

STATE OF NEW MEXICO

BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6

ANNUAL FINANCIAL REPORT

JUNE 30, 2021



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INTRODUCTORY SECTION

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
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BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
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STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
OFFICIAL ROSTER
FOR THE YEAR ENDED JUNE 30, 2021

<u>Name</u>		<u>Title</u>
	<u>School Board</u>	
Dale Maes		President
Bruce Armenta		Vice President
Veronica Tso		Secretary
Joel Gunn		Member
Tony DeHerrera		Member
	<u>District Officials</u>	
Kim Mizell		Superintendent
Jodie Maestas		Director of Finance
Staci Babcock		Business Manager
Patricia Marquez		Director of Federal Programs
Deborah Hernandez		Director of Human Resources
Carolyn Redwine		Director of Maintenance
Brenda MacFarlane		Director of Transportation
James Olivas		Director of Operations
Russell Florez		Director of Technology

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund of Bloomfield Municipal School District No. 6, (the "District") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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, each major fund, and the aggregate remaining fund information of the District as of June 30, 2021, 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.

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require Schedules I through IV and notes to the required supplementary information on pages 50 through 55 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the District's financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements, the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and other supplemental information required by 2.2.2 NMAC, Schedules V through IX are presented for the purposes of additional analysis and are not a required part of the financial statements.

The combining and individual fund financial statements, the Schedule of Expenditures of Federal Awards, and Schedules V through VIII on pages 86 through 94 required by 2.2.2 NMAC are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, the Schedule of Expenditures of Federal Awards, and Schedules V through VIII required by 2.2.2 NMAC are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section on pages 1 through 3 and the Summary Schedule of Prior Audit Findings on pages 109 through 111 have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Manning Accounting and Consulting Services, LLC

Manning Accounting and Consulting Services, LLC
Kirtland, New Mexico
November 12, 2021

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BASIC FINANCIAL STATEMENTS

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
STATEMENT OF NET POSITION
JUNE 30, 2021

Exhibit A-1

	Governmental Activities
ASSETS	
<i>Current Assets</i>	
Cash and temporary investments	\$ 18,804,414
Receivables (net of allowance for uncollectibles)	1,769,264
Prepays	455,436
Inventory	341,178
<i>Total current assets</i>	21,370,292
<i>Noncurrent assets</i>	
Restricted Cash	7,317,151
Capital assets (net of accumulated depreciation):	
Land and land improvements	9,878,882
Buildings and building improvements	134,127,652
Furniture, fixtures and equipment	6,272,007
Less: accumulated depreciation	(95,904,094)
<i>Total noncurrent assets</i>	61,691,598
DEFERRED OUTFLOWS OF RESOURCES	
Deferred costs on debt refunding , net of amortization of \$268,094	168,295
Deferred outflows - pensions	54,515,890
Deferred outflows - other post-employment benefits	4,100,272
<i>Total deferred outflows</i>	58,784,457
<i>Total assets and deferred outflows of resources</i>	\$ 141,846,347
LIABILITIES	
<i>Current liabilities</i>	
Accounts payable	\$ 163,910
Accrued payroll liabilities	1,710,700
Accrued interest payable	383,250
Unearned revenue	9,388
Current maturities of:	
Bonds payable	5,285,000
Compensated absences	237,851
<i>Total current liabilities</i>	7,790,099
<i>Noncurrent liabilities:</i>	
Bond premiums, net of amortization of \$2,627,368	847,071
Bonds payable	21,165,000
Compensated absences	105,385
Net pension liability	116,291,756
Net other post-employment benefits liability	15,880,690
<i>Total noncurrent liabilities</i>	154,289,902
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows - pensions	732,744
Deferred inflows - other post-employment benefits	5,640,287
<i>Total deferred inflows</i>	6,373,031
NET POSITION	
Invested in capital assets	27,245,671
Restricted for:	
Debt service	8,440,670
Capital projects	4,758,560
Other purposes - special revenue	1,933,386
Unrestricted	(68,984,972)
<i>Total net position</i>	(26,606,685)
<i>Total liabilities, deferred inflows of resources, and net position</i>	\$ 141,846,347

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

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Exhibit A-2

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position</u>
		<u>Charges for Service</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Primary Government					
Governmental activities:					
Instruction	\$ 35,081,503	\$ 126,333	\$ 5,575,802	\$ -	\$ (29,379,368)
Support services:					
Students	6,569,677	-	622,177	-	(5,947,500)
Instruction	802,567	-	449	-	(802,118)
General administration	1,734,360	-	-	-	(1,734,360)
School administration	4,977,173	-	-	-	(4,977,173)
Other	10,814	-	-	-	(10,814)
Central services	2,169,376	199,786	-	-	(1,969,590)
Operation & maintenance of plant	5,235,833	68,039	82,808	-	(5,084,986)
Student transportation	1,564,223	-	1,184,647	-	(379,576)
Food services operations	2,513,956	336	1,320,356	-	(1,193,264)
Community services	-	-	-	-	-
Interest on long-term debt	1,115,756	-	152,160	-	(963,596)
Facilities materials, supplies, & other services	1,602,688	-	-	393,287	(1,209,401)
Total Primary Government	<u>\$ 63,377,926</u>	<u>\$ 394,494</u>	<u>\$ 8,938,399</u>	<u>\$ 393,287</u>	<u>(53,651,746)</u>
General Revenues:					
Property taxes:					
Levied for general purposes					
					206,680
Levied for debt service					
					4,687,837
Levied for capital projects					
					961,953
Oil and gas taxes					
					2,960,122
State Equalization Guarantee					
					24,331,123
Unrestricted Federal grants					
					1,021,595
Unrestricted investment earnings					
					3,560
Miscellaneous					
					<u>74,389</u>
Total general revenues					
					<u>34,247,259</u>
Change in net position					
					(19,404,487)
Net position - beginning of year					
					<u>(7,533,547)</u>
Prior period adjustment					
					41,742
Restatement - change in accounting principle					
					289,607
Net position - beginning of year, restated					
					<u>(7,202,198)</u>
Net position - end of year					
					<u>\$ (26,606,685)</u>

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

STATE OF NEW MEXICO
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 JUNE 30, 2021

Ex B-1

	General Fund			Capital Projects
	Operational 11000	Transportation 13000	Instructional Materials 14000	Capital Improvements SB-9 (Local) 31701
ASSETS				
<i>Current assets:</i>				
Cash and temporary investments	\$ 10,868,630	\$ 37,772	\$ -	\$ 3,652,796
Accounts receivable				
Taxes	20,619	-	-	99,132
Due from other governments	2,456	-	-	-
Interfund receivables	995,671	-	-	-
Other	61,560	-	-	-
Prepays	-	455,436	-	-
Inventory	213,214	39,873	-	-
<i>Total assets</i>	<u>12,162,150</u>	<u>533,081</u>	<u>-</u>	<u>3,751,928</u>
LIABILITIES				
<i>Current liabilities:</i>				
Accounts payable	138,168	811	-	24,328
Accrued payroll liabilities	1,708,237	1,708	-	-
Interfund payables	-	-	-	-
Unearned revenue	-	-	-	-
<i>Total liabilities</i>	<u>1,846,405</u>	<u>2,519</u>	<u>-</u>	<u>24,328</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - property taxes	8,996	-	-	48,735
Unavailable revenues - other	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>8,996</u>	<u>-</u>	<u>-</u>	<u>48,735</u>
FUND BALANCES				
Nonspendable	213,214	495,309	-	-
Restricted for:				
Transportation	-	35,253	-	-
Instructional materials	-	-	-	-
Grant mandates	-	-	-	-
Capital projects	-	-	-	414,996
Debt service	-	-	-	-
Assigned	6,519,570	-	-	3,263,869
Unassigned	3,573,965	-	-	-
<i>Total fund balances</i>	<u>10,306,749</u>	<u>530,562</u>	<u>-</u>	<u>3,678,865</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 12,162,150</u>	<u>\$ 533,081</u>	<u>\$ -</u>	<u>\$ 3,751,928</u>

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

STATE OF NEW MEXICO
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 JUNE 30, 2021

Ex B-1

	Debt Service 41000	Other Governmental Funds	Total Primary Government
ASSETS			
<i>Current assets:</i>			
Cash and temporary investments	\$ 7,317,151	\$ 4,245,216	\$ 26,121,565
Accounts receivable			
Taxes	440,382	39,564	599,697
Due from other governments	-	1,105,551	1,108,007
Interfund receivables	-	-	995,671
Other	-	-	61,560
Prepays	-	-	455,436
Inventory	-	88,091	341,178
	<u>7,757,533</u>	<u>5,478,422</u>	<u>29,683,114</u>
<i>Total assets</i>			
LIABILITIES			
<i>Current liabilities:</i>			
Accounts payable	-	603	163,910
Accrued payroll liabilities	-	755	1,710,700
Interfund payables	-	995,671	995,671
Unearned revenue	-	9,388	9,388
	<u>-</u>	<u>1,006,417</u>	<u>2,879,669</u>
<i>Total liabilities</i>			
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues - property taxes	216,937	18,291	292,959
Unavailable revenues - other	-	17,965	17,965
	<u>216,937</u>	<u>36,256</u>	<u>310,924</u>
<i>Total deferred inflows of resources</i>			
FUND BALANCES			
Nonspendable	-	88,091	796,614
Restricted for:			
Transportation	-	-	35,253
Instructional materials	-	-	-
Grant mandates	-	959,596	959,596
Capital projects	-	2,065	417,061
Debt service	1,105,725	134,093	1,239,818
Assigned	6,434,871	3,270,089	19,488,399
Unassigned	-	(18,185)	3,555,780
	<u>7,540,596</u>	<u>4,435,749</u>	<u>26,492,521</u>
<i>Total fund balances</i>			
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 7,757,533</u>	<u>\$ 5,478,422</u>	<u>\$ 29,683,114</u>

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

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
GOVERNMENTAL FUNDS
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021

Exhibit B-2

	Governmental Funds
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Total fund balances - governmental funds	\$ 26,492,521
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
The cost of capital assets is	150,278,541
Accumulated depreciation is	(95,904,094)
Revenues not collected within sixty days after year-end are considered "available" revenues and are shown as deferred revenues on the balance sheet.	
Delinquent property taxes	292,959
State revenues	17,965
Deferred outflows and inflows of resources related to pensions are applicable to future periods and therefore, are not reported in governmental funds.	
Deferred outflows of resources - deferred costs on refunding	168,295
Deferred outflows of resources - pensions	54,515,890
Deferred outflows of resources - other post-employment benefits	4,100,272
Deferred inflows of resources - pensions	(732,744)
Deferred inflows of resources - other post-employment benefits	(5,640,287)
Bond issuance costs, including original issue discounts and premiums are not financial resources and therefore are not reported in the funds.	
Bond premiums net of accumulated amortization	(847,071)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in governmental funds. Long-term and other liabilities at year-end consist of:	
Accrued interest payable	(383,250)
Bonds payable	(26,450,000)
Accrued compensated absences	(343,236)
Net pension liability	(116,291,756)
Net other post-employment benefits liability	(15,880,690)
Total net position - governmental activities	\$ (26,606,685)

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

STATE OF NEW MEXICO
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
 STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

Ex B-3

	General Fund			Capital Projects
	Operational 11000	Transportation 13000	Instructional Materials 14000	Capital Improvements SB-9 (Local) 31701
<i>Revenues:</i>				
Property taxes	\$ 207,288	\$ -	\$ -	\$ 965,652
Oil and gas taxes	121,202	-	-	484,814
State grants	24,331,123	1,092,404	-	39
Federal grants	737,600	-	-	-
Miscellaneous	74,390	(467)	-	691
Charges for services	267,825	-	-	-
Investment income	488	-	-	-
<i>Total revenues</i>	<u>25,739,916</u>	<u>1,091,937</u>	<u>-</u>	<u>1,451,196</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	14,156,119	-	29,591	-
Support services				
Students	2,097,685	-	-	-
Instruction	363,609	-	-	-
General administration	765,452	-	-	9,559
School administration	2,073,825	-	-	-
Central services	1,043,118	-	-	-
Operation & maintenance of plant	3,423,590	-	-	-
Student transportation	-	786,778	-	-
Other support services	10,814	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	1,671,757
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>23,934,212</u>	<u>786,778</u>	<u>29,591</u>	<u>1,681,316</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>1,805,704</u>	<u>305,159</u>	<u>(29,591)</u>	<u>(230,120)</u>
<i>Other financing sources (uses):</i>				
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>1,805,704</u>	<u>305,159</u>	<u>(29,591)</u>	<u>(230,120)</u>
<i>Fund balances - beginning of year</i>	8,492,590	225,403	29,591	3,908,985
<i>Prior period adjustment</i>	8,455	-	-	-
<i>Adjusted fund balance - beginning of year</i>	<u>8,501,045</u>	<u>225,403</u>	<u>29,591</u>	<u>3,908,985</u>
<i>Fund balances - end of year</i>	<u>\$ 10,306,749</u>	<u>\$ 530,562</u>	<u>\$ -</u>	<u>\$ 3,678,865</u>

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

STATE OF NEW MEXICO
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
 STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

Ex B-3

	Debt Service 41000	Other Governmental Funds	Total Primary Government
<i>Revenues:</i>			
Property taxes	\$ 4,272,196	\$ 433,084	\$ 5,878,220
Oil and gas taxes	2,134,781	219,325	2,960,122
State grants	-	1,412,610	26,836,176
Federal grants	152,160	6,937,517	7,827,277
Miscellaneous	-	2,761	77,375
Charges for services	-	126,669	394,494
Investment income	1,361	1,711	3,560
<i>Total revenues</i>	<u>6,560,498</u>	<u>9,133,677</u>	<u>43,977,224</u>
<i>Expenditures:</i>			
<i>Current:</i>			
Instruction	-	4,382,054	18,567,764
Support services			
Students	-	1,378,775	3,476,460
Instruction	-	12,124	375,733
General administration	42,550	221,665	1,039,226
School administration	-	282,608	2,356,433
Central services	-	69	1,043,187
Operation & maintenance of plant	-	82,808	3,506,398
Student transportation	-	92,018	878,796
Other support services	-	-	10,814
Food services operations	-	1,531,022	1,531,022
Community services	-	-	-
Capital outlay	-	150,833	1,822,590
Debt service			
Principal	5,025,000	720,000	5,745,000
Interest	1,174,185	4	1,174,189
Bond issuance costs	-	41,889	41,889
<i>Total expenditures</i>	<u>6,241,735</u>	<u>8,895,869</u>	<u>41,569,501</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>318,763</u>	<u>237,808</u>	<u>2,407,723</u>
<i>Other financing sources (uses):</i>			
Proceeds from bond issues	-	720,000	720,000
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>720,000</u>	<u>720,000</u>
<i>Net changes in fund balances</i>	<u>318,763</u>	<u>957,808</u>	<u>3,127,723</u>
<i>Fund balances - beginning of year</i>	7,221,833	3,155,047	23,033,449
<i>Prior period adjustment</i>	-	322,894	331,349
<i>Adjusted fund balance - beginning of year</i>	<u>7,221,833</u>	<u>3,477,941</u>	<u>23,364,798</u>
<i>Fund balances - end of year</i>	<u>\$ 7,540,596</u>	<u>\$ 4,435,749</u>	<u>\$ 26,492,521</u>

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

STATE OF NEW MEXICO

Exhibit B-4

BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2021

	Governmental Funds
Amounts reported for governmental activities in the Statement of Activities are different because:	
Net change in fund balances - total governmental funds	\$ 3,127,723
<p>Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities. This is the amount by which depreciation exceeds capital outlays for the period.</p>	
Depreciation expense	(3,376,398)
Capital outlays	545,787
<p>Revenues not collected within 60 days after the fiscal year-end are not considered available revenues in the governmental funds. They are considered revenues in the Statement of Activities. The increase (decrease) in revenues receivable for the year end were:</p>	
Unavailable revenue related to the property taxes receivable	(21,750)
Other unavailable revenues	17,965
<p>The issuance of long-term debt (e.g. bonds, notes, leases) provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first, whereas these amounts are deferred and amortized in the Statement of Activities:</p>	
Amortization of debt refunding	(61,316)
Amortization of bond premium	323,107
Accrued interest payable	58,433
Accrued compensated absences	(5,829)
Debt proceeds	(720,000)
Debt principle payments	5,745,000
<p>Governmental funds report district pension contributions as expenditures. However, in the Statement of Activities, the pension benefits earned net of employee contributions is reported as pension expense.</p>	
Difference between prior year pension contributions per entity and amount reported in the pension report	
Pension contributions - current year	2,574,429
Pension (expense) income	(28,590,670)
Other post-employment benefits contributions - current year	362,506
Other post-employment benefits (expense) income	616,526
Change in net position - total governmental activities	\$ (19,404,487)

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

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
OPERATIONAL FUND (11000)
FOR THE YEAR ENDING JUNE 30, 2021

Exhibit C-1

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ 200,455	\$ 200,455	\$ 206,574	\$ 6,119
Oil and gas taxes	178,367	178,367	114,863	(63,504)
State grants	24,454,669	24,223,472	24,331,123	107,651
Federal grants	627,095	627,095	740,150	113,055
Miscellaneous	-	-	74,390	74,390
Charges for services	187,096	187,096	267,825	80,729
Investment income	40,000	40,000	488	(39,512)
<i>Total revenues</i>	<u>25,687,682</u>	<u>25,456,485</u>	<u>25,735,413</u>	<u>278,928</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	19,703,682	20,551,189	13,746,978	6,804,211
Support services				
Students	2,694,641	3,127,522	2,097,685	1,029,837
Instruction	502,671	459,807	363,609	96,198
General administration	986,205	1,089,075	739,246	349,829
School administration	2,366,209	2,305,050	2,073,825	231,225
Central services	2,242,056	1,841,319	1,043,118	798,201
Operation & maintenance of plant	4,627,705	4,464,286	3,421,232	1,043,054
Student transportation	-	-	-	-
Other support services	43,309	54,124	10,814	43,310
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>33,166,478</u>	<u>33,892,372</u>	<u>23,496,507</u>	<u>10,395,865</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(7,478,796)</u>	<u>(8,435,887)</u>	<u>2,238,906</u>	<u>10,674,793</u>
<i>Other financing sources (uses):</i>				
Designated cash	7,478,796	8,435,887	-	(8,435,887)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>7,478,796</u>	<u>8,435,887</u>	<u>-</u>	<u>(8,435,887)</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>2,238,906</u>	<u>2,238,906</u>
<i>Cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>9,616,940</u>	<u>9,616,940</u>
Prior period adjustments	<u>-</u>	<u>-</u>	<u>8,455.00</u>	<u>8,455</u>
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>9,625,395</u>	<u>9,625,395</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,864,301</u>	<u>\$ 11,864,301</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance (cash basis)			\$ 2,238,906	
Adjustments to revenues			4,503	
Adjustments to expenditures			(437,705)	
Net change in fund balance (GAAP basis)			<u>\$ 1,805,704</u>	

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

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
TRANSPORTATION FUND (13000)
FOR THE YEAR ENDING JUNE 30, 2021

Exhibit C-2

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
State grants	1,152,722	1,092,404	1,092,404	-
Federal grants	-	-	-	-
Miscellaneous	-	-	(467)	(467)
Charges for services	-	-	-	-
Investment income	-	-	-	-
<i>Total revenues</i>	<u>1,152,722</u>	<u>1,092,404</u>	<u>1,091,937</u>	<u>(467)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	1,152,722	1,092,404	1,133,115	(40,711)
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,152,722</u>	<u>1,092,404</u>	<u>1,133,115</u>	<u>(40,711)</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(41,178)</u>	<u>(41,178)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>(41,178)</u>	<u>(41,178)</u>
<i>Cash or fund balance - beginning of year</i>	-	-	78,950	78,950
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>78,950</u>	<u>78,950</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,772</u>	<u>\$ 37,772</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance (cash basis)			\$ (41,178)	
Adjustments to revenues			-	
Adjustments to expenditures			346,337	
Net change in fund balance (GAAP basis)			<u>\$ 305,159</u>	

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

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
INSTRUCTIONAL MATERIALS FUND (14000)
FOR THE YEAR ENDING JUNE 30, 2021

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	29,591	29,591	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>29,591</u>	<u>29,591</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(29,591)</u>	<u>(29,591)</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	29,591	-	(29,591)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>29,591</u>	<u>-</u>	<u>(29,591)</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>(29,591)</u>	<u>(29,591)</u>
<i>Cash or fund balance - beginning of year</i>	-	-	29,591	29,591
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>29,591</u>	<u>29,591</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance (cash basis)			\$ (29,591)	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ (29,591)</u>	

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

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STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 Summary of Significant Accounting Policies

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

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

- GASB Statement No. 84 *Fiduciary Activities*, was issued. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.
- GASB Statement No. 90 *Majority Equity Interests – An Amendment of GASB Statement No. 14 and No. 61*, was issued. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government’s holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.
- In June 2020, GASB Statement No. 97 *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, was issued. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement will result in more

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 Summary of Significant Accounting Policies (Continued)

A. *Financial Reporting Entity*

- consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

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

The basis, but not the only criterion for including a potential component unit within the reporting entity, is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criteria used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity. Based upon the application of these criteria, the District does not have a component unit and is not a component unit of another government agency.

B. *Government-wide and Fund Financial Statements*

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

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

The District reports all direct expenses by function in the statement of activities. Direct expenses are those that are clearly identifiable with a function. The District does not currently employ indirect cost allocation systems. Depreciation expense is specifically identified by function and is included in the direct expense of each function, except for that portion of depreciation that is identified as unallocated on the statement of activities.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

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

B. *Government-wide and Fund Financial Statements*

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

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 is the fiduciary fund financial statement. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the period for which the taxes are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

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

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

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

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

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 Summary of Significant Accounting Policies (Continued)

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

incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

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

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

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

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

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

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

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

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

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

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

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

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 Summary of Significant Accounting Policies (Continued)

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

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

Additionally, the government reports the following fund types:

The fiduciary funds account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. The fiduciary funds are for student activities. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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

Deposits of funds may be made in interest or non-interest-bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the District. Deposits may be made to the extent that they are insured by an agency of the United States or by collateral deposited as security or by bond. The rate of interest in non-demand interest-bearing accounts shall be set by the State Board of Finance, but in no case shall the rate of interest be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of deposit. Excess of funds may be temporarily invested in securities which are issued by the State or by the United States government, or by their departments or agencies, and which are either direct obligations of the State or the United States or are backed by the full faith and credit of those governments.

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

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

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. The District receives monthly income from a tax levy in San Juan County. The funds are collected by the County Treasurer and are remitted to the District the following month. Under the modified accrual method of accounting, the amount remitted by the San Juan County Treasurer in July and August 2021 is considered 'measurable and available' and, accordingly, is recorded as revenue during the year ended June 30, 2021. Certain Special Revenue Funds are administered on a reimbursement method of funding; other funds are operated on a cash advance method of funding. The funds incurred the cost and submitted the necessary request for reimbursement or advance, respectively.

**STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 Summary of Significant Accounting Policies (Continued)

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

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

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

Capital Assets: Capital assets, which include property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Information technology equipment, including software, is being capitalized and included in furniture and equipment in accordance with NMAC 2.20.1.9 C (5). Capital expenditures made by the New Mexico Public Schools Facilities Authority are appropriately included in the District’s capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. The District expenses the cost of library books when purchased because their estimated useful life is less than one year. Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction during the year ended June 30, 2021.

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

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

Deferred Outflows of Resources – Deferred Costs on Debt Refunding: Refunding of debt may result in a deferred outflow of resources when the reacquisition price exceeds the net carrying amount of the remaining principal balance and any related premium on the remaining balance. The District has \$168,295 remaining in deferred costs on debt refunding.

Deferred Outflows of Resources – Pensions: The government-wide financial statements report pension related expenses and liabilities for the cost-sharing plan one year in arrears, i.e. expenses and liabilities as of June 30, 2020. Contributions of \$2,574,429 made by the District in the current fiscal year are thus applicable to a future reporting period where they will then be expensed. As such, they are presented in the Statement of Net Position as a deferred outflow of resources in the current period. The District may have four other deferred outflows which arise due to the implementation of GASB 68; change in assumptions \$46,599,100; change in proportion \$671,625; investment experience \$3,948,801; and actuarial experience \$721,935.

Deferred Outflows of Resources – OPEB: The government-wide financial statements report pension related expenses and liabilities for the cost-sharing plan one year in arrears, i.e. expenses and liabilities as of June 30, 2020. Contributions of \$362,506 made by the District in the current fiscal year are thus applicable to a future reporting period where they will then be expensed. As such, they are presented in the Statement of Net Position as a deferred outflow of resources in the current period. The District may have four other deferred outflows

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 Summary of Significant Accounting Policies (Continued)

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

which arise due to the implementation of GASB 75; change in proportion \$533,673; change in assumptions \$3,117,493; investment experience \$86,600; and actuarial experience which has no balances in the current year.

Unearned Revenues: The District recognizes grant revenue at the time the related expense is made if the expenditure of funds is the prime factor for determining eligibility for reimbursement; therefore, amounts received and not expended in the Special Revenue Funds are shown as unearned revenues. At June 30, 2021, the District had \$9,388 in unearned revenues.

Compensated Absences: Vacation leave (annual leave) is an accrued and authorized absence for rest, recreation, or other purposes. Vacation leave will be approved and granted after its accrual and not in advance of accrual. If workloads disallow vacation, the Superintendent may approve vacation days to carry forward into the next contract year. Upon the end of the employment contract, no payment shall be made for more than twenty (40) days of unused vacation (annual leave) for twelve (12) month employees. Total compensated absences were \$343,236 at June 30, 2021. Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the district-wide statement of net position.

Long-term Obligations: In the government-wide fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. For bonds issued after the fiscal year ended June 30, 2004, bond premiums and discounts, will be deferred and amortized over the life of the bonds using the effective interest method. Bonds and notes payable of \$26,450,000 as of June 30, 2021 are reported net of the applicable bond premium or discount. Bond insurance issuance costs will be reported as deferred charges and amortized over the term of the related debt.

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

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

Net Pension Liability: The District records its proportionate share of the difference between the value of total pension liabilities and plan assets for the State of New Mexico's Employee Retirement Board pension plan. For the year ended June 30, 2021, the net pension liability totaled \$116,291,756.

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

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 Summary of Significant Accounting Policies (Continued)

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

Net Other Post-Employment Benefits Liability: The District records its proportionate share of the difference between the value of total other post-employment benefit (OPEB) liabilities and plan assets for the State of New Mexico's Retiree Health Care plan. For the year ended June 30, 2021 net OPEB liability totaled \$15,880,690.

Deferred Inflows of Resources – Unavailable Revenues: Governmental funds report unavailable revenues in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Revenues not received within sixty (60) days of year-end are not considered available; therefore, a receivable is recorded for the amount due and a corresponding deferred revenue, is recorded as well. Total unavailable revenues of \$292,959 for property taxes and \$17,965 for grants were recorded at June 30, 2021.

Deferred Inflows of Resources – Pensions: Change in actuarial experience \$448,413; change in investment experience which has no balance; and change in proportion \$284,331 for the District are applicable to a future reporting period and will be expensed over an established period beginning in the next fiscal year. As such, these amounts are presented in the Statement of Net Position as deferred inflows of resources in the current period.

Deferred Inflows of Resources – OPEB: Changes in actuarial experience \$2,819,985, change in investment experience which has no balance, change in assumptions \$2,820,302, and change in proportion which has no balance for the District are applicable to a future reporting period and will be expensed over a five-year period beginning in the next fiscal year. As such, these amounts are presented in the Statement of Net Position as deferred inflows of resources in the current period.

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

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

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

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

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

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

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

E. Revenues

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

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

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

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

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 Summary of Significant Accounting Policies (Continued)

E. Revenues (Continued)

School Finance. The District received \$24,331,123 in state equalization guarantee distributions during the year ended June 30, 2021.

Tax Revenues: The District receives mill levy and ad-valorem tax revenues primarily for debt service and capital outlay purposes. Property taxes are assessed on January 1 of each year and are payable in two equal installments, on November 10th of the year in which the tax bill is prepared and April 10th of the following year with the levies becoming delinquent 30 days (one month) thereafter. In the government-wide financial statements, the District recognizes property tax revenues in the period for which they are levied, net of estimated refunds and uncollectible amounts. The District records only the portion of the taxes considered to be ‘measurable’ and ‘available’ in the government fund financial statements, which is within 60 days of year-end. Descriptions of the individual debt service and capital outlay funds contained in these financial statements include information regarding the authority for the collection and use of these taxes. In the financial statements, the mill levy and ad-valorem taxes are broken out into two types: property taxes – residential and commercial and property taxes – oil and gas. Amounts collected from residential and commercial property taxes at June 30, 2021 were \$5,856,470 and \$2,960,122 were collected from oil and gas taxes.

Transportation Distribution: School districts in the State of New Mexico receive student transportation distributions. The transportation distribution is allocated to each school district in accordance with formulas developed by the State Transportation Director and the Director of Public-School Finance. The funds shall be used only for the purpose of making payments to each school district for the to-and-from school transportation costs of students in grades K through twelve attending public school within the school district. The District received \$1,092,404 in transportation distributions during the year ended June 30, 2021.

Instructional Materials: The New Mexico Public Education Department (PED) receives federal material leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, fifty percent is restricted to the requisition of materials listed in the State Board of Education “State Adopted Instructional Material” list, while fifty percent of each allocation is available for purchases directly from vendors. The District received no revenue from the State for the year ended June 30, 2021.

SB-9 State Match: The Director shall distribute to any school district that has imposed a tax under the Public School Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978) an amount from the public school capital improvements fund that is equal to the amount by which the revenue estimated to be received from the imposed tax as specified in Subsection B of Section 22-25-3 NMSA 1978, assuming a one hundred percent collection rate, is less than an amount calculated by multiplying the product obtained by the rate imposed in the District under the Public School Capital Improvements Act. The distribution shall be made by December 1, of each year that the tax is imposed in accordance with Section 22-25-3 NMSA 1978. Provided, however, in the event that sufficient funds are not available in the public-school capital improvement funds to make the state distribution provided for in this section, the dollar per program unit figure shall be reduced as necessary. The District received no revenue from the State for the year ended June 30, 2021.

Public School Capital Outlay: Under the provisions of Chapter 22, Article 24, NMSA 1978. The money in the fund may be used only for capital expenditures deemed by the public school capital outlay council necessary for an adequate educational program per Section 22-24-4(B); core administrative functions of the public school facilities authority and for project management expenses upon approval of the council per Section 22-24-4(G); and for the purpose of demolishing abandoned school district facilities, upon application by a school district to the council, per Section 22-24-4(L). During the year ended June 30, 2021, the District received \$393,248 in public school capital outlay funds and no special capital outlay funds.

Money in the fund shall be disbursed by warrant of the Department of Finance and Administration on vouchers signed by the Secretary of Finance and Administration following certification by the council that the

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 Stewardship, Compliance and Accountability

Budgetary Information

application has been approved. During the year ended June 30, 2021, the District received no special capital outlay funds.

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

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

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

1. In April or May, the local school board submits to the District Budget Planning Unit (DBPU) of the New Mexico Public Education Department (PED) (100%) a proposed operating budget for the ensuing fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them. All budgets are submitted to the State of New Mexico PED.
2. In May or June of each year, the proposed "operating" budget will be reviewed and approved by the DBPU and certified and approved by the local school board at a public hearing of which notice has been published by the local school board which fixes the estimated budget for the school district for the ensuing fiscal year.
3. The school board meeting, while not intended for the general public, is open for the general public unless a closed meeting has been called.
4. The "operating" budget will be used by the District until they have been notified that the budget has been approved by the DBPU and the local school board. The budget shall be integrated formally into the accounting system. Encumbrances shall be used as an element of control and shall be integrated into the budget system.
5. The District shall make corrections, revisions and amendments to the estimated budgets fixed by the local school board to recognize actual cash balances and carryover funds, if any. These adjustments shall be reviewed and approved by the DBPU.
6. The superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the school board and the State of New Mexico Public Education Department.
7. Budget change requests are processed in accordance with Supplement 1 (Budget Preparation and Maintenance) of the Manual of Procedures Public School Accounting and Budgeting. Such changes are initiated by the school district and approved by the DBPU.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 Stewardship, Compliance and Accountability (Continued)

8. Legal budget control for expenditures is by function.
9. Appropriations lapse at fiscal year-end. Funds unused during the fiscal year may be carried over into the next fiscal year by budgeting those in the subsequent fiscal year's budget. The budget schedules included in the accompanying financial statements reflect the approved budget and amendments thereto.
10. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds.

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

The accompanying Statements of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual present comparisons of the legally adopted budget with actual data on a budgetary basis. Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of resultant basis, perspective, equity, and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2021, is presented on each funds' Statement of Revenue, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual.

NOTE 3 Cash and Temporary Investments

State statutes authorize the investment of District funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested funds of the District properly followed State investment requirements as of June 30, 2021. Deposits of funds may be made in interest or non-interest-bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the District. Deposits may be made to the extent that they are insured by an agency of the United States or by collateralized as required by the statute.

The rate of interest in non-demand interest-bearing accounts shall be set by the State Board of Finance, but in no case shall the rate of interest be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of deposit. Excess of funds may be temporarily invested in securities which are issued by the State or by the United States Government, or by their departments or agencies, and which are either direct obligations of the State or the United States or are backed by the full faith and credit of those governments. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, district or political subdivision of the State of New Mexico.

According to the Federal Deposit Insurance Corporation, public unit deposits are funds owned by the public unit. Time deposits, savings deposits and interest-bearing NOW accounts of a public unit in an institution in the same state will be insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution.

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

**STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 Cash and Temporary Investments (Continued)

Deposits

	Citizens Bank
Total amounts of deposits	\$ 24,804,702
FDIC coverage	250,000
Total uninsured public funds	24,554,702
Collateral requirement (50% of uninsured public funds)	12,277,351
Pledged security	13,113,324
Total over (under) collateralized	\$ 835,973

The funds are maintained in interest bearing and non-interest-bearing checking accounts in Wells Fargo Bank and TBK Bank.

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

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978).

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

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

At June 30, 2021, \$24,554,702 of the District's bank balance of \$24,804,702 was exposed to custodial credit risk as it was uninsured and the collateral was not held in the District's name.

Reconciliation of Cash and Temporary Investments to the Financial Statements

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

Reconciliation to Statement of Net Position	
Governmental Funds - Balance Sheet	
Cash and cash equivalents per Exhibit A-1	\$ 26,121,565
Less funds held in trust investments	(1,851,945)
Add outstanding checks and other reconciling items	535,782
Bank balance of deposits	\$ 24,804,702

The District utilized pooled accounts for their programs and funds. Negative cash balances in individual funds that were part of the pooled accounts should be reclassified as due to/due from accounts in the combining balance sheets at June 30, 2021. Funds 24000 through 25000 are federal funds, 26000 through 29000 funds are non-federal funds.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3 Cash and Temporary Investments (Continued)

The funds listed in interfund payables in Note 5 are the funds which had negative cash balances as of June 30, 2021:

Investments

At June 30, 2021, the District had \$1,851,945 held in trust by the Bank of Albuquerque. Those funds are held in a U.S. Treasury Money Market Fund. The District does not have the legal authority to move these funds from the trust institution. Information regarding the funds is as follows:

Fund	CUSIP	WAM	Ratings		Net Assets
			S&P	Moody's	
Cavanal Hill Funds					
Government Securities Money Market Fund	14956P844	19 days	AAAm	Aaa-mf	\$ 1,938,518,049

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

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

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

NOTE 4 Receivables

Receivables as of June 30, 2021 are as follows:

	Major Funds			Other Governmental Funds	Total Governmental Funds
	Operational 11000	Capital Improv. SB-9 31701	Debt Service 41000		
Taxes receivable	\$ 20,619	\$ 99,132	\$ 440,382	\$ 39,564	\$ 599,697
Due from other governments	2,456	-	-	1,105,551	1,108,007
Other	61,560	-	-	-	61,560
Total receivables	<u>\$ 84,635</u>	<u>\$ 99,132</u>	<u>\$ 440,382</u>	<u>\$ 1,145,115</u>	<u>\$ 1,769,264</u>

The above receivables are deemed 100% collectible. In accordance with GASB No. 33, property tax revenues in the amount of \$292,959 and grant revenues in the amount of \$17,965 were not collected within the period of availability.

**STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 5 Interfund Receivables, Payables, and Transfers

“Interfund balances” have primarily been recorded when funds overdraw their share of pooled cash when the District is waiting for grant reimbursements. The composition of interfund balances at June 30, 2021 is as follows:

Governmental Activities	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major Funds:		
Operational (11000)	\$ 995,671	\$ -
Non-major Funds:		
Title I IASA (24101)	-	128,107
IDEA-B Entitlement (24106)	-	126,992
IDEA B Preschool (24109)	-	8,564
Education of the Homeless (24113)	-	9,676
Fresh Fruits and Vegetables (24118)	-	10
Title I Striving Readers (24145)	-	69,209
English Language Acquisition (24153)	-	26,923
Teacher/Principal Training & Recruiting (24154)	-	2,599
Student Support Academic Achievement Title IV (24189)	-	8,915
Title I Comprehensive Support & Improvement (24190)	-	8,784
CARES Act ESSER Fund (24301)	-	7,120
GEER Fund Emotional Learning (24307)	-	25,059
CRRSA ESSER II (24308)	-	226,343
CRRSA ESSER II Retention Stipend (24312)	-	15,707
Johnson O'Malley (25131)	-	26,834
2012 GO Bond Student Library Fund (SB66) (27107)	-	223
STEM Professional Development (27135)	-	25,305
PreK Initiative (27149)	-	241,309
Kindergarten Three Plus (27150)	-	37,992
Totals	<u>\$ 995,671</u>	<u>\$ 995,671</u>

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

There were no interfund transfers or reversions to the state during the year.

**STATE OF NEW MEXICO
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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 6 Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2021 follows. Land and construction in progress is not subject to depreciation.

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Capital assets used in governmental activities:				
Capital assets not being depreciated:				
Land	\$ 4,164,172	\$ -	\$ -	\$ 4,164,172
Construction in progress	-	-	-	-
Total capital assets not being depreciated	<u>4,164,172</u>	<u>-</u>	<u>-</u>	<u>4,164,172</u>
Capital assets being depreciated:				
Land improvements	5,436,392	278,318	-	5,714,710
Buildings and building improvements	134,127,652	-	-	134,127,652
Furniture, fixtures, and equipment	6,004,538	267,469	-	6,272,007
Total capital assets being depreciated	<u>145,568,582</u>	<u>545,787</u>	<u>-</u>	<u>146,114,369</u>
Less accumulated depreciation:				
Land improvements	3,620,416	234,142	-	3,854,558
Buildings and building improvements	83,870,628	2,933,516	-	86,804,144
Furniture, fixtures, and equipment	5,036,652	208,740	-	5,245,392
Total accumulated depreciation	<u>92,527,696</u>	<u>3,376,398</u>	<u>-</u>	<u>95,904,094</u>
Total capital assets, net of depreciation	<u>\$ 57,205,058</u>	<u>\$ (2,830,611)</u>	<u>\$ -</u>	<u>\$ 54,374,447</u>

Depreciation was allocated for the year as follows:

Governmental activities:	
Instruction	\$ 1,739,021
Support services - students	291,966
Support services - instruction	59,687
Support services - general administration	94,900
School administration	232,220
Central services	280,905
Operation and maintenance of plant	350,786
Student transportation	145,529
Food services	181,384
Total depreciation	<u>\$ 3,376,398</u>

At June 30, 2021, the District had no outstanding construction commitments at year-end.

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

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7 Long-Term Debt

During the year ended June 30, 2021 the following changes occurred in the liabilities reported in the government-wide statement of net position:

	Balance at 06/30/20	Additions	Deletions	Balance at 06/30/21	Due Within One Year
General Obligation Bonds	\$ 25,475,000	\$ -	\$ 5,025,000	\$ 20,450,000	\$ 4,785,000
Qualified School Construction Bond	6,000,000	-	-	6,000,000	500,000
Ed Tech Notes	-	720,000	720,000	-	-
Compensated Absences	337,407	243,680	237,851	343,236	237,851
Total	<u>\$ 31,812,407</u>	<u>\$ 963,680</u>	<u>\$ 5,982,851</u>	<u>\$ 26,793,236</u>	<u>\$ 5,522,851</u>

General Obligation Bonds: GO Bonds are direct obligations and pledge the full faith and credit of the District. The District has three outstanding general obligation bonds as of June 30, 2021. All general obligation bonds are for governmental activities.

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

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

**STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 Long-Term Debt (Continued)

The annual requirements to amortize the general obligation bonds as of June 30, 2021, including interest payments are as follows:

Fiscal Year Ending June 30,	Total General Obligation Bonds		Total Debt Service
	Principal	Interest	
2022	\$ 4,785,000	\$ 1,004,660	\$ 5,789,660
2023	4,770,000	837,460	5,607,460
2024	1,200,000	728,710	1,928,710
2025	1,235,000	692,185	1,927,185
2026	1,275,000	654,535	1,929,535
2027-2031	7,185,000	1,188,915	8,373,915
Totals	<u>\$ 20,450,000</u>	<u>\$ 5,106,465</u>	<u>\$ 25,556,465</u>

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

Ed Tech Notes

The District issued one Ed Tech note during the year in the amount of \$720,000 which it paid off on the next day.

Qualified School Construction Bond

The District issued a “Qualified School Construction Bond” (GO Bond Series 2010) in the amount of \$6,000,000. The proceeds were used for new construction projects and the repairs of existing facilities. The bond issue was authorized under section 54 of the Internal Revenue Code as amended by the American Recovery and Reinvestment Act. The Act amended section 54A(d)(1) to provide that the term “qualified tax credit bond” means, in part, a qualified school construction bond that is part of an issue that meets the requirements of section 54A(d)(2), (3), (4), (5), and (6). The District paid interest of \$46,417 on the bond issue and received a “subsidy” for the remaining interest due on this bond issue. The holders of the bonds will receive a tax credit in lieu of interest payments. The “subsidy” effectively reduces the District’s interest payments by \$304,643.

Additionally, the District was required to fund a sinking fund beginning August 1, 2013. The fund will have a yield of 4.35% and must be funded as follows:

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7 Long-Term Debt (Continued)

Balance and Funding of Sinking Fund			
Current Balance	\$	<u>1,800,000</u>	
Future Funding Requirements			Interest Total Debt
<u>August 1,</u>	<u>Principal</u>	<u>Before Subsidy</u>	<u>Service</u>
2021	\$ 500,000	\$ 351,060	\$ 851,060
2022	600,000	351,060	951,060
2023	600,000	351,060	951,060
2024	600,000	351,060	951,060
2025	600,000	351,060	951,060
2026-2027	<u>1,300,000</u>	<u>526,590</u>	<u>1,826,590</u>
Total future amounts	<u>\$ 4,200,000</u>	<u>\$ 2,281,890</u>	<u>\$ 6,481,890</u>
Total at August 1, 2027	<u>\$ 6,000,000</u>		

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

Compensated Absences: Administrative employees of the District are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2021, compensated absences increased \$5,829 over the prior year accrual. See Note 1 for more details.

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

NOTE 8 Unearned Revenues

In accordance with the terms of the various grant agreements within the Special Revenue Funds, revenues received in excess of expenditures carry over to the subsequent years, unless such excess revenues are requested to be returned to the grantor. The District had \$9,388 of unearned revenues at June 30, 2021:

NOTE 9 Risk Management

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

The NMPSIA provides coverage for up to a maximum of \$500,000,000 for each property damage claim with a \$750 deductible for each building. General liability coverage is afforded to all employees, volunteers and school board members and the limit is subject to the NMSA Tort Claims Act on a per occurrence basis. The automobile and property liability limit is subject to the provisions of the Tort Claims Act. The crime limit is \$250,000 per occurrence for Faithful Performance. A limit of \$250,000 applies to depositor's forgery, credit card forgery and money orders. A limit of \$100,000 applies to Money and Security, which includes a \$750 deductible. In case the NMPSIA's assets are not sufficient to meet its liability claims, the agreement provides that subscribers, including the District, cannot be assessed additional premiums to cover the shortfall. As of June 30, 2021, there have been no claims that have exceeded insurance coverages.

**STATE OF NEW MEXICO
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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 10 Other Required Individual Fund Disclosures

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

A. Deficit fund balance of individual funds. The following funds reported a deficit fund balance at June 30, 2021:

Fund #	Fund Description	Amount
24118	Fresh Fruits and Vegetables	\$ 10
24153	English Language Acquisition	496
24301	CARES Act ESSER Fund	7,120
25131	Johnson O' Malley	9,854
27107	2012 GO Bond Student Library Fund (SB66)	223
27149	PreK Initiative	482
	Total	<u>\$ 18,185</u>

B. Excess of expenditures over appropriations. For the year ended June 30, 2021, the following funds reported an excess of expenditures over appropriations.

Non-Major Funds:

25184	Indian Ed Formula Grant - General Administration	\$ 23
25184	Indian Ed Formula Grant - School Administration	<u>437</u>
	Total	<u>\$ 460</u>

C. Cash appropriations in excess of available cash balance. For the year ended June 30, 2021, the following funds had cash appropriations in excess of available cash balance.

Fund #	Non-major Funds:	Original Cash Budget	Actual Cash	Difference
25153	Food Service	\$ 599,852	\$ 559,041	\$ (40,811)
25184	Indian Ed Formula Grant	<u>22,879</u>	<u>(14,847)</u>	<u>(37,726)</u>
	Total	<u>\$ 622,731</u>	<u>\$ 544,194</u>	<u>\$ (78,537)</u>

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

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

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

**STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
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JUNE 30, 2021**

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

The Plan is a pension trust fund of the State of New Mexico. The ERA assigns the authority to establish and amend benefit provisions to a seven-member Board of Trustees (Board); the state legislature has the authority to set or amend contribution rates and other terms of the Plan. NMERB is self-funded through investment income and educational employer contributions. The Plan does not receive General Fund Appropriations from the State of New Mexico. All accumulated assets are held by the Plan in trust to pay benefits, including refunds of contributions as defined in the terms of the Plan. Eligibility for membership in the Plan is a condition of employments, as defined Section 22-11-2, NMSA 1978. Employees of public schools, universities, colleges, junior colleges, technical-vocational institutions, state special schools, charter schools, and certain employees at state agencies that provide an educational program, who are employed more than 25% of a full-time equivalency, are required to be members of the Plan, unless specifically excluded.

Pension Benefit. A member’s retirement benefit is determined by a formula which includes three component parts: 1) the member’s final average salary (FAS), 2) the number of years of service credit, and 3) a multiplier.

For members hired on or before June 30, 2019 (Tiers 1-3) the multiplier is 2.35%. For members hired after June 30, 2019 the multiplier accrues as follows:

Years of Service	Benefit Percentage Earned
10 or less	1.35%
10.25 to 20	2.35%
20.25 to 30	3.35%
30.25 plus	2.40

FAS is the average of the member’s fiscal annual earnings for the last 20 calendar service quarters (60 months) prior to retirement or the highest average fiscal annual earning for any 20 consecutive calendar quarters.

Summary of Plan Provisions for Retirement Eligibility by Tier.

Tier 1: Membership prior to July 1, 2010 – For members employed before July 1, 2010, a member is eligible to retire when one of the following events occurs:

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

Tier 2: Membership on or after July 1, 2010, but prior to July 1, 2013

Chapter 288, Laws of 2009 changed the eligibility requirements for new members first employed on, or after, July 1, 2010 and before July 1, 2013 – or before July 1, 2010, terminated employment, subsequently withdrew all contributions, and then becomes re-employed after July 1, 2010. These members must meet one of the following requirements.

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

Tier 3: Membership beginning on or after July 1, 2013

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

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BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 11 General Information on the Pension Plan – Educational Retirement Act (Continued)

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

Tier 4: Membership beginning on or after July 1, 2019

Section 2-11-23.3, NMSA 1978, added eligibility requirements for new members who were first employed on or after July 1, 2019 and had, before that date, been refunded all member contributions and had not restored all refunded contribution and interest before July 1, 2019. A member in this tier must meet one of the following requirements.

- The member's minimum age must be 58, and the member has earned 30 or more years of service credit. (A member who retires earlier than age 58, receives a reduction in benefits equal to the actuarial equivalent of retiring at age 58.)
- The member's minimum age and earned service credit add up to the sum of 80 or more. (Those who retire under the age of 65, and who have fewer than 30 years of earned service credit, receive reduced retirement benefits.)
- Or, the member's age is 67, and the member has earned 5 or more years of service credit.

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

Benefit Options. The Plan has three benefit options available.

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

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

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

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BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

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

Membership	Age Eligible for Cola
Tier 1	65
Tier 2	65
Tier 3	67
Tier 4	67

If a member is eligible for a COLA, the amount depends on the annual change in the Consumer Price Index (CPI) and whether the fund is fully funded (that is, the fund’s funded ration is 100%). Accordingly, if there is no increase in the CPI, or the CPI is negative, the amount of the COLA will be zero (if the CPI is negative, retirement benefits will not be decreased).

When CPI has increased and the fund is fully funded, the COLA will be the same amount as the increase in the CPI except as follows: If the increase in the CPI is 2% or greater, the COLA will be one-half of the CPI increase, not to exceed 4% or to be less than 2%.

However, while the fund is not fully funded, the COLA for retirees will be reduced based on the median annual retirement benefit, calculated after the end of each fiscal year:

- When the funded ratio is 90% or less, the COLA for retirees whose annuity is at or below the median and who have 25 or more years of service credit at retirement will be reduced by 10%. For retirees whose annuity is either greater than the median or who have less than 25 years of service credit at retirement, the COLA will be reduced by 20%.
- When the funded ratio exceeds 90% but is less than 100% the COLA for retirees whose annuity is at or below the median adjusted annuity and who had 25 or more years of service credit at retirement and will be reduced by 5%. For retirees whose annuity is either greater than the median or who have less than 25 years of service credit at retirement, the COLA will be reduced by 10%.

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

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

Contributions. For the fiscal years ended June 30, 2021 and 2020 educational employers contributed to the Plan based on the following rate schedule:

Fiscal Year	Date Range	Wage Category	Member Rate	Employer Rate	Combined Rate	Increase Over Prior Year
2021	7-1-20 to 6-30-21	Over \$24K	10.70%	14.15%	24.85%	0.00%
2021	7-1-20 to 6-30-21	\$24K or less	7.90%	14.15%	22.05%	0.00%
2020	7-1-19 to 6-30-20	Over \$24K	10.70%	14.15%	24.85%	0.25%
2020	7-1-19 to 6-30-20	\$24K or less	7.90%	14.15%	22.05%	0.25%

The contribution requirements are established in state statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico legislature. For the fiscal years ended June 30, 2021, and 2020 the District paid employee and employer contributions of \$4,452,871 and \$4,473,639 which equals the amount of the required contributions for each fiscal year.

**STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2021, the District reported a liability of \$116,291,756 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2020, using generally accepted actuarial principles. On April 17, 2020, NMERB’s Board of Trustees adopted new assumptions presented in the 2020 Actuarial Experience Study. Those new assumptions have been reflected in the roll-forward and in the projections used to determine the single discount rate.

The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating educational institutions, actuarially determined. At June 30, 2020, the District’s proportion was 0.57383%, which was an increase of 0.01380% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized pension expense of \$26,016,241. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net (Inflows) Outflows</u>
Differences between expected and actuarial experience	\$ 721,935	\$ (448,413)	\$ 273,522
Changes of assumptions	46,599,100	-	46,599,100
Net difference between projected and actual earnings on pension plan investments	3,948,801.00	-	3,948,801
Changes in proportion and differences between contributions and proportionate share of contributions	671,625	(284,331)	387,294
District’s contributions subsequent to the measurement date	<u>2,574,429</u>	<u>-</u>	<u>2,574,429</u>
Total	<u>\$ 54,515,890</u>	<u>\$ (732,744)</u>	<u>\$ 53,783,146</u>

Reported deferred outflows of resources of \$2,574,429 related to pensions resulting from the District’s contributions subsequent to the measurement date of June 30, 2020 will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. 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,

2021	\$ 20,082,878
2022	20,443,375
2023	9,474,447
2024	1,208,017
2025	-
Thereafter	-
Total	<u>\$ 51,208,717</u>

Actuarial assumptions. Actuarial assumptions and methods are set by the Plan’s Board of Trustees, based upon recommendations made by the Plan’s actuary. On April 17, 2020, the Board adopted the new assumptions presented in the 2020 Actuarial Experience Study.

**STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

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

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

Inflation	2.5%
Salary Increases	3.25% composed of 2.50% inflation, plus a 0.75% productivity increase rate, plus a step-rate promotional increase for members with less than 10 years of service.
Investment Rate of Return	7.25% compounded annually, net of expenses. This is made up of a 2.50% inflation rate and a 4.75 real rate of return.
Mortality	Healthy males: Based on the RP-2000 Combined Mortality Table with White Collar adjustments, not set back generational mortality improvements with Scale BB from the table’s base year of 2000. Healthy females: Based on GRS Southwest Region Teacher Mortality Table, set back one year, generational mortality improvements in accordance with Scale BB from the table’s base year of 2012.
Other Information	A new set of assumptions was adopted for the June 30, 2020 actuarial valuation. These new assumptions are reflected in the Total Pension Liability as of June 30, 2020 and will be reflected in the actuarially determined employer contribution for the fiscal year ending 2021. These assumptions can be found in the funding valuation as of June 30, 2020 or in the 2020 experience study.

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Equities	30%	
Fixed Income	26%	
Alternatives	43%	
Cash	1%	
Total	100%	7.00%

Discount rate: A single discount rate of 3.89% was used to measure the total pension liability as of June 30, 2020. This is a 3.36% decrease from the 7.25% rate used in the prior measurement year. The 3.89% was based on a long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.45%. Based on the stated assumptions and the projection of cash flows, the pension plan’s fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2045. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2045 and the municipal bond rate was applied to all benefit payments after that date. The projections of cash flows used to determine the single discount rate assumed that plan member and employer contributions will be made at the current statutory levels.

**STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

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

Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate. The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 3.89%, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.89%) or 1-percentage-point higher (4.89%) than the current rate:

1% Decrease (2.89%)	Current Discount Rate (3.89%)	1% Increase (4.89%)
\$ 146,863,842	\$ 116,291,756	\$ 91,694,525

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

Payables to the pension plan. The District remits the legally required employer and employee contributions on a monthly basis to ERB. The ERB requires that the contributions be remitted by the 15th day of the month following the month for which contributions are withheld. At June 30, 2021 the contributions due and payable by the District were \$884,437 which were paid in July 2021.

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

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

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

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

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

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

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

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

Contributions - Employer and employee contributions to the Fund total 3% for non-enhanced retirement plans and 3.75% of enhanced retirement plans of each participating employee's salary as required by Section 10-7C-15 NMSA 1978. The contributions are established by statute and are not based on an actuarial calculation. All employer and employee contributions are non-refundable under any circumstance, including termination of the employer's participation in the Fund. Contributions to the Fund from the District were \$546,529 and \$547,474 for the year ended June 30, 2021 and 2020, respectively.

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

At June 30, 2021, the District reported a liability of \$15,880,690 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2020, the District's proportion was 0.37821% which was an increase of 0.00972% from its proportion measured at June 30, 2019.

For the year ended June 30, 2021, the District recognized OPEB income of \$979,032. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net (Inflows) Outflows
Differences between expected and actual experience	\$ -	\$ (2,819,985)	\$ (2,819,985)
Changes of assumptions	3,117,493	(2,820,302)	297,191
Net difference between projected and actual earnings on			
OPEB plan investments	86,600	-	86,600
Changes in proportion	533,673	-	533,673
District's contributions subsequent to the measurement date	<u>362,506</u>	<u>-</u>	<u>362,506</u>
Total	<u><u>\$ 4,100,272</u></u>	<u><u>\$ (5,640,287)</u></u>	<u><u>\$ (1,540,015)</u></u>

**STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

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

Deferred outflows of resources totaling \$362,506 represent the District’s contributions to the Fund made subsequent to the measurement date and will be recognized as a reduction of net OPEB liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year ended June 30,	
2021	\$ (1,248,458)
2022	(1,002,568)
2023	(354,462)
2024	100,993
2025	601,974
Thereafter	-
Total	<u><u>\$ (1,902,521)</u></u>

Actuarial assumptions: The total OPEB liability was determined by an actuarial valuation as of June 30, 2019 and rolled forward to June 30, 2020, using the following actuarial assumptions:

Actuarial cost method	Entry age normal, level percent of pay, calculated on individual employee basis.
Asset valuation method	Market value of assets
Actuarial assumptions:	
Inflation	2.50% for ERB, 2.50% for PERA
Projected payroll increases	3.25% to 13.5% based on years of service including inflation
Investment rate of return	7.25%, net of OPEB plan investment expense and margin for adverse deviation including inflation.
Health care cost trend rate	8% graded down to 4.5% over 14 years for Non-Medicare medical plan costs and 7.5% graded down to 4.5% over 12 for Medicare medical plan costs
Mortality	ERB members: RP-2000 Combined Healthy Mortality Table with White Collar Adjustment (males) and GRS Southwest Region Teacher Mortality Table (females) PERA members: RP-2014 Combined Healthy Mortality

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

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

**STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

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

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

Discount Rate: The discount rate used to measure the Fund’s total OPEB liability is 2.86% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates proportional to the actuary determined contribution rates. For this purpose, employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included. Based on those assumptions, the Fund’s fiduciary net position was projected to be available to make all projected future benefit payments for current plan members through the fiscal year ending June 30, 2039. Thus, the 7.25% discount rate was used to calculate the net OPEB liability through 2040. The index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher was used beyond 2041, resulting in a blended discount rate of 2.86%.

Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates: The following presents the net OPEB liability of the School, as well as what the District’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.86 percent) or 1-percentage-point higher (3.86 percent) than the current discount rate:

<u>1% Decrease (1.86%)</u>	<u>Current Discount Rate (2.86%)</u>	<u>1% Increase (3.86%)</u>
\$ 19,739,763	\$ 15,880,690	\$ 12,898,026

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

<u>1% Decrease</u>	<u>Current Trend Rates</u>	<u>1% Increase</u>
\$ 13,035,077	\$ 15,880,690	\$ 18,039,163

OPEB plan fiduciary net position: Detailed information about the OPEB plan’s fiduciary net position is available in NMRHCA’s audited financial statements for the year ended June 30, 2020.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

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

Payable to the OPEB Plan: At June 30, 2021, the District reported a payable of \$108,694 for outstanding contributions due to NMRHCA for the year ended June 30, 2021 which were paid in July 2021.

NOTE 13 Unavailable Revenues

The District had \$292,959 of unavailable revenues related to property taxes which had not been paid by property owners within 60 days of year-end as of June 30, 2021. The District had \$17,965 of grant revenues that were not received from the state within 60 days of year-end.

NOTE 14 Concentrations

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

NOTE 15 Contingent Liabilities

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

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

NOTE 17 Subsequent Accounting Standard Pronouncements

In June 2017, GASB Statement No. 87 *Leases*, was issued. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Earlier application is encouraged. The District is still evaluating how this standard will affect the District.

In June 2018, GASB Statement No. 89 *Accounting for Interest Cost Incurred Before the End of a Construction Period*, was issued. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged. The District is still evaluating how this standard will affect the District.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

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

In May 2019, GASB Statement No. 91 *Conduit Debt Obligations*, was issued. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement will improve financial reporting by eliminating the existing option for issuers to report conduit debt obligations as their own liabilities, thereby ending significant diversity in practice. The clarified definition will resolve stakeholders' uncertainty as to whether a given financing is, in fact, a conduit debt obligation. Requiring issuers to recognize liabilities associated with additional commitments extended by issuers and to recognize assets and deferred inflows of resources related to certain arrangements associated with conduit debt obligations also will eliminate diversity, thereby improving comparability in reporting by issuers. Revised disclosure requirements will provide financial statement users with better information regarding the commitments issuers extend and the likelihood that they will fulfill those commitments. That information will inform users of the potential impact of such commitments on the financial resources of issuers and help users assess issuers' roles in conduit debt obligations. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Earlier application is encouraged. The District is still evaluating how this standard will affect the District.

In January 2020, GASB Statement No. 92 *Omnibus*, was issued. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics. The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. More comparable reporting will improve the usefulness of information for users of state and local government financial statements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Earlier application is encouraged. The District is still evaluating how this standard will affect the District.

In March 2020, GASB Statement No. 93 *Replacement of Interbank Offered Rates*, was issued. Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, as amended, requires a government to terminate hedge accounting when it renegotiates or amends a critical term of a hedging derivative instrument, such as the reference rate of a hedging derivative instrument's variable payment. In addition, in accordance with Statement No. 87, *Leases*, as amended, replacement of the rate on which variable payments depend in a lease contract would require a government to apply the provisions for lease modifications, including remeasurement of the lease liability or lease receivable. The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. More comparable reporting will improve the usefulness of information for users of state and local government financial statements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Earlier application is encouraged. The District is still evaluating how this standard will affect the District.

In March 2020, GASB Statement No. 94 *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, was issued. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 17 Subsequent Accounting Standard Pronouncements (Continued)

exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. The requirements of this Statement will improve financial reporting by establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. That uniform guidance will provide more relevant and reliable information for financial statement users and create greater consistency in practice. This Statement will enhance the decision usefulness of a government's financial statements by requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPPs. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. Earlier application is encouraged. The District is still evaluating how this standard will affect the District.

In May 2020, GASB Statement No. 96 *Subscription-Based Information Technology Arrangements*, was issued. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. Earlier application is encouraged. The District is still evaluating how this standard will affect the District.

NOTE 18 Related Party Transactions

The District had previously bid services to provide concession services for athletic events in the District. This was done because of the increased requirements for licenses, food handlers permits, and control issues it seemed too prohibitive for the District to continue to bid them themselves. The only bid received was from a member of the Board who owns a company in the food service industry. The terms seemed fair to the Board and administration and the bid was accepted and the Board member did not participate in the vote. The company pays 10% of revenues, after deduction of New Mexico gross receipts tax, to the District which is used by athletics. During the year under audit, there were no revenues due to restrictions on athletic events and crowds due to COVID-19.

NOTE 19 Restatement – Change in Accounting Principle

With the implementation of GASB Statement No. 84 *Fiduciary Activities*, activity funds of student groups were considered to be controlled by the District and are now included in the 23000 fund – Non-instructional Support. This change resulted in an increase of \$289,607 to net position.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 20 **Prior Period Adjustment**

In the prior year, the District voided a check which was written on June 30, 2020 for items shown to be received July 2, 2020. This check was voided after providing the final trial balance for the audit but the District did not inform the auditors of the voided check and subsequent change to the records. The product was subsequently paid for in the year ending June 30, 2021. This resulted in increases to fund balances of \$34,320 for Fund 27150 Indian Education Act and to fund balance of \$880 for Fund 25184 Indian Education Grant.

Additionally, prior year liabilities were cleared out which resulted in an increase in fund balances of \$8,455 to Fund 11000 Operational and decreases in fund balances to Fund 21000 Food Services of \$140 and to Fund 23000 Non-Instructional Support of \$1,773.

The prior period adjustments resulted in a net increase to net position of \$41,742.

NOTE 21 **Subsequent Events**

A review of subsequent events through November 12, 2021, which is the date the financial statements were available to be issued, revealed one item of audit significance.

The District issued an Education Technology Note on September 15, 2021 in the amount of \$585,000 which carried and interest rate of 0.14%. The District then paid the Education Technology note off on September 16, 2021.

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REQUIRED SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
EDUCATIONAL RETIREMENT BOARD (ERB) PLAN
LAST 10 FISCAL YEARS*
JUNE 30, 2021

Schedule I

Fiscal Year Ended June 30,	Measurement Date - Year Ended June 30,	District's Proportion of the Net Pension Liability (NPL)	District's Proportionate Share of the NPL	District's Covered-Employee Payroll	District's Proportionate Share of the NPL as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2021	2020	0.57383%	\$ 116,291,756	\$ 18,330,860	634.40%	39.11%
2020	2019	0.56003%	\$ 42,435,167	\$ 16,361,448	259.36%	64.13%
2019	2018	0.56342%	\$ 66,998,137	\$ 15,749,442	425.40%	52.17%
2018	2017	0.57460%	\$ 63,857,988	\$ 16,369,535	390.10%	52.95%
2017	2016	0.57277%	\$ 41,219,013	\$ 16,358,851	251.97%	61.58%
2016	2015	0.56987%	\$ 36,911,997	\$ 16,199,417	227.86%	63.97%
2015	2014	0.57712%	\$ 32,928,905	\$ 15,749,442	209.08%	66.54%

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

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

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SCHEDULE OF PENSION CONTRIBUTIONS
EDUCATIONAL RETIREMENT BOARD (ERB) PLAN
LAST 10 FISCAL YEARS*
JUNE 30, 2021

Schedule II

Fiscal Year Ended June 30,	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	District's Covered- Employee Payroll	Contributions as a Percentage of Covered- Employee Payroll
2021	\$ 2,574,429	\$ 2,586,722	\$ (12,293)	\$ 18,280,396	14.08%
2020	\$ 2,593,817	\$ 2,593,817	\$ -	\$ 18,330,860	14.15%
2019	\$ 2,274,242	\$ 2,274,242	\$ -	\$ 16,361,448	13.90%
2018	\$ 2,189,172	\$ 2,189,172	\$ -	\$ 15,749,442	13.90%
2017	\$ 2,276,066	\$ 2,276,066	\$ -	\$ 16,369,535	13.90%
2016	\$ 2,264,508	\$ 2,264,508	\$ -	\$ 16,358,851	13.84%
2015	\$ 2,242,189	\$ 2,242,189	\$ -	\$ 16,199,417	13.84%

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

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

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
EDUCATIONAL RETIREMENT BOARD (ERB) PLAN
JUNE 30, 2021

Changes in benefit provisions. There were no modifications to the benefit provisions that were reflected in the actuarial valuation as of June 30, 2019.

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

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

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SCHEDULE OF PROPORTIONATE SHARE OF THE
NET OTHER POST-EMPLOYMENT BENEFITS (OPEB)
RETIREE HEALTH CARE AUTHORITY (RHCA)
LAST 10 FISCAL YEARS*
JUNE 30, 2021

Schedule III

Fiscal Year Ended June 30,	Measurement Date - Year Ended June 30,	District's Proportion of the Net OPEB Liability	District's Proportionate Share of the Net OPEB Liability	District's Covered- Employee Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered- Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2021	2020	0.37821%	\$ 15,880,690	\$ 18,249,249	87.02%	16.50%
2020	2019	0.36849%	11,947,878	\$ 16,308,948	73.26%	18.92%
2019	2018	0.36765%	15,986,726	15,698,848	101.83%	13.14%
2018	2017	0.36431%	16,509,338	16,319,531	101.16%	11.34%

* Governmental Accounting Standards Board Statement No. 75 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for the District is not available prior to fiscal year 2018, the year the statement's requirements became effective.

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

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SCHEDULE OF OTHER POST-EMPLOYMENT BENEFITS (OPEB) CONTRIBUTIONS
RETIREE HEALTH CARE AUTHORITY (RHCA)
LAST 10 FISCAL YEARS*
JUNE 30, 2021

Schedule IV

Fiscal Year Ended June 30,	Statutorily required contribution	Contributions in relation to the Statutorily required contribution	Contribution deficiency (excess)	District's covered- employee payroll	Contributions as a percentage of covered-employee payroll
2021	\$ 362,506	\$ 364,352	\$ (1,846)	\$ 18,217,578	1.99%
2020	\$ 364,985	\$ 364,985	\$ -	\$ 18,249,249	2.00%
2019	\$ 326,150	\$ 326,150	\$ -	\$ 16,308,948	2.00%
2018	\$ 313,566	\$ 313,566	\$ -	\$ 15,698,848	2.00%

* Governmental Accounting Standards Board Statement No. 75 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for the District is not available prior to fiscal year 2018, the year the statement's requirements became effective.

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

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
RETIREE HEALTH CARE AUTHORITY (RHCA)
JUNE 30, 2021

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

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

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SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

Statement A-1

	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TOTAL
ASSETS				
<i>Current assets:</i>				
Cash and temporary investments	\$ 2,570,683	\$ 1,030,960	\$ 643,573	\$ 4,245,216
Accounts receivable				
Taxes	-	-	39,564	39,564
Due from other governments	1,105,551	-	-	1,105,551
Interfund receivables	-	-	-	-
Other	-	-	-	-
Inventory	88,091	-	-	88,091
	<u>3,764,325</u>	<u>1,030,960</u>	<u>683,137</u>	<u>5,478,422</u>
<i>Total assets</i>	<u>3,764,325</u>	<u>1,030,960</u>	<u>683,137</u>	<u>5,478,422</u>
LIABILITIES				
<i>Current liabilities:</i>				
Accounts payable	603	-	-	603
Accrued payroll liabilities	755	-	-	755
Interfund payables	995,671	-	-	995,671
Unearned revenue	9,388	-	-	9,388
	<u>1,006,417</u>	<u>-</u>	<u>-</u>	<u>1,006,417</u>
<i>Total liabilities</i>	<u>1,006,417</u>	<u>-</u>	<u>-</u>	<u>1,006,417</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - property taxes	-	-	18,291	18,291
Unavailable revenues - other	17,965	-	-	17,965
	<u>17,965</u>	<u>-</u>	<u>18,291</u>	<u>36,256</u>
<i>Total deferred inflows of resources</i>	<u>17,965</u>	<u>-</u>	<u>18,291</u>	<u>36,256</u>
FUND BALANCES				
Nonspendable	88,091	-	-	88,091
Restricted for:				
Grant mandates	959,596	-	-	959,596
Capital projects	-	2,065	-	2,065
Debt service	-	-	134,093	134,093
Assigned	1,710,441	1,028,895	530,753	3,270,089
Unassigned	(18,185)	-	-	(18,185)
	<u>2,739,943</u>	<u>1,030,960</u>	<u>664,846</u>	<u>4,435,749</u>
<i>Total fund balances</i>	<u>2,739,943</u>	<u>1,030,960</u>	<u>664,846</u>	<u>4,435,749</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 3,764,325</u>	<u>\$ 1,030,960</u>	<u>\$ 683,137</u>	<u>\$ 5,478,422</u>

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

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

Statement A-2

	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TOTAL
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ 433,084	\$ 433,084
Oil and gas taxes	-	-	219,325	219,325
State grants	1,019,362	393,248	-	1,412,610
Federal grants	6,937,517	-	-	6,937,517
Miscellaneous	2,761	-	-	2,761
Charges for services	126,669	-	-	126,669
Investment income	1,711	-	-	1,711
<i>Total revenues</i>	<u>8,088,020</u>	<u>393,248</u>	<u>652,409</u>	<u>9,133,677</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	4,382,054	-	-	4,382,054
Support services				
Students	1,378,775	-	-	1,378,775
Instruction	12,124	-	-	12,124
General administration	217,292	-	4,373	221,665
School administration	282,608	-	-	282,608
Central services	69	-	-	69
Operation & maintenance of plant	82,808	-	-	82,808
Student transportation	92,018	-	-	92,018
Other support services	-	-	-	-
Food services operations	1,531,022	-	-	1,531,022
Community services	-	-	-	-
Capital outlay	-	150,833	-	150,833
Debt service				
Principal	-	-	720,000	720,000
Interest	-	-	4	4
Bond issuance costs	-	-	41,889	41,889
<i>Total expenditures</i>	<u>7,978,770</u>	<u>150,833</u>	<u>766,266</u>	<u>8,895,869</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>109,250</u>	<u>242,415</u>	<u>(113,857)</u>	<u>237,808</u>
<i>Other financing sources (uses):</i>				
Proceeds from bond issues	-	720,000	-	720,000
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>720,000</u>	<u>-</u>	<u>720,000</u>
<i>Net changes in fund balances</i>	<u>109,250</u>	<u>962,415</u>	<u>(113,857)</u>	<u>957,808</u>
<i>Fund balances - beginning of year</i>	2,307,799	68,545	778,703	3,155,047
<i>Prior period adjustment</i>	322,894	-	-	322,894
<i>Adjusted fund balances - beginning of year</i>	<u>2,630,693</u>	<u>68,545</u>	<u>778,703</u>	<u>3,477,941</u>
<i>Fund balances - end of year</i>	<u>\$ 2,739,943</u>	<u>\$ 1,030,960</u>	<u>\$ 664,846</u>	<u>\$ 4,435,749</u>

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

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SPECIAL REVENUE FUNDS

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SPECIAL REVENUE FUNDS DESCRIPTIONS
FOR THE YEAR ENDED JUNE 30, 2021

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

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

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

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

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

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

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

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

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

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

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

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SPECIAL REVENUE FUNDS DESCRIPTIONS
FOR THE YEAR ENDED JUNE 30, 2021

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

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

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

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

CARES Act ESSER Fund (24301) – This federal program is designed to provide LEA's with funding to meet a diverse array of education and COVID response related needs. By law, awards from the ESSER Fund are based on LEA's proportional share of final 2019-2020 Title I, Part A allocations received. Public law 116-136.

Governor's Emergency Education Relief Fund GEERF (24305) – This fund was passed in response to the coronavirus pandemic to provide LEA's with funding to pay for the challenges of the pandemic. The fund allows schools to safely reopen schools, measure and effectively address significant learning loss, and take other actions to mitigate the impact of COVID-19. The school may spend funds on internet access for students without access at home. This can include access through fiber, DSL, cable, fixed wireless, wireless hotspots, and satellite, depending on service available at an individual address. This includes installation costs and monthly recurring costs. Authority for creation of this fund is the Governors Emergency Education Relief Fund.

CARES Act GEERF (24307) – This fund was passed in response to the coronavirus pandemic to provide LEA's with funding to pay for the challenges of the pandemic. The funds are to be used for social and emotional learning. Authority for creation of this fund is the Governors Emergency Education Relief Fund.

CRRSA ESSER II (24308) – This federal program is designed to provide LEA's with funding to meet a diverse array of education and COVID response related needs. By law, awards from the ESSER Fund are based on LEA's proportional share of final 2019-2020 Title I, Part A allocations received. Public law 116-136.

CRRSA Retention (24312) – This fund was passed in response to the coronavirus pandemic to provide LEA's with funding to pay for the challenges of the pandemic. Schools may only use these funds to pay retention stipends to employees.

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

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

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SPECIAL REVENUE FUNDS DESCRIPTIONS
FOR THE YEAR ENDED JUNE 30, 2021

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

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

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

REC/ District Fiscal Agent (26107) – The Collaborate is a joint venture between ten small districts, several state and local partnerships and the business community designed to promote excellence in teaching and learning among educators and students. Funding is provided by dues and community donations. Authorized by the New Mexico Public Education Department.

Kellogg Foundation (26121) - This grant will expand evidence-based parent education and family support programs targeting vulnerable families in select New Mexico neighborhoods to promote parental knowledge of child development needs and parental advocacy skills. No minimum balance required according to legislation.

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

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

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

Instructional Materials Special Appropriation (27109) – This special appropriation is intended specifically for the purchase of instructional materials to make up for the shortfall in past appropriations.

STEM Professional Development (27135) – This fund is to be used to expand existing, standards-based computer science programs. The purpose of the fund is to increase access to high-quality computer science training programs to ensure more students master computer science skills. The funding was made available through an appropriation contained in the Laws of 2019, Chapter 279, Section 25A and section 60A HB 548.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SPECIAL REVENUE FUNDS DESCRIPTIONS
FOR THE YEAR ENDED JUNE 30, 2021

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

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

Reading Improvement Initiative (27152) – This fund is for transportation of students who participated in K-5 Plus Programs. The funding was made available through an appropriation contained in the Laws of 2019, Chapter 271, Section 4, Subsection K, Public School Support, Paragraph 2 (House Bill2).

Breakfast for Elementary Students (27155) – The 2005 Legislative General Appropriations Act allocated \$475,000 to implement Breakfast in the Classroom for elementary schools in need of improvement based on 2004-2005 AYP designation. No minimum balance required according to legislation.

School Bus (27178) – To provide for the purchase of school buses.

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

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

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO.6
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2021

Statement B-1

	Food Services 21000	Athletics 22000	Student Activities 23000	Title I IASA 24101	IDEA-B Entitlement 24106
ASSETS					
<i>Current assets:</i>					
Cash and temporary investments	\$ 416,320	\$ 127,475	\$ 477,724	\$ -	\$ -
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	68,454	-	-	128,779	127,817
Interfund receivables	-	-	-	-	-
Inventory	79,492	8,599	-	-	-
<i>Total assets</i>	<u>564,266</u>	<u>136,074</u>	<u>477,724</u>	<u>128,779</u>	<u>127,817</u>
LIABILITIES					
<i>Current liabilities:</i>					
Accounts payable	-	-	25	-	-
Accrued payroll liabilities	509	-	-	241	5
Interfund payables	-	-	-	128,107	126,992
Unearned revenue	-	-	-	431	820
<i>Total liabilities</i>	<u>509</u>	<u>-</u>	<u>25</u>	<u>128,779</u>	<u>127,817</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues - property taxes	-	-	-	-	-
Unavailable revenues - other	-	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	79,492	8,599	-	-	-
Restricted for:					
Grant mandates	54,876	37,502	84,034	-	-
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned	429,389	89,973	393,665	-	-
Unassigned	-	-	-	-	-
<i>Total fund balances</i>	<u>563,757</u>	<u>136,074</u>	<u>477,699</u>	<u>-</u>	<u>-</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 564,266</u>	<u>\$ 136,074</u>	<u>\$ 477,724</u>	<u>\$ 128,779</u>	<u>\$ 127,817</u>

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

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO.6
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2021

Statement B-1

	IDEA-B Preschool 24109	Education of Homeless 24113	Fresh Fruits and Vegetables 24118	Title I Striving Readers 24145	English Language Acquisition 24153
ASSETS					
<i>Current assets:</i>					
Cash and temporary investments	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	8,564	9,676	-	69,209	26,427
Interfund receivables	-	-	-	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>8,564</u>	<u>9,676</u>	<u>-</u>	<u>69,209</u>	<u>26,427</u>
LIABILITIES					
<i>Current liabilities:</i>					
Accounts payable	-	-	-	-	-
Accrued payroll liabilities	-	-	-	-	-
Interfund payables	8,564	9,676	10	69,209	26,923
Unearned revenue	-	-	-	-	-
<i>Total liabilities</i>	<u>8,564</u>	<u>9,676</u>	<u>10</u>	<u>69,209</u>	<u>26,923</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues - property taxes	-	-	-	-	-
Unavailable revenues - other	-	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted for:					
Grant mandates	-	-	-	-	-
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	(10)	-	(496)
<i>Total fund balances</i>	<u>-</u>	<u>-</u>	<u>(10)</u>	<u>-</u>	<u>(496)</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 8,564</u>	<u>\$ 9,676</u>	<u>\$ -</u>	<u>\$ 69,209</u>	<u>\$ 26,427</u>

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

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO.6
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2021

Statement B-1

	Teacher/Principal Training & Recruiting 24154	Carl D Perkins Secondary - Current 24174	Student Supp Acad. Enrich Title IV 24189	Title I Comprehensive Support & Improv 24190	CARES Act ESSER Fund 24301
ASSETS					
<i>Current assets:</i>					
Cash and temporary investments	\$ -	\$ 37	\$ -	\$ -	\$ -
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	3,205	-	8,915	8,784	7,120
Interfund receivables	-	-	-	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>3,205</u>	<u>37</u>	<u>8,915</u>	<u>8,784</u>	<u>7,120</u>
LIABILITIES					
<i>Current liabilities:</i>					
Accounts payable	-	-	-	-	-
Accrued payroll liabilities	-	-	-	-	-
Interfund payables	2,599	-	8,915	8,784	7,120
Unearned revenue	606	37	-	-	-
<i>Total liabilities</i>	<u>3,205</u>	<u>37</u>	<u>8,915</u>	<u>8,784</u>	<u>7,120</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues - property taxes	-	-	-	-	-
Unavailable revenues - other	-	-	-	-	7,120
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,120</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted for:					
Grant mandates	-	-	-	-	-
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	(7,120)
<i>Total fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,120)</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 3,205</u>	<u>\$ 37</u>	<u>\$ 8,915</u>	<u>\$ 8,784</u>	<u>\$ 7,120</u>

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

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO.6
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2021

Statement B-1

	CARES Act GEER Fund 24305	GEER Fund Emotional Learning 24307	CRRSA ESSER II 24308	CRRSA ESSER II Retention Stipend 24312	Johnson O'Malley 25131
ASSETS					
<i>Current assets:</i>					
Cash and temporary investments	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	-	25,059	226,343	15,707	27,825
Interfund receivables	-	-	-	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>-</u>	<u>25,059</u>	<u>226,343</u>	<u>15,707</u>	<u>27,825</u>
LIABILITIES					
<i>Current liabilities:</i>					
Accounts payable	-	-	-	-	-
Accrued payroll liabilities	-	-	-	-	-
Interfund payables	-	25,059	226,343	15,707	26,834
Unearned revenue	-	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>25,059</u>	<u>226,343</u>	<u>15,707</u>	<u>26,834</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues - property taxes	-	-	-	-	-
Unavailable revenues - other	-	-	-	-	10,845
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,845</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted for:					
Grant mandates	-	-	-	-	-
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	(9,854)
<i>Total fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,854)</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ -</u>	<u>\$ 25,059</u>	<u>\$ 226,343</u>	<u>\$ 15,707</u>	<u>\$ 27,825</u>

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

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO.6
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2021

Statement B-1

	Impact Aid Special Education 25145	Impact Aid Indian Education 25147	Title XIX Medicaid 3/21 Years 25153	Indian Education Grant 25184	REC/District Fiscal Agent 26107
ASSETS					
<i>Current assets:</i>					
Cash and temporary investments	\$ 244,606	\$ 272,922	\$ 768,522	\$ 3,894	\$ 1,521
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	-	-	73,863	-	-
Interfund receivables	-	-	-	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>244,606</u>	<u>272,922</u>	<u>842,385</u>	<u>3,894</u>	<u>1,521</u>
LIABILITIES					
<i>Current liabilities:</i>					
Accounts payable	-	-	578	-	-
Accrued payroll liabilities	-	-	-	-	-
Interfund payables	-	-	-	-	-
Unearned revenue	-	-	-	3,014	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>578</u>	<u>3,014</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues - property taxes	-	-	-	-	-
Unavailable revenues - other	-	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted for:					
Grant mandates	14,190	81,242	608,390	(1,318)	1,521
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned	230,416	191,680	233,417	2,198	-
Unassigned	-	-	-	-	-
<i>Total fund balances</i>	<u>244,606</u>	<u>272,922</u>	<u>841,807</u>	<u>880</u>	<u>1,521</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 244,606</u>	<u>\$ 272,922</u>	<u>\$ 842,385</u>	<u>\$ 3,894</u>	<u>\$ 1,521</u>

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

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO.6
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2021

Statement B-1

	Kellogg Foundation 26121	Golden Apple Foundation 26163	Conoco Phillips School Grant 26200	2012 GO Bond Student Library Fund (SB66) 27107	Instructional Materials Special Approp 27109
ASSETS					
<i>Current assets:</i>					
Cash and temporary investments	\$ 119,533	\$ 2,154	\$ 14,765	\$ -	\$ 60,650
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	-	-	-	-	-
Interfund receivables	-	-	-	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	119,533	2,154	14,765	-	60,650
LIABILITIES					
<i>Current liabilities:</i>					
Accounts payable	-	-	-	-	-
Accrued payroll liabilities	-	-	-	-	-
Interfund payables	-	-	-	223	-
Unearned revenue	-	-	-	-	-
<i>Total liabilities</i>	-	-	-	223	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues - property taxes	-	-	-	-	-
Unavailable revenues - other	-	-	-	-	-
<i>Total deferred inflows of resources</i>	-	-	-	-	-
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted for:					
Grant mandates	3,744	-	14,765	-	60,650
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned	115,789	2,154	-	-	-
Unassigned	-	-	-	(223)	-
<i>Total fund balances</i>	119,533	2,154	14,765	(223)	60,650
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	\$ 119,533	\$ 2,154	\$ 14,765	\$ -	\$ 60,650

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

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO.6
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2021

Statement B-1

	STEM Professional Development 27135	PreK Initiative 27149	Indian Education Act 27150	K-5 Plus Transportation 27152	Breakfast for Elementary 27155
ASSETS					
<i>Current assets:</i>					
Cash and temporary investments	\$ -	\$ -	\$ 34,320	\$ 4,357	\$ -
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	25,305	240,827	3,672	-	-
Interfund receivables	-	-	-	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>25,305</u>	<u>240,827</u>	<u>37,992</u>	<u>4,357</u>	<u>-</u>
LIABILITIES					
<i>Current liabilities:</i>					
Accounts payable	-	-	-	-	-
Accrued payroll liabilities	-	-	-	-	-
Interfund payables	25,305	241,309	37,992	-	-
Unearned revenue	-	-	-	4,357	-
<i>Total liabilities</i>	<u>25,305</u>	<u>241,309</u>	<u>37,992</u>	<u>4,357</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues - property taxes	-	-	-	-	-
Unavailable revenues - other	-	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted for:					
Grant mandates	-	-	-	-	-
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	(482)	-	-	-
<i>Total fund balances</i>	<u>-</u>	<u>(482)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 25,305</u>	<u>\$ 240,827</u>	<u>\$ 37,992</u>	<u>\$ 4,357</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO.6
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2021

Statement B-1

	School Bus 27178	NM Grown Fresh Fruits and Vegetables 27183	Private Direct Grants 29102	Total
ASSETS				
<i>Current assets:</i>				
Cash and temporary investments	\$ -	\$ 123	\$ 21,760	\$ 2,570,683
Accounts receivable				-
Taxes	-	-	-	-
Due from other governments	-	-	-	1,105,551
Interfund receivables	-	-	-	-
Inventory	-	-	-	88,091
<i>Total assets</i>	<u>-</u>	<u>123</u>	<u>21,760</u>	<u>3,764,325</u>
LIABILITIES				
<i>Current liabilities:</i>				
Accounts payable	-	-	-	603
Accrued payroll liabilities	-	-	-	755
Interfund payables	-	-	-	995,671
Unearned revenue	-	123	-	9,388
<i>Total liabilities</i>	<u>-</u>	<u>123</u>	<u>-</u>	<u>1,006,417</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - property taxes	-	-	-	-
Unavailable revenues - other	-	-	-	17,965
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,965</u>
FUND BALANCES				
Nonspendable	-	-	-	88,091
Restricted for:				
Grant mandates	-	-	-	959,596
Capital projects	-	-	-	-
Debt service	-	-	-	-
Assigned	-	-	21,760	1,710,441
Unassigned	-	-	-	(18,185)
<i>Total fund balances</i>	<u>-</u>	<u>-</u>	<u>21,760</u>	<u>2,739,943</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ -</u>	<u>\$ 123</u>	<u>\$ 21,760</u>	<u>\$ 3,764,325</u>

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

STATE OF NEW MEXICO

Statement B-2

BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	Food Services 21000	Athletics 22000	Student Activities 23000	Title I IASA 24101	IDEA-B Entitlement 24106
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-	-
State grants	-	-	-	-	-
Federal grants	1,326,940	-	-	745,006	724,794
Miscellaneous	-	-	261	-	-
Charges for services	336	22,355	103,978	-	-
Investment income	-	-	1,711	-	-
<i>Total revenues</i>	<u>1,327,276</u>	<u>22,355</u>	<u>105,950</u>	<u>745,006</u>	<u>724,794</u>
<i>Expenditures:</i>					
<i>Current:</i>					
Instruction	-	13,475	91,876	514,706	428,517
Support services					
Students	-	-	-	88,375	263,673
Instruction	-	-	-	-	-
General administration	-	-	-	33,511	32,604
School administration	-	-	-	108,414	-
Central services	-	-	-	-	-
Operation & maintenance of plant	-	-	-	-	-
Student transportation	-	-	-	-	-
Other support services	-	-	-	-	-
Food services operations	1,521,749	-	-	-	-
Community services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>1,521,749</u>	<u>13,475</u>	<u>91,876</u>	<u>745,006</u>	<u>724,794</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(194,473)</u>	<u>8,880</u>	<u>14,074</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>					
Proceeds from bond issues	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>(194,473)</u>	<u>8,880</u>	<u>14,074</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	758,370	127,194	175,791	-	-
<i>Prior period adjustment</i>	(140)	-	287,834	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>758,230</u>	<u>127,194</u>	<u>463,625</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ 563,757</u>	<u>\$ 136,074</u>	<u>\$ 477,699</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO

Statement B-2

BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	IDEA-B Preschool 24109	Education of Homeless 24113	Fresh Fruits and Vegetables 24118	Title I Striving Readers 24145	English Language Acquisition 24153
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-	-
State grants	-	-	-	-	-
Federal grants	40,747	12,603	-	523,387	45,049
Miscellaneous	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment income	-	-	-	-	-
<i>Total revenues</i>	<u>40,747</u>	<u>12,603</u>	<u>-</u>	<u>523,387</u>	<u>45,049</u>
<i>Expenditures:</i>					
Current:					
Instruction	38,914	-	-	320	44,166
Support services					
Students	-	-	-	523,067	-
Instruction	-	11,675	-	-	-
General administration	1,833	567	-	-	883
School administration	-	361	-	-	-
Central services	-	-	-	-	-
Operation & maintenance of plant	-	-	-	-	-
Student transportation	-	-	-	-	-
Other support services	-	-	-	-	-
Food services operations	-	-	-	-	-
Community services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>40,747</u>	<u>12,603</u>	<u>-</u>	<u>523,387</u>	<u>45,049</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>					
Proceeds from bond issues	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	-	-	(10)	-	(496)
<i>Prior period adjustment</i>	-	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(10)</u>	<u>-</u>	<u>(496)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10)</u>	<u>\$ -</u>	<u>\$ (496)</u>

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

STATE OF NEW MEXICO

Statement B-2

BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	Teacher/Principal Training & Recruiting 24154	Carl D Perkins Secondary - Current 24174	Student Supp Acad. Enrich Title IV 24189	Title I Comp Support & Improvement 24190	CARES Act ESSER Fund 24301
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-	-
State grants	-	-	-	-	-
Federal grants	33,418	-	84,807	51,241	588,786
Miscellaneous	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment income	-	-	-	-	-
<i>Total revenues</i>	<u>33,418</u>	<u>-</u>	<u>84,807</u>	<u>51,241</u>	<u>588,786</u>
<i>Expenditures:</i>					
<i>Current:</i>					
Instruction	31,915	-	-	48,936	559,863
Support services					
Students	-	-	80,992	-	-
Instruction	-	-	-	-	-
General administration	1,503	-	3,815	2,305	36,043
School administration	-	-	-	-	-
Central services	-	-	-	-	-
Operation & maintenance of plant	-	-	-	-	-
Student transportation	-	-	-	-	-
Other support services	-	-	-	-	-
Food services operations	-	-	-	-	-
Community services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>33,418</u>	<u>-</u>	<u>84,807</u>	<u>51,241</u>	<u>595,906</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,120)</u>
<i>Other financing sources (uses):</i>					
Proceeds from bond issues	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,120)</u>
<i>Fund balances - beginning of year</i>	-	-	-	-	-
<i>Prior period adjustment</i>	-	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,120)</u>

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

STATE OF NEW MEXICO

Statement B-2

BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	CARES Act GEER Fund 24305	CARES Act ESSER I Social Emot. Learning 24307	CRRSA ESSER II 24308	CRRSA ESSER II Retention Stipend 24312	Johnson O'Malley 25131
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-	-
State grants	-	-	-	-	-
Federal grants	82,808	25,059	1,355,346	15,707	63,277
Miscellaneous	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment income	-	-	-	-	-
<i>Total revenues</i>	<u>82,808</u>	<u>25,059</u>	<u>1,355,346</u>	<u>15,707</u>	<u>63,277</u>
<i>Expenditures:</i>					
Current:					
Instruction	-	25,059	1,294,191	15,000	55,952
Support services					
Students	-	-	190	-	7,424
Instruction	-	-	-	-	-
General administration	-	-	60,965	707	3,290
School administration	-	-	-	-	6,465
Central services	-	-	-	-	-
Operation & maintenance of plant	82,808	-	-	-	-
Student transportation	-	-	-	-	-
Other support services	-	-	-	-	-
Food services operations	-	-	-	-	-
Community services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>82,808</u>	<u>25,059</u>	<u>1,355,346</u>	<u>15,707</u>	<u>73,131</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,854)</u>
<i>Other financing sources (uses):</i>					
Proceeds from bond issues	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,854)</u>
<i>Fund balances - beginning of year</i>	-	-	-	-	-
<i>Prior period adjustment</i>	-	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,854)</u>

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

STATE OF NEW MEXICO

Statement B-2

BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	Impact Aid Special Education 25145	Impact Aid Indian Education 25147	Title XIX Medicaid 3/21 Years 25153	Indian Ed Formula Grant 25184	REC/District Fiscal Agent 26107
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-	-
State grants	-	-	-	-	-
Federal grants	99,347	283,995	606,320	228,880	-
Miscellaneous	-	-	-	-	2,500
Charges for services	-	-	-	-	-
Investment income	-	-	-	-	-
<i>Total revenues</i>	<u>99,347</u>	<u>283,995</u>	<u>606,320</u>	<u>228,880</u>	<u>2,500</u>
<i>Expenditures:</i>					
Current:					
Instruction	6,052	188,033	3,655	114,899	979
Support services					
Students	16,431	6,642	360,710	31,271	-
Instruction	-	-	-	-	-
General administration	2,511	10,692	-	10,295	-
School administration	30,832	32,341	-	72,415	-
Central services	-	-	-	-	-
Operation & maintenance of plant	-	-	-	-	-
Student transportation	-	-	-	-	-
Other support services	-	-	-	-	-
Food services operations	-	-	-	-	-
Community services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>55,826</u>	<u>237,708</u>	<u>364,365</u>	<u>228,880</u>	<u>979</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>43,521</u>	<u>46,287</u>	<u>241,955</u>	<u>-</u>	<u>1,521</u>
<i>Other financing sources (uses):</i>					
Proceeds from bond issues	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>43,521</u>	<u>46,287</u>	<u>241,955</u>	<u>-</u>	<u>1,521</u>
<i>Fund balances - beginning of year</i>	201,085	226,635	599,852	-	-
<i>Prior period adjustment</i>	-	-	-	880	-
<i>Adjusted fund balances - beginning of year</i>	<u>201,085</u>	<u>226,635</u>	<u>599,852</u>	<u>880</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ 244,606</u>	<u>\$ 272,922</u>	<u>\$ 841,807</u>	<u>\$ 880</u>	<u>\$ 1,521</u>

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

STATE OF NEW MEXICO

Statement B-2

BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	Kellogg Foundation 26121	Golden Apple Foundation 26163	Conoco Phillips School Grant 26200	2012 GO Bond Student Library Fund (SB66) 27107	Instructional Materials Special Approp 27109
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-	-
State grants	-	-	-	449	-
Federal grants	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment income	-	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>449</u>	<u>-</u>
<i>Expenditures:</i>					
Current:					
Instruction	-	-	-	-	-
Support services					
Students	-	-	-	-	-
Instruction	-	-	-	449	-
General administration	9,639	-	-	-	-
School administration	20,759	-	-	-	-
Central services	69	-	-	-	-
Operation & maintenance of plant	-	-	-	-	-
Student transportation	-	-	-	-	-
Other support services	-	-	-	-	-
Food services operations	-	-	-	-	-
Community services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>30,467</u>	<u>-</u>	<u>-</u>	<u>449</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(30,467)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>					
Proceeds from bond issues	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>(30,467)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	150,000	2,154	14,765	(223)	60,650
<i>Prior period adjustment</i>	-	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>150,000</u>	<u>2,154</u>	<u>14,765</u>	<u>(223)</u>	<u>60,650</u>
<i>Fund balances - end of year</i>	<u>\$ 119,533</u>	<u>\$ 2,154</u>	<u>\$ 14,765</u>	<u>\$ (223)</u>	<u>\$ 60,650</u>

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

STATE OF NEW MEXICO

Statement B-2

BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	STEM Professional Development 27135	PreK Initiative 27149	Indian Education Act 27150	K5 Plus Transportation 27152	Breakfast for Elementary 27155
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-	-
State grants	39,089	849,057	29,476	-	1,042
Federal grants	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment income	-	-	-	-	-
<i>Total revenues</i>	<u>39,089</u>	<u>849,057</u>	<u>29,476</u>	<u>-</u>	<u>1,042</u>
<i>Expenditures:</i>					
Current:					
Instruction	39,089	831,892	29,476	-	-
Support services					
Students	-	-	-	-	-
Instruction	-	-	-	-	-
General administration	-	6,129	-	-	-
School administration	-	11,021	-	-	-
Central services	-	-	-	-	-
Operation & maintenance of plant	-	-	-	-	-
Student transportation	-	-	-	-	-
Other support services	-	-	-	-	-
Food services operations	-	-	-	-	1,042
Community services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>39,089</u>	<u>849,042</u>	<u>29,476</u>	<u>-</u>	<u>1,042</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>15</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>					
Proceeds from bond issues	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>15</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	-	(497)	(34,320)	-	-
<i>Prior period adjustment</i>	-	-	34,320	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>-</u>	<u>(497)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ (482)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	School Bus 27178	NM Grown Fresh Fruits and Vegetables 27183	Private Direct Grants 29102	Total
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
State grants	92,018	8,231	-	1,019,362
Federal grants	-	-	-	6,937,517
Miscellaneous	-	-	-	2,761
Charges for services	-	-	-	126,669
Investment income	-	-	-	1,711
<i>Total revenues</i>	<u>92,018</u>	<u>8,231</u>	<u>-</u>	<u>8,088,020</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	5,089	4,382,054
Support services				
Students	-	-	-	1,378,775
Instruction	-	-	-	12,124
General administration	-	-	-	217,292
School administration	-	-	-	282,608
Central services	-	-	-	69
Operation & maintenance of plant	-	-	-	82,808
Student transportation	92,018	-	-	92,018
Other support services	-	-	-	-
Food services operations	-	8,231	-	1,531,022
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>92,018</u>	<u>8,231</u>	<u>5,089</u>	<u>7,978,770</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(5,089)</u>	<u>109,250</u>
<i>Other financing sources (uses):</i>				
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(5,089)</u>	<u>109,250</u>
<i>Fund balances - beginning of year</i>	-	-	26,849	2,307,799
<i>Prior period adjustment</i>	-	-	-	322,894
<i>Adjusted fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>26,849</u>	<u>2,630,693</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,760</u>	<u>\$ 2,739,943</u>

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

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CAPITAL PROJECTS FUNDS

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
CAPITAL PROJECTS FUNDS DESCRIPTIONS
FOR THE YEAR ENDED JUNE 30, 2021

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

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

Public School Capital Outlay (31200) – The purpose of this fund is to account for funding provided to the District the State of New Mexico for capital improvement projects approved by the Public School Capital Outlay Council. Funding is authorized by NMAC 6.20.2 through the New Mexico Public Education Department. No minimum balance required according to legislation.

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

Capital Improvements SB-9 (State Match Cash) (31703) – The purpose of this fund is to account for erecting, remodeling, making additions to and furnishing of school buildings, or purchasing or improving school grounds or any combination thereof as identified by the local school board. Financing is provided by the State of New Mexico's State Equalization Matching as authorized by the Public School District Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978). No minimum balance required according to legislation.

Educational Technology Equipment Act (31900) – Accounts for State funding to promote the comprehensive integration of advanced technologies in education settings, through the conduct of technical assistance, professional development, information and resource dissemination, and collaboration activities. No minimum balance required according to legislation.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2021

Statement C-1

	Bond Building 31100	Public School Capital Outlay 31200	Capital Improvements SB-9 (State Match) 31700
ASSETS			
<i>Current assets:</i>			
Cash and temporary investments	\$ 536	\$ 351,251	\$ 2,064
Accounts receivable			
Taxes	-	-	-
Due from other governments	-	-	-
Interfund receivables	-	-	-
Other	-	-	-
Inventory	-	-	-
	536	351,251	2,064
<i>Total assets</i>	536	351,251	2,064
LIABILITIES			
<i>Current liabilities:</i>			
Accounts payable	-	-	-
Accrued payroll liabilities	-	-	-
Interfund payables	-	-	-
Unearned revenue	-	-	-
	-	-	-
<i>Total liabilities</i>	-	-	-
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues - property taxes	-	-	-
Unavailable revenues - other	-	-	-
	-	-	-
<i>Total deferred inflows of resources</i>	-	-	-
FUND BALANCES			
Nonspendable	-	-	-
Restricted for:			
Grant mandates	-	-	-
Capital projects	1	-	2,064
Debt service	-	-	-
Assigned	535	351,251	-
Unassigned	-	-	-
	536	351,251	2,064
<i>Total fund balances</i>	536	351,251	2,064
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	\$ 536	\$ 351,251	\$ 2,064

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

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2021

Statement C-1

	<u>Capital Improvements SB-9 (State Cash) 31703</u>	<u>Education Technology Equipment Act 31900</u>	<u>Total</u>
ASSETS			
<i>Current assets:</i>			
Cash and temporary investments	\$ -	\$ 677,109	\$ 1,030,960
Accounts receivable			
Taxes	-	-	-
Due from other governments	-	-	-
Interfund receivables	-	-	-
Other	-	-	-
Inventory	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total assets</i>	<u><u>-</u></u>	<u><u>677,109</u></u>	<u><u>1,030,960</u></u>
LIABILITIES			
<i>Current liabilities:</i>			
Accounts payable	-	-	-
Accrued payroll liabilities	-	-	-
Interfund payables	-	-	-
Unearned revenue	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total liabilities</i>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues - property taxes	-	-	-
Unavailable revenues - other	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total deferred inflows of resources</i>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted for:			
Grant mandates	-	-	-
Capital projects	-	-	2,065
Debt service	-	-	-
Assigned	-	677,109	1,028,895
Unassigned	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total fund balances</i>	<u><u>-</u></u>	<u><u>677,109</u></u>	<u><u>1,030,960</u></u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u><u>\$ -</u></u>	<u><u>\$ 677,109</u></u>	<u><u>\$ 1,030,960</u></u>

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

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Bond Building 31100	Public School Capital Outlay 31200	Capital Improvements SB-9 (State Match) 31700
<i>Revenues:</i>			
Property taxes	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-
State grants	-	393,248	-
Federal grants	-	-	-
Miscellaneous	-	-	-
Charges for services	-	-	-
Investment income	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>393,248</u>	<u>-</u>
<i>Expenditures:</i>			
<i>Current:</i>			
Instruction	-	-	-
Support services			
Students	-	-	-
Instruction	-	-	-
General administration	-	-	-
School administration	-	-	-
Central services	-	-	-
Operation & maintenance of plant	-	-	-
Student transportation	-	-	-
Other support services	-	-	-
Food services operations	-	-	-
Community service	-	-	-
Capital outlay	2,373	41,997	-
Debt service			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>2,373</u>	<u>41,997</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(2,373)</u>	<u>351,251</u>	<u>-</u>
<i>Other financing sources (uses):</i>			
Proceeds from bond issues	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>(2,373)</u>	<u>351,251</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	2,909	-	2,064
<i>Prior period adjustment</i>	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>2,909</u>	<u>-</u>	<u>2,064</u>
<i>Fund balances - end of year</i>	<u>\$ 536</u>	<u>\$ 351,251</u>	<u>\$ 2,064</u>

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

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Capital Improvements SB-9 (State Cash) 31703	Education Technology Equipment Act 31900	Total
<i>Revenues:</i>			
Property taxes	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-
State grants	-	-	-
Federal grants	-	-	-
Miscellaneous	-	-	-
Charges for services	-	-	-
Investment income	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>			
Current:			
Instruction	-	-	-
Support services			
Students	-	-	-
Instruction	-	-	-
General administration	-	-	-
School administration	-	-	-
Central services	-	-	-
Operation & maintenance of plant	-	-	-
Student transportation	-	-	-
Other support services	-	-	-
Food services operations	-	-	-
Community service	-	-	-
Capital outlay	63,572	42,891	106,463
Debt service			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>63,572</u>	<u>42,891</u>	<u>106,463</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(63,572)</u>	<u>(42,891)</u>	<u>(106,463)</u>
<i>Net changes in fund balances</i>	<u>(63,572)</u>	<u>677,109</u>	<u>613,537</u>
<i>Fund balances - beginning of year</i>	63,572	-	63,572
<i>Prior period adjustment</i>	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>63,572</u>	<u>-</u>	<u>63,572</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ 677,109</u>	<u>\$ 677,109</u>

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

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DEBT SERVICE FUNDS

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
DEBT SERVICE FUNDS DESCRIPTIONS
FOR THE YEAR ENDED JUNE 30, 2021

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

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

Education Technology Debt Service Fund (43000) – The fund is to account for the debt repayments of the debt incurred through the Education Technology Equipment Act (Capital Projects Fund) (Section 6-15A-1 to 6-15A-16 NMSA 1978). No minimum balance required according to legislation.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
JUNE 30, 2021

Statement D-1

	<u>Deferred Sick Leave 42000</u>	<u>Education Technology 43000</u>	<u>Total</u>
ASSETS			
<i>Current assets:</i>			
Cash and temporary investments	\$ 58,074	\$ 585,499	\$ 643,573
Accounts receivable			
Taxes	-	39,564	39,564
Due from other governments	-	-	-
Interfund receivables	-	-	-
Other	-	-	-
Inventory	-	-	-
	<u>58,074</u>	<u>625,063</u>	<u>683,137</u>
<i>Total assets</i>			
LIABILITIES			
<i>Current Liabilities:</i>			
Accounts payable	-	-	-
Accrued payroll liabilities	-	-	-
Interfund payables	-	-	-
Unearned revenue	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total liabilities</i>			
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues - property taxes	-	18,291	18,291
Unavailable revenues - other	-	-	-
	<u>-</u>	<u>18,291</u>	<u>18,291</u>
<i>Total deferred inflows of resources</i>			
FUND BALANCES			
Nonspendable	-	-	-
Restricted for:			
Grant mandates	-	-	-
Capital projects	-	-	-
Debt service	-	134,093	134,093
Assigned	58,074	472,679	530,753
Unassigned	-	-	-
	<u>58,074</u>	<u>606,772</u>	<u>664,846</u>
<i>Total fund balances</i>			
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 58,074</u>	<u>\$ 625,063</u>	<u>\$ 683,137</u>

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

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

Statement D-2

	Deferred Sick Leave 42000	Education Technology 43000	Total
<i>Revenues:</i>			
Property taxes	\$ -	\$ 433,084	\$ 433,084
Oil and gas taxes	-	219,325	219,325
State grants	-	-	-
Federal grants	-	-	-
Miscellaneous	-	-	-
Charges for services	-	-	-
Investment income	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>652,409</u>	<u>652,409</u>
<i>Expenditures:</i>			
Current:			
Instruction	-	-	-
Support services			
Students	-	-	-
Instruction	-	-	-
General administration	-	4,373	4,373
School administration	-	-	-
Central services	-	-	-
Operation & maintenance of plant	-	-	-
Student transportation	-	-	-
Other support services	-	-	-
Food services operations	-	-	-
Community services	-	-	-
Capital outlay	-	-	-
Debt service			
Principal	-	720,000	720,000
Interest	-	4	4
Bond issuance costs	-	41,889	41,889
<i>Total expenditures</i>	<u>-</u>	<u>766,266</u>	<u>766,266</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(113,857)</u>	<u>(113,857)</u>
<i>Other financing sources (uses):</i>			
Proceeds from bond issues	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>(113,857)</u>	<u>(113,857)</u>
<i>Fund balances - beginning of year</i>	58,074	720,629	778,703
<i>Prior period adjustment</i>	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>58,074</u>	<u>720,629</u>	<u>778,703</u>
<i>Fund balances - end of year</i>	<u>\$ 58,074</u>	<u>\$ 606,772</u>	<u>\$ 664,846</u>

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

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OTHER SUPPLEMENTAL INFORMATION

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SCHEDULE OF PLEDGED COLLATERAL
FOR THE YEAR ENDED JUNE 30, 2021

Schedule V

<u>Name of Depository</u>	<u>Description of Pledged Collateral</u>	<u>Maturity Date</u>	<u>CUSIP Number</u>	<u>Fair Market Value June 30, 2021</u>
Citizens Bank				
	Fannie Mae	9/25/2029	3136A9LLO	\$ 5,166,016
	Fannie Mae	11/2/2023	3133EJNB1	4,247,360
	Fannie Mae	12/16/2026	38378AU82	3,699,948
Total Citizens Bank				<u>\$ 13,113,324</u>

The securities are held, not in the District's name, at:

FHLB - Dallas
85000 Freeport Parkway South
Irving, TX 75063

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

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SCHEDULE OF CASH AND TEMPORARY INVESTMENT ACCOUNTS
JUNE 30, 2021

Schedule VI

Bank Name/Account Type	Account Type	Bank Balance	Deposits in Transit	Outstanding Checks/Wires	Other Adjustments	Book Balance
Citizens Bank						
Payroll Clearing	0	\$ -	\$ -	\$ (31,004)	\$ 757	\$ (30,247)
Operating	0	24,200,203	-	-	(4)	24,200,199
Accounts Payable Clearing	0	-	-	(484,188)	(21,343)	(505,531)
Activity Fund	0	604,499	-	-	-	604,499
Total Citizens Bank		<u>\$ 24,804,702</u>	<u>\$ -</u>	<u>\$ (515,192)</u>	<u>\$ (20,590)</u>	<u>\$ 24,268,920</u>
Bank Name/Account Type	Account Type	Bank Balance	Deposits in Transit	Outstanding Checks	Other Adjustments	Book Balance
Bank of Albuquerque						
Bond Sinking Fund	Trust	\$ 1,851,945	\$ -	\$ -	\$ -	\$ 1,851,945
Total Bank of Albuquerque		<u>\$ 1,851,945</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,851,945</u>
Cash on Hand						700
Total		<u>\$ 26,656,647</u>	<u>\$ -</u>	<u>\$ (515,192)</u>	<u>\$ (20,590)</u>	<u>\$ 26,121,565</u>
Cash per financial statements						
Cash and cash equivalents - Government Activities Exhibit A-1						<u>\$ 26,121,565</u>

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

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SCHEDULE OF CASH RECONCILIATIONS
JUNE 30, 2021

Schedule VII

Primary Government

	Operational 11000	Transportation 13000	Instructional Materials 14000	Food Services 21000
Cash, June 30, 2020	\$ 9,616,940	\$ 78,950	\$ 29,591	\$ 596,650
Add:				
Current year revenues	25,735,413	1,091,937	-	1,355,470
Permanent cash transfers	-	-	-	-
Prior period adjustment	8,455	-	-	-
Loans from other funds	-	-	-	-
Total cash available	35,360,808	1,170,887	29,591	1,952,120
Less:				
Current year expenditures	(23,496,507)	(1,133,115)	(29,591)	(1,535,660)
Permanent cash transfers	-	-	-	-
Prior period adjustment	-	-	-	(140)
Loans to other funds	(995,671)	-	-	-
Cash, June 30, 2021	<u>\$ 10,868,630</u>	<u>\$ 37,772</u>	<u>\$ -</u>	<u>\$ 416,320</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SCHEDULE OF CASH RECONCILIATIONS
JUNE 30, 2021

Schedule VII

Primary Government

	Athletics 22000	Student Activities 23000	Federal Flowthrough 24000	Federal Direct 25000
Cash, June 30, 2020	\$ 118,318	\$ 175,816	\$ (477,296)	\$ 952,909
Add:				
Current year revenues	22,355	105,950	4,313,320	1,311,678
Permanent cash transfers	-	-	-	-
Prior period adjustment	-	289,607	-	880
Loans from other funds	-	-	664,008	26,834
Total cash available	140,673	571,373	4,500,032	2,292,301
Less:				
Current year expenditures	(13,198)	(91,876)	(4,499,995)	(1,002,357)
Permanent cash transfers	-	-	-	-
Prior period adjustment	-	(1,773)	-	-
Loans to other funds	-	-	-	-
Cash, June 30, 2021	<u>\$ 127,475</u>	<u>\$ 477,724</u>	<u>\$ 37</u>	<u>\$ 1,289,944</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SCHEDULE OF CASH RECONCILIATIONS
JUNE 30, 2021

Schedule VII

Primary Government

	Local Grants 26000	State Flowthrough 27000	Local / State 29000	Bond Building 31100
Cash, June 30, 2020	\$ 166,919	\$ (116,913)	\$ 26,849	\$ 2,909
Add:				
Current year revenues	2,500	930,591	-	-
Permanent cash transfers	-	-	-	-
Prior period adjustment	-	34,320	-	-
Loans from other funds	-	304,829	-	-
Total cash available	169,419	1,152,827	26,849	2,909
Less:				
Current year expenditures	(31,446)	(1,053,377)	(5,089)	(2,373)
Permanent cash transfers	-	-	-	-
Prior period adjustment	-	-	-	-
Loans to other funds	-	-	-	-
Cash, June 30, 2021	<u>\$ 137,973</u>	<u>\$ 99,450</u>	<u>\$ 21,760</u>	<u>\$ 536</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SCHEDULE OF CASH RECONCILIATIONS
JUNE 30, 2021

Schedule VII

Primary Government	Public School Capital Outlay 31200	Capital. Improv. SB 9 (State Match) 31700	Cap. Improv. SB 9 (Local) 31701	Cap. Improv. SB 9 (State Cash) 31703
Cash, June 30, 2020	\$ -	\$ 2,064	\$ 3,944,551	\$ 63,572
Add:				
Current year revenues	393,248	-	1,416,125	-
Permanent cash transfers	-	-	-	-
Prior period adjustment	-	-	-	-
Loans from other funds	-	-	-	-
Total cash available	393,248	2,064	5,360,676	63,572
Less:				
Current year expenditures	(41,997)	-	(1,707,880)	(63,572)
Permanent cash transfers	-	-	-	-
Prior period adjustment	-	-	-	-
Loans to other funds	-	-	-	-
Cash, June 30, 2021	<u>\$ 351,251</u>	<u>\$ 2,064</u>	<u>\$ 3,652,796</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SCHEDULE OF CASH RECONCILIATIONS
JUNE 30, 2021

Schedule VII

Primary Government

	Cap. Improv. SB 9 (State Cash) 31900	Debt Service 41000	Deferred Sick Leave 42000	Education Tech Debt Service Fund 43000
Cash, June 30, 2020	\$ -	\$ 7,129,862	\$ 58,074	\$ 703,341
Add:				
Current year revenues	720,000	6,429,024	-	648,424
Permanent cash transfers	-	-	-	-
Prior period adjustment	-	-	-	-
Loans from other funds	-	-	-	-
Total cash available	720,000	13,558,886	58,074	1,351,765
Less:				
Current year expenditures	(42,891)	(6,241,735)	-	(766,266)
Permanent cash transfers	-	-	-	-
Prior period adjustment	-	-	-	-
Loans to other funds	-	-	-	-
Cash, June 30, 2021	<u>\$ 677,109</u>	<u>\$ 7,317,151</u>	<u>\$ 58,074</u>	<u>\$ 585,499</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SCHEDULE OF CASH RECONCILIATIONS
JUNE 30, 2021

Schedule VII

Primary Government

	Total
Cash, June 30, 2020	\$ 23,073,106
Add:	
Current year revenues	44,476,035
Permanent cash transfers	-
Prior period adjustment	333,262
Loans from other funds	995,671
Total cash available	68,878,074
Less:	
Current year expenditures	(41,758,925)
Permanent cash transfers	-
Prior period adjustment	(1,913)
Loans to other funds	(995,671)
Cash, June 30, 2021	\$ 26,121,565

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SCHEDULE OF JOINT POWERS AGREEMENTS
JUNE 30, 2021

Schedule VIII

Title: Joint Powers Agreement – Swimming Pool Operation

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

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

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

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

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

Audit Responsibility: City of Bloomfield

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

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

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COMPLIANCE SECTION



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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons of the general fund of the Bloomfield Municipal School District No. 6 (the "District"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 12, 2021.

Internal Control over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weakness or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item NM 2021-002.

Response to Findings

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

Purpose of this Report

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

Manning Accounting and Consulting Services, LLC

Manning Accounting and Consulting Services, LLC

Kirtland, New Mexico

November 12, 2021

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FEDERAL FINANCIAL ASSISTANCE



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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal Program

We have audited the Bloomfield Municipal School District No. 6's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

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

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

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

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

Manning Accounting and Consulting Services, LLC

Manning Accounting and Consulting Services, LLC
Kirtland, New Mexico
November 12, 2021

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Schedule IX

Federal Grantor or Pass-Through Grantor / Program Title	Passthrough Number	Federal Assistance Listing	Federal Expenditures
U.S. Department of Education			
<i>Passthrough State of New Mexico Public Education Department</i>			
Special Education Cluster (IDEA)			
IDEA B - Entitlement (1)	24106	84.027	\$ 724,794
IDEA-B Preschool (1)	24109	84.173	40,747
Total Special Education Cluster (IDEA)			<u>765,541</u>
Other Programs (Treated individually for major program determination)			
Title I IASA (1)	24101	84.010	745,006
Title I Comprehensive Support & Improvement (1)	24190	84.010	51,241
Total Title I			<u>796,247</u>
Education Stabilization Fund Under the Coronavirus Aid, Relief and Economic Security Act			
Elementary and Secondary School Emergency Relief (ESSER) Fund (1)	24301	84.425D	595,906
Governor's Emergency Education Relief Fund (1)	24305	84.425C	82,808
Governor's Emergency Education Relief Fund (1)	24307	84.425C	25,059
Elementary and Secondary School Emergency Relief (ESSER II) Fund (1)	24308	84.425D	1,355,346
Elementary and Secondary School Emergency Relief (ESSER II) Fund (1)	24312	84.425D	15,707
Total Education Stabilization Fund Under the Coronavirus Aid, Relief and Economic Security Act			<u>2,074,826</u>
Title I Striving Readers	24145	84.371C	523,387
Education of Homeless	24113	84.196A	12,603
English Language Acquisition	24153	84.365A	45,049
Teacher/Principal Training & Recruiting	24154	84.367	33,418
Student Support Academic Achievement Title IV	24189	84.424A	84,807
Total Other Programs			<u>3,570,337</u>
<i>Subtotal - Passthrough State of New Mexico Public Education Department</i>			<u>4,335,878</u>
<i>Direct U.S. Department of Education</i>			
Other Programs (Treated individually for major program determination)			
Impact Aid			
Impact Aid	11000	84.041	711,211
Impact Aid Special Education	25145	84.041	55,826
Impact Aid Indian Education	25147	84.041	237,708
Total Impact Aid			<u>1,004,745</u>
Indian Ed Formula Grant (1)	25184	84.060	228,880
Total Other Programs			<u>1,233,625</u>
<i>Subtotal - Direct U.S. Department of Education</i>			<u>1,233,625</u>
Total U.S. Department of Education			<u>5,569,503</u>
U.S. Department of Interior			
<i>Direct U.S. Department of Interior</i>			
Johnson O'Malley	25131	15.130	73,131
Total U.S. Department of Interior			<u>73,131</u>
U.S. Department of Defense			
<i>Direct U.S. Department of Defense</i>			
National Guard Military Projects	11000	12.401	26,389
Total U.S. Department of Defense			<u>26,389</u>
U.S. Department of Agriculture			
<i>Passthrough State of New Mexico Public Education Department</i>			
Other Programs (Treated individually for major program determination)			
Child Nutrition Cluster			
USDA School Breakfast Program	21000	10.553	432,423
National School Lunch Program	21000	10.555	778,842
Total Child Nutrition Cluster			<u>1,211,265</u>
<i>Passthrough State of New Mexico Human Services Department</i>			
Food Distribution (Commodities)	21000	10.565	98,531
<i>Subtotal - Passthrough State of New Mexico Public Education Department</i>			<u>1,211,265</u>
Total U.S. Department of Agriculture			<u>1,309,796</u>
Total Federal Financial Assistance			<u>\$ 6,978,819</u>

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

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Schedule IX

Notes to Schedule of Expenditures of Federal Awards

1. Basis of Presentation

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

2. Sub recipients

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

3. Non Cash Federal Assistance

The District receives USDA commodities for use in sponsoring the National School Lunch and Breakfast programs. The value of commodities received for the year ended June 30, 2021 was \$98,531 and is reported in the Schedule of Expenditures of Federal Awards under the Department of Agriculture Commodities program, Federal Assistant Listing Number 10.565. Commodities are recorded as revenues and expenditures in the Food Service Fund.

4. Indirect Cost Rate

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented. Certain of the District's federal award programs have been charged with indirect costs, based upon a rate established by the State of New Mexico, and the District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance applied to overall expenditures. The District's indirect cost rate for the year was 4.71%.

5. Matching Costs

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

6. Insurance

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

7. Loan or Loan Guarantees

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

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

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 6,978,819
Total expenditures funded by other sources	<u>34,590,682</u>
Total expenditures	<u>\$ 41,569,501</u>

(1) Denotes Major Federal Financial Assistance Program

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

Schedule X

Section I – Summary of Audit Results

Financial Statements:

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

Federal Awards:

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

Federal Assistance Listing Number	Federal Program
84.027	IDEA-B
84.010	Title I IASA
84.425 C and 84.425D	Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act
84.060	Indian Ed Formula Grant

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

Section II – Financial Statement Findings

2021-001 (FS 2018-001) – Improper Cash Controls (Significant Deficiency) Repeated and Modified

Criteria: 6.20.2.11 NMAC 1978 INTERNAL CONTROL STRUCTURE STANDARDS:

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

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

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

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

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

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

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

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

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

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

6.20.2.14 NMAC 1978 CASH CONTROL STANDARDS:

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

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

Section II – Financial Statement Findings (Continued)

2021-001 (FS 2018-001) – Improper Cash Controls (Significant Deficiency) Repeated and Modified (Continued)

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

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

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

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

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

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

Condition: During our review of cash reconciliations and cash controls, we identified the following issues:

- Cash reconciliations are reliant on reconciling cash amounts that purportedly exist in flowthrough funds 95000 through 99000 rather than the amounts that exist in a cash object code in each individual fund.
- The object code actually being reconciled is a "due to" "due from" object code (11130) and not the actual cash object code (11030).
- For the audit, journal entries then have to be made to move amounts out of the 11130 object code to the 11030 object code in each fund and get rid of all cash in the 99000 funds so all cash is in individual funds.
- The reconciliation includes \$12,262.70 in outstanding receipts, most of which are more than a year old, which had not cleared nor had they been removed from the reconciliation.
- The 96000-0000-11034 account had a balance of \$604,499 while the two funds which contain the cash attached to this flowthrough fund only add to \$602,776 – Fund 22000 \$127,475 and Fund 23000 \$475,301 – a difference of \$1,650.
- The final cash report to the Public Education Department (PED) listed a reconciled balance of \$24,579,696.77 with net outstanding reconciling items totaling \$2,076,949.93 while the final reconciled balance provided to us only had net reconciling items of \$535,778.18, a difference of \$1,541,171.75. As such, it appears that the final cash report to the PED was incorrect.
- When the District transfers funds to the bond sinking fund, it records the transfer as a bond payment and records the deposit in the sinking fund as investment income, overstating the expense and income amounts in the debt fund.

In the prior year, the District had not been timely and properly reconciling the payroll clearing and accounts payable clearing accounts. The final cash balance reported on the final cash report was significantly different than the cash balance for the audit, similar to the current year. The District had closed old accounts but had not made sure that all amounts in the general ledger related to those old accounts had been removed. The method of reconciling through the 90000 funds was the method being used at that time as well.

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

Schedule X

Section II – Financial Statement Findings (Continued)

2021-001 (FS 2018-001) – Improper Cash Controls (Significant Deficiency) Repeated and Modified (Continued)

The District has reconciled accounts timely and more accurately than in the prior year. However, some issues related to cash still need work.

Cause: Some of the issues relate to the method which Visions, the financial software system, established when they migrated to the software system which is using the 90000 funds as passthrough funds for cash. Some items just had not received enough time to concentrate on and clear up.

Effect: Cash reports provided to the State are not accurate and are not corrected after-the-fact. Additionally, the process of moving cash between the interfunds and the actual cash accounts becomes a laborious effort for the District. Finally, items that should not be left on the reconciliation have not been removed in a timely manner.

Auditor's Recommendation: We recommend that the District and Visions work to identify if the method which has been set up to reconcile cash is the most efficient method available as it is different than the auditors have witnessed with all other districts which it audits. We recommend that the District remove all old, outstanding items and make sure that final cash reports are accurate.

Responsible Official's View:

- Specific corrective action plan for finding:

1:1 Training scheduled with a specialist from Infinite Visions to review and correct the issue

- Timeline for completion of corrective action plan:

ASAP

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

Business Manager/Director of Finance

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

Schedule X

Section III – Federal Award Findings

None Identified

STATE OF NEW MEXICO
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2021

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

2021-002 (NM 2019-004) – Budgetary Controls and Cash Appropriations (Other Non-compliance) Repeated and Modified

Criteria: 2.2.2.10 NMAC 1978 GENERAL CRITERIA:

Q. Budgetary presentation:

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

R. Appropriations:

(1) Budget related findings:

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

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

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

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

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

Condition: During our review of budgets and related expenditures, we noted that the District re-budgeted “cash balance” in excess of available cash balances in the following fund:

Fund #	Non-major Funds:	Original Cash Budget	Actual Cash	Difference
25153	Food Service	\$ 599,852	\$ 559,041	\$ (40,811)
25184	Indian Ed Formula Grant	22,879	(14,847)	(37,726)
	Total	<u>\$ 622,731</u>	<u>\$ 544,194</u>	<u>\$ (78,537)</u>

STATE OF NEW MEXICO
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2021

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

2021-002 (NM 2019-004) – Budgetary Controls and Cash Appropriations (Other Non-compliance) Repeated and Modified (Continued)

The District had expenditures in excess of budget in the following funds:

Non-Major Funds:

25184	Indian Ed Formula Grant - General Administration	\$	23
25184	Indian Ed Formula Grant - School Administration		437
	Total	\$	460

In the prior year’s audit, the District had expenditures in excess of budget in two funds in the amount of \$99,392 and \$15,488. As such, no improvement has been made in the current year.

Cause: The PED analyst required the District to include receivables as cash before they would approve the District’s budget. This is not the proper way to determine the District’s cash balance. Modifying the budget of the funds and improper internal controls regarding expenditures was missed by District personnel.

Effect: The District has budgeted a cash balance in excess of actual cash and expended funds in excess budget.

Auditor’s Recommendation: Greater attention should be given to the budget monitoring process end-of-the-year cash balance estimates. Adjustments should be made to cash balances after actual amounts are determined.

Responsible Official’s Plan:

- Specific corrective action plan for finding:
 Adjustments to cash balances as soon as amounts are determined.
- Timeline for completion of corrective action plan:
 Once audit is reviewed and approved
- Employee position(s) responsible for meeting the timeline:
 Director of Finance/Business Manager

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

Schedule X

Section V – Prior Year Audit Findings

Financial Statement Findings

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

Federal Awards Findings

None Identified

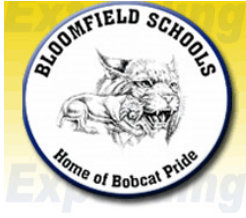
Section 12-6-5 NMSA 1978 Findings

NM 2019-004 – Budgetary Controls and Cash Appropriations – Repeated and Modified

NM 2020-001 – Failure to Follow Bid-RFP Procedures – Resolved

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UNAUDITED SUPPLEMENTAL INFORMATION



Bloomfield Schools

Dr. Kimberly Mizell, Superintendent

2019 Audit

Financial Statement Findings

The FS 2018-001 – Improper Cash Controls (Significant Deficiency) Repeated and Revised – Repeated in 2020 and 2021

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

Federal Awards Findings

None

New Mexico Findings

NM 2018-001 - Improper Reimbursement of Travel Expense (Other Non-compliance) Repeated and Revised – Resolved in 2020

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

NM 2019-001 – Timeliness of Deposits – Activity Accounts (Other Non-compliance) – Resolved in 2020

- Specific corrective action plan for finding: The district has received an alternative plan for small deposits from PED. If the amount is less than \$500 the monies can be held in the vault for no more than three days or until the minimum has reached \$500 and the money will be deposited.

- Timeline for completion of corrective action plan: September 18, 2019
- Employee position(s) responsible for meeting the timeline: Director of Finance

NM 2019-002 – Improper Withholding of Employee Contributions (Other Non-compliance) – Resolved in 2020

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

NM 2019-003 – I-9 Documentation (Other Non-compliance) – Resolved in 2020

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

NM 2019-004 – Budgetary Controls and Cash Appropriations (Other Non-compliance) – Repeated in 2020 and 2021

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

2020 Audit

Financial Statement Findings

The FS 2018-001 – Improper Cash Controls (Significant Deficiency) Repeated and Revised – Repeated in 2021

- Specific corrective action plan for finding: All reconciliations will be completed and reviewed within 30 days of the month end. New accounts have been opened and the old have been closed
- Timeline for completion of corrective action plan: Immediately
- Employee position(s) responsible for meeting the timeline: Finance Director and Business Manager

Federal Awards Findings

None

New Mexico Findings

NM 2019-004 – Budgetary Controls (Other Non-compliance) – Repeated in 2021

- Specific corrective action plan for finding: All funds will be monitored and cash balances will be adjusted accordingly prior to year-end.
- Timeline for completion of corrective action plan: Immediately
- Employee position(s) responsible for meeting the timeline: Business Manager and Director of Finance

NM 2020-001 – Failure to Follow Bid-RFP Procedures (Compliance and Other Matters) – Resolved in 2021

- Specific corrective action plan for finding: All Bids and RFP's will be presented to the Board for approval
- Timeline for completion of corrective action plan: Immediately-Employee position(s) responsible for meeting the timeline: Person responsible for RFP or Bid.

2021 Audit

Financial Statement Findings

2021-001 – Improper Cash Controls (Significant Deficiency) Repeated and Revised – Repeated in 2021

- **Specific corrective action plan for finding: 1:1 Training scheduled with a specialist from Infinite Visions to review and correct the issue**
- **Timeline for completion of corrective action plan: ASAP**
- **Employee position(s) responsible for meeting the timeline: Business Manager/Director of Finance**

Federal Awards Findings

None

New Mexico Findings

2021-002 – Budgetary Controls and Cash Appropriations (Other Non-compliance) – Repeated in 2021

- **Specific corrective action plan for finding: Adjustments to cash balances as soon as amounts are determined.**
- **Timeline for completion of corrective action plan: Once audit is reviewed and approved**
- **Employee position(s) responsible for meeting the timeline: Director of Finance/Business Manager**

STATE OF NEW MEXICO
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO.6
OTHER DISCLOSURES
FOR THE YEAR ENDED JUNE 30, 2021

Auditor Prepared Financial Statements

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

Exit Conference

The contents of this report were discussed on November 12, 2021. The following individuals were in attendance.

Bloomfield Municipal School District No. 6

Dale J. Maes, School Board President

Dr. Kimberly Mizell, Superintendent

Jodie Maestas, Finance Director

Staci Babcock, Business Manager

Manning Accounting and Consulting Services, LLC

Byron R. Manning, CPA, Managing Partner