloomfield School District
Responsible party	City of Bloomfield Bloomfield School District
Description	Construction, management, maintenance and operation of a new outdoor swimming pool and to renovate the existing indoor pool.
Term of agreement	Twenty five years beginning December 1, 2005
Amount of project	Estimated to be \$3,212,000 for construction costs.
City contributions	Liable for operation and maintenance costs.
Audit responsibility	City of Bloomfield

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2016

NOTE 14. Joint Powers Agreements (continued)

Detention Center Services

Participants	City of Bloomfield San Juan County
Responsible party	City of Bloomfield San Juan County
Description	City uses County Detention Center to incarcerate adult offenders sentenced in Municipal court.
Term of agreement	Indefinite
Amount of project	Unknown
City contributions	\$60.66 per prisoner per day
Audit responsibility	City of Bloomfield

Metropolitan Planning Organization

Participants	City of Bloomfield San Juan County City of Farmington City of Aztec
Responsible party	City of Bloomfield San Juan County City of Farmington City of Aztec
Description	Establishing, overseeing, and directing transportation related policy within Farmington Metro Area
Term of agreement	Three years
Amount of project	Unknown
City contributions	10% of costs
Audit responsibility	City of Bloomfield

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2016

NOTE 14. Joint Powers Agreements (continued)

Law Enforcement Training

Participants	City of Bloomfield San Juan County City of Farmington City of Aztec NM Dept. of Public Safety
Responsible party	City of Bloomfield San Juan County City of Farmington City of Aztec NM Dept. of Public Safety
Description	Establishing, overseeing, and directing the San Juan County Criminal Justice Training Authority to operate a regional law enforcement training facility for officers in San Juan County.
Term of agreement	Indefinite
Amount of project	Unknown
City contributions	\$9,000
Audit responsibility	City of Bloomfield

NOTE 15. Subsequent Events

The date to which events occurring after June 30, 2016, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or disclosures is December 15, 2016 which is the date on which the financial statements were available to be issued.

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

NOTE 16. Other Required Individual Fund Disclosures

Generally accepted accounting principles require disclosures of certain information concerning individual funds including:

- A. Deficit fund balance of individual funds. There were no funds with a deficit fund balance as of June 30, 2016.
- B. Excess of expenditures over appropriations. There were no funds that exceeded approved budgetary authority for the year ended June 30, 2016.
- C. Designated cash appropriations in excess of available balances. There were no funds that had designated cash appropriations in excess of available balances at June 30, 2016.

STATE OF NEW MEXICO
City of Bloomfield
Notes to Financial Statements
June 30, 2016

NOTE 17. Restricted Net Position

The government-wide statement of net position reports \$2,332,633 of restricted assets, \$384,182 of which is restricted by enabling legislation, and \$1,948,451 is restricted by creditors, grantors, contributors, or laws or regulations of other governments. For descriptions of the related enabling legislation for special revenue and capital project funds, see pages 41, and 80-82.

NOTE 18. Subsequent Pronouncements

In June 2015, GASB Statement No. 73 Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, Effective Date: The requirements of this Statement are effective for fiscal years beginning after June 15, 2015 – except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for fiscal years beginning after June 15, 2016. Earlier application is encouraged. The City is still evaluating how this reporting standard will affect the City.

In June 2015, GASB Statement No. 74 Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, Effective Date: The provisions of this Statement are effective for fiscal years beginning after June 15, 2016. The City is still evaluating how this reporting standard will affect the City.

In June 2015, GASB Statement No. 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, Effective Date: The provisions in this Statement are effective for fiscal years beginning after June 15, 2017. Earlier application is encouraged. The City is still evaluating how this reporting standard will affect the City.

In June 2015, GASB Statement No. 77 Tax Abatement Disclosures, Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. Earlier application is encouraged. The standard is expected to have no effect on the City in upcoming years.

NOTE 19. Pledged Revenues

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

Debt	Original Amount	Amount Outstanding at June 30, 2016	Maturity Date	Pledged Revenue
2005 General Obligation Series	1,060,000	625,000	8/2020	General (ad valorem) taxes levied against all taxable property within the City without limitation as to rate or amount
NMFA PPRF Loan-Refinance Fire Dept Loan	1,580,054	1,263,587	5/2030	Capital outlay (0.25%) and municipal (0.25%) gross receipts tax
NMFA Pol/Crt/MVD	7,984,137	510,000	6/2033	
NMFA PPRF Loan-Refi PD/Landscape/EPC	9,009,000	8,784,000	6/2033	
NMFA PPRF Loan-Fiber Optic Project	535,998	535,998	6/2033	
NMFA PPRF Loan-PD/FD Equipment	213,222	94,946	5/2017	State-shared gross receipts tax - 1.225%
NMFA PPRF Loan-Fire Pumper	511,112	70,695	5/2018	State fire protection fund distribution
NMED Waste Water Plant	2,700,000	1,600,834	4/2026	Net utility system revenues
WTB Water Plant	87,500	45,980	6/2026	
WTB North Heights Water Line	60,000	36,991	6/2028	
WTB Water Storage Tank	220,000	155,149	6/2030	
WTB Blanco/Navajo Dam Regional Proj	55,000	38,788	6/2030	
WTB Highway 64 Water Lines	240,000	181,119	6/2031	
NMED Water Plant	500,000	310,961	4/2027	
NMED Water Rights	206,277	138,013	2/2028	
NMFA Solid Waste Building	216,218	118,711	5/2025	
NMFA Water Plant	3,737,000	2,333,133	4/2027	
NMFA Revenue Bond Refunding	528,051	69,874	5/2022	Net utility system revenues and state-shared gross receipts tax
NMFA Highway 64 Sewer Lines	1,426,075	1,145,357	5/2031	Municipal infrastructure gross receipts tax - 0.125%

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REQUIRED SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
City of Bloomfield
Schedule of the City's Proportionate Share of the Net Pension Liability
June 30, 2016

Public Employees Retirement Association of New Mexico
Schedule of Ten Year Tracking Data*
(Dollars in Thousands)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
City's Proportion of the Net Pension Liability (Asset)	0.16%	0.19%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
City's Proportionate Share of Net Pension Liability (Asset)	\$ 5,368	8,021	-	-	-	-	-	-	-	-
City's Covered-Employee Payroll	\$ 4,245	5,562	-	-	-	-	-	-	-	-
City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll	126.45%	144.21%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.29%	76.99%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

*The amounts presented for each fiscal year were determined as of June 30th. 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 City Contributions
June 30, 2016

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually Required Contribution	\$ 503	558	-	-	-	-	-	-	-	-
Contributions in Relation to the Contractually Required Contribution	545	604	-	-	-	-	-	-	-	-
Contribution Deficiency (Excess)*	\$ (42)	(46)	-	-	-	-	-	-	-	-

Increase (Decrease) in Pension Expense over Recognition Periods

Year	Total Amount Deferred	Amortization Years	Increase (Decrease) in Pension Expense over Recognition Periods									
			2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
2014	\$ 1,963	5		\$ 490	490	490	490	3				
2015	(590)	5			(65)	(65)	(65)	(395)	-			
2016	-	5				-	-	-	-	-		
2017	-	5				-	-	-	-	-	-	
2018	-	5				-	-	-	-	-	-	-
2019	-	5				-	-	-	-	-	-	-
2020	-	5				-	-	-	-	-	-	-
2021	-	5				-	-	-	-	-	-	-
2022	-	5				-	-	-	-	-	-	-
2023	-	5				-	-	-	-	-	-	-
	<u>\$ 1,373</u>			<u>\$ 490</u>	<u>425</u>	<u>425</u>	<u>425</u>	<u>(392)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

*Excess contributions represent the employee portion covered by the employer

**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 City Contributions
June 30, 2016

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually Required Contribution	\$ 240	260	-	-	-	-	-	-	-	-
Contributions in Relation to the Contractually Required Contribution	240	260	-	-	-	-	-	-	-	-
Contribution Deficiency (Excess)*	\$ -	-	-	-	-	-	-	-	-	-

Increase (Decrease) in Pension Expense over Recognition Periods

Year	Total Amount		Amortization Years	Increase (Decrease) in Pension Expense over Recognition Periods											
	Deferred			2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		
2014	\$	989	5		\$ 247	247	247	247	1						
2015		52	5			78	78	78	(182)	-					
2016		-	5				-	-	-	-	-				
2017		-	5				-	-	-	-	-	-			
2018		-	5				-	-	-	-	-	-	-		
2019		-	5				-	-	-	-	-	-	-	-	
2020		-	5				-	-	-	-	-	-	-	-	-
2021		-	5				-	-	-	-	-	-	-	-	-
2022		-	5				-	-	-	-	-	-	-	-	-
2023		-	5				-	-	-	-	-	-	-	-	-
	\$	1,041			\$ 247	325	325	325	(181)	-	-	-	-	-	-

*Excess contributions represent the employee portion covered by the employer

**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 City Contributions
June 30, 2016

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually Required Contribution	\$ 212	198	-	-	-	-	-	-	-	-
Contributions in Relation to the Contractually Required Contribution	247	230	-	-	-	-	-	-	-	-
Contribution Deficiency (Excess)*	\$ (35)	(32)	-	-	-	-	-	-	-	-

Increase (Decrease) in Pension Expense over Recognition Periods

Year	Total Amount		Amortization Years	Increase (Decrease) in Pension Expense over Recognition Periods												
	Deferred			2015	2016	2017	2018	2019	2020	2021	2022	2023	2024			
2014	\$	880	5		\$ 220	220	220	220	-							
2015		86	5			69	69	69	(121)	-						
2016		-	5							-						
2017		-	5							-						
2018		-	5							-						
2019		-	5							-						
2020		-	5							-						
2021		-	5							-						
2022		-	5							-						
2023		-	5							-						
	\$	966			\$ 220	289	289	289	(121)	-	-	-	-	-	-	-

*Excess contributions represent the employee portion covered by the employer

**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 City Contributions
June 30, 2016

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually Required Contribution	\$ 51	100	-	-	-	-	-	-	-	-
Contributions in Relation to the Contractually Required Contribution	58	114	-	-	-	-	-	-	-	-
Contribution Deficiency (Excess)*	\$ (7)	(14)	-	-	-	-	-	-	-	-

Increase (Decrease) in Pension Expense over Recognition Periods

Year	Total Amount Deferred	Amortization Years	Increase (Decrease) in Pension Expense over Recognition Periods											
			2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		
2014	\$ 94	5		\$ 23	23	23	23	2						
2015	(728)	5			(212)	(212)	(212)	(92)	-					
2016	-	5				-	-	-	-	-				
2017	-	5					-	-	-	-				
2018	-	5						-	-	-				
2019	-	5							-	-				
2020	-	5								-				
2021	-	5									-			
2022	-	5										-		
2023	-	5											-	
	<u>\$ (634)</u>			<u>\$ 23</u>	<u>(189)</u>	<u>(189)</u>	<u>(189)</u>	<u>(90)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

*Excess contributions represent the employee portion covered by the employer

**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
Notes to Required Supplementary Information
June 30, 2016

Changes of Benefit Terms. The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA FY15 audit available at <http://www.nmpera.org/assets/uploads/downloads/comprehensive-annual-financial-reports/CAFR-2015.pdf>.

Changes of Assumptions. The Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation as of June 30, 2015 report is available at <http://www.nmpera.org/assets/uploads/downloads/retirement-fund-valuation-reports/6-30-2015-PERA-Valuation-Report-FINAL.pdf>. For details about actuarial assumptions, see Appendix B on page 53 of the report.

STATE OF NEW MEXICO
City of Bloomfield
Nonmajor Fund Descriptions
June 30, 2016

Special Revenue Funds

Fire Protection Fund

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

Recreation Fund

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

Capital Equipment Replacement

To account for expenditures for capital equipment funded by special revenues for stand by services designated by the City Council. Funding authority by City Council Resolution No. 90-16.

Corrections Fees Fund

To account for the correction fees (\$10) imposed pursuant to 35-14-11B (1) NMSA 1978. The correction fees shall be used for municipal jailer or juvenile detention officer training, for the construction planning, construction and maintenance of a municipal jail or juvenile detention facility, for paying the cost of housing municipal prisoners in a county jail or housing juveniles in a detention facility or for complying with match or contribution requirements for the receipt of federal funds relating to jails or juvenile detention facilities.

Police Evidence Fund

To account for funds acquired during police raids and gathering of evidence. Fund authorized by city council.

DARE Fund

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

Library Fund

To account for the operations of a library grant from the New Mexico State Library for additions to the City library. The authority is the Laws of New Mexico 2002, Chapter 93, G.O. Bonds for Public Library Resources.

Law Enforcement Fund

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

STATE OF NEW MEXICO
City of Bloomfield
Nonmajor Fund Descriptions
June 30, 2016

Special Revenue Funds (continued)

Judicial Education Fund

To account for fine income and expenditures for the judicial education center. The Judicial Education fee (\$1) is imposed pursuant to 35-14-11B (2) NMSA 1978.

Traffic Safety Education Fund

To account for expenditures of a grant from the New Mexico Department of Transportation Department to educate the citizens of Bloomfield in traffic safety. Funding authority is 66-7-512 NMSA 1978.

Court Automation Fund

To account for fine income and expenditures for computer equipment to improve the courts computer system. The Court Automation fee (\$6) is imposed pursuant to 35-14-11B (3) NMSA 1978.

FEMA Grant – Fire Department

To account for expenditures for the SAFER grant program. Funding is provided by a federal grant thru the Federal Emergency Management Agency under the Federal Fire Prevention and Control Act of 1974, 15 U.S.C. 2201 et seq.

KAB – Bloomfield Pride

To account for the expenditures of a grant from the New Mexico Beautification Inc. under the litter Control and Beautification Act. Funding authority is NMSA 67-16-14.

Emergency Medical Fund

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

Senior Citizen's Center Fund

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

BLM Wildland Grant

To account for funds received from the State of New Mexico Forestry Division to acquire equipment to fight brush fires in rural fire districts. Fund authorized by city council.

Enhanced 911 Addressing

To account for the operations of the City's Emergency Medical Services Unit. Sources of funds are the State of New Mexico Health and Environment Department, Emergency Medical Services Bureau. Funding authority is NMSA 24-10A-1.

Lodger's Tax

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

STATE OF NEW MEXICO
City of Bloomfield
Nonmajor Fund Descriptions
June 30, 2016

Capital Projects Funds

Fire Department Construction

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

Land Acquisition

To account for monies that have been designated by the City Council for future land purchases. The land acquisition fund was authorized by City Council Resolution No. 99-13.

Park Purchase & Improvement

To account for the project costs to acquire park land funded by a grant from the State of New Mexico under a special appropriation authorized by NMSA Laws of 2002, Chapter 110.

Highway Co-op Projects

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

Park Improvements

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

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STATE OF NEW MEXICO
City of Bloomfield
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2016

Special Revenue

	Fire Protection Fund	Recreation Fund	Capital Equipment Replacement	Correction Fees Fund
<i>Assets</i>				
Cash and cash equivalents	\$ 93,691	\$ 20,432	\$ 558	\$ 449
Receivables:				
Other taxes	-	-	62,648	-
Other receivables	-	-	-	-
<i>Total assets</i>	<u>\$ 93,691</u>	<u>\$ 20,432</u>	<u>\$ 63,206</u>	<u>\$ 449</u>
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll expenses	-	84	-	-
Due to other funds	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>84</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>				
Restricted	93,691	-	-	449
Committed	-	-	-	-
Assigned	-	20,348	63,206	-
<i>Total fund balances</i>	<u>93,691</u>	<u>20,348</u>	<u>63,206</u>	<u>449</u>
<i>Total liabilities and fund balances</i>	<u>\$ 93,691</u>	<u>\$ 20,432</u>	<u>\$ 63,206</u>	<u>\$ 449</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

<u>Police Evidence Fund</u>	<u>DARE Fund</u>	<u>Library Fund</u>	<u>Law Enforcement Fund</u>	<u>Judicial Education Fund</u>	<u>Traffic Safety Education Fund</u>
\$ 6,631	\$ 122	\$ 8,458	\$ 20,471	\$ 176	\$ 4,563
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 6,631</u>	<u>\$ 122</u>	<u>\$ 8,458</u>	<u>\$ 20,471</u>	<u>\$ 176</u>	<u>\$ 4,563</u>
\$ -	\$ -	\$ -	\$ -	\$ 150	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	150	-
-	122	8,458	20,471	26	4,563
6,631	-	-	-	-	-
-	-	-	-	-	-
<u>6,631</u>	<u>122</u>	<u>8,458</u>	<u>20,471</u>	<u>26</u>	<u>4,563</u>
<u>\$ 6,631</u>	<u>\$ 122</u>	<u>\$ 8,458</u>	<u>\$ 20,471</u>	<u>\$ 176</u>	<u>\$ 4,563</u>

STATE OF NEW MEXICO
City of Bloomfield
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2016

Special Revenue

	<u>Court Automation Fund</u>	<u>FEMA Grant - Fire Department</u>	<u>KAB - Bloomfield Pride</u>	<u>Emergency Medical Fund</u>
<i>Assets</i>				
Cash and cash equivalents	\$ 7,357	\$ -	\$ 1,300	\$ -
Receivables:				
Other taxes	-	-	-	-
Other receivables	-	91,458	-	-
<i>Total assets</i>	<u>\$ 7,357</u>	<u>\$ 91,458</u>	<u>\$ 1,300</u>	<u>\$ -</u>
<i>Liabilities</i>				
Accounts payable	\$ 300	\$ -	\$ -	\$ -
Accrued payroll expenses	-	18,442	-	-
Due to other funds	-	73,016	1,300	-
<i>Total liabilities</i>	<u>300</u>	<u>91,458</u>	<u>1,300</u>	<u>-</u>
<i>Fund balances</i>				
Restricted	7,057	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
<i>Total fund balances</i>	<u>7,057</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total liabilities and fund balances</i>	<u>\$ 7,357</u>	<u>\$ 91,458</u>	<u>\$ 1,300</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

Special Revenue				Capital Projects	
Senior Citizen's Center Fund	BLM Wildland Grant	Enhanced 911 Addressing	Lodger's Tax	Fire Department Construction	Land Acquisition
\$ 26,693	\$ 22,345	\$ 2,554	\$ 64,708	\$ 66,675	\$ 5,929
-	-	-	8,810	-	-
-	-	-	-	20,352	-
<u>\$ 26,693</u>	<u>\$ 22,345</u>	<u>\$ 2,554</u>	<u>\$ 73,518</u>	<u>\$ 87,027</u>	<u>\$ 5,929</u>
\$ -	\$ -	\$ -	\$ 2,656	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	2,656	-	-
-	22,345	2,554	70,862	-	-
-	-	-	-	87,027	5,929
26,693	-	-	-	-	-
<u>26,693</u>	<u>22,345</u>	<u>2,554</u>	<u>70,862</u>	<u>87,027</u>	<u>5,929</u>
<u>\$ 26,693</u>	<u>\$ 22,345</u>	<u>\$ 2,554</u>	<u>\$ 73,518</u>	<u>\$ 87,027</u>	<u>\$ 5,929</u>

STATE OF NEW MEXICO
City of Bloomfield
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2016

Statement A-1
3 of 3

	Capital Projects			
	Park Purchase & Improvement	Highway Co-op Projects	Park Improvements	Total Nonmajor Governmental Funds
<i>Assets</i>				
Cash and cash equivalents	\$ 12,287	\$ 5,976	\$ 2,471	\$ 373,846
Receivables:				
Other taxes	-	-	-	71,458
Other receivables	-	-	-	111,810
<i>Total assets</i>	\$ 12,287	\$ 5,976	\$ 2,471	\$ 557,114
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ 3,106
Accrued payroll expenses	-	-	-	18,526
Due to other funds	-	-	-	74,316
<i>Total liabilities</i>	-	-	-	95,948
<i>Fund balances</i>				
Restricted	12,287	5,976	2,471	251,332
Committed	-	-	-	99,587
Assigned	-	-	-	110,247
<i>Total fund balances</i>	12,287	5,976	2,471	461,166
<i>Total liabilities and fund balances</i>	\$ 12,287	\$ 5,976	\$ 2,471	\$ 557,114

The accompanying notes are an integral part of these financial statements

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STATE OF NEW MEXICO
City of Bloomfield
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2016

	Special Revenue			
	Fire Protection Fund	Recreation Fund	Capital Equipment Replacement	Correction Fees Fund
<i>Revenues:</i>				
Taxes:				
Gross receipts	\$ -	\$ -	\$ 458,079	\$ -
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	308,804	12,661	-	-
Charges for services	-	1,037	-	-
Licenses and fees	-	-	-	-
Contributions and donations	-	-	-	-
Investment income	1	-	-	-
Miscellaneous	-	4,020	-	-
<i>Total revenues</i>	<u>308,805</u>	<u>17,718</u>	<u>458,079</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	41,059	-	-	-
Culture and recreation	-	24,896	-	-
Capital outlay	135,434	3,009	-	-
<i>Total expenditures</i>	<u>176,493</u>	<u>27,905</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>132,312</u>	<u>(10,187)</u>	<u>458,079</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	113,879	-
Transfers out	(62,948)	-	(601,995)	-
<i>Total other financing sources (uses)</i>	<u>(62,948)</u>	<u>-</u>	<u>(488,116)</u>	<u>-</u>
<i>Net change in fund balances</i>	69,364	(10,187)	(30,037)	-
<i>Fund balances - beginning of year</i>	<u>24,327</u>	<u>30,535</u>	<u>93,243</u>	<u>449</u>
<i>Fund balances - end of year</i>	<u>\$ 93,691</u>	<u>\$ 20,348</u>	<u>\$ 63,206</u>	<u>\$ 449</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

Police Evidence Fund	DARE Fund	Library Fund	Law Enforcement Fund	Judicial Education Fund	Traffic Safety Education Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	15,027	31,400	-	-
-	-	-	-	2,356	2,370
-	-	-	-	-	-
-	-	1,256	-	-	-
-	-	16,283	31,400	2,356	2,370
78	-	-	-	2,356	-
-	-	-	20,438	-	6,961
-	-	27,851	-	-	-
-	-	-	-	-	-
78	-	27,851	20,438	2,356	6,961
(78)	-	(11,568)	10,962	-	(4,591)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(78)	-	(11,568)	10,962	-	(4,591)
6,709	122	20,026	9,509	26	9,154
\$ 6,631	\$ 122	\$ 8,458	\$ 20,471	\$ 26	\$ 4,563

STATE OF NEW MEXICO
City of Bloomfield
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2016

	Special Revenue			
	Court Automation Fund	FEMA Grant - Fire Department	KAB - Bloomfield Pride	Emergency Medical Fund
<i>Revenues:</i>				
Taxes:				
Gross receipts	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	491,306	-	-
State operating grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	4,716	-	-	-
Contributions and donations	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	4,716	491,306	-	-
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	4,716	491,306	-	4,829
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	4,716	491,306	-	4,829
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	(4,829)
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	-	(4,829)
<i>Fund balances - beginning of year</i>	7,057	-	-	4,829
<i>Fund balances - end of year</i>	\$ 7,057	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements

Special Revenue				Capital Projects	
Senior Citizen's Center Fund	BLM Wildland Grant	Enhanced 911 Addressing	Lodger's Tax	Fire Department Construction	Land Acquisition
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	57,346	-	-
-	-	-	-	-	-
-	-	-	-	48,090	-
-	-	-	-	-	-
-	-	-	11,150	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	68,496	48,090	-
-	-	-	-	-	-
-	-	-	64,008	-	-
-	-	-	-	1,495	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	64,008	1,495	-
-	-	-	-	-	-
-	-	-	4,488	46,595	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	4,488	46,595	-
26,693	22,345	2,554	66,374	40,432	5,929
\$ 26,693	\$ 22,345	\$ 2,554	\$ 70,862	\$ 87,027	\$ 5,929

STATE OF NEW MEXICO
City of Bloomfield
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2016

Statement A-2
3 of 3

	Capital Projects			Total Nonmajor Governmental Funds
	Park Purchase & Improvement	Highway Co-op Projects	Park Improvements	
<i>Revenues:</i>				
<i>Taxes:</i>				
Gross receipts	\$ -	\$ -	\$ -	\$ 458,079
Other	-	-	-	57,346
<i>Intergovernmental:</i>				
Federal operating grants	-	-	-	491,306
State operating grants	-	-	-	415,982
Charges for services	-	-	-	1,037
Licenses and fees	-	-	-	9,442
Contributions and donations	-	-	-	11,150
Investment income	-	1	-	2
Miscellaneous	-	-	-	5,276
<i>Total revenues</i>	-	1	-	1,449,620
<i>Expenditures:</i>				
<i>Current:</i>				
General government	-	-	-	66,442
Public safety	-	-	-	570,804
Culture and recreation	-	-	-	52,747
Capital outlay	-	-	-	138,443
<i>Total expenditures</i>	-	-	-	828,436
<i>Excess (deficiency) of revenues over expenditures</i>	-	1	-	621,184
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	113,879
Transfers out	-	-	-	(664,943)
<i>Total other financing sources (uses)</i>	-	-	-	(551,064)
<i>Net change in fund balances</i>	-	1	-	70,120
<i>Fund balances - beginning of year</i>	12,287	5,975	2,471	391,046
<i>Fund balances - end of year</i>	\$ 12,287	\$ 5,976	\$ 2,471	\$ 461,166

The accompanying notes are an integral part of these financial statements

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STATE OF NEW MEXICO
City of Bloomfield
Fire Protection Fund Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal capital grants	-	-	-	-
State operating grants	213,000	309,000	308,804	(196)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	1	1
Miscellaneous	-	-	-	-
<i>Total revenues</i>	213,000	309,000	308,805	(195)
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	6	41,059	(41,053)
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	174,379	176,487	135,434	41,053
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	174,379	176,493	176,493	-
<i>Excess (deficiency) of revenues over expenditures</i>	38,621	132,507	132,312	(195)
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	24,327	(39,865)	-	39,865
Transfers in	-	-	-	-
Transfers out	(62,948)	(92,642)	(62,948)	29,694
<i>Total other financing sources (uses)</i>	(38,621)	(132,507)	(62,948)	69,559
<i>Net change in fund balance</i>	-	-	69,364	69,364
<i>Fund balance - beginning of year</i>	-	-	24,327	24,327
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 93,691	\$ 93,691
Net change in fund balance (non-GAAP budgetary basis)			\$ 69,364	
No adjustments to revenue.			-	
No adjustments to expenditures.			-	
Net change in fund balance (GAAP)			\$ 69,364	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Recreation Fund Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal capital grants	-	-	-	-
State operating grants	158,580	43,406	43,406	-
State capital grants	-	-	-	-
Charges for services	4,000	4,000	1,037	(2,963)
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	3,000	3,000	4,020	1,020
<i>Total revenues</i>	<u>165,580</u>	<u>50,406</u>	<u>48,463</u>	<u>(1,943)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	19,277	31,847	26,436	5,411
Health and welfare	-	-	-	-
Capital outlay	199,636	1,187	3,009	(1,822)
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>218,913</u>	<u>33,034</u>	<u>29,445</u>	<u>3,589</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(53,333)</u>	<u>17,372</u>	<u>19,018</u>	<u>1,646</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	(67)	(17,372)	-	17,372
Transfers in	53,400	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>53,333</u>	<u>(17,372)</u>	<u>-</u>	<u>17,372</u>
<i>Net change in fund balance</i>	-	-	19,018	19,018
<i>Fund balance - beginning of year</i>	-	-	1,414	1,414
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,432</u>	<u>\$ 20,432</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ 19,018	
Adjustment to revenue for state operating grants.			(30,745)	
Adjustment to expenditures for salaries and materials expense.			1,540	
Net change in fund balance (GAAP)			<u>\$ (10,187)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Capital Equipment Replacement Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	588,200	557,200	488,116	(69,084)
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	588,200	557,200	488,116	(69,084)
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	588,200	557,200	488,116	(69,084)
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	-	(65,144)	-	65,144
Proceeds from sale of capital assets	-	-	-	-
Transfers in	319,372	113,880	113,879	(1)
Transfers out	(907,572)	(605,936)	(601,995)	3,941
<i>Total other financing sources (uses)</i>	(588,200)	(557,200)	(488,116)	69,084
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	-	-	558	558
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 558	\$ 558
Net change in fund balance (non-GAAP budgetary basis)			\$ -	
Adjustment to revenue for gross receipts taxes.			(30,037)	
No adjustments to expenditures.			-	
Net change in fund balance (GAAP)			\$ (30,037)	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Correction Fees Fund Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	-	-	449	449
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 449	\$ 449
Net change in fund balance (non-GAAP budgetary basis)			\$ -	
No adjustments to revenue.			-	
No adjustments to expenditures.			-	
Net change in fund balance (GAAP)			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Police Evidence Fund Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	500	500	-	(500)
<i>Total revenues</i>	<u>500</u>	<u>500</u>	<u>-</u>	<u>(500)</u>
<i>Expenditures:</i>				
Current:				
General government	7,209	7,209	78	7,131
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>7,209</u>	<u>7,209</u>	<u>78</u>	<u>7,131</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(6,709)</u>	<u>(6,709)</u>	<u>(78)</u>	<u>6,631</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	6,709	6,709	-	(6,709)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>6,709</u>	<u>6,709</u>	<u>-</u>	<u>(6,709)</u>
<i>Net change in fund balance</i>	-	-	(78)	(78)
<i>Fund balance - beginning of year</i>	-	-	6,709	6,709
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,631</u>	<u>\$ 6,631</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ (78)	
No adjustments to revenue.			-	
No adjustments to expenditures.			-	
Net change in fund balance (GAAP)			<u>\$ (78)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
DARE Fund Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
<i>Taxes:</i>				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
<i>Intergovernmental:</i>				
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
<i>Debt service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>122</u>	<u>122</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 122</u>	<u>\$ 122</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ -	
No adjustments to revenue.			-	
No adjustments to expenditures.			-	
Net change in fund balance (GAAP)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Library Fund Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal capital grants	-	-	-	-
State operating grants	22,500	22,500	15,892	(6,608)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	1,256	1,256
<i>Total revenues</i>	22,500	22,500	17,148	(5,352)
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	22,000	25,852	27,851	(1,999)
Health and welfare	-	-	-	-
Capital outlay	2,000	2,000	-	2,000
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	24,000	27,852	27,851	1
<i>Excess (deficiency) of revenues over expenditures</i>	(1,500)	(5,352)	(10,703)	(5,351)
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	1,500	5,352	-	(5,352)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	1,500	5,352	-	(5,352)
<i>Net change in fund balance</i>	-	-	(10,703)	(10,703)
<i>Fund balance - beginning of year</i>	-	-	19,161	19,161
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 8,458	\$ 8,458
Net change in fund balance (non-GAAP budgetary basis)			\$ (10,703)	
Adjustments to revenue for state operating grants.			(865)	
No adjustments to expenditures.			-	
Net change in fund balance (GAAP)			\$ (11,568)	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Law Enforcement Fund Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal capital grants	-	-	-	-
State operating grants	29,000	29,000	31,400	2,400
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	29,000	29,000	31,400	2,400
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	38,509	38,509	20,438	18,071
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	38,509	38,509	20,438	18,071
<i>Excess (deficiency) of revenues over expenditures</i>	(9,509)	(9,509)	10,962	20,471
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	9,509	9,509	-	(9,509)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	9,509	9,509	-	(9,509)
<i>Net change in fund balance</i>	-	-	10,962	10,962
<i>Fund balance - beginning of year</i>	-	-	9,509	9,509
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 20,471	\$ 20,471
Net change in fund balance (non-GAAP budgetary basis)			\$ 10,962	
No adjustments to revenue.			-	
No adjustments to expenditures.			-	
Net change in fund balance (GAAP)			\$ 10,962	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Judicial Education Fund Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	8,000	8,000	2,356	(5,644)
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>8,000</u>	<u>8,000</u>	<u>2,356</u>	<u>(5,644)</u>
<i>Expenditures:</i>				
Current:				
General government	8,000	8,000	2,376	5,624
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>8,000</u>	<u>8,000</u>	<u>2,376</u>	<u>5,624</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(20)</u>	<u>(20)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	(20)	(20)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>196</u>	<u>196</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 176</u>	<u>\$ 176</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ (20)	
No adjustments to revenue.			-	
Adjustment to expenditures for Judicial Education fees.			<u>20</u>	
Net change in fund balance (GAAP)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Traffic Safety Education Fund Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	8,000	8,000	2,370	(5,630)
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	8,000	8,000	2,370	(5,630)
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	17,000	17,000	6,961	10,039
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	17,000	17,000	6,961	10,039
<i>Excess (deficiency) of revenues over expenditures</i>	(9,000)	(9,000)	(4,591)	4,409
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	9,000	9,000	-	(9,000)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	9,000	9,000	-	(9,000)
<i>Net change in fund balance</i>	-	-	(4,591)	(4,591)
<i>Fund balance - beginning of year</i>	-	-	9,154	9,154
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 4,563	\$ 4,563
Net change in fund balance (non-GAAP budgetary basis)			\$ (4,591)	
No adjustments to revenue.			-	
No adjustments to expenditures.			-	
Net change in fund balance (GAAP)			\$ (4,591)	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Court Automation Fund Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	15,000	15,000	4,716	(10,284)
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>15,000</u>	<u>15,000</u>	<u>4,716</u>	<u>(10,284)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	22,050	22,050	4,656	17,394
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>22,050</u>	<u>22,050</u>	<u>4,656</u>	<u>17,394</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(7,050)</u>	<u>(7,050)</u>	<u>60</u>	<u>7,110</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	7,050	7,050	-	(7,050)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>7,050</u>	<u>7,050</u>	<u>-</u>	<u>(7,050)</u>
<i>Net change in fund balance</i>	-	-	60	60
<i>Fund balance - beginning of year</i>	-	-	7,297	7,297
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,357</u>	<u>\$ 7,357</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ 60	
No adjustments to revenue.			-	
Adjustments to expenditures for Court Automation fees.			<u>(60)</u>	
Net change in fund balance (GAAP)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
FEMA Grant - Fire Department Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	599,733	599,733	518,853	(80,880)
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	599,733	599,733	518,853	(80,880)
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	488,110	488,110	484,818	3,292
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	488,110	488,110	484,818	3,292
<i>Excess (deficiency) of revenues over expenditures</i>	111,623	111,623	34,035	(77,588)
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	(111,623)	(111,623)	-	111,623
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	(111,623)	(111,623)	-	111,623
<i>Net change in fund balance</i>	-	-	34,035	34,035
<i>Fund balance - beginning of year</i>	-	-	(107,051)	(107,051)
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ (73,016)	\$ (73,016)
Net change in fund balance (non-GAAP budgetary basis)			\$ 34,035	
Adjustment to revenue for grants.			(27,547)	
Adjustment to expenditures for salaries expense.			(6,488)	
Net change in fund balance (GAAP)			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
KAB - Bloomfield Pride Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2016

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

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Emergency Medical Fund Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal capital grants	-	-	-	-
State operating grants	8,800	8,800	-	(8,800)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	8,800	8,800	-	(8,800)
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	13,628	13,628	4,829	8,799
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	13,628	13,628	4,829	8,799
<i>Excess (deficiency) of revenues over expenditures</i>	(4,828)	(4,828)	(4,829)	(1)
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	4,828	4,828	-	(4,828)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	4,828	4,828	-	(4,828)
<i>Net change in fund balance</i>	-	-	(4,829)	(4,829)
<i>Fund balance - beginning of year</i>	-	-	4,829	4,829
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ -	\$ -
Net change in fund balance (non-GAAP budgetary basis)			\$ (4,829)	
No adjustments to revenue.			-	
No adjustments to expenditures.			-	
Net change in fund balance (GAAP)			\$ (4,829)	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Senior Citizen's Center Fund Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	26,543	26,543	-	26,543
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	26,543	26,543	-	26,543
<i>Excess (deficiency) of revenues over expenditures</i>	(26,543)	(26,543)	-	26,543
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	26,543	26,543	-	(26,543)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	26,543	26,543	-	(26,543)
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	-	-	26,693	26,693
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 26,693	\$ 26,693
Net change in fund balance (non-GAAP budgetary basis)			\$ -	
No adjustments to revenues.			-	
No adjustments to expenditures.			-	
Net change in fund balance (GAAP)			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
BLM Wildland Grant Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	22,345	22,345	-	22,345
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	22,345	22,345	-	22,345
<i>Excess (deficiency) of revenues over expenditures</i>	(22,345)	(22,345)	-	22,345
<i>Other financing sources (uses)</i>				
Designated cash	22,345	22,345	-	(22,345)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	22,345	22,345	-	(22,345)
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	-	-	22,345	22,345
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 22,345	\$ 22,345
Net change in fund balance (non-GAAP budgetary basis)			\$ -	
No adjustments to revenue.			-	
No adjustments to expenditures.			-	
Net change in fund balance (GAAP)			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Enhanced 911 Addressing Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	-	-	2,554	2,554
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 2,554	\$ 2,554
Net change in fund balance (non-GAAP budgetary basis)			\$ -	
No adjustments to revenue.			-	
No adjustments to expenditures.			-	
Net change in fund balance (GAAP)			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Lodger's Tax Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	64,000	64,000	54,676	(9,324)
Intergovernmental:				
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Contributions and donations	10,000	10,000	11,150	1,150
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>74,000</u>	<u>74,000</u>	<u>65,826</u>	<u>(8,174)</u>
<i>Expenditures:</i>				
Current:				
General government	110,000	110,000	62,514	47,486
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>110,000</u>	<u>110,000</u>	<u>62,514</u>	<u>47,486</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(36,000)</u>	<u>(36,000)</u>	<u>3,312</u>	<u>39,312</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	36,000	36,000	-	(36,000)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>36,000</u>	<u>36,000</u>	<u>-</u>	<u>(36,000)</u>
<i>Net change in fund balance</i>	-	-	3,312	3,312
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>61,396</u>	<u>61,396</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,708</u>	<u>\$ 64,708</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ 3,312	
Adjustments to revenue for lodger taxes.			2,670	
Adjustments to expenditures for tourism events.			<u>(1,494)</u>	
Net change in fund balance (GAAP)			<u>\$ 4,488</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Fire Department Construction Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal capital grants	-	-	-	-
State operating grants	-	-	27,738	27,738
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	27,738	27,738
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	1,495	(1,495)
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	39,399	39,399	-	39,399
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	39,399	39,399	1,495	37,904
<i>Excess (deficiency) of revenues over expenditures</i>	(39,399)	(39,399)	26,243	65,642
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	39,399	39,399	-	(39,399)
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	39,399	39,399	-	(39,399)
<i>Net change in fund balance</i>	-	-	26,243	26,243
<i>Fund balance - beginning of year</i>	-	-	40,432	40,432
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 66,675	\$ 66,675
Net change in fund balance (non-GAAP budgetary basis)			\$ 26,243	
Adjustment to revenues for grants.			20,352	
No adjustments to expenditures.			-	
Net change in fund balance (GAAP)			\$ 46,595	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Land Acquisition Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	-	-	5,929	5,929
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 5,929	\$ 5,929
Net change in fund balance (non-GAAP budgetary basis)			\$ -	
No adjustments to revenue.			-	
No adjustments to expenditures.			-	
Net change in fund balance (GAAP)			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Park Purchase and Improvement Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	-	-	12,287	12,287
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 12,287	\$ 12,287
Net change in fund balance (non-GAAP budgetary basis)			\$ -	
No adjustments to revenue.			-	
No adjustments to expenditures.			-	
Net change in fund balance (GAAP)			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Highway Co-op Projects Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	1	1
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	1	1
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	1	1
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balance</i>	-	-	1	1
<i>Fund balance - beginning of year</i>	-	-	5,975	5,975
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 5,976	\$ 5,976
Net change in fund balance (non-GAAP budgetary basis)			\$ 1	
No adjustments to revenue.			-	
No adjustments to expenditures.			-	
Net change in fund balance (GAAP)			\$ 1	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Park Improvements Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	-	-	2,471	2,471
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 2,471	\$ 2,471
Net change in fund balance (non-GAAP budgetary basis)			\$ -	
No adjustments to revenue.			-	
No adjustments to expenditures.			-	
Net change in fund balance (GAAP)			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	1,519	1,519
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>1,519</u>	<u>1,519</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	2,317,336	2,218,178	99,158
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>2,317,336</u>	<u>2,218,178</u>	<u>99,158</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(2,317,336)</u>	<u>(2,216,659)</u>	<u>100,677</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	-	(50,300)	-	50,300
Loan proceeds	-	2,151,267	2,054,682	(96,585)
Transfers in	-	216,369	296,359	79,990
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>2,317,336</u>	<u>2,351,041</u>	<u>33,705</u>
<i>Net change in fund balance</i>	-	-	134,382	134,382
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 134,382</u>	<u>\$ 134,382</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ 134,382	
No adjustments to revenues.			-	
No adjustments to expenditures.			-	
Net change in fund balance (GAAP)			<u>\$ 134,382</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
Special Street Maintenance Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Budgetary Basis)	Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gasoline and motor vehicle	235,000	235,000	218,349	(16,651)
Other	-	-	-	-
Intergovernmental:				
Federal capital grants	717,151	156,640	208,853	52,213
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>952,151</u>	<u>391,640</u>	<u>427,202</u>	<u>35,562</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	939,786	815,376	744,399	70,977
Capital outlay	944,492	191,640	78,790	112,850
Debt service:				
Principal	52,315	37,245	36,288	957
Interest	-	-	4,036	(4,036)
<i>Total expenditures</i>	<u>1,936,593</u>	<u>1,044,261</u>	<u>863,513</u>	<u>180,748</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(984,442)</u>	<u>(652,621)</u>	<u>(436,311)</u>	<u>216,310</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	-	-	-	-
Loan proceeds	-	-	-	-
Transfers in	984,442	652,621	600,350	(52,271)
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>984,442</u>	<u>652,621</u>	<u>600,350</u>	<u>(52,271)</u>
<i>Net change in fund balance</i>	-	-	164,039	164,039
<i>Fund balance - beginning of year</i>	-	-	(1,766)	(1,766)
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 162,273</u>	<u>\$ 162,273</u>
Net change in fund balance (non-GAAP budgetary basis)			\$ 164,039	
Adjustments to revenue for gasoline and motor vehicle taxes and capital lease proceeds.			194,480	
Adjustments to expenditures for salaries, services, materials, and capital outlay.			<u>(201,520)</u>	
Net change in fund balance (GAAP)			<u>\$ 156,999</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Bloomfield
G.O. Bond Debt Service Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP	Favorable
			Budgetary Basis)	(Unfavorable)
				Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ 134,680	\$ 134,680	\$ 139,428	\$ 4,748
Other	-	-	-	-
Intergovernmental:				
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	10,379	10,379
Miscellaneous	-	-	-	-
<i>Total revenues</i>	134,680	134,680	149,807	15,127
<i>Expenditures:</i>				
Current:				
General government	4,025	4,025	1,390	2,635
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	847,478	877,172	837,397	39,775
Interest	356,082	356,082	332,395	23,687
<i>Total expenditures</i>	1,207,585	1,237,279	1,171,182	66,097
<i>Excess (deficiency) of revenues over expenditures</i>	(1,072,905)	(1,102,599)	(1,021,375)	81,224
<i>Other financing sources (uses)</i>				
Designated cash (budgeted cash increase)	6,853	6,853	-	(6,853)
Loan proceeds	-	-	7,490,316	7,490,316
Loan issuance costs	-	-	(133,869)	(133,869)
Payment to refunded bond escrow agent	-	-	(7,201,979)	(7,201,979)
Transfers in	1,066,052	1,095,746	1,062,279	(33,467)
<i>Total other financing sources (uses)</i>	1,072,905	1,102,599	1,216,747	114,148
<i>Net change in fund balance</i>	-	-	195,372	195,372
<i>Fund balance - beginning of year</i>	-	-	1,110,626	1,110,626
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 1,305,998	\$ 1,305,998
Net change in fund balance (non-GAAP budgetary basis)			\$ 195,372	
Adjustments to revenue for property taxes.			1,114	
No adjustments to expenditures.			-	
Net change in fund balance (GAAP)			\$ 196,486	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement C-1

City of Bloomfield

Statement of Revenues, Expenses and Changes in Net Position

Budget and Actual

Joint Utility Fund

For the Year Ended June 30, 2016

	Budget Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		
<i>Operating revenues:</i>				
Charges for services	\$ 3,779,700	\$ 3,779,700	\$ 3,527,016	\$ (252,684)
<i>Total operating revenues</i>	<u>3,779,700</u>	<u>3,779,700</u>	<u>3,527,016</u>	<u>(252,684)</u>
<i>Operating expenses:</i>				
Depreciation	-	-	498,324	(498,324)
Personnel services	1,516,888	1,516,888	1,518,278	(1,390)
Contractual services	644,300	644,300	449,330	194,970
Supplies and purchased power	555,182	555,182	429,122	126,060
Maintenance and materials	420,400	767,191	256,047	511,144
Miscellaneous	207,600	207,664	219,595	(11,931)
Utilities	37,100	37,100	36,813	287
Equipment	97,211	97,214	36,825	60,389
Gross receipts taxes	211,100	211,100	169,890	41,210
<i>Total operating expenses</i>	<u>3,689,781</u>	<u>4,036,639</u>	<u>3,614,224</u>	<u>422,415</u>
<i>Operating income (loss)</i>	<u>89,919</u>	<u>(256,939)</u>	<u>(87,208)</u>	<u>169,731</u>
<i>Non-operating revenues (expenses):</i>				
Principal expense	(487,885)	(487,885)	-	487,885
Interest expense	(175,448)	(175,448)	(189,829)	(14,381)
Interest income	1,000	1,000	2,759	1,759
Miscellaneous income	800	800	1,828	1,028
<i>Total non-operating revenues (expenses)</i>	<u>(661,533)</u>	<u>(661,533)</u>	<u>(185,242)</u>	<u>476,291</u>
<i>Income (loss) before contributions and transfers</i>	<u>(571,614)</u>	<u>(918,472)</u>	<u>(272,450)</u>	<u>646,022</u>
Government contributions	-	346,791	50,000	(296,791)
Transfers	222,324	122,324	(4,079)	(126,403)
Designated cash (budgeted cash increase)	349,290	449,357	-	(449,357)
<i>Change in net position</i>	-	-	(226,529)	(226,529)
<i>Total net position, beginning of year</i>	-	-	10,466,725	10,466,725
<i>Total net position, restatement (Note 20)</i>	-	-	-	-
<i>Total net position, as restated</i>	-	-	10,466,725	10,466,725
<i>Total net position, end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,240,196</u>	<u>\$ 10,240,196</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement C-2

City of Bloomfield

Statement of Revenues, Expenses and Changes in Net Position

Budget and Actual

Solid Waste Fund

For the Year Ended June 30, 2015

	Budget Amounts		Actual	Variances Favorable Unfavorable
	Original	Final		
<i>Operating revenues:</i>				
Charges for services	\$ 790,800	\$ 790,800	\$ 697,536	\$ (93,264)
<i>Total operating revenues</i>	<u>790,800</u>	<u>790,800</u>	<u>697,536</u>	<u>(93,264)</u>
<i>Operating expenses:</i>				
Depreciation	-	-	10,039	(10,039)
Personnel services	-	-	-	-
Contractual services	743,000	743,000	670,298	72,702
Supplies and purchased power	-	-	-	-
Maintenance and materials	-	-	-	-
Miscellaneous	-	-	-	-
Utilities	-	-	-	-
Equipment	16,210	16,210	-	16,210
Gross receipts taxes	-	-	-	-
<i>Total operating expenses</i>	<u>759,210</u>	<u>759,210</u>	<u>680,337</u>	<u>78,873</u>
<i>Operating income (loss)</i>	<u>31,590</u>	<u>31,590</u>	<u>17,199</u>	<u>(14,391)</u>
<i>Non-operating revenues (expenses):</i>				
Principal expense	-	-	-	-
Interest expense	-	-	(5,577)	(5,577)
Interest income	-	-	163	163
Government contributions	-	-	-	-
Miscellaneous financing costs	-	-	-	-
Miscellaneous income	-	-	-	-
<i>Total non-operating revenues (expenses)</i>	<u>-</u>	<u>-</u>	<u>(5,414)</u>	<u>(5,414)</u>
<i>Income (loss) before contributions and transfers</i>	<u>31,590</u>	<u>31,590</u>	<u>11,785</u>	<u>(19,805)</u>
Government contributions	-	-	-	-
Transfers	(116,244)	(216,244)	(15,130)	201,114
Designated cash (budgeted cash increase)	<u>84,654</u>	<u>184,654</u>	<u>-</u>	<u>(184,654)</u>
<i>Change in net position</i>	<u>-</u>	<u>-</u>	<u>(3,345)</u>	<u>(3,345)</u>
<i>Total net position, beginning of year</i>	<u>-</u>	<u>-</u>	<u>694,884</u>	<u>694,884</u>
<i>Total net position, end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 691,539</u>	<u>\$ 691,539</u>

The accompanying notes are an integral part of these financial statements

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SUPPORTING SCHEDULES

STATE OF NEW MEXICO
City of Bloomfield
Schedule of Deposit Accounts
June 30, 2016

Schedule I

Bank Account Type/Name	Wells Fargo Bank	Citizen's Bank	Bank of Albuquerque	Totals
Cash and cash equivalents:				
Operating - Checking	\$ 819,173	\$ -	\$ -	\$ 819,173
Senior Citizens - Checking	26,543	-	-	26,543
Paving - Checking	5,117	-	-	5,117
G.O. Water - Checking	100,665	-	-	100,665
Money Market	106,734	-	-	106,734
Motor Vehicle - Checking	450	-	-	450
Payroll -Checking	-	65,959	-	65,959
BLM Wildland Grant - Checking	-	22,345	-	22,345
Police Evidence - Checking	-	6,631	-	6,631
W/W Debt Service - Checking	-	322,668	-	322,668
IMMA	-	147,952	-	147,952
Fire Fund -Checking	-	93,688	-	93,688
Interest Bond Retirement - Checking	-	1,313	-	1,313
Meter Deposits - Checking	-	74,643	-	74,643
Wastewater Replacement - Checking	-	176,249	-	176,249
2007 A PPRF - City of Bloomfield*	-	-	12,838	12,838
NMFA Sub Pprf 2007A Bloomfield Res*	-	-	52,218	52,218
2008 A PPRF - Bloomfield City*	-	-	3,319	3,319
NMFA 69th Supp 2008A C/Bloomfield Res*	-	-	51,584	51,584
NMFA Pn Dtd 5/1/05 Bloomfield DS RES*	-	-	16,368	16,368
DW - Bloomfield*	-	-	44,569	44,569
2008 C PPRF - Bloomfield City*	-	-	94,982	94,982
DL - Bloomfield City*	-	-	20,002	20,002
DL - Bloomfield City Ds Res*	-	-	105,971	105,971
2007 E PPRF - Bloomfield City*	-	-	29,001	29,001
2007 E PPRF - Bloomfield City Ds Res*	-	-	123,256	123,256
2015 B PPRF - Bloomfield City*	-	-	16,164	16,164
2015 B PPRF - Bloomfield City Ds Res*	-	-	21,519	21,519
2015 C PPRF - Bloomfield City*	-	-	45,615	45,615
2015 C PPRF - Bloomfield City Ds Res*	-	-	725,277	725,277
2016 B PPRF - Bloomfield City*	-	-	5,643	5,643
2016 B PPRF - Bloomfield City DS Res*	-	-	53,427	53,427
2016 B PPRF - Bloomfield City Program Funds*	-	-	134,382	134,382
Total	1,058,682	911,448	1,556,135	3,526,265
Reconciling items	1,492	(29,892)	-	(28,400)
Reconciled balance	<u>\$ 1,060,174</u>	<u>\$ 881,556</u>	<u>\$ 1,556,135</u>	3,497,865
Petty cash				2,900
Less: agency funds cash per Exhibit E-1				(450)
Less: restricted cash and investments per Exhibit A-1				<u>(1,795,585)</u>
Total unrestricted cash and cash equivalents per Exhibit A-1				<u><u>\$ 1,704,730</u></u>

* These cash and investment accounts are restricted for debt services by the New Mexico Finance Authority

See independent auditors' report.

STATE OF NEW MEXICO
City of Bloomfield
Schedule of Collateral Pledged By Depository
For Public Funds
June 30, 2016

Schedule II

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value at June 30, 2015
Wells Fargo Bank				
	FNMA FNMS 3.000% 11/01/26	11/1/2026	3138AYV22	\$ 42,767
	FNMA FNMS 3.000% 08/01/42	8/1/1942	3138LX5M7	5,034
	FNMA FNMS 3.000% 06/01/42	6/1/1942	3138LXRA9	273,377
	FNMA FNMS 4.500% 04/01/41	4/1/1941	31419FAV8	<u>124,352</u>
	Total Wells Fargo Bank			<u>445,530</u>
The location of the safekeeper of the above security is One Wall Street, Fourth Floor, New York, NY 10286.				
Citizen's Bank				
	FM MULT CERT SERIES 3800 4.000% 2/15/31	2/15/2031	3137A7G46	<u>1,419,860</u>
The location of the safekeeper of the above securities is 8500 Freeport Parkway, South Irving, TX.				
	Total Pledged Collateral			<u><u>\$ 1,865,390</u></u>

See independent auditors' report.

STATE OF NEW MEXICO
City of Bloomfield
Schedule of Changes in Fiduciary Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2016

Schedule III

	<u>Balance at June 30, 2015</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance at June 30, 2016</u>
Motor Vehicle	\$ 570	\$ 174,957	\$ 175,077	\$ 450
Total	<u>\$ 570</u>	<u>\$ 174,957</u>	<u>\$ 175,077</u>	<u>\$ 450</u>

See independent auditor's report

STATE OF NEW MEXICO

City of Bloomfield

**Schedule of Vendors Information for Purchases Exceeding \$60,000 (Excluding GRT)
For the Year Ended June 30, 2016**

Schedule IV

<i>Agency Number</i>	<i>Agency Name</i>	<i>Agency Type</i>	<i>RFB# / RFP# (if applicable)</i>	<i>Type of Procurement</i>	<i>Vendor Name</i>	<i>Did Vendor Win Contract?</i>	<i>\$ Amount of Awarded Contract</i>	<i>\$ Amount of Amended Contract</i>	<i>Physical address of vendor (City, State)</i>	<i>Did the Vendor provide documentation of eligibility for in-state preference?</i>	<i>Did the Vendor provide documentation of eligibility for veterans' preference?</i>	<i>Brief Description of the Scope of Work</i>	<i>If the procurement is attributable to a Component Unit, Name of Component Unit</i>
6016	City of Bloomfield	Municipalities	RFP#2016-01	Competitive (RFP or RFB)	Four Corners Electric Company, Inc.	Winner	\$39,332.00	\$0.00	1213 Schofield Lane, Farmington, NM 87401	Yes	No	Installation of a new generator for main fire station	

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COMPLIANCE SECTION

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

To the City Council
City of Bloomfield
and Mr. Tim Keller
New Mexico State Auditor

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, and the aggregate remaining fund information, the budgetary comparisons of the general fund of the City of Bloomfield ("City"), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and the combining and individual funds and related budgetary comparisons of the City, presented as supplemental information, and have issued our report thereon dated December 13, 2016.

Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses: 2010-002 and 2012-001.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a significant deficiency: 2011-002.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2014-001.

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



Albuquerque, New Mexico
December 13, 2016

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STATE OF NEW MEXICO
City of Bloomfield
Schedule of Findings and Responses
Year Ended June 30, 2016

Section I – Findings – Financial Statement Audit

2010-002 - Accounts Payable and Payroll Lack of Internal Controls (Material Weakness)

CONDITION: During our testwork of the cash disbursing and payroll processing we noted the following instances of a lack of appropriate internal controls.

- The accounts payable clerk has full access to the vendor master file to add and change vendor records.
- There is no review over changes made to the vendor master file.
- The payroll personnel have access to enter new employee data and pay rates, make changes to pay rates, enter time and print payroll checks.
- There is no review performed by someone other than the person entering the time sheets. The payroll clerk hand keys time sheet data into the system and no one other than the payroll clerk reviews the entered information.
- Testing of 40 payroll disbursements identified that 4 disbursements, in the amount of \$4,912.16 the Personnel Requisition Form was not approved by the Department Supervisor, City Manager and the Finance Director prior to hiring or promotion was applied.
- Testing of 40 payroll disbursements identified that 1 disbursements, in the aggregate amount of \$78.00, had multiple pay rates but only one was supported with by a PAF from.
- Testing of 40 Payroll disbursements identified that 1 disbursements, in the amount of \$1,956.41, in which the personnel request form was not signed by the Finance Director or the City Manager.
- Testing of 1 of 40 cash disbursements, in the amount of \$800.00, identified that a check was produced before the City had verification that the goods were received.
- Testing of 4 of 40 cash disbursements, in the aggregate amount of \$171,850.06, identified that the Purchase Order was dated subsequent to the vendors invoice.
- Testing of 3 of 40 cash disbursements, in the aggregate amount of \$629.30, identified that no Purchase Order was produced for the disbursement.

With the implementation of the City's new general ledger system the City was able to resolve a portion of the prior year finding in that purchase orders are now pre-numbered. The City is continuing to implement changes to the internal control structure within the parameters of their staffing limitations.

CRITERIA: Appropriate internal controls and segregation of duties in cash disbursing and payroll processing is required to properly report all revenues and expenditures as required by Section 6-6-3 NMSA 1978.

EFFECT: Without adequate internal controls in key control processes, there is an increased risk of fraudulent activity, and also an increased risk of errors that may not be detected timely.

CAUSE: Management has not performed a proper evaluation and risk assessment in order to ensure proper internal controls are in place.

STATE OF NEW MEXICO
City of Bloomfield
Schedule of Findings and Responses (Continued)
Year Ended June 30, 2016

Section I – Findings – Financial Statement Audit (Continued)

2010-002 - Accounts Payable and Payroll Lack of Internal Controls (Material Weakness) (Continued)

RECOMMENDATION: We recommend that the City continue to evaluate its control structure over its cash and payroll disbursement process to ensure that there is adequate control to ensure proper segregation and ensure that the accounts payable clerk has no access to add or change vendor information. Furthermore setting up employees or changing pay rates should be done by someone not entering time or printing payroll checks. These processes should be written and implemented to ensure proper internal controls are present, including segregation of duties.

RESPONSE: The City will continue to evaluate the internal control structure considering our limited staffing to determine if there are any compensating controls such as additional reviews that can be implemented to mitigate this weakness. At this time, adding additional staffing to segregate incompatible duties is not an option for the City due to lack of funding.

ESTIMATED COMPLETE DATE: During fiscal year 2017

RESPONSIBLE PARTY: City Finance Director

2011-002 Internal Controls over Credit Cards (Significant Deficiency)

CONDITION: During our walkthrough and testing over the two credit cards used by the City, lack of internal controls to ensure that adequate supporting documentation exists and are attached and those expenditures are coded to the correct expense account. We tested 10 total credit card transactions in 8 months of credit card statements and noted that:

- 3 of the 10 transactions totaling \$2,622.40 were missing supporting invoices and/or receipts
- 2 of the 10 transactions totaling \$1,109.08 where the purchase order was created after the payment date.
- 3 of the 10 transactions totaling \$2,986.36 where the purchase amount exceed the approved purchase order amount.

During the fiscal year, the City evaluated their process for coding and accurately coded the transactions to the appropriate expense code. As such the City has cleared a portion of the finding in the current year.

CRITERIA: The *Codification of Statements on Auditing Standards* (AU-C) Section 200 paragraph .05 states that the financial statements are management's responsibility. Management is responsible for adopting sound accounting policies, and for establishing and maintaining internal control that will, among other things, initiate, authorize, record, process, and report transactions (as well as events and conditions) consistent with management's assertions embodied in the financial statements.

STATE OF NEW MEXICO
City of Bloomfield
Schedule of Findings and Responses (Continued)
Year Ended June 30, 2016

Section I – Findings – Financial Statement Audit (Continued)

2011-002 Internal Controls over Credit Cards (Significant Deficiency) (Continued)

EFFECT: There may be instances of unauthorized purchases and abuse of public funds which could go unnoticed.

CAUSE: The City lacks the internal control policies to ensure that all receipts are obtained.

RECOMMENDATION: We recommend the City develop and implement internal control policies to ensure that all receipts are received and purchases are reviewed.

RESPONSE: The City will develop and implement policies for the use of credit cards for purchasing.

ESTIMATED COMPLETE DATE: During fiscal year 2017

RESPONSIBLE PARTY: City Finance Director

2012-001 Segregation of Duties (Material Weakness)

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

- The lead customer support specialist can perform all essential functions in the cash receipt cycle.
- The payroll clerk has the ability to perform all major disbursement processes
- The payroll clerk has the ability to perform all major payroll processes
- The payroll clerk has the ability to post manual journal entries to the general ledger
- The payroll clerk has back up duties related to counting the utilities and miscellaneous cash receipts for the accounts she deposits and reconciles
- The person performing the bank reconciliation has access to the general ledger and can make wire transfers

During fiscal year 2016, the City has been working to evaluate possible solutions to the segregation issues and are working to resolve them given current staffing levels.

CRITERIA: The *Codification of Statements on Auditing Standards* (AU-C) Section 200 paragraph .05 states that the financial statements are management's responsibility. Management is responsible for adopting sound accounting policies, and for establishing and maintaining internal control that will, among other things, initiate, authorize, record, process, and report transactions (as well as events and conditions) consistent with management's assertions embodied in the financial statements.

STATE OF NEW MEXICO
City of Bloomfield
Schedule of Findings and Responses (Continued)
Year Ended June 30, 2016

Section I – Findings – Financial Statement Audit (Continued)

2012-001 Segregation of Duties (Material Weakness) (Continued)

EFFECT: Without adequate segregation of duties in key control processes, there is an increased risk of fraudulent activity, and also an increased risk of errors that may not be detected timely.

CAUSE: Due to limited resources, the City relies on the expertise of one individual to perform many duties. Limited resources in the processes noted above appear to be the result of a lack of segregation of duties.

RECOMMENDATION: It is recommended that management develop a formal review process for the receipts, disbursement, and payroll transaction cycle. It is further recommended that management implement and document policies and procedures to maintain proper internal controls that include segregation of duties.

RESPONSE: The City will continue to evaluate the internal control structure considering our limited staffing to determine if there are any compensating controls such as additional reviews that can be implemented to mitigate this weakness. At this time, adding additional staffing to segregate incompatible duties is not an option for the City due to lack of funding.

ESTIMATED COMPLETE DATE: During fiscal year 2017

RESPONSIBLE PARTY: City Finance Director

Section II – Other Findings, as Required by New Mexico State Statute, Section 12-6-5, NMSA 1978

2014-001 Personal Use of Vehicles (Other Matters)

CONDITION: During inquiry it was noted that employees who take home a City vehicle were not receiving a compensation adjustment added to their W-2's according to one of the IRS approved methods which remained unchanged from FY14.

CRITERIA: Per the 2015 New Mexico State Audit Rule 2.2.2.10(H)(2)(a), IRS Rev. 1.274-5T(k)(3), and IRS Bulletin 2010-23, personal use of a government agency vehicle is always taxable income to the employee unless the vehicle is a qualified non-personal use vehicle. The value of commuting and other personal use of a "nonqualified vehicle" must be included on the employee's W-2.

STATE OF NEW MEXICO
City of Bloomfield
Schedule of Findings and Responses (Continued)
Year Ended June 30, 2016

Section II – Other Findings, as Required by New Mexico State Statute, Section 12-6-5, NMSA 1978

2014-001 Personal Use of Vehicles (Other Matters) (Continued)

There are three rules the IRS allows to be used for valuing personal use of an employer's vehicle: automobile lease valuation rule; cents-per mile rule; and the commuting rule (\$3 per day).

EFFECT: The City is not correctly preparing W-2's for these employees and is in violation of the IRS's Fringe Benefits requirements. The City failed to tax the fringe benefit for payroll related taxes.

CAUSE: The City did not fully understand the requirements for a qualified and non-qualified vehicle to correctly implement the fringe benefit requirements.

RECOMMENDATION: The City should become familiar with the requirements listed in Publication 15-B, which outlines the requirements for employee fringe benefits.

RESPONSE: The City has now corrected this issue in FY 2017. We have only one remaining employee that commutes periodically in a City vehicle and he has chosen to reimburse the city for the required IRS compensation amount rather than having it added to his W-2.

ESTIMATED COMPLETE DATE: Already completed

RESPONSIBLE PARTY: City Finance Director

STATE OF NEW MEXICO
City of Bloomfield
Schedule of Findings and Responses (Continued)
Year Ended June 30, 2016

STATUS OF PRIOR YEAR FINDINGS

2010-002	Accounts Payable and Payroll Lack of Internal Controls	Revised and Repeated
2011-002	Internal Controls over Credit Cards	Revised and Repeated
2012-001	Segregation of Duties	Revised and Repeated
2012-002	Expenditures in Excess of Budget and Budgeted Cash in Excess of Available Balance	Resolved
2013-002	Capital Asset Inventory	Resolved
2014-001	Personal Use of Vehicles	Revised and Repeated

**STATE OF NEW MEXICO
City of Bloomfield
Other Disclosures
Year Ended June 30, 2016**

Exit Conference

An exit Conference was held on December 13, 2016. In attendance were the following:

Representing the City of Bloomfield:

Bradley Ellsworth	Finance Director
Eric Strahl	City Manager
DeLaws Lindsay	City Councilor

Representing Axiom Certified Public Accountants and Business Advisors LLC:

Chris Garner, CPA	Partner
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