

STATE OF NEW MEXICO
CITY OF CLOVIS
ANNUAL FINANCIAL REPORT
JUNE 30, 2008

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INTRODUCTORY SECTION

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STATE OF NEW MEXICO
City of Clovis
Official Roster
June 30, 2008

<u>Name</u>		<u>Title</u>
	<u>City Officials</u>	
Gayla Brumfield		Mayor
Randy Crowder		Mayor Pro-Tem
Juan F. Garza		City Commissioner
Isidro Garcia		City Commissioner
Robert Sandoval		City Commissioner
Len Vohs		City Commissioner
Fred Van Soelen		City Commissioner
Chris Bryant		City Commissioner
Ron Edwards		City Commissioner
	<u>Administrative Officials</u>	
Joe Thomas		City Manager
Don Clifton		Director of Budget and Internal Operations
Leigh Ann Melancon		Finance Director

STATE OF NEW MEXICO

City of Clovis
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June 30, 2008

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Hector Balderas
New Mexico State Auditor
The Office of Management and Budget
To the City Manager and City Commission
The City of Clovis
Clovis, New Mexico

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Clovis (City) as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the City's nonmajor governmental funds and internal service funds and the budgetary comparisons presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2008 as listed in the table of contents. These financial statements are the responsibility of City's management. 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Clovis, as of June 30, 2008, and the respective changes in financial position, and cash flows, where applicable, thereof and the budgetary comparisons for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund and internal service fund of the City as of June 30, 2008, and the respective changes in financial position and the respective budgetary comparisons for the proprietary funds, and the remaining nonmajor governmental funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2008 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions

of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The *Management's Discussion and Analysis* on pages 10 through 16 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. The accompanying financial information listed as supporting Schedules I through III in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the City of Clovis, New Mexico. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and each of the City's nonmajor governmental funds and internal service funds financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements, taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on it.

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP
Albuquerque, New Mexico
November 21, 2008

STATE OF NEW MEXICO
City of Clovis
Management Discussion and Analysis
For the Year Ended June 30, 2008

As management of the City of Clovis, we offer readers of the City of Clovis financial statements this narrative overview and analysis of the financial activities of the City of Clovis for the fiscal year ended June 30, 2008. We encourage readers to consider the information presented here in conjunction with the financial statements of the City of Clovis and additional information provided.

Financial Highlights

- The assets of the City of Clovis exceeded its liabilities at the close of the most recent fiscal year by \$107,800,344 (*net assets*). Of this amount, \$12,577,001 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$4,808,188. The majority of this increase is due to the increase in investment in capital assets.
- As of the close of the current fiscal year, the City of Clovis' governmental funds reported combined ending fund balances of \$20,473,527, an increase of \$1,872,115 in comparison with the prior year.
- At the end of the current fiscal year, unreserved, undesignated fund balance for the general fund was \$7,911,225 or 42 percent of total general fund expenditures.
- The City of Clovis' total debt decreased by \$112,348 (1 percent), during the current fiscal year. The key factor in this decrease was the principal payments bond and note payables held by the City at June 30, 2008.

Overview of the Financial Statements

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

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

The *statement of net assets* presents information on all of the City of Clovis' assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Clovis is improving or deteriorating.

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

STATE OF NEW MEXICO
City of Clovis
Management Discussion and Analysis
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Both of the government-wide financial statements distinguish functions of the City of Clovis that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Clovis include general government, public safety, public works, and culture and recreation. The business-type activities of the City of Clovis include an airport, solid waste, and wastewater.

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

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

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The City of Clovis maintains thirty three individual governmental funds. Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances for the general fund, which is considered to be a major fund. Data from the other thirty two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of Clovis adopts an annual appropriated budget for its general fund and all other governmental funds. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget. In addition, the individual financial statements of the remaining governmental fund types include budgetary comparison data.

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

Proprietary funds. The City of Clovis maintains two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Clovis uses enterprise funds to account for its airport, solid waste, and wastewater funds. *Internal Service Funds* accounts for workers compensation and unemployment insurance services provided to other departments of the government. Services are provided on a cost reimbursement basis.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the solid waste, wastewater, and airport, all of which are considered major funds of the City of Clovis.

The basic proprietary fund financial statements can be found at exhibits D-1, D-2 and D-3 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 36-62 of this report.

STATE OF NEW MEXICO
City of Clovis
Management Discussion and Analysis
For the Year Ended June 30, 2008

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 67-118 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Clovis, assets exceeded liabilities by \$107,800,344 at the close of the most recent fiscal year.

The largest portion of the City of Clovis' net assets (78 percent) reflect its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City of Clovis uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Clovis' investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Clovis
Net Assets
(In thousands)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007
Current and other assets	\$ 24,844	\$ 22,264	\$ 8,822	\$ 7,282	\$ 33,666	\$ 29,546
Capital assets, net of accumulated depreciation	58,492	57,540	38,764	39,221	97,256	96,761
Total assets	<u>83,336</u>	<u>79,804</u>	<u>47,586</u>	<u>46,503</u>	<u>130,922</u>	<u>126,307</u>
Long-term Liabilities outstanding	5,203	6,164	12,543	11,663	17,746	17,827
Other Liabilities	<u>2,599</u>	<u>2,364</u>	<u>2,777</u>	<u>3,124</u>	<u>5,376</u>	<u>5,488</u>
Total liabilities	<u>7,802</u>	<u>8,528</u>	<u>15,320</u>	<u>14,787</u>	<u>23,122</u>	<u>23,315</u>
Net assets	<u>\$ 75,534</u>	<u>\$ 71,276</u>	<u>\$ 32,266</u>	<u>\$ 31,716</u>	<u>\$ 107,800</u>	<u>\$ 102,992</u>

An additional portion of the City of Clovis' net assets of \$11,970,710 (11 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* \$12,577,001 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Clovis is able to report positive balances in all three categories of net assets, both for the government as a whole as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

There was a net increase of \$6,196,151 in capital assets reported. The majority of this increase resulted from the construction of the bus facility, acquisition of vehicles and equipment and the completion of on-going building construction in progress.

Governmental activities. Governmental activities increased the City of Clovis' net assets by \$1,872,115. Key elements of this increase are as follows:

- The total expenses for governmental activities increased by \$56,745 due primarily to a increase in general government and public safety expenditures due to overall increase in cost of operations, while revenue remained relatively stable.
- The gross receipts tax revenue decreased \$1,123,448.

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City of Clovis
Management Discussion and Analysis
For the Year Ended June 30, 2008

Business-type activities. Business-type activities increased the City of Clovis' net assets by \$550,696.

- Revenue decreased \$444,867 due to a decrease in grant revenues. Expenses experienced a decrease of \$245,196 during the year primarily due to decrease in cost of operations and decrease of interest expense.

City of Clovis
Comparison of Key Elements
(In thousands)

	Governmental Activities		Business-type Activities		Total	
	June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007
Revenues						
Taxes	\$ 24,405	\$ 25,411	\$ 509	\$ 382	\$ 24,914	\$ 25,793
Intergovernmental	6,556	6,156	731	1,114	7,287	7,270
Charges for services	2,493	3,019	5,746	6,133	8,239	9,152
Other	2,263	1,422	523	268	2,786	1,690
Total revenue	35,717	36,008	7,509	7,897	43,226	43,905
Expenses						
General government	4,340	4,112	-	-	4,340	4,112
Public safety	15,312	14,379	-	-	15,312	14,379
Public works	4,233	4,319	-	-	4,233	4,319
Culture and recreation	5,374	5,601	-	-	5,374	5,601
Health and welfare	1,801	948	-	-	1,801	948
Interest on long-term debt	263	289	-	-	263	289
Solid waste	-	-	3,619	3,556	3,619	3,556
Wastewater	-	-	2,755	3,123	2,755	3,123
Airport	-	-	721	661	721	661
Total expenses	31,323	29,648	7,095	7,340	38,418	36,988
Transfers	(137)	5	137	18	-	23
Change in net assets	\$ 4,257	\$ 6,365	\$ 551	\$ 575	\$ 4,808	\$ 6,940

STATE OF NEW MEXICO
City of Clovis
Management Discussion and Analysis
For the Year Ended June 30, 2008

Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the City of Clovis' *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of Clovis' financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Clovis' governmental funds reported combined ending fund balances of \$20,473,527, an increase of \$1,872,115 in comparison with the prior year. Approximately 99 percent of this total amount, \$19,066,011, constitutes *unreserved, undesignated fund balance*, which is available for spending at the government's discretion. Of the remainder, \$463,122 is reserved for inventory and prepaid expenses.

The general fund is the chief operating fund of the City of Clovis. At the end of the current fiscal year, unreserved fund balance of the general fund was \$7,911,225 and represents 42 percent of total general fund expenditures.

The fund balance of the City of Clovis' general fund increased by \$1,003,300 during the current fiscal year.

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

General Fund Budgetary Highlights

There were no major differences between the original budget and the final amended budget.

The following table examines the summary budget performance of the general fund for the fiscal year ending June 30, 2008. Detailed budget performance is examined through the Statement of Revenues, Expenditures and Changes in Fund Balance for the general fund found at Exhibit C-1. Actual general fund expenditures were \$2,819,620 less than the final budget amount (favorable variance). This was due primarily to public safety favorable variance of \$1,375,712.

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
General Fund:			
General government	\$ 4,264,474	\$ 3,513,799	\$ 750,675
Public safety	\$ 13,395,664	\$ 12,019,952	\$ 1,375,712
Public works	\$ 300,000	\$ 277,118	\$ 22,882
Culture and recreation	\$ 2,085,732	\$ 1,978,093	\$ 107,639
Health and welfare	\$ 373,218	\$ 341,568	\$ 31,650
Capital outlay	\$ 1,374,535	\$ 843,473	\$ 531,062

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City of Clovis
Management Discussion and Analysis
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Capital Asset and Debt Administration

Capital assets. The City of Clovis' investment in capital assets for its governmental and business type activities as of June 30, 2008, amounts to \$97,257,047 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, computers, equipment, furniture and fixtures, vehicles, infrastructure and zoo.

The significant additions (in thousands) to capital assets during the year were as follows:

- \$2,459 for improvements and construction to buildings of the City
- \$4,719 for improvements to infrastructure

City of Clovis' Capital Assets
(In thousands, net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007
Land	\$ 3,007	\$ 3,007	\$ 4,147	\$ 4,147	\$ 7,154	\$ 7,154
Land improvements	5,689	1,636	6,574	6,859	12,263	8,495
Buildings and improvements	17,333	20,562	7,495	7,868	24,828	28,430
Equipment and vehicles	7,259	7,407	4,430	4,641	11,689	12,048
Infrastructure	23,341	24,579	14,673	15,592	38,014	40,171
Construction in progress	1,863	349	1,446	114	3,309	463
Net capital assets	<u>\$ 58,492</u>	<u>\$ 57,540</u>	<u>\$ 38,765</u>	<u>\$ 39,221</u>	<u>\$ 97,257</u>	<u>\$ 96,761</u>

Additional information on the City of Clovis' capital assets can be found in Note 6 on pages 56-57 of this report.

Long-term debt. At the end of the current fiscal year, the City of Clovis had total debt from outstanding bonds of \$14,004,000 and loans and notes outstanding of \$2,604,094.

	Governmental Activities		Business-type Activities		Total	
	June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007
Revenue bonds	\$ 5,265	\$ 6,365	\$ 8,739	\$ -	\$ 14,004	\$ 6,365
Notes payable	<u>-</u>	<u>-</u>	<u>2,604</u>	<u>10,417</u>	<u>2,604</u>	<u>10,417</u>
	<u>\$ 5,265</u>	<u>\$ 6,365</u>	<u>\$ 11,343</u>	<u>\$ 10,417</u>	<u>\$ 16,608</u>	<u>\$ 16,782</u>

Additional information on the City of Clovis' long-term debt can be found in Note 7 on pages 53-56 of this report.

STATE OF NEW MEXICO
City of Clovis
Management Discussion and Analysis
For the Year Ended June 30, 2008

Economic Factors and Next Year's Budget

City of Clovis is located in Curry County. Curry County, like the rest of urban New Mexico, has a strong and balanced economy. Employment in the area has been stable for the past three years.

City of Clovis receives approximately 61% of its annual operating budget for governmental funds from gross receipts taxes.

Request for Information

This financial report is designed to provide a general overview of the City of Clovis' finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, City of Clovis, P.O. Box 760, Clovis, New Mexico 88101. See Note 1 for requests of information in the separately financial statements of the component unit.

**BASIC
FINANCIAL STATEMENTS**

STATE OF NEW MEXICO

City of Clovis

Statement of Net Assets

June 30, 2008

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Current assets				
Cash and cash equivalents	\$ 18,458,084	\$ 6,257,098	\$ 24,715,182	\$ 1,025,216
Receivables:				
Property taxes receivable	94,510	-	94,510	-
Intergovernmental	5,406,430	89,260	5,495,690	-
Other receivables	260,020	-	260,020	14,057
Customer receivables	-	597,950	597,950	-
Notes receivable	-	1,756,636	1,756,636	-
Prepays	463,470	101,828	565,298	41,068
Inventory	26,045	86,190	112,235	9,928
Internal balances	65,983	(65,983)	-	-
Total current assets	<u>24,774,542</u>	<u>8,822,979</u>	<u>33,597,521</u>	<u>1,090,269</u>
Noncurrent assets				
Restricted cash and cash equivalents	-	-	-	45,885
Bond discounts, net of amortization of \$1,343	22,822	-	22,822	-
Bond issuance costs, net of amortization of \$2,756	46,849	-	46,849	-
Capital assets	102,426,044	67,909,004	170,335,048	6,429,382
Less: accumulated depreciation	<u>(43,933,969)</u>	<u>(29,144,032)</u>	<u>(73,078,001)</u>	<u>(4,815,956)</u>
Total noncurrent assets	<u>58,561,746</u>	<u>38,764,972</u>	<u>97,326,718</u>	<u>1,659,311</u>
Total assets	<u>\$ 83,336,288</u>	<u>\$ 47,587,951</u>	<u>\$ 130,924,239</u>	<u>\$ 2,749,580</u>

The accompanying notes are an integral part of these financial statements

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Liabilities				
Current liabilities				
Accounts payable	\$ 1,330,489	\$ -	\$ 1,330,489	\$ 33,266
Accrued payroll expenses	57,801	9,260	67,061	30,042
Accrued compensated absences	600,190	168,916	769,106	-
Accrued interest	18,024	16,255	34,279	-
Meter and other refundable deposits	72,636	-	72,636	45,885
Deferred revenue	-	1,756,637	1,756,637	-
Current portion of bonds payable	520,000	359,686	879,686	-
Current portion of notes payable and capital leases	-	466,959	466,959	-
Total current liabilities	<u>2,599,140</u>	<u>2,777,713</u>	<u>5,376,853</u>	<u>109,193</u>
Noncurrent liabilities				
Accrued compensated absences	458,419	-	458,419	5,441
Landfill closure liability	-	2,026,760	2,026,760	-
Bonds payable	4,745,000	8,379,728	13,124,728	-
Notes payable and capital leases	-	2,137,135	2,137,135	-
Total noncurrent liabilities	<u>5,203,419</u>	<u>12,543,623</u>	<u>17,747,042</u>	<u>5,441</u>
Total liabilities	<u>7,802,559</u>	<u>15,321,336</u>	<u>23,123,895</u>	<u>114,634</u>
Net Assets				
Invested in capital assets, net of related debt	53,227,075	30,025,558	83,252,633	1,613,426
Restricted for: (Note 18)				
Debt service	232,031	-	232,031	-
Capital projects and improvements	886,094	-	886,094	-
Other purposes	10,852,585	-	10,852,585	-
Unrestricted	<u>10,335,944</u>	<u>2,241,057</u>	<u>12,577,001</u>	<u>1,021,520</u>
Total net assets	<u>75,533,729</u>	<u>32,266,615</u>	<u>107,800,344</u>	<u>2,634,946</u>
Total liabilities and net assets	<u>\$ 83,336,288</u>	<u>\$ 47,587,951</u>	<u>\$ 130,924,239</u>	<u>\$ 2,749,580</u>

STATE OF NEW MEXICO
City of Clovis
Statement of Activities
For the Year Ended June 30, 2008

<u>Functions/Programs</u>	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary Government				
General government	\$ 4,340,012	\$ 2,493,453	\$ 3,506,187	\$ -
Public safety	15,311,830	-	694,463	-
Public works	4,232,539	-	1,195,677	790,779
Culture and recreation	5,373,835	-	363,924	-
Health and welfare	1,801,480	-	4,918	-
Interest on long-term debt	263,249	-	-	-
<i>Total governmental activities</i>	<u>31,322,945</u>	<u>2,493,453</u>	<u>5,765,169</u>	<u>790,779</u>
Business-type Activities:				
Solid Waste	3,618,870	3,268,785	234,376	-
Wastewater	2,755,048	2,355,926	-	240,600
Airport	721,399	120,990	255,463	-
<i>Total business type activities</i>	<u>7,095,317</u>	<u>5,745,701</u>	<u>489,839</u>	<u>240,600</u>
<i>Total Primary Government</i>	<u>\$ 38,418,262</u>	<u>\$ 8,239,154</u>	<u>\$ 6,255,008</u>	<u>\$ 1,031,379</u>
Component Units:				
Housing Authority	<u>\$ 2,887,136</u>	<u>\$ 693,827</u>	<u>\$ 2,522,569</u>	<u>\$ -</u>
General Revenues:				
Taxes				
Property taxes, levied for general purposes				
Gross receipts taxes				
Gasoline and motor vehicle taxes				
Franchise taxes				
Cigarette and lodger's taxes				
Licenses and fees				
Fines, forfeitures, and penalties				
Investment income				
Miscellaneous income				
Gain/(loss) on sale of capital assets				
Transfers				
Total general revenues and transfers				
Change in net assets				
Net assets, beginning				
Net assets, restatement				
Net assets, as restated				
Net assets, ending				

The accompanying notes are an integral part of these financial statements

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			
Governmental Activities	Business Type Activities	Total	Component Unit
\$ 1,659,628	\$ -	\$ 1,659,628	\$ -
(14,617,367)	-	(14,617,367)	-
(2,246,083)	-	(2,246,083)	-
(5,009,911)	-	(5,009,911)	-
(1,796,562)	-	(1,796,562)	-
(263,249)	-	(263,249)	-
(22,273,544)	-	(22,273,544)	-
-	(115,709)	(115,709)	-
-	(158,522)	(158,522)	-
-	(344,946)	(344,946)	-
-	(619,177)	(619,177)	-
(22,273,544)	(619,177)	(22,892,721)	-
-	-	-	329,260
1,310,381	-	1,310,381	-
21,035,268	508,813	21,544,081	-
576,341	-	576,341	-
973,989	-	973,989	-
509,519	-	509,519	-
759,048	-	759,048	-
177,435	-	177,435	-
786,432	367,366	1,153,798	59
663,740	156,028	819,768	40,413
(123,451)	-	(123,451)	(164)
(137,666)	137,666	-	-
26,531,036	1,169,873	27,700,909	369,568
4,257,492	550,696	4,808,188	369,568
71,276,237	31,715,919	102,992,156	2,264,846
-	-	-	532
71,276,237	31,715,919	102,992,156	2,265,378
\$ 75,533,729	\$ 32,266,615	\$ 107,800,344	\$ 2,634,946

STATE OF NEW MEXICO
City of Clovis
Balance Sheet
Governmental Funds
June 30, 2008

Exhibit B-1
Page 1 of 2

	General Fund	Other Governmental Funds	Total
<i>Assets</i>			
Cash and cash equivalents	\$ 3,928,942	\$ 11,732,666	\$ 15,661,608
Receivables:			
Property taxes	94,510	-	94,510
Intergovernmental	2,744,944	2,661,486	5,406,430
Other receivables	230,020	30,000	260,020
Inventory	-	26,045	26,045
Prepaid insurance	392,915	70,207	463,122
Due from other funds	1,429,469	-	1,429,469
	<u>\$ 8,820,800</u>	<u>\$ 14,520,404</u>	<u>\$ 23,341,204</u>
<i>Total assets</i>			
<i>Liabilities and fund balances</i>			
<i>Liabilities</i>			
Accounts payable	\$ 353,324	\$ 977,165	\$ 1,330,489
Accrued payroll expenses	47,131	10,366	57,497
Deposits held in trust	72,636	-	72,636
Deferred property tax revenue	43,569	-	43,569
Due to other funds	-	1,363,486	1,363,486
	<u>516,660</u>	<u>2,351,017</u>	<u>2,867,677</u>
<i>Total liabilities</i>			
<i>Fund balances</i>			
Reserved:			
Prepaid insurance	392,915	70,207	463,122
Unreserved, reported in:			
General	7,911,225	-	7,911,225
Special revenue	-	10,963,031	10,963,031
Debt service	-	250,055	250,055
Capital projects	-	886,094	886,094
	<u>8,304,140</u>	<u>12,169,387</u>	<u>20,473,527</u>
<i>Total fund balances</i>			
<i>Total liabilities and fund balances</i>			
	<u>\$ 8,820,800</u>	<u>\$ 14,520,404</u>	<u>\$ 23,341,204</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Clovis
Governmental Funds
Reconciliation of the Balance Sheet to the Statement of Net Assets
June 30, 2008

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

Fund balances - total governmental funds	\$	20,473,527
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		58,480,556
Delinquent property taxes not collected within sixty days after year end are not considered "available" revenues and are considered to be deferred revenue in the fund financial statements, but are considered revenue in the Statement of Activities		43,569
Other long-term assets are not available to pay for current period expenditures and therefore, are deferred in the funds:		
Bond discounts		22,822
Bond issuance costs		46,849
Other liabilities are not due and payable in the current period and, therefore, are not reported in the funds		
Accrued interest		(18,024)
Internal service funds assets and liabilities included governmental activities in the statement of net assets		2,805,741
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds		
Current accrued compensated absences		(597,892)
Noncurrent accrued compensated absences		(458,419)
Bonds payable		<u>(5,265,000)</u>
Net assets of governmental activities	\$	<u><u>75,533,729</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

City of Clovis

Exhibit B-2

Page 1 of 2

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 For the Year Ended June 30, 2008

	General Fund	Other Governmental Funds	Total
<i>Revenues:</i>			
Taxes:			
Property	\$ 1,301,740	\$ -	\$ 1,301,740
Gross receipts	12,709,354	8,325,914	21,035,268
Gasoline and motor vehicle	48,113	528,228	576,341
Other	1,040,899	442,609	1,483,508
Intergovernmental:			
Federal operating grants	971,133	147,990	1,119,123
Federal capital grants	-	647,274	647,274
State operating grants	191,342	3,808,953	4,000,295
State capital grants	-	790,779	790,779
Charges for services	1,650,391	843,062	2,493,453
Fines, forfeitures, and penalties	161,924	15,511	177,435
Licenses and fees	304,738	454,310	759,048
Investment income	192,885	436,896	629,781
Miscellaneous	236,168	427,572	663,740
<i>Total revenues</i>	<u>18,808,687</u>	<u>16,869,098</u>	<u>35,677,785</u>
<i>Expenditures:</i>			
Current:			
General government	3,653,614	898,632	4,552,246
Public safety	11,609,381	433,990	12,043,371
Public works	247,992	5,441,692	5,689,684
Culture and recreation	1,968,542	2,624,415	4,592,957
Health and welfare	335,298	271,304	606,602
Capital outlay	938,927	3,904,592	4,843,519
Debt service:			
Principal	-	1,100,000	1,100,000
Interest	-	263,047	263,047
<i>Total expenditures</i>	<u>18,753,754</u>	<u>14,937,672</u>	<u>33,691,426</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>54,933</u>	<u>1,931,426</u>	<u>1,986,359</u>
<i>Other financing sources (uses)</i>			
Transfers in/(out)	939,927	(1,062,611)	(122,684)
Proceeds from sale of capital asset	8,440	-	8,440
<i>Total other financing sources (uses)</i>	<u>948,367</u>	<u>(1,062,611)</u>	<u>(114,244)</u>
<i>Net change in fund balance</i>	1,003,300	868,815	1,872,115
<i>Fund balance - beginning of year</i>	<u>7,300,840</u>	<u>11,300,572</u>	<u>18,601,412</u>
<i>Fund balance - end of year</i>	<u>\$ 8,304,140</u>	<u>\$ 12,169,387</u>	<u>\$ 20,473,527</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

City of Clovis

Exhibit B-2

Page 2 of 2

Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2008

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

Net change in fund balances - total governmental funds	\$	1,872,115
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Governmental funds report capital outlays as expenditures. However in
the statement of activities, the cost of those assets is allocated over their
estimated useful lives and reported as depreciation expense:

Capital expenditures recorded in capital outlay		4,843,519
Depreciation expense		(3,763,354)
Loss on disposal of capital assets		(123,451)

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

Increase in deferred revenue		8,641
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The net profit of the internal service fund is reported with the
governmental activities

390,924

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

Amortization of bond discounts		(1,343)
Amortization of bond issuance costs		(2,756)
Decrease in accrued interest		3,897
Increase in noncurrent and current accrued compensated absences		(70,700)
Principal payments on bonds and notes payable		1,100,000

Change in net assets of governmental activities

\$ 4,257,492

The accompanying notes are an integral part of these financial statements

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STATE OF NEW MEXICO

Exhibit C-1

City of Clovis

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes				
Property	\$ 1,251,315	\$ 1,251,315	\$ 1,297,895	\$ 46,580
Gross receipts	11,587,219	11,611,097	12,680,719	1,069,622
Gasoline and motor vehicle	22,651	22,651	39,832	17,181
Other	949,858	949,858	1,001,099	51,241
Intergovernmental income:				
Federal operating grants	1,250,635	1,693,574	811,284	(882,290)
Federal capital grants	-	-	-	-
State operating grants	232,301	232,301	213,303	(18,998)
State capital grants	-	-	-	-
Charges for services	1,368,077	1,368,077	1,697,685	329,608
Licenses and fees	358,529	358,529	304,738	(53,791)
Fines, forfeitures and penalties	150,000	150,000	161,924	11,924
Investment income	180,000	180,022	192,885	12,863
Miscellaneous	95,128	128,286	121,780	(6,506)
<i>Total revenues</i>	<u>17,445,713</u>	<u>17,945,710</u>	<u>18,523,144</u>	<u>577,434</u>
<i>Expenditures:</i>				
Current:				
General government	3,877,012	4,264,474	3,513,799	750,675
Public safety	12,969,674	13,395,664	12,019,952	1,375,712
Public Works	300,000	300,000	277,118	22,882
Culture and recreation	1,940,588	2,085,732	1,978,093	107,639
Health and welfare	366,941	373,218	341,568	31,650
Capital outlay	1,155,022	1,374,535	843,473	531,062
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>20,609,237</u>	<u>21,793,623</u>	<u>18,974,003</u>	<u>2,819,620</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(3,163,524)</u>	<u>(3,847,913)</u>	<u>(450,859)</u>	<u>3,397,054</u>
<i>Other financing sources (uses)</i>				
Designated cash	3,163,524	3,847,913	-	(3,847,913)
Transfers in	-	-	3,195,548	3,195,548
Transfers out	-	-	(2,255,621)	(2,255,621)
<i>Total other financing sources (uses)</i>	<u>3,163,524</u>	<u>3,847,913</u>	<u>939,927</u>	<u>(2,907,986)</u>
<i>Net change in fund balance</i>	-	-	489,068	489,068
<i>Fund balance - beginning of year</i>	-	-	4,866,717	4,866,717
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,355,785</u>	<u>\$ 5,355,785</u>
Net change in fund balance (GAAP)				\$ 1,003,300
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals				293,983
Adjustments to expenditures for accrued wages, compensated absences, insurance and function expenditures				220,249
Net change in fund balance (non-GAAP budgetary basis)				<u>\$ 489,068</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

City of Clovis

Statement of Fund Net Assets

Proprietary Funds

June 30, 2008

	<u>Solid Waste</u>	<u>Wastewater</u>	<u>Airport</u>
<i>Assets</i>			
<i>Current assets</i>			
Cash and cash equivalents	\$ 4,010,767	\$ 2,246,327	\$ 4
Receivables:			
Intergovernmental	76,760	-	12,500
Customer receivables, net of allowance	347,873	250,077	-
Notes receivable	-	1,756,636	-
Inventory	35,667	50,523	-
Prepays	51,990	23,219	26,619
<i>Total current assets</i>	<u>4,523,057</u>	<u>4,326,782</u>	<u>39,123</u>
<i>Noncurrent assets</i>			
Capital assets	16,202,953	38,379,089	13,326,962
Less: accumulated depreciation	<u>(5,461,123)</u>	<u>(18,161,867)</u>	<u>(5,521,042)</u>
<i>Total noncurrent assets</i>	<u>10,741,830</u>	<u>20,217,222</u>	<u>7,805,920</u>
<i>Total Assets</i>	<u>\$ 15,264,887</u>	<u>\$ 24,544,004</u>	<u>\$ 7,845,043</u>
<i>Liabilities and Net Assets</i>			
<i>Liabilities:</i>			
<i>Current liabilities</i>			
Accrued payroll expenses	\$ 5,707	\$ 2,883	\$ 670
Accrued compensated absences	122,500	20,852	25,564
Accrued interest	16,255	-	-
Deferred revenue	-	1,756,637	-
Due from other funds	-	-	65,983
Current portion of bonds and notes payable	-	359,686	-
Current portion of capital leases	458,481	-	8,478
<i>Total current liabilities</i>	<u>602,943</u>	<u>2,140,058</u>	<u>100,695</u>
<i>Noncurrent liabilities</i>			
Landfill closure	2,026,760	-	-
Bonds payable	-	8,379,728	-
Notes payable and capital leases	2,128,402	-	8,733
<i>Total noncurrent liabilities</i>	<u>4,155,162</u>	<u>8,379,728</u>	<u>8,733</u>
<i>Total liabilities</i>	<u>4,758,105</u>	<u>10,519,786</u>	<u>109,428</u>
<i>Net Assets:</i>			
Invested in capital assets, net of related debt	8,154,947	11,477,808	7,788,709
Unrestricted net assets	<u>2,351,835</u>	<u>2,546,410</u>	<u>(53,094)</u>
<i>Total net assets</i>	<u>10,506,782</u>	<u>14,024,218</u>	<u>7,735,615</u>
<i>Total Liabilities and Net Assets</i>	<u>\$ 15,264,887</u>	<u>\$ 24,544,004</u>	<u>\$ 7,845,043</u>

The accompanying notes are an integral part of these financial statements

<u>Total</u>	<u>Governmental Activities Internal Service Funds</u>
\$ 6,257,098	\$ 2,796,476
89,260	-
597,950	-
1,756,636	-
86,190	-
101,828	348
<u>8,888,962</u>	<u>2,796,824</u>
67,909,004	47,116
<u>(29,144,032)</u>	<u>(35,597)</u>
<u>38,764,972</u>	<u>11,519</u>
<u>\$ 47,653,934</u>	<u>\$ 2,808,343</u>
\$ 9,260	\$ 304
168,916	2,298
16,255	-
1,756,637	-
65,983	-
359,686	-
466,959	-
<u>2,843,696</u>	<u>2,602</u>
2,026,760	-
8,379,728	-
2,137,135	-
<u>12,543,623</u>	<u>-</u>
<u>15,387,319</u>	<u>2,602</u>
27,421,464	11,519
<u>4,845,151</u>	<u>2,794,222</u>
<u>32,266,615</u>	<u>2,805,741</u>
<u>\$ 47,653,934</u>	<u>\$ 2,808,343</u>

STATE OF NEW MEXICO
City of Clovis
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2008

	Solid Waste	Wastewater	Airport
<i>Operating revenues:</i>			
Charges for services	\$ 3,268,785	\$ 2,355,926	\$ 120,990
<i>Total operating revenues</i>	<u>3,268,785</u>	<u>2,355,926</u>	<u>120,990</u>
<i>Operating expenses:</i>			
General and administrative	70,358	57,194	-
Personnel services	1,590,547	721,859	183,725
Contractual services	-	-	1
Supplies and purchased power	387,503	67,263	-
Maintenance and materials	612,204	331,008	136,798
Utilities	15,027	243,402	36,538
Depreciation	823,754	1,186,765	364,337
<i>Total operating expenses</i>	<u>3,499,393</u>	<u>2,607,491</u>	<u>721,399</u>
<i>Operating income (loss)</i>	<u>(230,608)</u>	<u>(251,565)</u>	<u>(600,409)</u>
<i>Non-operating revenues (expenses):</i>			
State nonoperating grants	234,376	-	22,177
Interest income	267,692	98,768	906
Interest expense	(119,477)	(147,557)	-
Gross receipts and other taxes	508,813	-	-
Miscellaneous	23,274	132,467	287
<i>Total non-operating revenues (expenses)</i>	<u>914,678</u>	<u>83,678</u>	<u>23,370</u>
Federal capital grants	-	240,600	233,286
Transfers in	924,477	177,127	269,862
Transfers out	(907,802)	(325,998)	-
<i>Net capital grants and transfers</i>	<u>16,675</u>	<u>91,729</u>	<u>503,148</u>
<i>Change in net assets</i>	700,745	(76,158)	(73,891)
<i>Net assets, beginning of year</i>	<u>9,806,037</u>	<u>14,100,376</u>	<u>7,809,506</u>
<i>Net assets, end of year</i>	<u>\$ 10,506,782</u>	<u>\$ 14,024,218</u>	<u>\$ 7,735,615</u>

The accompanying notes are an integral part of these financial statements

Total	Governmental Activities Internal Service Funds
\$ 5,745,701	\$ 654,860
<u>5,745,701</u>	<u>654,860</u>
127,552	328,542
2,496,131	79,804
1	-
454,766	-
1,080,010	-
294,967	-
<u>2,374,856</u>	<u>4,905</u>
<u>6,828,283</u>	<u>413,251</u>
<u>(1,082,582)</u>	<u>241,609</u>
256,553	-
367,366	156,651
(267,034)	-
508,813	-
<u>156,028</u>	<u>7,646</u>
<u>1,021,726</u>	<u>164,297</u>
473,886	-
1,371,466	-
<u>(1,233,800)</u>	<u>(14,982)</u>
<u>611,552</u>	<u>(14,982)</u>
550,696	390,924
<u>31,715,919</u>	<u>2,414,817</u>
<u>\$ 32,266,615</u>	<u>\$ 2,805,741</u>

STATE OF NEW MEXICO
City of Clovis
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2008

	Enterprise Funds		
	Solid Waste	Wastewater	Airport
Cash flows from operating activities			
Receipts from customers and users	\$ 3,344,897	\$ 2,278,573	\$ 322,955
Receipts from interfund services provided	-	-	-
Payments to suppliers and employees	<u>(2,658,957)</u>	<u>(1,756,010)</u>	<u>(347,670)</u>
Net cash provided (used) by operating activities	<u>685,940</u>	<u>522,563</u>	<u>(24,715)</u>
Cash flows from noncapital financing activities:			
Transfers in (out)	16,675	(148,871)	269,862
Payments received from note receivable	-	122,898	-
Tax receipts	508,813	-	-
Intergovernmental receipts	234,376	240,600	255,463
Miscellaneous income	<u>23,274</u>	<u>132,467</u>	<u>287</u>
Net cash provided (used) by noncapital financing activities	<u>783,138</u>	<u>347,094</u>	<u>525,612</u>
Cash flows from capital and related financing activities:			
Acquisitions and construction of capital assets	(1,450,397)	(33,075)	(435,203)
Principal paid on notes payable	(442,694)	-	(8,232)
Interest paid on notes payable	(119,477)	(147,557)	-
Interfund payable	-	-	(58,368)
Long-term debt proceeds	<u>395,000</u>	<u>982,777</u>	<u>-</u>
Net cash provided (used) by capital and related financing activities	<u>(1,617,568)</u>	<u>802,145</u>	<u>(501,803)</u>
Cash flows from investing activities:			
Interest income	<u>267,692</u>	<u>98,768</u>	<u>906</u>
Net cash provided by investing activities	<u>267,692</u>	<u>98,768</u>	<u>906</u>
Net increase in cash and temporary investments	<u>\$ 119,202</u>	<u>\$ 1,770,570</u>	<u>\$ -</u>

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

<u>Total</u>	<u>Governmental Activities Internal Service Funds</u>
\$ 5,946,425	\$ -
-	654,860
<u>(4,762,637)</u>	<u>(520,355)</u>
<u>1,183,788</u>	<u>134,505</u>
137,666	(14,982)
122,898	
508,813	-
730,439	-
<u>156,028</u>	<u>7,646</u>
<u>1,655,844</u>	<u>(7,336)</u>
(1,918,675)	-
(450,926)	-
(267,034)	-
(58,368)	-
<u>1,377,777</u>	<u>-</u>
<u>(1,317,226)</u>	<u>-</u>
<u>367,366</u>	<u>156,651</u>
<u>367,366</u>	<u>156,651</u>
<u>\$ 1,889,772</u>	<u>\$ 283,820</u>

STATE OF NEW MEXICO
City of Clovis
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2008

	Enterprise Funds		
	Solid Waste	Wastewater	Airport
Net increase in cash and cash equivalents-previous page	\$ 119,202	\$ 1,770,570	\$ -
Cash and cash equivalents July 1, 2007	<u>3,891,565</u>	<u>475,757</u>	<u>4</u>
Cash and cash equivalents June 30, 2008	<u>\$ 4,010,767</u>	<u>\$ 2,246,327</u>	<u>\$ 4</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (230,608)	\$ (251,565)	\$ (600,409)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	823,754	1,186,765	364,337
(Increase) decrease in:			
Accounts receivable	76,112	(77,353)	201,965
Inventory	(26,637)	(4,479)	-
Prepays	(9,992)	4,378	(4,238)
(Decrease) increase in:			
Accounts payable	(507)	(22,439)	-
Accrued payroll	(49,030)	(28,396)	(5,845)
Deferred revenue	-	(122,897)	-
Compensated absences	44,711	(3,314)	19,475
Accrued interest	(2,663)	(158,137)	-
Estimated landfill postclosure costs	<u>60,800</u>	<u>-</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>\$ 685,940</u>	<u>\$ 522,563</u>	<u>\$ (24,715)</u>
Cash and cash equivalents - Exhibit D-1	<u>\$ 4,010,767</u>	<u>\$ 2,246,327</u>	<u>\$ 4</u>

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

<u>Total</u>	<u>Governmental Activities Internal Service Funds</u>
\$ 1,889,772	\$ 283,820
<u>4,367,326</u>	<u>2,512,656</u>
<u>\$ 6,257,098</u>	<u>\$ 2,796,476</u>
\$ (1,082,582)	\$ 241,609
2,374,856	4,905
200,724	-
(31,116)	-
(9,852)	158
(22,946)	(111,850)
(83,271)	(2,615)
(122,897)	-
60,872	2,298
(160,800)	-
60,800	-
<u>\$ 1,183,788</u>	<u>\$ 134,505</u>
<u>\$ 6,257,098</u>	<u>\$ 2,796,476</u>

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STATE OF NEW MEXICO
City of Clovis
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2008

Exhibit E-1

Assets

Cash and cash equivalents

\$ 46,357

Total assets

\$ 46,357

Liabilities

Deposits held in trust

\$ 46,357

Total liabilities

\$ 46,357

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Clovis
Notes to Financial Statements
June 30, 2008

NOTE 1. Summary of Significant Accounting Policies

The City of Clovis (City) was incorporated during 1909 under the laws of the State of New Mexico. The City operates under an elected Mayor-Council form of government and provides the following services as authorized by its charter: public safety (police and fire), streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning, water supply, airport operations, and general government administrative services.

This summary of significant accounting policies of the City is presented to assist in the understanding of the City's financial statements. The financial statements and notes are the representation of the City's management who is responsible for their integrity and objectivity. The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The financial statements have incorporated all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on accounting procedures issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. Governments also have the option of following subsequent private-sector guidance for their government-wide financial statements, subject to the same limitation. The City has elected not to follow subsequent private-sector guidance. The more significant of the government's accounting policies are described below.

A. *Financial Reporting Entity*

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

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

STATE OF NEW MEXICO
City of Clovis
Notes to Financial Statements
June 30, 2008

NOTE 1. Summary of Significant Accounting Policies (continued)

A. *Financial Reporting Entity (continued)*

Discretely Presented Component Unit

City of Clovis Housing and Redevelopment Agency, Inc. (The Agency): This component unit has separate elected and/or appointed board and provides services to residents, generally within the geographic boundaries of the government.

The component unit's activities include enterprise funds as detailed on Exhibit A-1 and A-2 in the City's financial reports.

Separately issued financial statements may be obtained directly from the Agency's administrative office by writing to Clovis Housing and Redevelopment Agency, Inc., 2101 W. Grand Ave., Clovis, New Mexico 87901.

B. *Government-wide and fund financial statements*

The government-wide financial statements (i.e., the statement of net assets and the statement of activities and changes in net assets) 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.

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

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

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

STATE OF NEW MEXICO
City of Clovis
Notes to Financial Statements
June 30, 2008

NOTE 1. Summary of Significant Accounting Policies (continued)

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund, if applicable, financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are billed.

Grants and similar items are recognized as revenue as soon as all eligibility requirements of time, reimbursement and contingencies imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. Grant revenues are considered available if they are collected within 90 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.

The City reports the following major governmental fund:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

STATE OF NEW MEXICO
City of Clovis
Notes to Financial Statements
June 30, 2008

NOTE 1. Summary of Significant Accounting Policies (continued)

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

The government reports the following major proprietary funds:

The *Solid Waste Fund* accounts for the provision of garbage and refuse removal services to the residents of the City of Clovis. All activities necessary to provide such services are accounted for in this fund.

The *Wastewater Fund* accounts for the wastewater system service provided for residents of the City of Clovis, including administration, operation, maintenance, debt service, billing and collection.

The *Airport Fund* accounts for the activities of the City's airport. All activities necessary to provide such services are accounted for in this fund.

Additionally, the government reports the following fund types:

Internal Service Funds accounts for workers compensation and unemployment insurance services provided to other departments of the government. Services are provided on a cost reimbursement basis.

Fiduciary Funds account for monies collected and expended to veterinarians on behalf of City residents who have had their unvaccinated animals detained and for the municipal court service used to account for bonds collected from alleged law violators.

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 and other charges between the government's enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

STATE OF NEW MEXICO
City of Clovis
Notes to Financial Statements
June 30, 2008

NOTE 1. Summary of Significant Accounting Policies (continued)

D. *Assets, Liabilities and Net Assets or Fund Equity*

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the airport, solid waste and wastewater funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

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

Investments for the City are reported at fair value. 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.

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 a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or between proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

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

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

Property taxes are levied on November 1 based on the assessed value of property as listed on the previous January 1 and are due in two payments by November 10th and April 10th. Property taxes uncollected after May 10th are considered delinquent. The taxes attach as an enforceable lien on property as of January 1st.

STATE OF NEW MEXICO
City of Clovis
Notes to Financial Statements
June 30, 2008

NOTE 1. Summary of Significant Accounting Policies (continued)

D. *Assets, Liabilities and Net Assets or Fund Equity (continued)*

Inventories and Prepaid Items: Inventories in governmental funds consist of expendable supplies held for consumption, and are valued at cost using a first-in, first-out (FIFO) method. Expendable supplies are accounted for using the consumption method. Proprietary fund inventories are recorded at the lower of cost or market on a first-in, first-out basis, and consist of operating supplies held for use in operations and are recorded as expenditures when consumed rather than when purchased.

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.

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

Capital Assets: Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets, (retroactive to 1979) are included as part of the governmental capital assets reported in the government wide statements. Information Technology Equipment including software is being capitalized and included in furniture, fixtures and equipment in accordance with NMAC 2.20.1.9 C (5). Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense capitalized by the City during the current fiscal year was \$0. No interest was included as part of the cost of capital assets under construction.

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

<u>Assets</u>	<u>Years</u>
Buildings	40
Improvements other than buildings	40
Public domain infrastructure	25
Machinery and equipment	3-10
Vehicles	5

STATE OF NEW MEXICO
City of Clovis
Notes to Financial Statements
June 30, 2008

NOTE 1. Summary of Significant Accounting Policies (continued)

D. *Assets, Liabilities and Net Assets or Fund Equity (continued)*

Accrued Expenses: Accrued expenses are comprised of the payroll expenditures based on amounts earned by the employees through June 30, 2008, along with applicable PERA and Retiree Health Care.

Deferred Revenues: There are two types of deferred revenue. Under both the accrual and modified accrual basis of accounting, revenue may be recognized only when it is earned. If assets are recognized in connection with a transaction before the earnings process is complete, those assets must be offset by a corresponding liability for deferred revenue (commonly referred to as unearned revenue). The other type of deferred revenue is "unavailable revenue." Under the modified accrual basis of accounting, it is not enough that revenue has been earned if it is to be recognized as revenue of the current period. It must also be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period). If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding liability for deferred revenue.

Compensated Absences: City employees are entitled to certain compensated absences based on their employment classification and length of employment. With minor exceptions, the City allows 40 hour week employees to accumulate unused sick leave to a maximum of 1,000 hours. 24 hour shift employees can accumulate up to 1,344 hours. Earned vacation, up to the amount the employee accrue each year, is allowed to be carried over from one calendar year to the next. Upon termination, employees shall receive payment for unused, accrued vacation. Employees with service to City in excess of 20 years will be paid for 50% of accumulated sick leave. All vacation pay and applicable accumulated sick leave is accrued when incurred in the government-wide and proprietary fund financial statements.

Full-time, permanent employees are granted vacation benefits in varying amounts to specified maximums depending on tenure with the City. Accumulated unused vacation is payable upon retirement or termination from employment. All vacation pay and applicable accumulated sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-term Obligations: In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. For bonds issued after GASB 34 was implemented, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds Payable are reported net of the applicable bond premium or discount. For fund financial reporting, bond premiums, discounts as well as issuance costs, are recognized in the period the bonds are issued. Bond proceeds are reported as another financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

STATE OF NEW MEXICO
City of Clovis
Notes to Financial Statements
June 30, 2008

NOTE 1. Summary of Significant Accounting Policies (continued)

Fund Equity: In the fund financial statements, governmental funds report reservation of fund balances that are not available for appropriations or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Equity is classified as net assets and displayed in three components:

- a. **Invested in capital assets, net of related debt:**
Net assets invested in capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. **Restricted Net Assets:**
Consist of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. **Unrestricted Net Assets:**
All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

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.

STATE OF NEW MEXICO
City of Clovis
Notes to Financial Statements
June 30, 2008

NOTE 2. Stewardship, Compliance and Accountability

Budgetary Information

The City Charter establishes the City’s fiscal year as the twelve-month period beginning July 1 and ending June 30. Prior to June 1 the Budget Director submits to management a proposed operating budget of estimated revenues, expenditures, and transfers for the ensuing fiscal year for the General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Fund and Enterprise Funds. Management subsequently submits the budget (1) to the New Mexico Department of Finance and Administration for review and approval; and (2) to the City Council for review and enactment of a resolution legally adopting the budget. Once approved, the City Council may amend the legally adopted budget when unexpected modifications are required in estimated revenues and appropriations. Additionally, the New Mexico Department of Finance and Administration must approve any amendments to the budget.

Each fund’s appropriated budget is prepared on a Non-GAAP cash basis at the detailed line item level. Revenues are budgeted by department and general ledger account. Expenditures are budgeted by department and general ledger account. Expenditures may not exceed appropriations at the fund level. All budget revisions at this level are subject to final review and approval by the City Council. Revisions to the budget were made throughout the year.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed as an extension of formal budgetary integration in the General Fund, Special Revenue Funds, Capital Projects Funds and Debt Service Funds.

The appropriated budget for the year ended June 30, 2008 was properly amended by the City Council through the year. These amendments resulted in the following changes:

	Excess (deficiency)	
	of revenues over expenditures	
	<u>Original Budget</u>	<u>Final Budget</u>
Budgeted Funds:		
General Fund	\$ (3,163,524)	\$ (3,847,913)
Nonmajor Funds	\$ 3,111,838	\$ 1,490,227
Solid Waste Proprietary Fund	\$ 190,912	\$ (940,131)
Wastewater Proprietary Fund	\$ 344,136	\$ 326,778
Airport Proprietary Fund	\$ (140,034)	\$ (144,515)

The accompanying Statements of Revenue, 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 accounting principles generally accepted in the United States of America (GAAP) 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, 2008 is presented. Reconciliations between the Non-GAAP budgetary basis amounts and the financial statements on the GAAP basis by fund can be found on each individual budgetary statement.

STATE OF NEW MEXICO
City of Clovis
Notes to Financial Statements
June 30, 2008

NOTE 3. Deposits and Investments

State statutes authorize the investment of City funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested funds of the City properly followed State investment requirements as of June 30, 2008.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the City. Deposits may be made to the extent that they are insured by an agency of the United States or by collateral deposited as security or by bond given by the financial institution.

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.

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 an institution in the same state will be insured up to \$100,000 in aggregate and separate from the \$100,000 coverage for public unit demand deposits at the same institution.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. 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 City for at least one half of the amount on deposit with the institution. At June 30, 2008, \$8,235,937 of the City's bank balance of \$10,294,573 was exposed to custodial credit risk because it was collateralized with collateral held by the pledging bank's trust department, not in the City's name. At June 30, 2008, \$1,560,295 was exposed to custodial credit risk because it was not collateralized or insured.

STATE OF NEW MEXICO
City of Clovis
Notes to Financial Statements
June 30, 2008

NOTE 3. Deposits and Investments (continued)

	<u>Bank of America</u>	<u>Citizen's Bank</u>	<u>First Community Bank</u>
Amount of deposits	\$ 64,308	\$ 74,034	\$ 551,350
FDIC coverage	<u>64,308</u>	<u>74,034</u>	<u>100,000</u>
Total uninsured public funds	<u>-</u>	<u>-</u>	<u>451,350</u>
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the City's name	-	-	451,350
Uninsured and uncollateralized	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Collateral requirement (50%)	\$ -	\$ -	\$ 225,675
Pledged securities	<u>66,552</u>	<u>2,883,760</u>	<u>455,350</u>
Over (under) collateralized	<u>\$ 66,552</u>	<u>\$ 2,883,760</u>	<u>\$ 229,675</u>
	<u>New Mexico Bank & Trust</u>	<u>Western Bank of Clovis</u>	<u>Total Deposits</u>
Amount of deposits	\$ 9,544,882	\$ 59,999	\$ 10,294,573
FDIC coverage	<u>200,000</u>	<u>59,999</u>	<u>498,341</u>
Total uninsured public funds	<u>9,344,882</u>	<u>-</u>	<u>9,796,232</u>
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the City's name	7,784,587	-	8,235,937
Uninsured and uncollateralized	<u>\$ 1,560,295</u>	<u>\$ -</u>	<u>\$ 1,560,295</u>
Collateral requirement (50%)	\$ 4,672,441	\$ -	\$ 4,898,116
Pledged securities	<u>7,784,587</u>	<u>34,499</u>	<u>11,224,748</u>
Over (under) collateralized	<u>\$ 3,112,146</u>	<u>\$ 34,499</u>	<u>\$ 6,326,632</u>

STATE OF NEW MEXICO
City of Clovis
Notes to Financial Statements
June 30, 2008

NOTE 3. Deposits and Investments (continued)

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have an investment policy for custodial credit risk. At June 30, 2008, the City's investment balances were exposed to custodial credit risk as follows. \$1,312,909 of the repurchase agreement was exposed to custodial credit risk because it was collateralized by securities held by the pledging institution or by its trust department or agent in other than the City's name. To determine the custodial credit risk of the workers compensation deposit of \$72,958 in the NM Self Insurer's fund and the New Mexico Finance Authority deposit of \$1,273,355 with the State Treasurer, see the separately issued financial statements for the NM Municipal Self Insurer's Fund and the NM Finance Authority available through the New Mexico Office of the State Auditor at www.saonm.org.

Repurchase Agreements

	<u>Citizen's Bank</u>	<u>Total Repurchase Agreements</u>
Amount of investment	\$ 1,412,909	\$ 1,412,909
FDIC coverage	<u>100,000</u>	<u>100,000</u>
Total uninsured public funds	<u>1,312,909</u>	<u>1,312,909</u>
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the City's name		
	<u>1,312,909</u>	<u>1,312,909</u>
Uninsured and uncollateralized	<u>\$ -</u>	<u>\$ -</u>
Collateral requirement (102%)		
	\$ 1,339,167	\$ 1,339,167
Pledged securities	<u>7,148,555</u>	<u>7,148,555</u>
Over (under) collateralized	<u>\$ 5,809,388</u>	<u>\$ 5,809,388</u>

The collateral pledged is listed on Schedule I of this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, City or political subdivision of the State of New Mexico.

	<u>NM Self Insurer's</u>	<u>State Treasurer</u>	<u>Bank of Albuquerque</u>	<u>Total</u>
Workmen's Compensation Deposit	\$ 72,958	\$ -	\$ -	\$ 72,958
New MexiGROW LGIP	-	12,925,000	-	12,925,000
Debt Service Account at New Mexico Finance Authority	-	1,273,355	-	1,273,355
U.S. Treasury Mutual Fund	<u>-</u>	<u>-</u>	<u>476,593</u>	<u>476,593</u>
Investments subject to custodial credit risk	<u>\$ 72,958</u>	<u>\$ 14,198,355</u>	<u>\$ 476,593</u>	<u>\$ 14,747,906</u>

STATE OF NEW MEXICO
City of Clovis
Notes to Financial Statements
June 30, 2008

NOTE 3. Deposits and Investments (continued)

The New MexiGROW Local Government Investment Pool's (LGIP) investments are valued at fair value based on quoted market prices as of the valuation date. The LGIP is not SEC registered. The New Mexico State Treasurer is authorized to invest the short-term investment funds, with the advice and consent of the State Board of Finance, in accordance with Sections 6-10-10 I through 6-10-10 P and Sections 6-10-10.1 A and E, NMSA 1978. The pool does not have unit shares. Per Section 6-10-10.1F, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested. Participation in the LGIP is voluntary. Collateral pledged to secure State Treasurer cash and investments is reported in the State Treasurer's separately issued financial statements.

Credit Risk

As of June 30, 2008, the City's investments were rated as follows:

<u>Investment Type</u>	<u>Rating</u>
NM Self Insurer's	No rating
New MexiGROW LGIP	AAAm
U.S. Government Obligations:	
State Treasurer's Debt Service Fund	No rating
US Treasury Mutual Fund #0052	No rating

Interest Rate Risk

The City does not have a formal policy limiting investment maturities to manage its exposure to fair value losses from increasing interest rates. The City's investments at June 30, 2008 include the following:

<u>Investments</u>	<u>Maturity</u>	<u>Fair Value</u>
New Mexico Self Insurer's		\$ 72,958
New MexiGROW LGIP	46 days	\$ 12,925,000
U.S. Government Obligations:		
State Treasurer's Debt Service Fund	<90 days	\$ 1,273,355
US Treasury Mutual Fund #0052	<90 days	\$ 476,593

Reconciliation to the Statement of Net Assets

The carrying amounts of deposits shown above are included in the City's statement of net assets as follows:

Cash and cash equivalents per Exhibit A-1	\$ 24,715,182
Cash and cash equivalents per Exhibit D-1	46,357
Total cash and cash equivalents	<u>24,761,539</u>
Add: Outstanding checks and other reconciling items	5,224,286
Less: deposits in transit and other reconciling items	(3,523,757)
Less: investments per above	(16,160,815)
Less: petty cash	<u>(6,680)</u>
Bank balance of deposits	<u><u>\$ 10,294,573</u></u>

STATE OF NEW MEXICO
City of Clovis
Notes to Financial Statements
June 30, 2008

NOTE 4. Receivables

Receivables as of June 30, 2008, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General Fund</u>	<u>Solid Waste</u>	<u>Wastewater</u>
Accounts	\$ 1,804,853	\$ 433,345	\$ 329,501
Licenses and Fees	8,281	-	-
Taxes:			
Property	94,510	-	-
Gross Receipts	2,256,997	76,760	-
Cigarette	6,292	-	-
Lodger's	-	-	-
Franchise	213,298	-	-
Intergovernmental:			
State	-	-	-
Federal	268,357	-	-
Gross Receivables	<u>4,652,588</u>	<u>510,105</u>	<u>329,501</u>
Less: allowance for uncollectibles	<u>(1,583,114)</u>	<u>(85,472)</u>	<u>(79,424)</u>
Net receivables	<u><u>\$ 3,069,474</u></u>	<u><u>\$ 424,633</u></u>	<u><u>\$ 250,077</u></u>

	<u>Airport</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Accounts	\$ -	\$ 30,000	\$ 2,597,699
Licenses and Fees	-	2,577	10,858
Taxes:			
Property	-	-	94,510
Gross Receipts	-	1,467,367	3,801,124
Cigarette	-	-	6,292
Lodger's	-	13,557	13,557
Franchise	-	-	213,298
Intergovernmental:			
State	12,500	1,103,794	1,116,294
Federal	-	74,191	342,548
Gross Receivables	<u>12,500</u>	<u>2,691,486</u>	<u>8,196,180</u>
Less: allowance for uncollectibles	<u>-</u>	<u>-</u>	<u>(1,748,010)</u>
Net receivables	<u><u>\$ 12,500</u></u>	<u><u>\$ 2,691,486</u></u>	<u><u>\$ 6,448,170</u></u>

In accordance with GASB No. 33, the property tax revenues that were not collected within the period of availability, \$43,569, have been reclassified as deferred revenue in the governmental fund financial statements.

STATE OF NEW MEXICO
City of Clovis
Notes to Financial Statements
June 30, 2008

NOTE 5. Interfund Receivables, Payables, and Transfers

The City recorded interfund transfers to reflect transfers of cash in accordance with the budget. The composition of interfund transfers during the year ended June 30, 2008 is as follows:

<u>Transfers Out</u>	<u>Transfers In</u>	<u>Amount</u>
General Fund	Airport Fund	269,862
General Fund	Solid Waste	16,675
Wastewater	General Fund	148,871
Workers Compensation	General Fund	14,982
Nonmajor governmental funds	General Fund	776,074
		<u>\$ 1,226,464</u>

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

<u>Due from other funds</u>	<u>Due to other funds</u>	<u>Amount</u>
General Fund	Airport Fund	\$ 65,983
General Fund	Fire Equipment	120,278
General Fund	Recycling Fund	8,211
General Fund	Department of Justice	12,977
General Fund	Drug Control Fund	101,945
General Fund	Eastern NM Rural Water	869,573
General Fund	Street Construction Capital Projects	250,502
		<u>\$ 1,429,469</u>

All interfund receivables/payables are expected to repaid within one year.

STATE OF NEW MEXICO
City of Clovis
Notes to Financial Statements
June 30, 2008

NOTE 6. Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2008, including those changes pursuant to the implementation of GASB Statement No. 34, follows. Land and construction in progress are not subject to depreciation.

Governmental Activities

	Balance June 30, 2007	Additions and Transfers In	Deletions and Transfers Out	Adjustments	Balance June 30, 2008
Capital assets not being depreciated:					
Land	\$ 3,007,438	\$ -	\$ -	-	\$ 3,007,438
Construction in progress	349,098	1,628,049	114,160	-	1,862,987
Total capital assets not being depreciated	<u>3,356,536</u>	<u>1,628,049</u>	<u>114,160</u>		<u>4,870,425</u>
Capital assets being depreciated:					
Land improvements	7,976,250	315,682	-	-	8,291,932
Buildings and improvements	22,072,508	1,399,682	-	-	23,472,190
Equipment and vehicles	17,253,600	1,071,543	566,044	-	17,759,099
Infrastructure	47,489,675	542,723	-	-	48,032,398
Total capital assets being depreciated	<u>94,792,033</u>	<u>3,329,630</u>	<u>566,044</u>		<u>97,555,619</u>
Total capital assets	<u>98,148,569</u>	<u>4,957,679</u>	<u>680,204</u>		<u>102,426,044</u>
Less accumulated depreciation:					
Land improvements	6,340,439	341,765	-	(4,078,763)	2,603,441
Buildings and improvements	1,510,628	549,226	-	4,078,763	6,138,617
Equipment and vehicles	9,846,237	1,096,154	442,593	-	10,499,798
Infrastructure	22,910,999	1,781,114	-	-	24,692,113
Total accumulated depreciation	<u>40,608,303</u>	<u>3,768,259</u>	<u>442,593</u>	-	<u>43,933,969</u>
Total capital assets net of depreciation	<u>\$ 57,540,266</u>	<u>\$ 1,189,420</u>	<u>\$ 237,611</u>	\$ -	<u>\$ 58,492,075</u>

STATE OF NEW MEXICO
City of Clovis
Notes to Financial Statements
June 30, 2008

NOTE 6. Capital Assets (continued)

Business-type Activities

	Balance <u>June 30, 2007</u>	Additions and <u>Transfers In</u>	Deletions and <u>Transfers Out</u>	<u>Adjustments</u>	Balance <u>June 30, 2008</u>
Capital assets not being depreciated:					
Land	\$ 4,146,544	\$ -	\$ -	\$ -	\$ 4,146,544
Construction in progress	113,928	1,354,929	22,439	-	1,446,418
Total capital assets not being depreciated	<u>4,260,472</u>	<u>1,354,929</u>	<u>22,439</u>		<u>5,592,962</u>
Capital assets being depreciated:					
Land improvements	8,478,228	-	-	-	8,478,228
Buildings and improvements	10,531,205	-	-	-	10,531,205
Equipment and vehicles	9,630,451	551,886	-	-	10,182,337
Infrastructure	33,089,972	34,300	-	-	33,124,272
Total capital assets being depreciated	<u>61,729,856</u>	<u>586,186</u>	<u>-</u>		<u>62,316,042</u>
Total capital assets	<u>65,990,328</u>	<u>1,941,115</u>	<u>22,439</u>		<u>67,909,004</u>
Less accumulated depreciation:					
Land improvements	1,619,454	284,355	-	-	1,903,809
Buildings and improvements	2,663,449	372,581	-	-	3,036,030
Equipment and vehicles	4,989,142	763,302	-	-	5,752,444
Infrastructure	17,497,131	954,618	-	-	18,451,749
Total accumulated depreciation	<u>26,769,176</u>	<u>2,374,856</u>	<u>-</u>	<u>-</u>	<u>29,144,032</u>
Total capital assets net of depreciation	<u>\$ 39,221,152</u>	<u>\$ (433,741)</u>	<u>\$ 22,439</u>	<u>\$ -</u>	<u>\$ 38,764,972</u>

Depreciation expense for the year ended June 30, 2008 was charged to the following functions and funds:

Governmental activities:	
General government	\$ 531,077
Public safety	1,840,989
Public works	552,900
Culture and recreation	717,051
Health and welfare	121,337
Total	<u>\$ 3,763,354</u>
Internal Service Fund	<u>\$ 4,905</u>
Business type activities:	
Solid Waste	\$ 823,754
Wastewater	1,186,765
Airport	364,337
Total	<u>\$ 2,374,856</u>

STATE OF NEW MEXICO
City of Clovis
Notes to Financial Statements
June 30, 2008

NOTE 7. Long-term Debt

Long-term liability activity for the year ended June 30, 2008, was as follows:

	Balance June 30, 2007	Additions	Retirements	Balance June 30, 2008	Due Within One Year
Governmental Activities:					
Gross receipts tax revenue bonds					
Series 1997	\$ 595,000	\$ -	\$ 595,000	\$ -	\$ -
Series 1999	2,435,000	-	365,000	2,070,000	380,000
Series 2005	3,335,000	-	140,000	3,195,000	140,000
Total bonds payable	<u>6,365,000</u>	<u>-</u>	<u>1,100,000</u>	<u>5,265,000</u>	<u>520,000</u>
Compensated Absences	<u>985,611</u>	<u>670,890</u>	<u>597,892</u>	<u>1,058,609</u>	<u>600,190</u>
Governmental-activities long-term liabilities	<u>\$ 7,350,611</u>	<u>\$ 670,890</u>	<u>\$ 1,697,892</u>	<u>\$ 6,323,609</u>	<u>\$ 1,120,190</u>
	Balance June 30, 2007	Additions	Retirements	Balance June 30, 2008	Due Within One Year
Business-type Activities:					
Series 2007	\$ 7,756,637	\$ 982,776	\$ -	\$ 8,739,413	\$ 359,686
NM Finance Authority	2,634,577	-	392,941	2,241,636	409,844
State Environment Improvement Division	25,442	-	8,231	17,211	8,478
Total notes payable	<u>10,416,656</u>	<u>982,776</u>	<u>401,172</u>	<u>10,998,260</u>	<u>778,008</u>
Capital Leases:					
Wagner Equipment Co.	-	395,000	49,753	345,247	48,637
Total capital leases	<u>-</u>	<u>395,000</u>	<u>49,753</u>	<u>345,247</u>	<u>48,637</u>
Compensated Absences	<u>108,044</u>	<u>240,945</u>	<u>180,073</u>	<u>168,916</u>	<u>168,916</u>
Business-type-activities long-term liabilities	<u>\$ 10,524,700</u>	<u>\$ 1,618,721</u>	<u>\$ 630,998</u>	<u>\$ 11,512,423</u>	<u>\$ 995,561</u>

In prior years, the general fund has typically been used to liquidate long-term compensated absence liabilities.

STATE OF NEW MEXICO
City of Clovis
Notes to Financial Statements
June 30, 2008

NOTE 7. Long-term Debt (continued)

Bonds payable at June 30, 2008 are comprised of the following:

	Sales Tax Revenue Bonds Series February 1, 1999	Sales Tax Revenue Bonds Series June 1, 2004
Original issue:	June 1	June 1
Principal:	\$ 5,000,000	\$ 3,580,000
Interest:	June 1 & December 1	June 1 & December 1
Rates:	3.85% to 4.30%	2.50% to 4.50%

The February 1, 1999 Gross Receipts Tax Revenue Bonds, Series 1999, were issued to defray, in part (i) the cost of constructing, purchasing, furnishing, equipment (including, specifically, the purchase of computer hardware and software for use in taking care of “Year 2000” issues that the City may have), rehabilitating, making addition to or making improvement to one or more public building or purchasing or improving any ground relate thereto. The Bonds are being issued pursuant to Sections 3-31-1 through 3-31-12 NMSA 1978, as amended. The 1999 Bonds and all payments of principal, premium, and interest thereon whether at maturity or on a redemption date shall be paid with pledged revenues payable from the revenues distributed to the City by the New Mexico Taxation and Revenue Department pursuant to Sections 7-9-4, NMSA 1978, as amended, 7-1-6.1 and 7-1-6.4 NMSA, as amended and 7-1-6.15 NMSA, 1978 as amended. The bond matures on June 1, 2013.

The annual requirements to amortize the 1999 Bond Issue outstanding as of June 30, 2008, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2009	\$ 380,000	\$ 86,898	\$ 466,898
2010	395,000	71,223	466,223
2011	415,000	54,830	469,830
2012	430,000	37,400	467,400
2013	450,000	19,125	469,125
	\$ 2,070,000	\$ 269,475	\$ 2,339,475

The June 1, 2004 Gross Receipts Tax Revenue Bonds, Series 2004, were issued to defray, in part (i) the cost of constructing, purchasing, furnishing, equipping or making improvement to the public buildings of the City, including a City Convention Center and (ii) paying all costs incidental to the issuance of the bonds. The Bonds are being issued pursuant to Sections 3-31-1 through 3-31-12 NMSA 1978, as amended. The 2004 Bonds and all payments of principal, premium, and interest thereon whether at maturity or on a redemption date shall be paid with pledged revenues payable from the revenues distributed to the City by the New Mexico Taxation and Revenue Department pursuant to Sections 7-9-4, NMSA 1978, as amended, 7-1-6.1 and 7-1-6.4 NMSA, as amended and 7-1-6.15 NMSA, 1978 as amended. The bond matures on June 1, 2025.

STATE OF NEW MEXICO
City of Clovis
Notes to Financial Statements
June 30, 2008

NOTE 7. Long-term Debt (continued)

The annual requirements to amortize the 2004 Bond Issue outstanding as of June 30, 2008, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2009	\$ 140,000	\$ 129,394	\$ 269,394
2010	145,000	124,494	269,494
2011	150,000	119,419	269,419
2012	155,000	113,419	268,419
2013	160,000	107,219	267,219
2014-2018	885,000	433,344	1,318,344
2019-2023	1,070,000	239,376	1,309,376
2024-2028	490,000	31,450	521,450
	<u>\$ 3,195,000</u>	<u>\$ 1,298,114</u>	<u>\$ 4,493,114</u>

The annual requirements to amortize the combined revenue bond issues outstanding at June 30, 2008, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2009	\$ 520,000	\$ 216,291	\$ 736,291
2010	540,000	195,716	735,716
2011	565,000	174,249	739,249
2012	585,000	150,819	735,819
2013	610,000	126,344	736,344
2014-2018	885,000	433,344	1,318,344
2019-2023	1,070,000	239,376	1,309,376
2024-2028	490,000	31,450	521,450
	<u>\$ 5,265,000</u>	<u>\$ 1,567,589</u>	<u>\$ 6,832,589</u>

STATE OF NEW MEXICO
City of Clovis
Notes to Financial Statements
June 30, 2008

NOTE 7. Long-term Debt (continued)

The notes payable of the proprietary funds as of June 30, 2008 are comprised of the following:

Solid waste loan with the NM Finance Authority dated May 1, 1999, with annual principal installments ranging from \$153,737 to \$489,371 due May 1 annually. Interest rates range from 3.15% to 4.68%, due semi-annually on May 1, and November 1. The loan matures on May 1, 2013.	\$	2,241,636
Wastewater loan with the NM Environment Department dated, May 19, 2006 with annual principal installments of \$318,652 due annually on the date of completion of the project. Interest rate at 2.0% The loan matures on June 30, 2015.		8,739,414
Airport loan with the State Environment Improvement Division dated August 25, 1990, with annual payments of \$8,995 due August 1 annually. Interest at 3.0% is included in the installment. The loan matures on August 25, 2009.		17,211
Capital lease with Wagner Equipment Co. dated January 21, 2008, with annual payments of \$64,800 due June 24th each year. Interest at 5.169% is included in the installment. The loan matures on October 1, 2012.		345,247
		11,343,508
Less current portion		(826,645)
	\$	10,516,863

The annual requirements to amortize the loans outstanding as of June 30, 2008, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2009	\$ 826,645	\$ 256,013	\$ 1,082,658
2010	854,378	229,888	1,084,266
2011	874,563	202,352	1,076,915
2012	905,015	173,577	1,078,592
2013	1,015,311	143,196	1,158,507
2014-2018	2,066,639	794,908	2,861,546
2019-2023	2,281,736	305,553	2,587,289
2024-2028	2,519,222	119,793	2,639,015
	\$ 11,343,508	\$ 2,225,280	\$ 13,568,789

STATE OF NEW MEXICO
City of Clovis
Notes to Financial Statements
June 30, 2008

NOTE 8. Risk Management

The City is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The City established limited risk management programs for workers' compensation (as discussed below) and unemployment claims. Premiums for unemployment claims are paid to the appropriate internal service fund by all other funds and are available to pay claims, claims reserves, and administrative costs of the program.

Effective January 1, 1991, the City established a limited risk management program for workers compensation. The City contracted with the New Mexico Self Insurer Fund (Fund) as administrator for this program. At the beginning of each policy period, the City pays a retention premium which covers expenses of the Fund, including, but not limited to, reinsurance expenses, claims adjusting, rating and underwriting, safety and loss control, reporting and administration. In the retention rating year (1/1/91 – 1/1/92), the City paid a "loss fund deposit" to the Fund equal to 15% of the estimated "manual premium". This deposit is retained by the Fund for the benefit of the City in paying all applicable claims and costs for all policy periods. Each anniversary date, the deposit will be review and revised if necessary. The City's self-insured specific retention is \$250,000 per accident, with aggregate of 150% of the "manual premium" for a policy period.

The City accounts for this program in its Internal Service Fund, Workers Compensation. The Workers Compensation Fund allocates the cost of providing claim servicing and claim payments by charging a "premium" to each participating governmental and business-type activities fund, based on each fund's percentage of the estimated "manual premium". This charge considers recent trends in actual claims experience and makes provision for catastrophic loss.

The Workers Compensation fund liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are re-evaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of payout), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claims adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate. Settlements have not exceeded coverage for the current fiscal year. Changes in the balances of claims liabilities during the year are as follows:

	<u>Workers Compensation</u>	<u>Unemployment Reserve</u>	<u>Total</u>
Unpaid claims, beginning of fiscal year	\$ 97,905	\$ 5,097	\$ 103,002
Incurred claims (including IBNR's)	302,209	14,175	316,384
Claims payments	<u>(375,611)</u>	<u>(11,635)</u>	<u>(387,246)</u>
Unpaid claims, end of fiscal year	<u>\$ 24,503</u>	<u>\$ 7,637</u>	<u>\$ 32,140</u>

The City continues to carry commercial insurance for all other risks.

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City of Clovis
Notes to Financial Statements
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NOTE 9. PERA Pension Plan

Plan Description: Substantially all of the City of Clovis's full-time employees participate in a public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11 NMSA 1978.) The Public Employee Retirement Association (PERA) is the administrator of the plan, which is a cost-sharing, multiple-employer defined benefit retirement plan. The plan provides for retirement, disability benefits, survivor benefits, and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to PERA, P. O. Box 2123, Santa Fe, New Mexico 87504-2123. The report is also available on PERA's website at www.pera.state.nm.us.

Funding Policy: Plan members are required to contribute the following percentages of their gross salary: 16.3% for law enforcement and fire protection employees; and 15.65% for municipal employees. The County was required to contribute the following percentages of the gross covered salary: 18.5% for law enforcement and fire protection plan members; and 11.65% for municipal plan members. The contribution requirements of plan members and the City of Clovis are established in State Statute under Chapter 10, Article 11 NMSA 1978. The requirements may be amended by acts of the legislature. The City of Clovis' contributions to PERA for the years ending June 30, 2008, 2007 and 2006 were approximately \$464,651, \$478,604, and \$417,077, respectively, which equal the amount of the required contributions for all years.

NOTE 10. Pension Plan

The City contributes to a defined contribution pension plan adopted under the provision of Internal Revenue Code Section 401.

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account and the returns earned on investment on those contributions. As established by local ordinance, all employees of the City participating in the Deferred Compensation Plan are eligible to participate. The City is required to contribute 14% of the employee's gross earnings. Contributions by the City belong to the participant upon retirement or termination, provided the vesting requirements have been satisfied.

The vesting provisions for all new employees hired on or after July 8, 1990, are as follows:

- 30% after 3 years of completed service
- 40% after 4 years of completed service
- 100% after 5 years of completed service

All employees hired prior to July 8, 1990, were 100% vested on the date of hire.

During the years ended June 30, 2008 and 2007, the City's required and actual contributions amounted to \$1,319,926 and \$1,301,936, respectively.

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City of Clovis
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June 30, 2008

NOTE 11. Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan is administered by International City/County Management Association.

The plan, available to all full-time City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Employees are mandated to contribute a minimum of 3% of their gross salary but may elect to contribute up to 100% of their salary up to a maximum dollar amount of \$15,500 per year into the plan. There are employees that are making contributions to the Deferred Compensation Plan. All contributions withheld from participant's wages by the City have been paid to the plan administrator. Employee contributions withheld and remitted to the plan were \$849,789 and \$838,207 for the years ended June 30, 2008 and 2007, respectively.

NOTE 12. Post Employment Benefits

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

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

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

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NOTE 12. Post Employment Benefits (continued)

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. The statute requires each participating employer to contribute 1.3% of each participating employee's annual salary; each participating employee is required to contribute .65% of their salary. Employers joining the program after 1/1/98 are also required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

The RHCA plan is financed on a pay-as-you-go basis. The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the contributions can be changed by the New Mexico State Legislature.

For the fiscal years ended June 30, 2008, 2007, and 2006, City of Clovis remitted \$141,553, \$141,648, and \$131,733 in employer contributions, respectively, to the Retiree Health Care Authority.

NOTE 13. Contingencies

The City of Clovis participates in a number of federal, state, and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City of Clovis may be required to reimburse the grantor government. As of June 30, 2008, significant amounts of grant expenditures have not been audited by the grantor agencies. Management believes that any disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the City of Clovis.

The City of Clovis is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the City's legal counsel that resolution of these matters will not have a material adverse effect on the financial condition of the City.

STATE OF NEW MEXICO
City of Clovis
Notes to Financial Statements
June 30, 2008

NOTE 14. Deficit Fund Balances, Excess of Expenditures Over Appropriations and Designated cash appropriation in excess of available balances

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

- A. Deficit fund balances of individual funds.

None

- B. Excess of expenditures over appropriations

None

- C. Designated cash appropriation in excess of available balances. The following funds exceeded approved budgetary authority for the year ended June 30, 2008.

None

NOTE 15. Landfill Closure and Postclosure Care

State and federal laws and regulations require that the City of Clovis place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure of the landfill site. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and postclosure care costs that will be incurred near or after the date the landfill no longer accepts waste.

The recognition of these landfill closure and postclosure care costs is based on the amount of the landfill used during the year. The total estimated liability for landfill closure costs is \$2,026,760 as of June 30, 2008, which is based on the cumulative capacity to date as a percentage of projected capacity at the time of landfill closure. This represents an increase of \$60,800 from the prior year. It is estimated that an additional \$799,204 will be recognized as closure and postclosure care costs between the balance sheet date and the date the landfill site is expected to close in accordance with State of New Mexico Environmental Division and Federal EPA regulations. Approximately 66% of the landfill capacity has been used to date and the estimated remaining landfill life is six years. The estimated total current cost of the landfill closure and postclosure care of \$3,120,000 is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of June 30, 2008. However, the actual cost of closure and postclosure care may be higher due to inflation, changes in technology, or changes in state and federal landfill laws and regulations. The City of Clovis is required by the State of New Mexico Environmental Regulation Board to demonstrate financial assurance for the closure and postclosure costs. The City of Clovis obtained permanent financing from the NM Finance Authority for landfill expansion, closure, and postclosure care. The agreement establishes terms for use of the proceeds, and repayment of amounts loaned that are more fully discussed in Note 7.

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City of Clovis
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NOTE 16. Lessor Operating Leases

Operating leases arise from the leasing of the City's land and buildings to customers in varying industries in Clovis. Initial lease terms generally range from 12 to 120 months. Leases are cancellable by the Lessee with 30-120 days notice as defined by the lease agreement. Depreciation expense for assets subject to operating leases is provided primarily on the straight-line method over the term of the lease in amounts necessary to reduce the carrying amount of the asset to its estimated residual value. Estimated and actual residual values are reviewed on a regular basis to determine that depreciation amounts are appropriate. Depreciation expense for the year ended June 30, 2008 related to land and buildings held as rental property under operating leases is included in depreciation expense of the Airport in the Proprietary Funds Statement of Revenues, Expenses, and Changes in Fund Net Assets. Historical cost and accumulated depreciation as of June 30, 2008 related to land and buildings held as rental property under operating leases is included in property, plant and equipment of the Airport in the Proprietary Funds Statement of Net Assets.

NOTE 17. Commitments

The City had commitments at June 30, 2008 to pay a contractor in the amounts of \$3,173,460 and \$3,876,772, respectively, for construction of the North Prince Street and Airport Runway 4-22 Reconstruction Projects. There have been several payments for these services from the time the City entered into the contract to June 30, 2008. The North Prince Street Reconstruction Project paid out \$1,216,085 on October 21, 2008. The Airport Runway 4-22 Reconstruction Project paid out \$965,527 (August 5, 2008), \$1,732,399 (September 18, 2008), and \$1,122,715 (October 21, 2008).

The North Prince Street Reconstruction Project will have subsequent disbursements of \$1,957,376 to complete its project.

The Airport Runway 4-22 Reconstruction Project is complete and it falls within the June 30, 2009 audit period.

NOTE 18. Restricted Net Assets

The government-wide statement of net assets reports \$11,970,710 of restricted assets, all of which is restricted by enabling legislation. For descriptions of the related enabling legislation for special revenue, debt service and capital project funds, see pages 39, and 64-66.

SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO

City of Clovis
Nonmajor Funds
June 30, 2008

NONMAJOR SPECIAL REVENUE FUNDS

Municipal Road Fund (NMSA, 7-24A-1 to 7-24A-21) - To account for motor vehicle fees – 10 percent, which is to be used only for additions and improvements to the City's streets and highways.

Recreation Fund (NMSA, 7-12-1 to 7-12-17) - To account for state and city cigarette tax revenue, which is to be used to operate and maintain the City's various recreational facilities.

Older Adults Division Fund (Authorized by Commission at Budget Approval) - To account for the City's share of the cost of operating and administering a senior citizens facility. Funding is contributed directly to the facility from other governmental agencies.

Environmental Tax Fund (NMSA, 7-19D-1 to 7-19D-11) - To account for the City's share of gross receipts taxes that are to be used for environmental clean-up issues.

Fire Equipment Fund (NMSA, 59-15-1 to 59-15-17) – Annual grant from the State of New Mexico Fire Marshall's office. Funds are restricted for use on the maintenance of the fire department, the purchase, construction, maintenance, repair and operation of fire apparatus and equipment.

Sanitary Sewer Improvement Fund (NMSA, 3-26) - To account for the proceeds of wastewater connection fees, which are to be used for the improvement of sewer distribution lines.

Ned Houk Park Fund (Ordinance 864) - To account for state and county grants that are to be used for the operation, maintenance of and additions to park facilities.

Carver Library Fund (Ordinance 864) - To account for all revenues directly related to or assigned to use for Carver Library. This includes grants, charges for services, fines and other revenues.

Sewer Assessment No. 2 Fund (Authorized by Commission at Budget Approval) - To account for municipal gross receipts revenue, which will be used to the acquisition, construction, operation and maintenance of municipal infrastructure projects.

Infrastructure Improvement Fund (Authorized by Commission at Budget Approval) - To account for the City's cost of rehabilitating, making additions to or making improvements to one or more public buildings, public parks, public recreational buildings and other public facilities.

Special Parks Improvement Fund (Ordinance 1520-96) – To account for municipal gross receipts revenue, which will be used for the acquisition, construction, operation and maintenance of parks and recreation facilities.

Civic Center Fund (Ordinance 1520-96) - To account for municipal gross receipts revenue, which will be used for the acquisition, construction, operation and maintenance of a multi-purpose special events center.

Special Designated Fund (Authorized by Commission at Budget Approval) – To account for excess revenues generated in various funds for use on specific department improvements.

Economic Development Fund (Ordinance 1615-99) – To account for municipal gross receipts revenue, which will be used for the purpose of furthering or implementing economic development plans and projects as defined in the Local Economic Act and in accordance with the regulation.

Capital Outlay Gross Receipts Tax Fund (NMSA, 7-19-10 to 7-19-18) – To account for the City's portion of gross receipts taxes collected by the State of New Mexico. These proceeds are used for various department capital asset replacements.

Emergency Medical Services Fund (NMSA, 24-10A to 24-10A-9) – To account for annual grant from the Emergency Medical Services Fund Act. Funding is made available to municipalities in proportion to their needs, for use in the establishment and enhancement of local emergency medical services that assist in reducing injury and loss of life.

Special Street Fund (NMSA, 3-34-1 to 3-34-5; 7-19A-1 to 7-19A-7) – To account for specifically designated state shared gross

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City of Clovis
Nonmajor Funds
June 30, 2008

receipts taxes. Expenditures are restricted to street maintenance.

Recycling Fund (Authorized by Commission at Budget Approval) – To account for revenues and expenditures related to refuse recycling.

Lodger's Tax Fund (NMSA, 3-38-18 to 3-38-24) – To account for the collections and disbursement of local lodging tax whose use is restricted to the promotion of rural areas within the County.

Special Fire & Police Fund (NMSA, 59A-53-1 to 59A-53-16) – To account for the City's share of gross receipts taxes and the City's share of revenues that are restricted to expenditure for fire protection equipment and supplies.

Local Government Corrections Fund (NMSA, 33-3-25) – To account for the proceeds of State of New Mexico approved assessments by the City's municipal court, for which expenditures are designated for the care of prisoners.

Law Enforcement Protection Fund (NMSA, 29-13-1 to 29-13-9) – To account for state grant funds from the State of New Mexico which are to be utilized to enhance the efficiency and effectiveness of law enforcement protection.

Area Agency on Aging Fund (Authorized by Commission at Budget Approval) – To account for grants from the State of New Mexico, which are to be used for the improvement of facilities and services for older adults.

Clovis Area Transit System Fund (authorized by Commission at Budget Approval) – To account for state and federal grants, which are to provide transportation service to the general public.

Department of Justice Fund (Authorized by Commission at Budget Approval) – To account for federal grants, which are to provide law enforcement with opportunities to reduce crime and improve public safety by increasing personnel and equipment resources.

Drug Control Fund (Authorized by Commission at Budget Approval) – To account for state and federal grants which are to be used for implementation of improved drug control and awareness.

Eastern NM Rural Water Fund (Authorized by Commission at Budget Approval) – To account for federal grants which are to be used for the study, design and implementation of a water system project to deliver 24,000 acre-feet of water per annum from the Ute Reservoir located on the Canadian River to 9 communities and 3 counties in eastern New Mexico.

NONMAJOR DEBT SERVICE FUNDS

Drainage Improvement Fund – To account for the accumulation of resources for, and the payment of governmental activities long-term debt principal, interest and related costs specifically for the drainage acquisition and improvement excise tax bonds. The fund's source of revenue is a one sixteenth of one percent gross receipts tax and a 1.5 property tax mill levy approved by the City of Clovis Commission for note obligation repayment.

Civic Center Fund – To account for the accumulation of resources for, and the payment of governmental activities long-term debt principal, interest and related costs specifically for the civic center excise tax bonds. The fund's source of revenue is a one and two hundred and twenty-five thousandths percent gross receipts tax approved by the City of Clovis Commission for note obligation repayment.

Parks & Infrastructure Fund – To account for the accumulation of resources for, and the payment of governmental activities long-term debt principal, interest and related costs specifically for the parks and infrastructure excise tax bonds. The fund's source of revenue is a one eighth of one percent gross receipts tax approved by the City of Clovis Commission for note obligation repayment.

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City of Clovis

Nonmajor Funds

June 30, 2008

NONMAJOR CAPITAL PROJECTS FUND

Street Construction — To account for expenditures relating to state-shared projects, such as the repairs and maintenance of City streets, which are part of the State arterial system. Funding is from the Local Government road fund with matching funds transferred from the City of Clovis General Fund.

Drainage Improvement Fund — To account for the City's cost of constructing, acquiring and improving the City's storm drainage system.

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City of Clovis
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2008

Special Revenue

	<u>Municipal Road</u>	<u>Recreation</u>	<u>Older Adults Division</u>	<u>Environmental Tax</u>
<i>Assets</i>				
Cash and cash equivalents	\$ 17,397	\$ 20,438	\$ 70,710	\$ 1,518,628
Receivables:				
Intergovernmental	2,577	-	-	76,794
Other receivables	-	-	-	-
Inventory	-	-	-	-
Prepaid insurance	-	4,846	6,148	-
Due from other funds	-	-	-	-
<i>Total assets</i>	<u>\$ 19,974</u>	<u>\$ 25,284</u>	<u>\$ 76,858</u>	<u>\$ 1,595,422</u>
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll expenses	-	711	681	-
Due to other funds	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>711</u>	<u>681</u>	<u>-</u>
<i>Fund balances</i>				
Reserved				
Prepaid insurance	-	4,846	6,148	-
Unreserved, reported in:				
Special revenue	19,974	19,727	70,029	1,595,422
Debt service	-	-	-	-
Capital projects	-	-	-	-
<i>Total fund balances</i>	<u>19,974</u>	<u>24,573</u>	<u>76,177</u>	<u>1,595,422</u>
<i>Total liabilities and fund balances</i>	<u>\$ 19,974</u>	<u>\$ 25,284</u>	<u>\$ 76,858</u>	<u>\$ 1,595,422</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

<u>Fire Equipment</u>	<u>Sanitary Sewer Improvement</u>	<u>Ned Houk Park</u>	<u>Carver Library</u>	<u>Sewer Assessment No. 2</u>
\$ 1,011	\$ 764,573	\$ 14,024	\$ 27,820	\$ -
119,267	-	-	-	-
-	-	-	-	-
-	-	4,365	-	-
-	-	4,499	10,963	-
-	-	-	-	-
<u>\$ 120,278</u>	<u>\$ 764,573</u>	<u>\$ 22,888</u>	<u>\$ 38,783</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	399	2,062	-
120,278	-	-	-	-
<u>120,278</u>	<u>-</u>	<u>399</u>	<u>2,062</u>	<u>-</u>
-	-	4,499	10,963	-
-	764,573	17,990	25,758	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>764,573</u>	<u>22,489</u>	<u>36,721</u>	<u>-</u>
<u>\$ 120,278</u>	<u>\$ 764,573</u>	<u>\$ 22,888</u>	<u>\$ 38,783</u>	<u>\$ -</u>

STATE OF NEW MEXICO
City of Clovis
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2008

Special Revenue

	<u>Infrastructure Improvement</u>	<u>Special Parks Improvement</u>	<u>Civic Center</u>	<u>Special Designated</u>
<i>Assets</i>				
Cash and cash equivalents	\$ 517,487	\$ 130,237	\$ 109,060	\$ 517,093
Receivables:				
Intergovernmental	77,620	77,620	77,620	-
Other receivables	-	-	30,000	-
Inventory	-	-	-	-
Prepaid insurance	-	-	4,998	-
Due from other funds	-	-	-	-
<i>Total assets</i>	<u>\$ 595,107</u>	<u>\$ 207,857</u>	<u>\$ 221,678</u>	<u>\$ 517,093</u>
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ 6,167	\$ -
Accrued payroll expenses	-	-	-	-
Due to other funds	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>6,167</u>	<u>-</u>
<i>Fund balances</i>				
Reserved				
Prepaid insurance	-	-	4,998	-
Unreserved, reported in:				
Special revenue	595,107	207,857	210,513	517,093
Debt service	-	-	-	-
Capital projects	-	-	-	-
<i>Total fund balances</i>	<u>595,107</u>	<u>207,857</u>	<u>215,511</u>	<u>517,093</u>
<i>Total liabilities and fund balances</i>	<u>\$ 595,107</u>	<u>\$ 207,857</u>	<u>\$ 221,678</u>	<u>\$ 517,093</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

<u>Economic Development</u>	<u>Capital Outlay Gross Receipts Tax</u>	<u>Emergency Medical Services</u>	<u>Special Steet</u>	<u>Recycling</u>
\$ 2,756,959	\$ 2,014,932	\$ 1,745	\$ 716,413	\$ 28,947
153,521	305,617	-	310,479	-
-	-	-	-	-
-	-	-	21,680	-
-	-	-	25,791	-
-	-	-	-	-
<u>\$ 2,910,480</u>	<u>\$ 2,320,549</u>	<u>\$ 1,745</u>	<u>\$ 1,074,363</u>	<u>\$ 28,947</u>
\$ 710,245	\$ -	\$ -	\$ -	\$ -
-	-	-	4,545	-
-	-	-	-	8,211
<u>710,245</u>	<u>-</u>	<u>-</u>	<u>4,545</u>	<u>8,211</u>
-	-	-	25,791	-
2,200,235	2,320,549	1,745	1,044,027	20,736
-	-	-	-	-
-	-	-	-	-
<u>2,200,235</u>	<u>2,320,549</u>	<u>1,745</u>	<u>1,069,818</u>	<u>20,736</u>
<u>\$ 2,910,480</u>	<u>\$ 2,320,549</u>	<u>\$ 1,745</u>	<u>\$ 1,074,363</u>	<u>\$ 28,947</u>

STATE OF NEW MEXICO
City of Clovis
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2008

Special Revenue

	<u>Lodger's Tax</u>	<u>Special Fire & Police</u>	<u>Local Government Corrections</u>	<u>Law Enforcement Protection</u>
<i>Assets</i>				
Cash and cash equivalents	\$ 669,056	\$ 125,811	\$ 32,787	\$ 13,709
Receivables:				
Intergovernmental	13,557	310,479	-	-
Other receivables	-	-	-	-
Inventory	-	-	-	-
Prepaid insurance	-	-	-	-
Due from other funds	-	-	-	-
<i>Total assets</i>	<u>\$ 682,613</u>	<u>\$ 436,290</u>	<u>\$ 32,787</u>	<u>\$ 13,709</u>
<i>Liabilities</i>				
Accounts payable	\$ 47,964	\$ -	\$ -	\$ -
Accrued payroll expenses	-	-	-	-
Due to other funds	-	-	-	-
<i>Total liabilities</i>	<u>47,964</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>				
Reserved				
Prepaid insurance	-	-	-	-
Unreserved, reported in:				
Special revenue	634,649	436,290	32,787	13,709
Debt service	-	-	-	-
Capital projects	-	-	-	-
<i>Total fund balances</i>	<u>634,649</u>	<u>436,290</u>	<u>32,787</u>	<u>13,709</u>
<i>Total liabilities and fund balances</i>	<u>\$ 682,613</u>	<u>\$ 436,290</u>	<u>\$ 32,787</u>	<u>\$ 13,709</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

Area Agency on Aging	Clovis Area Transit System	Department of Justice	Drug Control	Eastern NM Rural Water
\$ -	\$ 218,766	\$ 1,003	\$ 14,667	\$ 221,597
-	-	11,974	84,741	813,153
-	-	-	-	-
-	-	-	-	-
64	10,272	-	2,626	-
-	-	-	-	-
<u>\$ 64</u>	<u>\$ 229,038</u>	<u>\$ 12,977</u>	<u>\$ 102,034</u>	<u>\$ 1,034,750</u>
\$ -	\$ -	\$ -	\$ -	\$ 165,177
-	1,968	-	-	-
-	-	12,977	101,945	869,573
<u>-</u>	<u>1,968</u>	<u>12,977</u>	<u>101,945</u>	<u>1,034,750</u>
64	10,272	-	2,626	-
-	216,798	-	(2,537)	-
-	-	-	-	-
-	-	-	-	-
<u>64</u>	<u>227,070</u>	<u>-</u>	<u>89</u>	<u>-</u>
<u>\$ 64</u>	<u>\$ 229,038</u>	<u>\$ 12,977</u>	<u>\$ 102,034</u>	<u>\$ 1,034,750</u>

STATE OF NEW MEXICO
City of Clovis
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2008

	Debt Service		
	Drainage Improvement	Civic Center	Parks & Infrastructure
<i>Assets</i>			
Cash and cash equivalents	\$ 39,665	\$ 63,647	\$ 146,743
Receivables:			
Intergovernmental	-	-	-
Other receivables	-	-	-
Inventory	-	-	-
Prepaid insurance	-	-	-
Due from other funds	-	-	-
<i>Total assets</i>	\$ 39,665	\$ 63,647	\$ 146,743
<i>Liabilities</i>			
Accounts payable	\$ -	-	\$ -
Accrued payroll expenses	-	-	-
Due to other funds	-	-	-
<i>Total liabilities</i>	-	-	-
<i>Fund balances</i>			
Reserved			
Prepaid insurance	-	-	-
Unreserved, reported in:			
Special revenue	-	-	-
Debt service	39,665	63,647	146,743
Capital projects	-	-	-
<i>Total fund balances</i>	39,665	63,647	146,743
<i>Total liabilities and fund balances</i>	\$ 39,665	\$ 63,647	\$ 146,743

The accompanying notes are an integral part of these financial statements

<u>Capital Projects</u>		
<u>Street Construction</u>	<u>Drainage Improvement</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 269	\$ 957,472	\$ 11,732,666
148,847	77,620	2,661,486
-	-	30,000
-	-	26,045
-	-	70,207
-	-	-
<u>\$ 149,116</u>	<u>\$ 1,035,092</u>	<u>\$ 14,520,404</u>
\$ 47,612	\$ -	\$ 977,165
-	-	10,366
250,502	-	1,363,486
<u>298,114</u>	<u>-</u>	<u>2,351,017</u>
-	-	70,207
-	-	10,963,031
-	-	250,055
(148,998)	1,035,092	886,094
<u>(148,998)</u>	<u>1,035,092</u>	<u>12,169,387</u>
<u>\$ 149,116</u>	<u>\$ 1,035,092</u>	<u>\$ 14,520,404</u>

STATE OF NEW MEXICO
City of Clovis
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2008

	<u>Special Revenue</u>			
	<u>Municipal Road</u>	<u>Recreation</u>	<u>Older Adults Division</u>	<u>Environmental Tax</u>
<i>Revenues:</i>				
Taxes:				
Gross receipts	\$ -	\$ -	\$ -	\$ 435,653
Gasoline and motor vehicle	86,686	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	25,538	-	-
Fines, forfeitures & penalties	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	202	926	864	57,773
Miscellaneous	(132)	940	9,389	-
<i>Total revenues</i>	<u>86,756</u>	<u>27,404</u>	<u>10,253</u>	<u>493,426</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	229,200	-	-
Health and welfare	-	-	242,866	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>229,200</u>	<u>242,866</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>86,756</u>	<u>(201,796)</u>	<u>(232,613)</u>	<u>493,426</u>
<i>Other financing sources (uses)</i>				
Transfers in/(out)	(84,332)	201,217	296,914	(244,551)
<i>Total other financing sources (uses)</i>	<u>(84,332)</u>	<u>201,217</u>	<u>296,914</u>	<u>(244,551)</u>
<i>Net change in fund balances</i>	2,424	(579)	64,301	248,875
<i>Fund balances - beginning of year</i>	<u>17,550</u>	<u>25,152</u>	<u>11,876</u>	<u>1,346,547</u>
<i>Fund balances - end of year</i>	<u>\$ 19,974</u>	<u>\$ 24,573</u>	<u>\$ 76,177</u>	<u>\$ 1,595,422</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

<u>Fire Equipment</u>	<u>Sanitary Sewer Improvement</u>	<u>Ned Houk Park</u>	<u>Carver Library</u>	<u>Sewer Assessment No. 2</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
545,203	-	-	33,053	-
-	-	-	-	-
-	-	-	25,235	-
-	-	-	15,511	-
-	70,201	-	-	-
12,344	30,998	2,015	2,588	38
-	-	-	1,385	-
<u>557,547</u>	<u>101,199</u>	<u>2,015</u>	<u>77,772</u>	<u>38</u>
-	-	-	-	-
68,250	-	-	-	-
-	-	-	-	-
-	-	241,619	739,361	-
-	-	-	-	-
574,550	-	-	17,670	-
-	-	-	-	-
-	-	-	-	-
<u>642,800</u>	<u>-</u>	<u>241,619</u>	<u>757,031</u>	<u>-</u>
<u>(85,253)</u>	<u>101,199</u>	<u>(239,604)</u>	<u>(679,259)</u>	<u>38</u>
<u>(150,000)</u>	<u>-</u>	<u>212,170</u>	<u>658,818</u>	<u>(1,129)</u>
<u>(150,000)</u>	<u>-</u>	<u>212,170</u>	<u>658,818</u>	<u>(1,129)</u>
(235,253)	101,199	(27,434)	(20,441)	(1,091)
<u>235,253</u>	<u>663,374</u>	<u>49,923</u>	<u>57,162</u>	<u>1,091</u>
<u>\$ -</u>	<u>\$ 764,573</u>	<u>\$ 22,489</u>	<u>\$ 36,721</u>	<u>\$ -</u>

STATE OF NEW MEXICO
City of Clovis
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2008

	<u>Special Revenue</u>			
	<u>Infrastructure Improvement</u>	<u>Special Parks Improvement</u>	<u>Civic Center</u>	<u>Special Designated</u>
<i>Revenues:</i>				
Taxes:				
Gross receipts	\$ 440,296	\$ 440,296	\$ 440,296	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	730,219	26,543
Fines, forfeitures & penalties	-	-	-	-
Licenses and fees	-	-	-	230,016
Investment income	15,326	2,870	2,040	7,306
Miscellaneous	-	-	9,591	27,135
<i>Total revenues</i>	<u>455,622</u>	<u>443,166</u>	<u>1,182,146</u>	<u>291,000</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	1,045,950	-
Health and welfare	-	-	-	-
Capital outlay	-	-	5,164	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>1,051,114</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>455,622</u>	<u>443,166</u>	<u>131,032</u>	<u>291,000</u>
<i>Other financing sources (uses)</i>				
Transfers in/(out)	<u>(242,598)</u>	<u>(357,421)</u>	<u>(149,293)</u>	<u>(313,153)</u>
<i>Total other financing sources (uses)</i>	<u>(242,598)</u>	<u>(357,421)</u>	<u>(149,293)</u>	<u>(313,153)</u>
<i>Net change in fund balances</i>	213,024	85,745	(18,261)	(22,153)
<i>Fund balances - beginning of year</i>	<u>382,083</u>	<u>122,112</u>	<u>233,772</u>	<u>539,246</u>
<i>Fund balances - end of year</i>	<u>\$ 595,107</u>	<u>\$ 207,857</u>	<u>\$ 215,511</u>	<u>\$ 517,093</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

Economic Development	Capital Outlay Gross Receipts Tax	Emergency Medical Services	Special Steet	Recycling
\$ 870,786	\$ 1,735,927	\$ -	\$ 1,761,182	\$ -
-	-	-	441,542	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	20,000	64,165	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
100,924	60,337	-	10,719	-
78,706	-	-	44,249	29,177
<u>1,050,416</u>	<u>1,796,264</u>	<u>20,000</u>	<u>2,321,857</u>	<u>29,177</u>
220,000	-	-	-	-
-	-	-	-	-
-	-	-	2,280,002	-
-	-	-	-	-
-	-	8,153	-	20,285
888,487	-	19,354	389,388	-
-	-	-	-	-
-	-	-	-	-
<u>1,108,487</u>	<u>-</u>	<u>27,507</u>	<u>2,669,390</u>	<u>20,285</u>
(58,071)	1,796,264	(7,507)	(347,533)	8,892
-	(1,230,140)	-	849,410	-
-	(1,230,140)	-	849,410	-
(58,071)	566,124	(7,507)	501,877	8,892
<u>2,258,306</u>	<u>1,754,425</u>	<u>9,252</u>	<u>567,941</u>	<u>11,844</u>
<u>\$ 2,200,235</u>	<u>\$ 2,320,549</u>	<u>\$ 1,745</u>	<u>\$ 1,069,818</u>	<u>\$ 20,736</u>

STATE OF NEW MEXICO
City of Clovis
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2008

	Special Revenue			
	Lodger's Tax	Special Fire & Police	Local Government Corrections	Law Enforcement Protection
<i>Revenues:</i>				
Taxes:				
Gross receipts	\$ -	\$ 1,761,182	\$ -	\$ -
Gasoline and motor vehicle	-	-	-	-
Other	442,609	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	64,800
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Fines, forfeitures & penalties	-	-	-	-
Licenses and fees	-	-	154,093	-
Investment income	28,532	616	2,214	1,976
Miscellaneous	591	-	(520)	155
<i>Total revenues</i>	471,732	1,761,798	155,787	66,931
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	81,974
Public works	-	-	-	-
Culture and recreation	331,971	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	331,971	-	-	81,974
<i>Excess (deficiency) of revenues over expenditures</i>	139,761	1,761,798	155,787	(15,043)
<i>Other financing sources (uses)</i>				
Transfers in/(out)	(125,000)	(1,641,431)	(187,145)	-
<i>Total other financing sources (uses)</i>	(125,000)	(1,641,431)	(187,145)	-
<i>Net change in fund balances</i>	14,761	120,367	(31,358)	(15,043)
<i>Fund balances - beginning of year</i>	619,888	315,923	64,145	28,752
<i>Fund balances - end of year</i>	\$ 634,649	\$ 436,290	\$ 32,787	\$ 13,709

The accompanying notes are an integral part of these financial statements

Special Revenue

Area Agency on Aging	Clovis Area Transit System	Department of Justice	Drug Control	Eastern NM Rural Water
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
2,599	-	12,914	132,477	-
-	647,274	-	-	-
8,663	-	-	64,239	3,008,830
-	-	-	-	-
-	35,527	-	-	-
-	-	-	-	-
-	-	-	-	-
133	-	96	601	3,693
44,222	1,992	-	39,368	50,560
55,617	684,793	13,010	236,685	3,063,083
-	678,632	-	-	-
-	-	15,870	267,896	-
-	-	-	-	3,161,690
36,314	-	-	-	-
-	-	-	-	-
-	671,545	-	-	-
-	-	-	-	-
-	-	-	-	-
36,314	1,350,177	15,870	267,896	3,161,690
19,303	(665,384)	(2,860)	(31,211)	(98,607)
(25,634)	282,602	-	-	149,440
(25,634)	282,602	-	-	149,440
(6,331)	(382,782)	(2,860)	(31,211)	50,833
6,395	609,852	2,860	31,300	(50,833)
\$ 64	\$ 227,070	\$ -	\$ 89	\$ -

STATE OF NEW MEXICO
City of Clovis
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2008

	Debt Service		
	Drainage Improvement	Civic Center	Parks & Infrastructure
<i>Revenues:</i>			
Taxes:			
Gross receipts	\$ -	\$ -	\$ -
Gasoline and motor vehicle	-	-	-
Other	-	-	-
Intergovernmental:			
Federal operating grants	-	-	-
Federal capital grants	-	-	-
State operating grants	-	-	-
State capital grants	-	-	-
Charges for services	-	-	-
Fines, forfeitures & penalties	-	-	-
Licenses and fees	-	-	-
Investment income	13,066	5,594	13,658
Miscellaneous	(35)	-	(35)
<i>Total revenues</i>	13,031	5,594	13,623
<i>Expenditures:</i>			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Culture and recreation	-	-	-
Health and welfare	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	595,000	140,000	365,000
Interest	27,073	134,294	101,680
<i>Total expenditures</i>	622,073	274,294	466,680
<i>Excess (deficiency) of revenues over expenditures</i>	(609,042)	(268,700)	(453,057)
<i>Other financing sources (uses)</i>			
Transfers in/(out)	518,394	274,293	466,680
<i>Total other financing sources (uses)</i>	518,394	274,293	466,680
<i>Net change in fund balances</i>	(90,648)	5,593	13,623
<i>Fund balances - beginning of year</i>	130,313	58,054	133,120
<i>Fund balances - end of year</i>	\$ 39,665	\$ 63,647	\$ 146,743

The accompanying notes are an integral part of these financial statements

<u>Capital Projects</u>		
<u>Street Construction</u>	<u>Drainage Improvement</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ 440,296	\$ 8,325,914
-	-	528,228
-	-	442,609
-	-	147,990
-	-	647,274
-	-	3,808,953
790,779	-	790,779
-	-	843,062
-	-	15,511
-	-	454,310
3,507	55,940	436,896
90,834	-	427,572
<u>885,120</u>	<u>496,236</u>	<u>16,869,098</u>
-	-	898,632
-	-	433,990
-	-	5,441,692
-	-	2,624,415
-	-	271,304
1,281,008	57,426	3,904,592
-	-	1,100,000
-	-	263,047
<u>1,281,008</u>	<u>57,426</u>	<u>14,937,672</u>
<u>(395,888)</u>	<u>438,810</u>	<u>1,931,426</u>
<u>28,796</u>	<u>(249,518)</u>	<u>(1,062,611)</u>
<u>28,796</u>	<u>(249,518)</u>	<u>(1,062,611)</u>
(367,092)	189,292	868,815
<u>218,094</u>	<u>845,800</u>	<u>11,300,572</u>
<u>\$ (148,998)</u>	<u>\$ 1,035,092</u>	<u>\$ 12,169,387</u>

STATE OF NEW MEXICO

Statement B-1

City of Clovis

Municipal Road Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	85,000	85,000	101,657	16,657
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	330	330	202	(128)
Miscellaneous	-	-	(132)	(132)
<i>Total revenues</i>	<u>85,330</u>	<u>85,330</u>	<u>101,727</u>	<u>16,397</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>85,330</u>	<u>85,330</u>	<u>101,727</u>	<u>16,397</u>
<i>Other financing sources (uses)</i>				
Designated cash	(85,330)	(85,330)	-	85,330
Transfers in	-	-	-	-
Transfers out	-	-	(84,332)	(84,332)
<i>Total other financing sources (uses)</i>	<u>(85,330)</u>	<u>(85,330)</u>	<u>(84,332)</u>	<u>998</u>
<i>Net change in fund balance</i>	-	-	17,395	17,395
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,397</u>	<u>\$ 17,397</u>
Net change in fund balance (GAAP)				2,424
Adjustments to revenue for 10% motor vehicle tax accruals				(14,971)
Adjustments to expenditures for bad debts				-
Net change in fund balance (non-GAAP budgetary basis)				<u>\$ 17,395</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-2

City of Clovis

Recreation Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	25,000	25,000	30,422	5,422
Licenses and fees	-	-	-	-
Investment income	4,050	4,050	926	(3,124)
Miscellaneous	-	-	940	940
<i>Total revenues</i>	<u>29,050</u>	<u>29,050</u>	<u>32,288</u>	<u>3,238</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	247,658	251,963	235,763	16,200
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>247,658</u>	<u>251,963</u>	<u>235,763</u>	<u>16,200</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(218,608)</u>	<u>(222,913)</u>	<u>(203,475)</u>	<u>19,438</u>
<i>Other financing sources (uses)</i>				
Designated cash	21,696	21,696	-	(21,696)
Transfers in	196,912	201,217	201,217	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>218,608</u>	<u>222,913</u>	<u>201,217</u>	<u>(21,696)</u>
<i>Net change in fund balance</i>	-	-	(2,258)	(2,258)
<i>Fund balance - beginning of year</i>	-	-	22,696	22,696
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,438</u>	<u>\$ 20,438</u>
Net change in fund balance (GAAP)				\$ (579)
Adjustments to revenue for recreation accrual				(4,884)
Adjustments to expenditures for prepaid insurance and accrued payroll				6,563
Net change in fund balance (non-GAAP budgetary basis)				<u>\$ (2,258)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-3

City of Clovis

Older Adults Division Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	20,000	20,000	19,640	(360)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	500	500	864	364
Miscellaneous	-	-	9,389	9,389
<i>Total revenues</i>	<u>20,500</u>	<u>20,500</u>	<u>29,893</u>	<u>9,393</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	307,647	383,504	323,184	60,320
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>307,647</u>	<u>383,504</u>	<u>323,184</u>	<u>60,320</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(287,147)</u>	<u>(363,004)</u>	<u>(293,291)</u>	<u>69,713</u>
<i>Other financing sources (uses)</i>				
Designated cash	66,090	66,090	-	(66,090)
Transfers in	-	-	-	-
Transfers out	221,057	296,914	296,914	-
<i>Total other financing sources (uses)</i>	<u>287,147</u>	<u>363,004</u>	<u>296,914</u>	<u>(66,090)</u>
<i>Net change in fund balance</i>	-	-	3,623	3,623
<i>Fund balance - beginning of year</i>	-	-	67,087	67,087
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,710</u>	<u>\$ 70,710</u>
Net change in fund balance (GAAP)				\$ 64,301
Adjustments to revenue for operating grant accrual				(19,640)
Adjustment to expenditures for accrued payroll and accounts payable				80,318
Net change in fund balance (non-GAAP budgetary basis)				<u>\$ 3,623</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-4

City of Clovis

Environmental Tax Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	404,555	432,310	432,310	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	60,000	60,000	57,773	(2,227)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>464,555</u>	<u>492,310</u>	<u>490,083</u>	<u>(2,227)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>464,555</u>	<u>492,310</u>	<u>490,083</u>	<u>(2,227)</u>
<i>Other financing sources (uses)</i>				
Designated cash	(464,555)	(492,310)	-	492,310
Transfers in	-	-	187,759	187,759
Transfers out	-	-	(432,310)	(432,310)
<i>Total other financing sources (uses)</i>	<u>(464,555)</u>	<u>(492,310)</u>	<u>(244,551)</u>	<u>247,759</u>
<i>Net change in fund balance</i>	-	-	245,532	245,532
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,273,096</u>	<u>1,273,096</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,518,628</u>	<u>\$ 1,518,628</u>
Net change in fund balance (GAAP)				\$ 248,875
Adjustment to revenues for gross receipts taxes				3,343
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)				<u>\$ 245,532</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-5

City of Clovis

Fire Equipment Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	381,319	425,936	425,936	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	10,100	10,100	12,344	2,244
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>391,419</u>	<u>436,036</u>	<u>438,280</u>	<u>2,244</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	64,595	76,795	68,250	8,545
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	463,492	795,909	625,965	169,944
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>528,087</u>	<u>872,704</u>	<u>694,215</u>	<u>178,489</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(136,668)</u>	<u>(436,668)</u>	<u>(255,935)</u>	<u>180,733</u>
<i>Other financing sources (uses)</i>				
Designated cash	286,668	286,668	-	(286,668)
Transfers in	-	-	-	-
Transfers out	(150,000)	150,000	(150,000)	(300,000)
<i>Total other financing sources (uses)</i>	<u>136,668</u>	<u>436,668</u>	<u>(150,000)</u>	<u>(586,668)</u>
<i>Net change in fund balance</i>	-	-	(405,935)	(405,935)
<i>Fund balance - beginning of year</i>	-	-	286,668	286,668
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (119,267)</u>	<u>\$ (119,267)</u>
Net change in fund balance (GAAP)				\$ (235,253)
No adjustments to revenue				119,267
Adjustments to expenditures for public safety expenditure accruals				51,415
Net change in fund balance (non-GAAP budgetary basis)				<u>\$ (405,935)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-6

City of Clovis

Sanitary Sewer Improvement Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	85,000	85,000	70,201	(14,799)
Investment income	25,050	25,050	30,998	5,948
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>110,050</u>	<u>110,050</u>	<u>101,199</u>	<u>(8,851)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>110,050</u>	<u>110,050</u>	<u>101,199</u>	<u>(8,851)</u>
<i>Other financing sources (uses)</i>				
Designated cash	(110,050)	(110,050)	-	110,050
Proceeds from debt issuance	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(110,050)</u>	<u>(110,050)</u>	<u>-</u>	<u>110,050</u>
<i>Net change in fund balance</i>	-	-	101,199	101,199
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>663,374</u>	<u>663,374</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 764,573</u>	<u>\$ 764,573</u>
Net change in fund balance (GAAP)				\$ 101,199
No adjustments to revenue				-
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)				<u>\$ 101,199</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-7

City of Clovis

Ned Houk Park Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	500	500	2,015	1,515
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>500</u>	<u>500</u>	<u>2,015</u>	<u>1,515</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	194,684	257,051	245,541	11,510
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>194,684</u>	<u>257,051</u>	<u>245,541</u>	<u>11,510</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(194,184)</u>	<u>(256,551)</u>	<u>(243,526)</u>	<u>13,025</u>
<i>Other financing sources (uses)</i>				
Designated cash	44,381	53,381	-	(53,381)
Transfers in	149,803	203,170	212,170	9,000
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>194,184</u>	<u>256,551</u>	<u>212,170</u>	<u>(44,381)</u>
<i>Net change in fund balance</i>	-	-	(31,356)	(31,356)
<i>Fund balance - beginning of year</i>	-	-	45,380	45,380
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,024</u>	<u>\$ 14,024</u>
Net change in fund balance (GAAP)				\$ (27,434)
No adjustments to revenue				-
Adjustments to expenditures for prepaid expenses and accrued wages				3,922
Net change in fund balance (non-GAAP budgetary basis)				<u>\$ (31,356)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-8

City of Clovis

Carver Library Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	17,962	92,920	43,484	(49,436)
State capital grants	-	-	-	-
Charges for services	24,100	24,100	25,235	1,135
Fines, forfeitures & penalties	11,000	11,000	15,511	4,511
Licenses and fees	-	-	-	-
Investment income	5,530	5,530	2,588	(2,942)
Miscellaneous	2,500	7,500	1,385	(6,115)
<i>Total revenues</i>	<u>61,092</u>	<u>141,050</u>	<u>88,203</u>	<u>(52,847)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	725,681	830,631	760,325	70,306
Health and welfare	-	-	-	-
Capital outlay	-	17,760	17,670	90
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>725,681</u>	<u>848,391</u>	<u>777,995</u>	<u>70,396</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(664,589)</u>	<u>(707,341)</u>	<u>(689,792)</u>	<u>17,549</u>
<i>Other financing sources (uses)</i>				
Designated cash	48,523	48,516	-	(48,516)
Transfers in	-	-	-	-
Transfers out	616,066	658,825	658,818	(7)
<i>Total other financing sources (uses)</i>	<u>664,589</u>	<u>707,341</u>	<u>658,818</u>	<u>(48,523)</u>
<i>Net change in fund balance</i>	-	-	(30,974)	(30,974)
<i>Fund balance - beginning of year</i>	-	-	58,794	58,794
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,820</u>	<u>\$ 27,820</u>
Net change in fund balance (GAAP)				\$ (20,441)
Adjustments to revenue for library grant funds				(10,431)
Adjustments for prepaid expenses, accrued wages and compensated absences				20,964
Net change in fund balance (non-GAAP budgetary basis)				<u>\$ (30,974)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-9

City of Clovis

Sewer Assessment No. 2 Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	38	38	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>38</u>	<u>38</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>38</u>	<u>38</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	(38)	-	38
Transfers in	-	-	-	-
Transfers out	-	-	(1,129)	(1,129)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(38)</u>	<u>(1,129)</u>	<u>(1,091)</u>
<i>Net change in fund balance</i>	-	-	(1,091)	(1,091)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,091</u>	<u>1,091</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (GAAP)				\$ (1,091)
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)				<u>\$ (1,091)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-10

City of Clovis

Infrastructure Improvement Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	404,555	404,555	436,944	32,389
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	10,000	10,000	15,326	5,326
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>414,555</u>	<u>414,555</u>	<u>452,270</u>	<u>37,715</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>414,555</u>	<u>414,555</u>	<u>452,270</u>	<u>37,715</u>
<i>Other financing sources (uses)</i>				
Designated cash	(414,555)	(414,555)	-	414,555
Transfers in	-	-	-	-
Transfers out	-	-	(242,598)	(242,598)
<i>Total other financing sources (uses)</i>	<u>(414,555)</u>	<u>(414,555)</u>	<u>(242,598)</u>	<u>171,957</u>
<i>Net change in fund balance</i>	-	-	209,672	209,672
<i>Fund balance - beginning of year</i>	-	-	307,815	307,815
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 517,487</u>	<u>\$ 517,487</u>
Net change in fund balance (GAAP)				\$ 213,024
Adjustments to revenue for gross receipts taxes				3,352
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)				<u>\$ 209,672</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-11

City of Clovis

Special Parks Improvement Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	404,555	404,555	436,944	32,389
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	4,000	4,000	2,870	(1,130)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>408,555</u>	<u>408,555</u>	<u>439,814</u>	<u>31,259</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>408,555</u>	<u>408,555</u>	<u>439,814</u>	<u>31,259</u>
<i>Other financing sources (uses)</i>				
Designated cash	(408,555)	(408,555)	-	408,555
Transfers in	-	-	-	-
Transfers out	-	-	(357,421)	(357,421)
<i>Total other financing sources (uses)</i>	<u>(408,555)</u>	<u>(408,555)</u>	<u>(357,421)</u>	<u>51,134</u>
<i>Net change in fund balance</i>	-	-	82,393	82,393
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>47,844</u>	<u>47,844</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 130,237</u>	<u>\$ 130,237</u>
Net change in fund balance (GAAP)				\$ 85,745
Adjustments to revenue for gross receipts taxes				3,352
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)				<u>\$ 82,393</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-12

City of Clovis

Civic Center Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	404,555	404,555	436,944	32,389
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	938,100	938,100	766,890	(171,210)
Licenses and fees	-	-	-	-
Investment income	10,350	10,350	2,040	(8,310)
Miscellaneous	-	-	9,591	9,591
<i>Total revenues</i>	<u>1,353,005</u>	<u>1,353,005</u>	<u>1,215,465</u>	<u>(137,540)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	1,138,907	1,133,742	1,060,656	73,086
Health and welfare	-	-	-	-
Capital outlay	-	5,165	5,164	1
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,138,907</u>	<u>1,138,907</u>	<u>1,065,820</u>	<u>73,087</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>214,098</u>	<u>214,098</u>	<u>149,645</u>	<u>(64,453)</u>
<i>Other financing sources (uses)</i>				
Designated cash	(214,098)	(214,098)	-	214,098
Transfers in	-	-	-	-
Transfers out	-	-	(149,293)	(149,293)
<i>Total other financing sources (uses)</i>	<u>(214,098)</u>	<u>(214,098)</u>	<u>(149,293)</u>	<u>64,805</u>
<i>Net change in fund balance</i>	-	-	352	352
<i>Fund balance - beginning of year</i>	-	-	108,708	108,708
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 109,060</u>	<u>\$ 109,060</u>
Net change in fund balance (GAAP)				\$ (18,261)
Adjustments to revenue for gross receipts tax and other civic center revenue accruals				(33,319)
Adjustments to expenditures for culture and recreation accruals				14,706
Net change in fund balance (non-GAAP budgetary basis)				<u>\$ 352</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-13

City of Clovis

Special Designated Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	23,300	23,300	26,543	3,243
Licenses and fees	208,600	208,600	230,016	21,416
Investment income	5,000	5,000	7,306	2,306
Miscellaneous	350	350	27,135	26,785
<i>Total revenues</i>	<u>237,250</u>	<u>237,250</u>	<u>291,000</u>	<u>53,750</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>237,250</u>	<u>237,250</u>	<u>291,000</u>	<u>53,750</u>
<i>Other financing sources (uses)</i>				
Designated cash	(237,250)	(237,250)	-	237,250
Transfers in	-	-	-	-
Transfers out	-	-	(313,153)	(313,153)
<i>Total other financing sources (uses)</i>	<u>(237,250)</u>	<u>(237,250)</u>	<u>(313,153)</u>	<u>(75,903)</u>
<i>Net change in fund balance</i>	-	-	(22,153)	(22,153)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>539,246</u>	<u>539,246</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 517,093</u>	<u>\$ 517,093</u>
Net change in fund balance (GAAP)				\$ (22,153)
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)				<u>\$ (22,153)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-14

City of Clovis

Economic Development Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	809,041	809,041	864,106	55,065
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	60,000	60,000	100,924	40,924
Miscellaneous	-	78,706	78,706	-
<i>Total revenues</i>	<u>869,041</u>	<u>947,747</u>	<u>1,043,736</u>	<u>95,989</u>
<i>Expenditures:</i>				
Current:				
General government	1,590,000	1,990,000	170,000	1,820,000
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	108,898	437,604	228,242	209,362
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,698,898</u>	<u>2,427,604</u>	<u>398,242</u>	<u>2,029,362</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(829,857)</u>	<u>(1,479,857)</u>	<u>645,494</u>	<u>2,125,351</u>
<i>Other financing sources (uses)</i>				
Designated cash	829,857	1,479,857	-	(1,479,857)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>829,857</u>	<u>1,479,857</u>	<u>-</u>	<u>(1,479,857)</u>
<i>Net change in fund balance</i>	-	-	645,494	645,494
<i>Fund balance - beginning of year</i>	-	-	2,111,465	2,111,465
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,756,959</u>	<u>\$ 2,756,959</u>
Net change in fund balance (GAAP)				\$ (58,071)
Adjustments to revenue for gross receipts taxes				6,680
Adjustments to expenditures for prepaid insurance and general government accruals				(710,245)
Net change in fund balance (non-GAAP budgetary basis)				<u>\$ 645,494</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Clovis
Capital Outlay Gross Receipts Tax Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

Statement B-15

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	1,618,082	1,618,082	1,723,370	105,288
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	15,000	15,000	60,337	45,337
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,633,082</u>	<u>1,633,082</u>	<u>1,783,707</u>	<u>150,625</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>1,633,082</u>	<u>1,633,082</u>	<u>1,783,707</u>	<u>150,625</u>
<i>Other financing sources (uses)</i>				
Designated cash	(1,633,082)	(1,633,082)	-	1,633,082
Transfers in	-	-	(1,230,140)	(1,230,140)
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(1,633,082)</u>	<u>(1,633,082)</u>	<u>(1,230,140)</u>	<u>402,942</u>
<i>Net change in fund balance</i>	-	-	553,567	553,567
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,461,365</u>	<u>1,461,365</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,014,932</u>	<u>\$ 2,014,932</u>
Net change in fund balance (GAAP)				\$ 566,124
Adjustments to revenue for gross receipts taxes				12,557
No adjustments to expenditures				<u>-</u>
Net change in fund balance (non-GAAP budgetary basis)				<u>\$ 553,567</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-16

City of Clovis

Emergency Medical Services Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	20,000	20,000	20,000	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	11,252	9,752	8,153	1,599
Capital outlay	18,000	19,500	19,354	146
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>29,252</u>	<u>29,252</u>	<u>27,507</u>	<u>1,745</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(9,252)</u>	<u>(9,252)</u>	<u>(7,507)</u>	<u>1,745</u>
<i>Other financing sources (uses)</i>				
Designated cash	9,252	9,252	-	(9,252)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>9,252</u>	<u>9,252</u>	<u>-</u>	<u>(9,252)</u>
<i>Net change in fund balance</i>	-	-	(7,507)	(7,507)
<i>Fund balance - beginning of year</i>	-	-	9,252	9,252
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,745</u>	<u>\$ 1,745</u>
Net change in fund balance (GAAP)				\$ (7,507)
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)				<u>\$ (7,507)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-17

City of Clovis

Special Streets Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	1,618,082	1,618,082	1,747,777	129,695
Gasoline and motor vehicle	550,000	550,000	486,120	(63,880)
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	2,300,045	2,300,045	-	(2,300,045)
Federal capital grants	-	-	-	-
State operating grants	185,681	255,643	249,846	(5,797)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	10,500	10,500	10,719	219
Miscellaneous	-	30,785	44,249	13,464
<i>Total revenues</i>	<u>4,664,308</u>	<u>4,765,055</u>	<u>2,538,711</u>	<u>(2,226,344)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	2,616,553	2,799,817	2,316,229	483,588
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	2,759,882	3,187,073	389,388	2,797,685
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>5,376,435</u>	<u>5,986,890</u>	<u>2,705,617</u>	<u>3,281,273</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(712,127)</u>	<u>(1,221,835)</u>	<u>(166,906)</u>	<u>1,054,929</u>
<i>Other financing sources (uses)</i>				
Designated cash	(179,828)	(16,730)	-	16,730
Transfers in	891,955	1,238,565	849,410	(389,155)
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>712,127</u>	<u>1,221,835</u>	<u>849,410</u>	<u>(372,425)</u>
<i>Net change in fund balance</i>	-	-	682,504	682,504
<i>Fund balance - beginning of year</i>	-	-	33,909	33,909
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 716,413</u>	<u>\$ 716,413</u>
Net change in fund balance (GAAP)				\$ 501,877
Adjustments to revenues for gross receipts and gasoline taxes				(216,854)
Adjustments to expenditures for accrued wages				36,227
Net change in fund balance (non-GAAP budgetary basis)				<u>\$ 682,504</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Clovis
Recycling Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

Statement B-18

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	14,311	14,311	3,294	(11,017)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	7,500	9,675	29,177	19,502
<i>Total revenues</i>	<u>21,811</u>	<u>23,986</u>	<u>32,471</u>	<u>8,485</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	18,110	20,285	20,285	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>18,110</u>	<u>20,285</u>	<u>20,285</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>3,701</u>	<u>3,701</u>	<u>12,186</u>	<u>8,485</u>
<i>Other financing sources (uses)</i>				
Designated cash	(3,701)	(3,701)	-	3,701
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(3,701)</u>	<u>(3,701)</u>	<u>-</u>	<u>3,701</u>
<i>Net change in fund balance</i>	-	-	12,186	12,186
<i>Fund balance - beginning of year</i>	-	-	8,550	8,550
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,736</u>	<u>\$ 20,736</u>
Net change in fund balance (GAAP)				\$ 8,892
Adjustment to revenues for state grant accrual				(3,294)
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)				<u>\$ 12,186</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Clovis
Lodger's Tax Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

Statement B-19

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	430,000	466,576	466,576	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	17,200	17,200	28,532	11,332
Miscellaneous	-	-	591	591
<i>Total revenues</i>	<u>447,200</u>	<u>483,776</u>	<u>495,699</u>	<u>11,923</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	224,950	295,450	284,250	11,200
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>224,950</u>	<u>295,450</u>	<u>284,250</u>	<u>11,200</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>222,250</u>	<u>188,326</u>	<u>211,449</u>	<u>23,123</u>
<i>Other financing sources (uses)</i>				
Designated cash	(222,250)	(188,326)	-	188,326
Transfers in	-	-	326,604	326,604
Transfers out	-	-	(451,604)	(451,604)
<i>Total other financing sources (uses)</i>	<u>(222,250)</u>	<u>(188,326)</u>	<u>(125,000)</u>	<u>63,326</u>
<i>Net change in fund balance</i>	-	-	86,449	86,449
<i>Fund balance - beginning of year</i>	-	-	582,607	582,607
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 669,056</u>	<u>\$ 669,056</u>
Net change in fund balance (GAAP)				\$ 14,761
Adjustments to revenue for lodger's tax accrual				(23,967)
Adjustments to expenditures for culture and recreation accruals				(47,721)
Net change in fund balance (non-GAAP budgetary basis)				<u>\$ 86,449</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Clovis
Special Fire & Police Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

Statement B-20

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	1,618,082	1,618,082	1,747,777	129,695
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	5,500	5,500	616	(4,884)
<i>Total revenues</i>	<u>1,623,582</u>	<u>1,623,582</u>	<u>1,748,393</u>	<u>124,811</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>1,623,582</u>	<u>1,623,582</u>	<u>1,748,393</u>	<u>124,811</u>
<i>Other financing sources (uses)</i>				
Designated cash	(1,623,582)	(1,623,582)	-	1,623,582
Transfers in	-	-	-	-
Transfers out	-	-	(1,641,431)	(1,641,431)
<i>Total other financing sources (uses)</i>	<u>(1,623,582)</u>	<u>(1,623,582)</u>	<u>(1,641,431)</u>	<u>(17,849)</u>
<i>Net change in fund balance</i>	-	-	106,962	106,962
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>18,849</u>	<u>18,849</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 125,811</u>	<u>\$ 125,811</u>
Net change in fund balance (GAAP)				\$ 120,367
Adjustments to revenues for gross receipts taxes				13,405
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)				<u>\$ 106,962</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-21

City of Clovis

Local Government Corrections Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	122,500	122,500	154,093	31,593
Investment income	1,500	1,500	2,214	714
Miscellaneous	-	-	(520)	(520)
<i>Total revenues</i>	<u>124,000</u>	<u>124,000</u>	<u>155,787</u>	<u>31,787</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>124,000</u>	<u>124,000</u>	<u>155,787</u>	<u>31,787</u>
<i>Other financing sources (uses)</i>				
Designated cash	(124,000)	(124,000)	-	124,000
Transfers in	-	-	(187,145)	(187,145)
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(124,000)</u>	<u>(124,000)</u>	<u>(187,145)</u>	<u>(63,145)</u>
<i>Net change in fund balance</i>	-	-	(31,358)	(31,358)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>64,145</u>	<u>64,145</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,787</u>	<u>\$ 32,787</u>
Net change in fund balance (GAAP)				\$ (31,358)
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)				<u>\$ (31,358)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-22

City of Clovis

Law Enforcement Protection Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	64,800	64,800	64,800	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	2,200	2,200	1,976	(224)
Miscellaneous	-	-	155	155
<i>Total revenues</i>	<u>67,000</u>	<u>67,000</u>	<u>66,931</u>	<u>(69)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	95,752	95,752	81,974	13,778
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>95,752</u>	<u>95,752</u>	<u>81,974</u>	<u>13,778</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(28,752)</u>	<u>(28,752)</u>	<u>(15,043)</u>	<u>13,709</u>
<i>Other financing sources (uses)</i>				
Designated cash	28,752	28,752	-	(28,752)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>28,752</u>	<u>28,752</u>	<u>-</u>	<u>(28,752)</u>
<i>Net change in fund balance</i>	-	-	(15,043)	(15,043)
<i>Fund balance - beginning of year</i>	-	-	28,752	28,752
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,709</u>	<u>\$ 13,709</u>
Net change in fund balance (GAAP)				\$ (15,043)
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)				<u>\$ (15,043)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Clovis
Area Agency on Aging Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

Statement B-23

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	-	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	21,662	21,662	14,739	(6,923)
Federal capital grants	-	-	-	-
State operating grants	82,923	82,923	50,604	(32,319)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	133	133
Miscellaneous	38,159	38,159	44,222	6,063
<i>Total revenues</i>	<u>142,744</u>	<u>142,744</u>	<u>109,698</u>	<u>(33,046)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	93,477	67,843	35,025	32,818
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>93,477</u>	<u>67,843</u>	<u>35,025</u>	<u>32,818</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>49,267</u>	<u>74,901</u>	<u>74,673</u>	<u>(228)</u>
<i>Other financing sources (uses)</i>				
Designated cash	(49,267)	(74,901)	-	74,901
Transfers in	-	-	(25,634)	(25,634)
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(49,267)</u>	<u>(74,901)</u>	<u>(25,634)</u>	<u>49,267</u>
<i>Net change in fund balance</i>	-	-	49,039	49,039
<i>Fund balance - beginning of year</i>	-	-	(49,039)	(49,039)
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (GAAP)				\$ (6,331)
Adjustments to revenue for federal and state grant accrual				(54,081)
Adjustments to expenditures for accrued wages and culture and recreation accruals				(1,289)
Net change in fund balance (non-GAAP budgetary basis)				<u>\$ 49,039</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Clovis
Clovis Area Transit System Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

Statement B-24

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	2,308,789	2,308,789	1,769,660	(539,129)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	40,000	40,000	35,527	(4,473)
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>2,348,789</u>	<u>2,350,214</u>	<u>1,807,179</u>	<u>(543,035)</u>
<i>Expenditures:</i>				
Current:				
General government	954,600	970,967	695,483	275,484
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	1,138,181	1,161,195	674,878	486,317
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,092,781</u>	<u>2,132,162</u>	<u>1,370,361</u>	<u>761,801</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>256,008</u>	<u>218,052</u>	<u>436,818</u>	<u>218,766</u>
<i>Other financing sources (uses)</i>				
Designated cash	(256,008)	(218,052)	-	218,052
Transfers in	-	-	282,602	282,602
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(256,008)</u>	<u>(218,052)</u>	<u>282,602</u>	<u>500,654</u>
<i>Net change in fund balance</i>	-	-	719,420	719,420
<i>Fund balance - beginning of year</i>	-	-	(500,654)	(500,654)
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 218,766</u>	<u>\$ 218,766</u>
Net change in fund balance (GAAP)				\$ (382,782)
Adjustments to revenue for bus facility grant				(1,122,386)
Adjustments to expenditures for general government accruals				20,184
Net change in fund balance (non-GAAP budgetary basis)				<u>\$ 719,420</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-25

City of Clovis

Department of Justice Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	58,603	58,603	19,996	(38,607)
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	96	96
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>58,603</u>	<u>58,603</u>	<u>20,092</u>	<u>(38,511)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	39,548	39,548	15,870	23,678
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>39,548</u>	<u>39,548</u>	<u>15,870</u>	<u>23,678</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>19,055</u>	<u>19,055</u>	<u>4,222</u>	<u>(14,833)</u>
<i>Other financing sources (uses)</i>				
Designated cash	(19,055)	(19,055)	-	19,055
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(19,055)</u>	<u>(19,055)</u>	<u>-</u>	<u>19,055</u>
<i>Net change in fund balance</i>	-	-	4,222	4,222
<i>Fund balance - beginning of year</i>	-	-	(16,196)	(16,196)
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,974)</u>	<u>\$ (11,974)</u>
Net change in fund balance (GAAP)				\$ (2,860)
Adjustments to revenue for LLEBG grants				(7,082)
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)				<u>\$ 4,222</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-26

City of Clovis

Drug Control Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	121,925	322,441	103,993	(218,448)
Federal capital grants	-	-	-	-
State operating grants	-	64,286	41,715	(22,571)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	601	601
Miscellaneous	5,000	21,564	39,368	17,804
<i>Total revenues</i>	<u>126,925</u>	<u>408,291</u>	<u>185,677</u>	<u>(222,614)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	47,054	333,420	270,522	62,898
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>47,054</u>	<u>333,420</u>	<u>270,522</u>	<u>62,898</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>79,871</u>	<u>74,871</u>	<u>(84,845)</u>	<u>(159,716)</u>
<i>Other financing sources (uses)</i>				
Designated cash	(79,871)	(74,871)	-	74,871
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(79,871)</u>	<u>(74,871)</u>	<u>-</u>	<u>74,871</u>
<i>Net change in fund balance</i>	-	-	(84,845)	(84,845)
<i>Fund balance - beginning of year</i>	-	-	(2,433)	(2,433)
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (87,278)</u>	<u>\$ (87,278)</u>
Net change in fund balance (GAAP)				\$ (31,211)
Adjustments to revenue for federal and state grant accruals				51,008
Adjustments to expenditures for prepaid insurance				2,626
Net change in fund balance (non-GAAP budgetary basis)				<u>\$ (84,845)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-27

City of Clovis

Eastern New Mexico Rural Water Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	3,582,621	2,332,622	(1,249,999)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	3,693	3,693
Miscellaneous	-	51,395	50,560	(835)
<i>Total revenues</i>	-	<u>3,634,016</u>	<u>2,386,875</u>	<u>(1,247,141)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	3,412,964	3,013,639	399,325
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	<u>3,412,964</u>	<u>3,013,639</u>	<u>399,325</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	<u>221,052</u>	<u>(626,764)</u>	<u>(847,816)</u>
<i>Other financing sources (uses)</i>				
Designated cash	-	(221,052)	-	221,052
Transfers in	-	-	159,440	159,440
Transfers out	-	-	(10,000)	(10,000)
<i>Total other financing sources (uses)</i>	-	<u>(221,052)</u>	<u>149,440</u>	<u>370,492</u>
<i>Net change in fund balance</i>	-	-	(477,324)	(477,324)
<i>Fund balance - beginning of year</i>	-	-	(170,652)	(170,652)
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (647,976)</u>	<u>\$ (647,976)</u>
Net change in fund balance (GAAP)				\$ 50,833
Adjustments to expenditures for state grant accrual				676,208
Adjustments to expenditures for public works accruals				(148,051)
Net change in fund balance (non-GAAP budgetary basis)				<u>\$ (477,324)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-28

City of Clovis

Drainage Improvement Debt Service Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	15,100	15,100	13,066	(2,034)
Miscellaneous	-	-	(35)	(35)
<i>Total revenues</i>	<u>15,100</u>	<u>15,100</u>	<u>13,031</u>	<u>(2,069)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	595,000	595,000	595,000	-
Interest	27,073	27,073	27,073	-
<i>Total expenditures</i>	<u>622,073</u>	<u>622,073</u>	<u>622,073</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(606,973)</u>	<u>(606,973)</u>	<u>(609,042)</u>	<u>(2,069)</u>
<i>Other financing sources (uses)</i>				
Designated cash	88,579	88,579	-	(88,579)
Transfers in	518,394	518,394	518,394	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>606,973</u>	<u>606,973</u>	<u>518,394</u>	<u>(88,579)</u>
<i>Net change in fund balance</i>	-	-	(90,648)	(90,648)
<i>Fund balance - beginning of year</i>	-	-	130,313	130,313
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,665</u>	<u>\$ 39,665</u>
Net change in fund balance (GAAP)				\$ (90,648)
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)				<u>\$ (90,648)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Clovis
Civic Center Debt Service Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

Statement B-29

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	5,000	5,000	5,594	594
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>5,000</u>	<u>5,000</u>	<u>5,594</u>	<u>594</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	140,000	140,000	140,000	-
Interest	134,294	134,294	134,294	-
<i>Total expenditures</i>	<u>274,294</u>	<u>274,294</u>	<u>274,294</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(269,294)</u>	<u>(269,294)</u>	<u>(268,700)</u>	<u>594</u>
<i>Other financing sources (uses)</i>				
Designated cash	(4,999)	(4,999)	-	4,999
Transfers in	274,293	274,293	274,293	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>269,294</u>	<u>269,294</u>	<u>274,293</u>	<u>4,999</u>
<i>Net change in fund balance</i>	-	-	5,593	5,593
<i>Fund balance - beginning of year</i>	-	-	58,054	58,054
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63,647</u>	<u>\$ 63,647</u>
Net change in fund balance (GAAP)				\$ 5,593
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)				<u>\$ 5,593</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-30

City of Clovis

Parks & Infrastructure Debt Service Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	12,100	12,100	13,658	1,558
Miscellaneous	-	-	(35)	(35)
<i>Total revenues</i>	<u>12,100</u>	<u>12,100</u>	<u>13,623</u>	<u>1,523</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	365,000	365,000	365,000	-
Interest	101,680	101,680	101,680	-
<i>Total expenditures</i>	<u>466,680</u>	<u>466,680</u>	<u>466,680</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(454,580)</u>	<u>(454,580)</u>	<u>(453,057)</u>	<u>1,523</u>
<i>Other financing sources (uses)</i>				
Designated cash	(12,100)	(12,100)	-	12,100
Transfers in	466,680	466,680	466,680	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>454,580</u>	<u>454,580</u>	<u>466,680</u>	<u>12,100</u>
<i>Net change in fund balance</i>	-	-	13,623	13,623
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>133,120</u>	<u>133,120</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 146,743</u>	<u>\$ 146,743</u>
Net change in fund balance (GAAP)				\$ 13,623
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)				<u>\$ 13,623</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-31

City of Clovis

Street Construction Capital Projects Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	200,000	-	(200,000)
State operating grants	-	-	-	-
State capital grants	6,524,764	6,524,764	1,692,731	(4,832,033)
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	3,507	3,507
Miscellaneous	-	-	90,834	90,834
<i>Total revenues</i>	<u>6,524,764</u>	<u>6,724,764</u>	<u>1,787,072</u>	<u>(4,937,692)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	5,294,479	5,590,228	1,286,808	4,303,420
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>5,294,479</u>	<u>5,590,228</u>	<u>1,286,808</u>	<u>4,303,420</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>1,230,285</u>	<u>1,134,536</u>	<u>500,264</u>	<u>(634,272)</u>
<i>Other financing sources (uses)</i>				
Designated cash	(1,230,285)	(1,134,536)	-	1,134,536
Transfers in	-	-	28,796	28,796
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(1,230,285)</u>	<u>(1,134,536)</u>	<u>28,796</u>	<u>1,163,332</u>
<i>Net change in fund balance</i>	-	-	529,060	529,060
<i>Fund balance - beginning of year</i>	-	-	(779,293)	(779,293)
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (250,233)</u>	<u>\$ (250,233)</u>
Net change in fund balance (GAAP)				\$ (367,092)
Adjustments to revenue for state grant accruals				(901,952)
Adjustments to expenditures for capital outlay				5,800
Net change in fund balance (non-GAAP budgetary basis)				<u>\$ 529,060</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Clovis
Drainage Improvement Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2008

Statement B-32

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	404,555	404,555	436,944	32,389
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	20,000	20,000	55,940	35,940
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>424,555</u>	<u>424,555</u>	<u>492,884</u>	<u>68,329</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	76,180	154,652	57,426	97,226
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>76,180</u>	<u>154,652</u>	<u>57,426</u>	<u>97,226</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>348,375</u>	<u>269,903</u>	<u>435,458</u>	<u>165,555</u>
<i>Other financing sources (uses)</i>				
Designated cash	(348,375)	(269,903)	-	269,903
Transfers in	-	-	300,000	300,000
Transfers out	-	-	(549,518)	(549,518)
<i>Total other financing sources (uses)</i>	<u>(348,375)</u>	<u>(269,903)</u>	<u>(249,518)</u>	<u>20,385</u>
<i>Net change in fund balance</i>	-	-	185,940	185,940
<i>Fund balance - beginning of year</i>	-	-	771,532	771,532
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 957,472</u>	<u>\$ 957,472</u>
Net change in fund balance (GAAP)				\$ 189,292
Adjustments to revenue for gross receipts taxes				3,352
No adjustments to expenditures				-
Net change in fund balance (non-GAAP budgetary basis)				<u>\$ 185,940</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement C-1

City of Clovis

Statement of Revenues, Expenses and Changes in Net Assets
 Budget (Non-GAAP Budgetary Basis) and Actual
 Solid Waste Proprietary Fund
 For the Year Ended June 30, 2008

	Budget Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable)
<i>Operating revenues:</i>				
Charges for services	\$ 3,088,814	\$ 3,088,814	\$ 3,421,657	\$ 332,843
<i>Total operating revenues</i>	<u>3,088,814</u>	<u>3,088,814</u>	<u>3,421,657</u>	<u>332,843</u>
<i>Operating expenses:</i>				
General and administrative	538,891	532,674	511,186	21,488
Personnel services	1,639,780	1,687,009	1,594,866	92,143
Contractual services	-	-	-	-
Supplies and purchased power	647,467	1,790,462	1,311,495	478,967
Maintenance and materials	745,244	820,233	697,332	122,901
Utilities	25,383	24,356	15,534	8,822
Miscellaneous	-	-	-	-
<i>Total operating expenses</i>	<u>3,596,765</u>	<u>4,854,734</u>	<u>4,130,413</u>	<u>724,321</u>
<i>Operating income (loss)</i>	<u>(507,951)</u>	<u>(1,765,920)</u>	<u>(708,756)</u>	<u>1,057,164</u>
<i>Non-operating revenues (expenses):</i>				
Operating grants	214,685	234,685	234,376	(309)
Miscellaneous income	-	79,428	23,274	(56,154)
Interest income	199,100	199,101	267,692	68,591
Interest expense	(119,477)	(119,478)	(119,477)	1
Gross receipts and other taxes	404,555	432,053	432,053	-
Landfill closure/postclosure care costs	-	-	-	-
<i>Total non-operating revenues (expenses)</i>	<u>698,863</u>	<u>825,789</u>	<u>837,918</u>	<u>12,129</u>
Capital grants	-	-	-	-
Transfers in	-	-	924,477	924,477
Transfers out	-	-	(907,802)	-
<i>Capital grants and net transfers</i>	<u>-</u>	<u>-</u>	<u>16,675</u>	<u>924,477</u>
<i>Change in net assets</i>	190,912	(940,131)	145,837	1,993,770
Designated cash	(190,912)	940,131	-	(940,131)
<i>Total net assets, beginning of year</i>	<u>-</u>	<u>-</u>	<u>3,891,565</u>	<u>3,891,565</u>
<i>Total net assets, end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,037,402</u>	<u>\$ 4,945,204</u>
Net change in net assets (GAAP)				\$ 700,745
Adjustments to revenue for charges for services, miscellaneous revenue and capital grant accruals				76,112
Adjustments to expenditures for accrued wages, compensated absences and operating expenses accruals				(1,454,774)
Depreciation				823,754
Net change in net assets (non-GAAP budgetary basis)				<u>\$ 145,837</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement C-2

City of Clovis

Statement of Revenues, Expenses and Changes in Net Assets
 Budget (Non-GAAP Budgetary Basis) and Actual
 Wastewater Proprietary Fund
 For the Year Ended June 30, 2008

	Budget Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable)
<i>Operating revenues:</i>				
Charges for services	\$ 2,197,920	\$ 2,197,920	\$ 2,278,573	\$ 80,653
<i>Total operating revenues</i>	<u>2,197,920</u>	<u>2,197,920</u>	<u>2,278,573</u>	<u>80,653</u>
<i>Operating expenses:</i>				
General and administrative	64,224	64,865	51,080	13,785
Personnel services	825,434	842,792	753,569	89,223
Contractual services	13,411	13,411	-	13,411
Supplies and purchased power	1,099,636	1,099,636	120,187	979,449
Maintenance and materials	632,623	672,811	336,546	336,265
Utilities	314,422	278,781	243,402	35,379
Miscellaneous	-	-	-	-
<i>Total operating expenses</i>	<u>2,949,750</u>	<u>2,972,296</u>	<u>1,504,784</u>	<u>1,467,512</u>
<i>Operating income (loss)</i>	<u>(751,830)</u>	<u>(774,376)</u>	<u>773,789</u>	<u>1,548,165</u>
<i>Non-operating revenues (expenses):</i>				
Operating grants	-	-	-	-
Miscellaneous income	159,366	164,554	168,936	4,382
Interest income	36,600	36,600	62,300	25,700
Interest expense	-	-	-	-
Gross receipts and other taxes	-	-	-	-
Landfill closure/postclosure care costs	-	-	-	-
<i>Total non-operating revenues (expenses)</i>	<u>195,966</u>	<u>201,154</u>	<u>231,236</u>	<u>30,082</u>
Capital grants	900,000	900,000	240,600	(659,400)
Transfers in	-	-	177,127	177,127
Transfers out	-	-	(325,998)	(325,998)
<i>Capital grants and net transfers</i>	<u>900,000</u>	<u>900,000</u>	<u>91,729</u>	<u>(808,271)</u>
<i>Change in net assets</i>	344,136	326,778	1,096,754	769,976
Designated cash	(344,136)	(326,778)	-	326,778
<i>Total net assets, beginning of year</i>	<u>-</u>	<u>-</u>	<u>475,757</u>	<u>-</u>
<i>Total net assets, end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,096,754</u>	<u>\$ 1,096,754</u>
Net change in net assets (GAAP)				\$ (76,158)
Adjustments to revenue for charges for services, taxes, interest and capital grant accruals				599,731
Adjustments to expenditures for accrued wages, compensated absences and operating expenses accruals				(613,584)
Depreciation				1,186,765
Net change in net assets (non-GAAP budgetary basis)				<u>\$ 1,096,754</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement C-3

City of Clovis

Statement of Revenues, Expenses and Changes in Net Assets
 Budget (Non-GAAP Budgetary Basis) and Actual
 Airport Proprietary Fund
 For the Year Ended June 30, 2008

	Budget Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable)
<i>Operating revenues:</i>				
Charges for services	\$ 122,743	\$ 122,743	\$ 120,990	\$ (1,753)
<i>Total operating revenues</i>	<u>122,743</u>	<u>122,743</u>	<u>120,990</u>	<u>(1,753)</u>
<i>Operating expenses:</i>				
General and administrative	-	-	-	-
Personnel services	167,403	171,884	170,095	1,789
Contractual services	243,963	557,568	435,204	122,364
Supplies and purchased power	-	-	-	-
Maintenance and materials	1,156,511	883,959	149,267	734,692
Utilities	41,080	41,080	36,538	4,542
Miscellaneous	-	-	-	-
<i>Total operating expenses</i>	<u>1,608,957</u>	<u>1,654,491</u>	<u>791,104</u>	<u>863,387</u>
<i>Operating income (loss)</i>	<u>(1,486,214)</u>	<u>(1,531,748)</u>	<u>(670,114)</u>	<u>861,634</u>
<i>Non-operating revenues (expenses):</i>				
Operating grants	835,361	836,413	9,677	(826,736)
Miscellaneous income	-	-	287	287
Interest income	1,000	1,000	906	(94)
Interest expense	-	-	-	-
Gross receipts and other taxes	-	-	-	-
Landfill closure/postclosure care costs	-	-	-	-
<i>Total non-operating revenues (expenses)</i>	<u>836,361</u>	<u>837,413</u>	<u>10,870</u>	<u>(826,543)</u>
Capital grants	509,819	549,820	447,751	(102,069)
Transfers in	-	-	269,862	269,862
Transfers out	-	-	-	-
<i>Capital grants and net transfers</i>	<u>509,819</u>	<u>549,820</u>	<u>717,613</u>	<u>167,793</u>
<i>Change in net assets</i>	<u>(140,034)</u>	<u>(144,515)</u>	<u>58,369</u>	<u>202,884</u>
Designated cash	140,034	144,515	-	(144,515)
<i>Total net assets, beginning of year</i>	<u>-</u>	<u>-</u>	<u>4</u>	<u>4</u>
<i>Total net assets, end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,373</u>	<u>\$ 58,373</u>
Net change in net assets (GAAP)				\$ (73,891)
Adjustments to revenue for charges for services and miscellaneous revenue accruals				(201,965)
Adjustments to expenditures for accrued wages, compensated absences and operating expenses accruals				(30,112)
Depreciation				364,337
Net change in net assets (non-GAAP budgetary basis)				<u>\$ 58,369</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

City of Clovis

June 30, 2008

INTERNAL SERVICE FUNDS

Workers Compensation Fund — To account for the provision of workers compensation coverage for employees of the City of Clovis.

Unemployment Reserve Fund — To account for the provision of unemployment insurance coverage for employees of the City of Clovis.

STATE OF NEW MEXICO

Statement D-1

City of Clovis
Combining Balance Sheet
Internal Service Funds
June 30, 2008

	Workers Compensation	Unemployment Reserve	Total
<i>Assets</i>			
<i>Current assets</i>			
Cash and cash equivalents	\$ 2,401,666	\$ 394,810	\$ 2,796,476
Prepays	348	-	348
<i>Total current assets</i>	<u>2,402,014</u>	<u>394,810</u>	<u>2,796,824</u>
<i>Noncurrent assets</i>			
Capital assets	47,116	-	47,116
Less: accumulated depreciation	<u>(35,597)</u>	<u>-</u>	<u>(35,597)</u>
<i>Total noncurrent assets</i>	<u>11,519</u>	<u>-</u>	<u>11,519</u>
<i>Total Assets</i>	<u><u>\$ 2,413,533</u></u>	<u><u>\$ 394,810</u></u>	<u><u>\$ 2,808,343</u></u>
<i>Liabilities and Net Assets</i>			
<i>Liabilities:</i>			
<i>Current liabilities</i>			
Accrued payroll expenses	\$ 304	\$ -	\$ 304
Accrued compensated absences	<u>2,298</u>	<u>-</u>	<u>2,298</u>
<i>Total current liabilities</i>	<u>2,602</u>	<u>-</u>	<u>2,602</u>
<i>Net Assets:</i>			
Invested in capital assets, net of related debt	11,519	-	11,519
Unrestricted net assets	<u>2,399,412</u>	<u>394,810</u>	<u>2,794,222</u>
<i>Total net assets</i>	<u>2,410,931</u>	<u>394,810</u>	<u>2,805,741</u>
<i>Total Liabilities and Net Assets</i>	<u><u>\$ 2,413,533</u></u>	<u><u>\$ 394,810</u></u>	<u><u>\$ 2,808,343</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement D-2

City of Clovis

Statement of Revenues, Expenses and Changes in Fund Net Assets

Internal Service Funds

For the Year Ended June 30, 2008

	Workers Compensation	Unemployment Reserve	Total
<i>Operating revenues:</i>			
Charges for services	\$ 591,876	\$ 62,984	\$ 654,860
<i>Total operating revenues</i>	<u>591,876</u>	<u>62,984</u>	<u>654,860</u>
<i>Operating expenses:</i>			
General and administrative	295,901	32,641	328,542
Personnel services	79,804	-	79,804
Depreciation	4,905	-	4,905
<i>Total operating expenses</i>	<u>380,610</u>	<u>32,641</u>	<u>413,251</u>
<i>Operating income (loss)</i>	<u>211,266</u>	<u>30,343</u>	<u>241,609</u>
<i>Non-operating revenues (expenses):</i>			
Interest income	140,364	16,287	156,651
Miscellaneous	476	7,170	7,646
<i>Total non-operating revenues (expenses)</i>	<u>140,840</u>	<u>23,457</u>	<u>164,297</u>
Transfers out	<u>(14,982)</u>	<u>-</u>	<u>(14,982)</u>
<i>Net transfers</i>	<u>(14,982)</u>	<u>-</u>	<u>(14,982)</u>
<i>Change in net assets</i>	337,124	53,800	390,924
<i>Net assets, beginning of year</i>	<u>2,073,807</u>	<u>341,010</u>	<u>2,414,817</u>
<i>Net assets, end of year</i>	<u>\$ 2,410,931</u>	<u>\$ 394,810</u>	<u>\$ 2,805,741</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
City of Clovis
Internal Service Funds
Statement of Cash Flows
For the Year Ended June 30, 2008

Statement D-3
(Page 1 of 2)

	Workers Compensation	Unemployment Reserve	Total
Cash flows from operating activities			
Receipts from interfund services provided	\$ 591,876	\$ 62,984	\$ 654,860
Payments to suppliers and employees	(487,714)	(32,641)	(520,355)
Net cash provided by operating activities	104,162	30,343	134,505
Cash flows from noncapital financing activities:			
Transfers in (out)	(14,982)	-	(14,982)
Miscellaneous income	476	7,170	7,646
Net cash provided (used) by noncapital financing activities	(14,506)	7,170	(7,336)
Cash flows from investing activities:			
Interest income	140,364	16,287	156,651
Net cash provided by investing activities	140,364	16,287	156,651
Net increase in cash and temporary investments	\$ 230,020	\$ 53,800	\$ 283,820

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

STATE OF NEW MEXICO
City of Clovis
Internal Service Funds
Statement of Cash Flows
For the Year Ended June 30, 2008

Statement D-3
(Page 2 of 2)

	Workers Compensation	Unemployment Reserve	Total
Net increase in cash and cash equivalents-previous page	\$ 230,020	\$ 53,800	\$ 283,820
Cash and cash equivalents July 1, 2007	2,171,646	341,010	2,512,656
Cash and cash equivalents June 30, 2008	\$ 2,401,666	\$ 394,810	\$ 2,796,476
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ 211,266	\$ 30,343	\$ 241,609
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	4,905	-	4,905
(Increase) decrease in:			
Prepays	158	-	158
(Decrease) increase in:			
Accounts payable	(111,850)	-	(111,850)
Accrued payroll	(2,615)	-	(2,615)
Compensated absences	2,298	-	2,298
	_____	_____	_____
Net cash provided by operating activities	\$ 104,162	\$ 30,343	\$ 134,505
Cash and cash equivalents - Statement D-1	\$ 2,401,666	\$ 394,810	\$ 2,796,476

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

STATE OF NEW MEXICO

Statement D-4

City of Clovis

Statement of Revenues, Expenses and Changes in Net Assets
 Budget (Non-GAAP Budgetary Basis) and Actual
 Workers Compensation Internal Service Fund
 For the Year Ended June 30, 2008

	Budget Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable)
<i>Operating revenues:</i>				
Charges for services	\$ 475,000	\$ 475,000	\$ 591,876	\$ 116,876
<i>Total operating revenues</i>	<u>475,000</u>	<u>475,000</u>	<u>591,876</u>	<u>116,876</u>
<i>Operating expenses:</i>				
General and administrative	541,052	548,552	407,593	140,959
Personnel services	80,194	82,720	80,121	2,599
<i>Total operating expenses</i>	<u>621,246</u>	<u>631,272</u>	<u>487,714</u>	<u>143,558</u>
<i>Operating income (loss)</i>	<u>(146,246)</u>	<u>(156,272)</u>	<u>104,162</u>	<u>260,434</u>
<i>Non-operating revenues (expenses):</i>				
Miscellaneous income	-	-	476	476
Interest income	80,000	80,000	140,364	60,364
<i>Total non-operating revenues (expenses)</i>	<u>80,000</u>	<u>80,000</u>	<u>140,840</u>	<u>60,840</u>
Transfers out	-	-	(14,982)	-
<i>Change in net assets</i>	<u>(66,246)</u>	<u>(76,272)</u>	<u>230,020</u>	<u>321,274</u>
Designated cash	66,246	76,272	-	(76,272)
<i>Total net assets, beginning of year</i>	<u>-</u>	<u>-</u>	<u>2,073,807</u>	<u>2,073,807</u>
<i>Total net assets, end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,303,827</u>	<u>\$ 2,318,809</u>
Net change in net assets (GAAP)				\$ 337,124
Adjustments to expenditures for accrued wages and compensated absences				(112,009)
Depreciation				<u>4,905</u>
Net change in net assets (non-GAAP budgetary basis)				<u>\$ 230,020</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement D-5

City of Clovis

Statement of Revenues, Expenses and Changes in Net Assets
 Budget (Non-GAAP Budgetary Basis) and Actual
 Unemployment Reserve Internal Service Fund
 For the Year Ended June 30, 2008

	Budget Amounts		Actual	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable)
<i>Operating revenues:</i>				
Charges for services	\$ 62,375	\$ 62,375	\$ 62,984	\$ 609
<i>Total operating revenues</i>	<u>62,375</u>	<u>62,375</u>	<u>62,984</u>	<u>609</u>
<i>Operating expenses:</i>				
General and administrative	62,375	62,375	32,641	29,734
<i>Total operating expenses</i>	<u>62,375</u>	<u>62,375</u>	<u>32,641</u>	<u>29,734</u>
<i>Operating income (loss)</i>	<u>-</u>	<u>-</u>	<u>30,343</u>	<u>30,343</u>
<i>Non-operating revenues (expenses):</i>				
Miscellaneous income	-	-	7,170	7,170
Interest income	12,000	12,000	16,287	4,287
<i>Total non-operating revenues (expenses)</i>	<u>12,000</u>	<u>12,000</u>	<u>23,457</u>	<u>11,457</u>
<i>Change in net assets</i>	12,000	12,000	53,800	41,800
Designated cash	<u>(12,000)</u>	<u>(12,000)</u>	-	<u>12,000</u>
<i>Total net assets, beginning of year</i>	<u>-</u>	<u>-</u>	<u>341,010</u>	<u>341,010</u>
<i>Total net assets, end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 394,810</u>	<u>\$ 394,810</u>
Net change in net assets (GAAP)				\$ 53,800
No adjustments				-
No adjustments				-
Net change in net assets (non-GAAP budgetary basis)				<u>\$ 53,800</u>

The accompanying notes are an integral part of these financial statements

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SUPPORTING SCHEDULES

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STATE OF NEW MEXICO
City of Clovis
Schedule of Collateral Pledged by Depository
For Public Funds
June 30, 2008

Schedule I

Depository	CUSIP #	Description of Pledged Collateral	Fair Market Value June 30, 2008	Name and Location of Safekeeper
Bank of America	31385XLY1	FNCL 555743	\$ 66,552	FHLB
		Due 9/01/2033		Dallas, TX
		Total Bank of America	<u>66,552</u>	
Citizen's Bank	36213FTP8	GNMA Pool #553258 Due 6/15/18	1,220,994	Texas Independent Bank Dallas, TX
	36225CZM1	GNMA II Pool #80747 Due 10/20/33	357,603	Texas Independent Bank Dallas, TX
	38374JDN3	GNR 2004-76 Due 4/20/30	1,305,163	Texas Independent Bank Dallas, TX
	36207ELL6	GNMA Pool #429731 Due 11/15/18	427,171	Texas Independent Bank Dallas, TX
	36202ERC5	GNMA Pool #4083 Due 2/20/38	4,009,579	Texas Independent Bank Dallas, TX
	36225CXJ0	GNMA II Pool #80680 Due 3/20/33	244,347	Texas Independent Bank Dallas, TX
	36225DAA2	GNMA II Pool #80900 Due 5/20/34	330,291	Texas Independent Bank Dallas, TX
	36225DF82	GNMA II Pool #81980 Due 10/20/34	1,409,745	Texas Independent Bank Dallas, TX
	36225DYK4	GNMA II Pool #81613 Due 2/20/36	727,422	Texas Independent Bank Dallas, TX
			Total Citizen's Bank	<u>10,032,315</u>
First Community Bank	3133X2BZ7	FHLB 3.63% Due 11/14/08	100,369	Farms Service Agency Clovis NM
	36225DAA2	MBX GNMA II 80900 ARM Due 5/20/34	354,981	Federal Reserve Bank Dallas, TX
		Total First Community Bank	<u>455,350</u>	
New Mexico Bank & Trust	3133MGYH3	FHLB 5.75% Due 8/15/11	1,562,335	New Mexico Bank & Trust Dubuque, IA
	3133X3YY3	FHLB 3.5% Due 2/13/09	2,509,600	New Mexico Bank & Trust Dubuque, IA
	31411AVX0	FNMA Pool 902530 6.0% Due 11/1/36	2,717,372	New Mexico Bank & Trust Dubuque, IA
	31411AVX0	FNMA CMO 4.5% Due 3/25/17	995,280	New Mexico Bank & Trust Dubuque, IA
		Total New Mexico Bank & Trust	<u>7,784,587</u>	
Western Bank of Clovis	313401FV8	FHLMC Due 12/1/2008	131	FHLB Dallas, TX
	313625AJ4	FNMA Due 3/1/2029	34,368	FHLB Dallas, TX
		Total Western Bank of Clovis	<u>34,499</u>	
		Total Pledged Collateral	<u>\$ 18,373,303</u>	

See independent auditor's report

STATE OF NEW MEXICO

City of Clovis
 Schedule of Deposits
 For Public Funds
 June 30, 2008

Account	Account Type	Bank of America	Citizens Bank	First Community Bank
Municipal Court Fund	Checking	\$ 12,604	\$ -	\$ -
Revenue Account	Checking	51,704	-	-
General Fund	Repurchase	-	1,412,909	-
Special Streets Fund	Money Market	-	67,317	-
NM LEPF	Money Market	-	2,706	-
Area Agency on Aging	Money Market	-	4,011	-
EFT Transfer Fund	Money Market	-	-	-
General Fund Investment	Money Market	-	-	-
Fire Fund	Money Market	-	-	-
Department of Justice	Money Market	-	-	-
Payroll Account	Money Market	-	-	-
Drug Control Fund	Money Market	-	-	-
Credit Cards Account	Money Market	-	-	-
Lodging Tax Fund	Money Market	-	-	-
Cash-State Treasurer D/S	Money Market	-	-	-
Reserve Funds Payable	Money Market	-	-	-
Policy Deposit	Deposit	-	-	-
LGIP Pooled	Investment	-	-	-
Business AMMA	Money Market	-	-	551,350
Certificate of Deposit	Time	-	-	-
Certificate of Deposit	Time	-	-	-
Certificate of Deposit	Time	-	-	-
Certificate of Deposit	Time	-	-	-
Certificate of Deposit	Time	-	-	-
		64,308	1,486,943	551,350
Reconciling Items		(53,452)	538,863	-
Reconciled balance - June 30, 2008		\$ 10,856	\$ 2,025,806	\$ 551,350

See independent auditor's report

NM Bank and Trust	Western Bank of Clovis	Bank of Albuquerque	New Mexico State Treasurer	New Mexico Self Insurer's	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,604
-	-	-	-	-	51,704
-	-	-	-	-	1,412,909
-	-	-	-	-	67,317
-	-	-	-	-	2,706
-	-	-	-	-	4,011
17,496	-	-	-	-	17,496
3,842,254	-	-	-	-	3,842,254
1,011	-	-	-	-	1,011
1,003	-	-	-	-	1,003
179,102	-	-	-	-	179,102
1,100	-	-	-	-	1,100
8,636	-	-	-	-	8,636
-	59,999	-	-	-	59,999
-	-	-	1,273,355	-	1,273,355
-	-	476,593	-	-	476,593
-	-	-	-	72,958	72,958
-	-	-	12,925,000	-	12,925,000
-	-	-	-	-	551,350
1,098,856	-	-	-	-	1,098,856
1,098,856	-	-	-	-	1,098,856
1,098,856	-	-	-	-	1,098,856
1,098,856	-	-	-	-	1,098,856
1,098,856	-	-	-	-	1,098,856
<u>9,544,882</u>	<u>59,999</u>	<u>476,593</u>	<u>14,198,355</u>	<u>72,958</u>	<u>26,455,388</u>
(2,128,478)	(57,462)	-	-	-	(1,700,529)
<u>\$ 7,416,404</u>	<u>\$ 2,537</u>	<u>\$ 476,593</u>	<u>\$ 14,198,355</u>	<u>\$ 72,958</u>	<u>24,754,859</u>

Petty Cash	6,680
Total cash and cash equivalents	<u>\$ 24,761,539</u>

Cash and cash equivalents	\$ 24,715,182
Cash and cash equivalents- Agency funds	46,357
	<u>\$ 24,761,539</u>

STATE OF NEW MEXICO
City of Clovis
Schedule of Changes in Fiduciary Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2008

Schedule III

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
ASSETS				
Veterinary				
Cash and cash equivalents	\$ 30,451	\$ 5,050	\$ -	\$ 35,501
Municipal Court				
Cash and cash equivalents	8,464	82,620	80,228	10,856
<i>Total assets</i>	\$ 38,915	\$ 87,670	\$ 80,228	\$ 46,357
LIABILITIES				
Veterinary				
Deposits held in trust for others	\$ 30,451	\$ 5,050	\$ -	\$ 35,501
Municipal Court				
Deposits held in trust for others	8,464	82,620	80,228	10,856
<i>Total liabilities</i>	\$ 38,915	\$ 87,670	\$ 80,228	\$ 46,357

See independent auditor's report

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***

Hector Balderas
New Mexico State Auditor
The Office of Management and Budget
To the City Manager and City Commission
The City of Clovis
Clovis, New Mexico

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Clovis, as of and for the year ended June 30, 2008 which collectively comprise the City's basic financial statements as listed in the table of contents and have issued our report thereon dated November 21, 2008. We also have audited the financial statements of each of the City's nonmajor governmental funds, internal service funds and the budgetary comparisons for the proprietary funds and the remaining nonmajor governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2008 as listed in the table of contents. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered City of Clovis's internal control over financial reporting 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 City of Clovis's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Clovis's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City of Clovis's financial statements that is more than inconsequential will not be prevented or detected by City of Clovis's internal control. We consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting as items FS 07-01, FS 07-02 and FS 08-03.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by City of Clovis's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Clovis'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 responses as items FS 07-03, FS 07-07, FS 08-01 and FS 08-02.

We noted certain matters that are required to be reported under *Government Auditing Standards, January 2007 Revision* paragraphs 5.14 and 5.16, and Section 12-6-5, NMSA 1978, which are described in the accompanying schedule of findings and questioned costs as findings FS 08-04 and FS 08-05.

City of Clovis's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit City of Clovis's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, others within the City of Clovis, the audit committee, the State Auditor, the New Mexico Legislature, the New Mexico Department of Finance and Administration, and applicable federal grantors, and is not intended to be and should not be used by anyone other than these parties.

Accounting + Consulting Group, LLP

Accounting & Consulting Group, LLP
Albuquerque, NM
November 21, 2008

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FEDERAL FINANCIAL ASSISTANCE

**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Hector Balderas
New Mexico State Auditor
The Office of Management and Budget and
The City Commission
City of Clovis
Clovis, New Mexico

Compliance

We have audited the compliance of City of Clovis, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. City of Clovis's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of City of Clovis's management. Our responsibility is to express an opinion on City of Clovis's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 City of Clovis's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of City of Clovis's compliance with those requirements.

In our opinion, City of Clovis complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of City of Clovis is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered City of Clovis's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 City of Clovis's internal control over compliance.

A control deficiency in City of Clovis's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects City of Clovis's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more the inconsequential will not be prevented or detected by City of Clovis's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by City of Clovis's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we considered to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, others within City of Clovis, the City Commission, the Office of the State Auditor, the Department of Finance and Administration, the New Mexico Legislature, and applicable federal grantors and pass through entities, and is not intended to be and should not be used by anyone other than these parties.

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP
Albuquerque, NM
November 21, 2008

STATE OF NEW MEXICO
City of Clovis
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2008

Schedule IV
(Page 1 of 2)

	CFDA Number	Federal Grantors Number	Federal Expenditures
U.S. Department of Public Safety			
<i>Passed through NM Department of Public Safety</i>			
Emergency Preparedness	83.552	EMT-2002-GR-0003-C	\$ 38,522
U.S. Environmental Protection Agency			
EPA Grant	66.202	XP-966350-01	240,600
U.S. Department of Homeland Security			
Exercise Support Grant (1)	97.006	Various	413,808
U.S. Department of Justice			
<i>Passed through NM Department of Justice</i>			
Local Law Enforcement Block Grant	16.592	2006-DJ-BX-1062	940
<i>Passed through NM Department of Public Safety</i>			
Drug Control and Systems Improvement	16.503	06-JAG-PPA02-REGIO	103,516
Cops in Schools	16.710	2002SHWX0380	48,510
Bullet Proof Vests	16.607	2006DJBX1062	6,948
<i>Passed through Children, Youth & Families</i>			
Juvenile Justice	16.523	2005BUBX05028	28,570
Total U.S. Department of Justice			188,484
U.S. Department of Transportation			
<i>Passed through NM State Highway Department</i>			
Federal Aviation Agency	20.106	3-35-0011-019-2006	230,078
Federal Transit Cluster Program (1)	20.516	Various	148,764
Selective Traffic Enforcement	20.600	06-PT-63-023	19,953
Operation Buckledown	20.602	06-RF-01-023	13,128
DWI Road Block	20.608	06-AL-64-023	18,862
STEP	20.609	07-PT-DS-023	3,232
Bus Facility (1)	20.500	NM-03-004-00	1,660,598
Total U.S. Department of Transportation			2,094,615
Total Federal Financial Assistance			\$ 2,976,029

(1) Denotes Major Program

See independent auditors' report

STATE OF NEW MEXICO
City of Clovis
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2008

Schedule IV
(Page 2 of 2)

Notes to Schedule of Expenditures of Federal Awards

1 Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of the City of Clovis, New Mexico (City) and is presented on the modified accrual basis of accounting, which is the same basis as was used to prepare the fund financial statements.

2 Subrecipients

The City did not provide any federal awards to subrecipients during the year.

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

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 2,976,029
Total expenditures funded by other sources	<u>37,810,714</u>
Total expenditures	<u><u>\$ 40,786,743</u></u>

See independent auditors' report

STATE OF NEW MEXICO
City of Clovis
Schedule of Findings and Questioned Costs
June 30, 2008

A. SUMMARY OF AUDIT RESULTS

Financial Statements:

- | | |
|--|-------------|
| 1. Type of auditors' report issued | Unqualified |
| 2. Internal control over financial reporting: | |
| a. Material weakness identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes |
| c. Noncompliance material to the financial statements noted? | No |

Federal Awards:

- | | |
|---|-------------|
| 1. Internal control over major programs: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | No |
| 2. Type of auditors' report issued on compliance for major programs | Unqualified |
| 3. Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? | No |
| 4. Identification of major programs: | |

CFDA Number	Federal Program
20.500,20.507 & 20.516 97.006	Federal Transit Cluster Program Homeland Security Exercise Support Grant

- | | |
|---|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$300,000 |
| 6. Auditee qualified as low-risk auditee? | Yes |

B. FINDINGS-FINANCIAL STATEMENT AUDIT –

FS 07-01 — Internal Control Deficiency – Payroll Deductions (City)

Condition: During our process of gaining an understanding of the City's controls over the payroll process and testing the operating effectiveness of controls over payroll, we noted the following

- 3 of 20 employee records tested had figured an incorrect amount for the deduction of Retiree Health Care.
- 1 of 20 employee records tested there was no form on file declining medical insurance.

Criteria: Good accounting practices require that the City should establish and maintain an internal control structure to provide reasonable assurance that payroll is properly administered and that payroll components are properly recorded in the general ledger.

Cause: The City included a cell phone stipend as total income to figure the deduction amount.

Effect: The City is over withholding RHC amount from employees that receive the cell phone stipend and over withholding for medical benefit contributions.

Auditors' Recommendations: We recommend that the City begin calculating RHC withholding while not including the cell phone stipend in total income and refund the amounts that have been deducted over the allowable deduction amount. In addition, we recommend that the City require all employees to accept or decline medical insurance during orientation and that the paperwork be filed in the employees personnel files.

Management's Response: Payroll has been corrected to eliminate the calculation of the cell phone stipend for RHC withholding. Management will calculate overpayments and return to employees. Payroll Accountant will update insurance files to ensure that declinations are signed by employees and will inform new employees of the requirement to complete the form during their orientation period.

07-02: Preparation of Financial Statements (City and Component Unit)

Condition: The financial statements and related disclosures are not being prepared by the City.

Criteria: According to the American Institute of Certified Public Accountants' Statement on Auditing Standards No. 112, a system of internal control over financial reporting does not stop at the general ledger. Well designed systems include controls over financial statement preparation, including footnote disclosures.

Cause: The City's personnel do not have the time and have not been adequately trained in understanding the elements of external financial reporting, including the preparation of financial statements and related footnote disclosures.

Effect: When sufficient controls over the preparation of financial statements and related disclosures are not designed, implemented and operating effectively, an entity's ability to prevent or detect a misstatement in its financial statements is limited.

Auditors' Recommendation: We recommend City management and personnel receive training on understanding the requirements of external financial reporting.

The training should include, but not be limited to:

- Selection of appropriate accounting policies:
 - Governmental Accounting Standards Board (GASB)
 - Generally Accepted Accounting Principles (specifically as applied to governmental units)

- Financial Accounting Standards Board (FASB)
- Understanding the financial reporting entity
- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements
- Required supplementary information
 - Management's discussion and analysis
- Supplementary information required by the Office of the State Auditor

In addition, we recommend that the City develop and implement policies and procedures designed to prevent or detect possible misstatements in its financial statements and related footnote disclosures.

Management's Response: Management continues to work on the training process on understanding the requirements of external financial reporting.

Housing: The Agency has no response to this finding. We do not concur with this finding as we are a small housing authority and the cost to fully implement the recommendations would be astronomical.

FS 07-03 — Travel and per diem (City)

Condition: During our testing of travel and per diem reimbursements, we noted the following condition:

- The supporting documentation for one of the ten items in our sample we selected could not be located. The amount of the voucher was for \$152.00.

Criteria: Section 2.42.2 NMAC provides for the reimbursement of meals and travel expenses have adequate supporting documentation to validate expenditures incurred.

Cause: The City had no reason or idea for why these documents were not able to be located. There were others who attended the same event and all of their documentation can be found, it is only this individual that they can't locate.

Effect: Employee travel expenses may be reimbursed incorrectly, as errors may occur and not be detected.

Auditors' Recommendations: We recommend that the City improve its supervision of the travel advance and reimbursement process to ensure that appropriate documentation for disbursements is maintained and accessible at all times in order to determine that correct amounts are being reimbursed.

Management's Response: Management reviews and verifies all per diem reimbursements. Management will continue to monitor and review all per diem reimbursements and ensure that the scanning and filing process is kept timely.

FS 2007-07 — Budgetary Authority Exceeded (Component Unit)

Condition: The Low Rent Public Housing program exceeded budgetary authority by \$39,660 and the Section 8 program exceeded budgetary authority by \$9,085 for the fiscal year ended June 30, 2008.

Criteria: Section 6-6-6, NMSA 1978, states that when any budget for a local public body has been approved and received by a local public body, it is binding upon all officials and governing authorities, and no governing authority or official shall allow or approve claims in excess thereof, and no official shall pay any check or warrant in excess thereof.

Cause: The budget was not adjusted for increased expenditures in the Low Rent and Section 8 funds.

Effect: Checks or warrants paid in excess of the approved budget shall be a liability against the official so allowing or paying those claims, check or warrants, and recovery for the excess amount so allowed or paid may be had against the bondsmen of those officials.

Recommendation: The Agency should implement budget to actual reviews in sufficient time to request budget adjustments prior to actual expenditures exceeding budgetary authority.

Management's Response: The Section 8 budget exceeded due to auto body work that was done on a vehicle that we budgeted as a fixed asset because the work was over the NM statute of \$5,000.00. The auditor adjusted the cost to expense. The agency will be more aware of any such expenses and ensure that they are budgeted where appropriate.

FS 08-01 — Disposition of Computers (City)

Condition: During our testwork of fixed assets, we noted that the City disposed of computers during the year ended June 30, 2008. The City was unable to locate the computers or the documentation that they were disposed properly.

Criteria: NM State Audit Rule 2.2.2.10(V)(2) states in the event a computer is included in the planned disposition, the agency shall "sanitize" all licensed software and any electronic media pertaining to the agency. Hard drive erasure certification is still required even if the asset originally cost less than \$5,000 and was not included in the capital asset inventory. According to the May 5, 2002 memorandum from the Chief Information Technology Security and Privacy Office on this subject, "ordinary file deletion procedures do not erase the information stored on hard disks or other magnetic media. Sanitizing erases or overwrites totally and unequivocally, all information stored on the media.

Cause: The City disposed of computers but failed to follow the proper procedures in accordance with 2008 State Audit Rule 2.2.2.10(V)(2).

Effect: The City was unable to locate the computers or the documentation showing that they were disposed of properly.

Auditors' Recommendations: The City must implement a procedure to ensure that computer hard drives are properly sanitized prior to disposal.

Management's Response: Policies for disposal of computers are in place and Management has updated Department Heads of this procedures. Management will discuss this procedure with Department Heads every six months.

FS 08-02 — Stale-dated Checks

Condition: During cash test work, we found eleven checks totaling \$1,061.94 that were written over a year ago and listed as outstanding checks on the bank reconciliations. The City has not reported the payees or turned over the funds to the Unclaimed Property Division of the New Mexico Taxation and Revenue Department.

Criteria: Section 7-8A, NMSA 1978, and related regulations require that the City provide information about he the payees and the related fund to Unclaimed Property Division of the New Mexico Taxation and Revenue Department for outstanding checks that were distributed but not cashed within one year.

Cause: The City failed to review the reconciliations for old outstanding checks. In addition, the City was not aware of the requirement to remit the stale-dated check funds to the New Mexico Taxation and Revenue Department.

Effect: The City's cash balances could misstated due to old outstanding items on bank reconciliations. In addition, this increases the risk of errors or irregularities in the area of cash.

Auditors' Recommendation: We recommend that the City implement a monthly review of bank reconciliations and ensure that all outstanding checks that are older than one year old be voided.

Management's Response: Outstanding checks older than one year will be voided and processed according to the Warrant Cancellation Act Section 6-10-55 to 6-10-57, NMSA 1978. City disagrees with the procedure to remit under Chapter 7-8A, NMSA 1978. The Warrant Cancellation Act is a specific statute and therefore has precedent over a general statute such as Chapter 7-8A.

FS 08-03 — Internal Controls – Bank Reconciliations (City)

Condition: During cash test work, we found dozens of outstanding items that were invalid reconciling items and instances where cash should have been transferred to accounts and/or journal entries made to eliminate various interbank transactions listed as outstanding.

Criteria: Per the SAS 112 Appendix, failure to perform reconciliations of significant accounts in a timely and accurate manner is the failure in the operation of the internal control.

Cause: The City changed financial institutions during the year and started an overnight repurchase agreement account. There was confusion and a lack of communication amongst and between the City's management and the bank and many transactions were not cleared out as June 30, 2008.

Effect: The unnecessary outstanding items in the bank reconciliations are very confusing and increases the risk of errors or irregularities in the area of cash.

Auditors' Recommendation: We recommend that the City implement a monthly review of bank reconciliations and eliminate all unnecessary reconciling items timely to prevent errors and confusing information.

Management's Response: Finance Department is completing the process of eliminating current unnecessary reconciling items. Finance Director will begin a monthly review of bank reconciliations and ensure that all unnecessary reconciling items have been eliminated.

FS 08-04 Deficiencies in Internal Control Structure Design, Operation, and Oversight (Component Unit)

Criteria: *The Codification of Statements on Auditing Standards* (SAS AU) paragraph 110.03 states that the financial statements are management's responsibility. Management is responsible for adopting sound accounting policies, and for establishing and maintaining internal control that will, among other things, initiate, authorize, record, process, and report transactions (as well as events and conditions) consistent with management's assertions embodied in the financial statements.

Condition: During our overall review of the internal control structure of the organization, we noted some areas where management's review is not documented. It appears that there are reviews taking place as there were no exceptions noted with regards to the operational effectiveness of the related internal controls. The areas we found where there is no documentation of review are: changes to the payroll master file; review and mailing of vouchers after electronic signature, and HAP disbursements..

Cause: There is no signature or other evidence of management reviews of: changes to the payroll master file; review and mailing of vouchers after electronic signature; and review of HAP disbursements.

Effect: There is no way for agency officials to determine that the next step in the internal control process is authorized and can be completed because there is no documentation indicating the previous step has been reviewed. In addition, there is no audit trail available showing that a review by management has taken place in these areas.

Auditors' Recommendation: The Agency should implement a documentation step i.e. signature/initial in the internal control processes of changes to the payroll master file, review and mailing of vouchers after electronic signature and HAP disbursements to ensure that agency officials know that they can proceed in the internal control process. All changes to the payroll master file should be reviewed and approved by the Executive Director. All vouchers should be reviewed subsequent

to electronic signature and should be mailed by someone other than the bookkeeper. All reviews of HAP disbursements should be documented by the Executive Director.

Management's Response: All changes to payroll will be reviewed and approved by the Executive Director. All vouchers will be more thoroughly reviewed subsequent to signatures. All HAP disbursements will be more thoroughly reviewed and documented by the Executive Director. The Housing Authority does not see any risk in the bookkeeper mailing the checks and it would not be cost effective to the Housing Authority to hire an additional person just to mail the checks.

FS 08-05: Lack of proper signature(Component Unit)

Criteria: The Agency appears to have an unwritten policy of having both the tenant and the housing personnel sign off on the Total Tenant Payment (TTP) form in the tenant file.

Condition: During our testwork, we noted that the TTP form in 1 of 40 files tested was not signed by housing personnel. Signatures by the tenant and housing personnel were found on all of the other 39 files in our sample,

Effect: The Agency did not consistently follow its own internal control policy which could result in errors on the form.

Cause: The missing signature was overlooked by the Agency.

Auditors' Recommendation: Tenant files should be monitored closely to ensure that all required documentation is maintained. In addition, all of the agency's internal controls should be adhered to in maintaining tenant files.

Management's Response: The Housing Authority will continue to monitor tenant files to ensure that all required documentation is maintained.

C. FEDERAL AWARD FINDINGS - NONE

STATE OF NEW MEXICO
City of Clovis
Schedule of Findings and Questioned Costs
June 30, 2008

Schedule V
Page 7 of 7

D. PRIOR YEAR AUDIT FINDINGS

2007-1: Payroll – Repeated and Modified

2007-2: Preparation of Financial Statements - Repeated

2007-3: Travel and Per Diem – Repeated and Modified

2007-4: Retiree Health Care Reconciliation - Resolved

2007-5: Incorrect Billing for Sewage Service - Resolved

2007-6: Internal Controls over General Ledger reconciliation to Subsidiary Ledgers - Resolved

2007-7: Budgetary Authority Exceeded - Repeated

STATE OF NEW MEXICO
City of Clovis
Other Disclosures
Year Ended June 30, 2008

A. AUDITOR PREPARED FINANCIAL STATEMENTS

Although it would be preferred and desirable for the City to prepare its own GAAP-basis financial statements, it is felt that the City's personnel have neither the time nor the expertise to prepare them. Therefore, the outside auditor prepared the GAAP-basis financial statements and footnotes for inclusion in the annual audit report.

B. EXIT CONFERENCE

The contents of the report for the City of Clovis were discussed on December 1, 2008. The following individuals were in attendance.

City of Clovis Officials

Isidro Garcia, Commissioner
Joe Thomas, City Manager
Don Clifton, Director of Budget and Internal Operations
LeighAnn Melancon, Finance Director

Auditors

Jeff McWhorter, CPA
Robert Cordova, CPA
Mike Lyons, CPA