MICHELLE LUJAN GRISHAM
GOVERNOR

DONNIE J. QUINTANA
DIRECTOR

DEBORAH K. ROMERO
CABINET SECRETARY

STATE OF NEW MEXICO
DEPARTMENT OF FINANCE AND ADMINISTRATION
LOCAL GOVERNMENT DIVISION
Bataan Memorial Building ♦ 407 Galisteo St. ♦ Suite 202 ♦ Santa Fe, NM 87501
PHONE (505) 827-4950 ♦ FAX (505) 827-4948

June 18, 2021

The Honorable Chon Fierro
PO Box 728,
Bayard, NM 88023

Dear Mayor Fierro:

In accordance with Section 6-6-2B NMSA 1978, the Department of Finance and Administration, Local Government Division (LGD) has examined the proposed budget of your local government entity for Fiscal Year 2021-22 and hereby grants approval and certification for use. Sufficient resources appear to be available to cover proposed budgeted expenditures. However, we must point out that the final approval will be certified no later than the first Monday of September 2021.

Approval and certification of your final budget is contingent upon submission of the following by no later than **July 31, 2021**:

- A resolution adopting the 2021-22 operating budget
- The June 30, 2021 (4th) quarter financial report
- A resolution approving the June 30, 2021 (4th quarter) financial report
- Debt service schedule which reconciles with budgeted amounts
- Investment schedule which reconciles with budgeted amounts on recap
- Budget Work Plan questionnaire
- Revised unaudited beginning cash balances as of July 1, 2021 that agree with ending cash balances as of June 30, 2021 per the 4th quarter financial report
- To avoid reporting negative unaudited beginning cash balances for any Fund (if negative balances exist at June 30th) it is highly recommended that a final budget adjustment resolution (BAR) must be prepared, approved and submitted by the July 31st deadline with temporary transfers from General Fund to any Fund showing a negative beginning cash balance
- Adjustments/revisions discussed with staff (attached)

Please note final budget certification will be "conditional" if one or both of the following situations apply:

- Pursuant to the *Budget Certification of Local Public Bodies* rule 2.2.3 NMAC if your entity's Fiscal Year 2020 audit has not been filed with the Office of the State Auditor; and/or
- Pursuant to Section 6-6-2K NMSA 1978 if your entity's Fiscal Year 2021-22 budget was not submitted on the Local Government Budget Management System (LGBMS)

If you have questions regarding this matter, please call Stephanie Ortiz of my staff at 505-396-1783, or via email at StephanieD.Ortiz@state.nm.us.

Sincerely,

Brenda L. Scapa-Dilla

On behalf of:
Donnie J. Quintana, Director
Local Government Division

xc: file

City of Bayard

DEPARTMENT OF FINANCE AND ADMINISTRATION, LOCAL GOVERNMENT DIVISION'S ADJUSTMENTS TO THE FISCAL YEAR 2021-22 BUDGET:

FUND	EXPLANATION
LEPF	Please note: these grant revenues must be fully expended in the fiscal year. State law prohibits accumulation of grant revenue in this fund. Furthermore, if there will be a carryover amount, approval must be requested in the LGD carryover request form.
Debt	Verify and adjust detailed budget document to agree with amounts listed on the Debt Schedule.
GRT	Verify, and adjust if necessary, Gross Receipts Tax Revenue to accommodate budgeted expenditures.
Property Tax	Verify, and adjust if necessary, Property Tax Revenue to accommodate budgeted expenditures.

NOTE:
Please note that the General Fund cash balance is being depleted **-11.23%**. If not addressed in the interim prior to final budget submission, the governing body will be warned of this occurrence in the final budget approval letter.